



**INSTITUTE OF HUMAN RESOURCE ADVANCEMENT**  
**UNIVERSITY OF COLOMBO, SRI LANKA**  
**Masters Degree in Business Management - Course No.02**  
**2<sup>nd</sup> Semester Examination**  
**(Held in July, 2014)**  
**MBM 06 – Marketing Management**

**Instructions to the Candidates**

- (1) Total number of pages – Three (03)
- (2) Total number of questions - Five (05)
- (3) Answer all questions.
- (4) If a page or a part of this question paper is not printed, please inform the Supervisor immediately.
- (5) Time allocated for the examination is three (03) hours.
- (6) Write your index number in all pages of answer script
- (7) Tie up all answer sheets at the end of the examination

1. i. "Present environmental changes such as explosive growth in computer industry, telecommunication, and information technology have major impact on the way companies bring value to their customers, therefore marketers need more holistic approach for formulate marketing strategies." Describe this statement by emphasizing component of the holistic marketing concept.

(10 Marks)

- ii. "The goal of marketing is to deliver long-term value to customers, and the measures of success are long-term customer satisfaction and retention than short term profit maximization." Explain above statement by highlighting customer value, lifetime value and loyalty with examples.

(10 Marks)

(Total 20 marks)

2. i. Briefly explain two trends of social and cultural environment and identify two new product development ideas based on the above changes.

(06 Marks)

- ii. "New product development is vital but risky." Discuss.

(06 Marks)

- iii. Marketers cannot use same marketing objectives and strategies for the product throughout its all stages of the life cycle. Do you agree with the above statement? Justify your answer.

(08 Marks)

(Total 20 marks)

3. **Coca Cola to the Indian Rural Market**

In early 2002, Coca-Cola India (CCI) launched a new advertising campaign featuring leading bollywood actor - Aamir Khan. Coca-Cola was targeted at rural and semi-urban consumers. According to company sources, the idea was to position Coca-Cola as a generic brand for cold drinks. The campaign was launched to support CCI's rural marketing initiatives.

CCI began focusing on the rural market in the early 2000s in order to increase volumes. This decision was not surprising, given the huge size of the untapped rural market in India. With flat sales in the urban areas, it was clear that CCI would have to shift its focus to the rural market. Nantoo Banerjee, spokeswoman - CCI, said, "The real market in India is in the rural areas. If you can crack it, there is tremendous potential."

CCI's rural marketing strategy was based on three A's - Availability, Affordability and Acceptability. The first 'A' - Availability emphasized on the availability of the product to the customer; the second 'A' - Affordability focused on product pricing, and the third 'A' - Acceptability focused on convincing the customer to buy the product.

- i. What are the major obstacles to introduce coca cola into the rural market in India?  
(04 Marks)
- ii. Do you think, consumer behaviour of the rural consumers are different from urban consumers and explain factors affecting for those differences.  
(08 Marks)
- iii. Why CCI need different marketing strategies to enter into rural market? Identify special strategies that CCI should specially implement to expand operations into rural markets of the India.  
(08 Marks)  
(Total 20 marks)

4.
  - i. "Pricing strategy plays an important role in consumer purchasing behaviour and decision making process". Discuss.  
(08 Marks)
  - ii. "Too high price - no possible demand and too low price - no possible profit".  
Elaborate these concepts.  
(06 Marks)
  - iii. Identify the characteristics of three forms of vertical marketing systems and compare them with traditional marketing systems.  
(06 Marks)  
(Total 20 marks)

5. i. Identify the characteristics of services and explain why human resources have to be more closely linked in services than in manufacturing. Give examples. .
- ii. What are the determinants of service quality and explain with examples, how they create uniqueness for the service organizations.

(10 Marks)

(10 Marks)

**(Total 20 marks)**

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