



PG – 686

III Semester M.B.A. (Day) Examination, January 2013  
(2007-08 Scheme)  
MANAGEMENT  
M-1 : Business Marketing

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **any six** of the following. **Each** question carries **two** marks. (2x6=12)

1. a) What is acceleration effect ?
- b) Define personal selling.
- c) What is Missionary Selling ?
- d) Define trade selling.
- e) What are horizontal publication ?
- f) What is learning curve ?
- g) What is competitive bidding ?
- h) What are the criteria for market segmentation ?

SECTION – B

Answer **any three** of the following : (3x8=24)

2. Explain the role of Blake and Mouton Managerial Grid in developing the sales force.
3. Explain the channel design framework used by a business marketing company.
4. Explain the strategic procurement process in commercial enterprises.
5. What are the various unique characteristics of Government customers in business market ?
6. Discuss various promotional tools are their significance in Industrial market.

P.T.O.



## SECTION - C

Answer **any two** of the following :**(2×12=24)**

7. Explain various stages in the business buying process.
8. Elaborate the role of personal selling in Business markets.
9. Write short notes on :
  - a) Major Influences on Business Buyers  
(Webster and wind model)
  - b) Classification of industrial products.

SECTION - D  
(Compulsory)

10. Case study :

**(1×15=15)**

Around 1980, the talk of small cars caught up in a big way in India. Those were the days of the MRTP Act and big business tycoons like Tatas, Birlas, Modis, and Singhanias were given industrial licences after careful scrutiny. Government decided to consider giving licence to next category of entrepreneurs. Mr. Prakash of Coimbatore, Sipani Automobiles of Bangalore and Mr. Sanjay Gandhi were in the news for developing small cars to suit the Indian middle class people.

Of the three entrepreneurs, Sipani of Bangalore was already making a car shaped three wheeler called 'Badal' and it was more of a modified auto. However, that gives a picture of 'something' in terms of capacity to take up bigger endeavour. The parallel comments for others was that Sanjay will get political back up and Prakash is at best a big garagewala. All these three had applied for licences along with the existing car manufacturers of 'Ambassador' and 'Fiat'. The central Government very diplomatically asked the three new entrepreneurs to prove their proto-type to award a licence. In those days it was a big dream and challenge in 'Auto-industry'. In automobiles, engine is the most important portion for quality and reliability. Indians knowledge and expertise was not compared equal to world standard and more so to make small cars. Hence, Mr. Sanjay took the technology assistance of M/s Suzuki of Japan and named his company as Maruti Automobiles Pvt. Ltd. and the would be small car as 'Maruti' to win Indian sentiments about gods. At the same time M/s Sipani Automobiles Pvt. Ltd., decided to import only engine kits from Montana England and named his would be small car as 'Montana' a fancy English name to attract urban buyers and elite class of metros who can afford more than one car.



News magazines started giving articles on both these cars. 'Montana' had the speciality of fibre-glass body and ready and proven engine from England. It was a two door small car. In the prototype test, after three trials, it was approved and licence was given to M/s Sipani to manufacture 3600 cars p.a. This was enough for the company to advertise for bookings. It was claimed to give 20 km/litre, a big news in those days. Thousands of people booked the car by paying advance of Rs. 10,000, the full value being Rs. 50,000 per car.

M/s Sipani started delivery of the car within six months of bookings and it became a big craze on Bangalore roads to begin with. Soon all metro population liked it due to easy movement in crowded roads, more mileage, new looks and a fancy feeling compared to other two models existing at that time. Until 1984-85, the company enjoyed excellent market by selling 100 Nos./m and making the car in different colours in the days when only black and white coloured cars were seen on Indian roads.

Sometime in 1983, 'the Maruti' model (Imported) was exhibited in New Delhi's Pragati Maidan industrial fair and a very big appreciation came for it and its comparison with 'Montana' was talk of the country. Maruti had many better innovative and high technology features in all respects like body design, quality of workmanship, colour range, interiors etc. People preferred to wait for 'Maruthi' rather than buy Montana.

Montana was slightly modified to make 4 doors and there was slight improvements in interiors. However, it still looked very ordinary compared to 'Maruti'. Moreover, around 1985 Japanese had very high reputation for innovation and quality in automobiles and electronic industry. So far, Montana had not bothered about 'marketing'. Now its MD started worrying about marketing and not having collaborations. Importing the engine kit became costly due to devaluation of Indian Rupee. The downfall gradually led to the closure of the company. It is a different story that (Maruti Udyog Ltd. (MUL) went on to become market leader in the automobile sector of the Indian sub-continent.

**Questions :**

- i) Explain what went wrong with the 'Industrial marketing' methods of Montana.
- ii) Where did Montana go wrong in the technology factor. What were the factors responsible for this ? and
- iii) If you were MD of M/s Sipani, what pro-active measures you would have taken from the marketing and product development point of view ?