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MBAS 556

IV Semester M.B.A. Degree Examination, July/August 2023
(Regular and Repeater)
BUSINESS ADMINISTRATION
International Marketing Management

Time : 3 Hours

Max. Marks : 70

SECTION – A
(Compulsory)

Sri Dharmasthala Manjunatheshwara
College of Business Management, Mangalore
Post Graduate Centre for Management
Studies and Research Library

Answer to the question should **not** exceed **6** pages :

(1×15=15)

1. Explain the distinction between distribution logistics and supply chain management in the context of international marketing.

SECTION – B

Answer **any five** questions. **Each** question carries **8** marks. Answer to the question should **not** exceed **5** pages :

(5×8=40)

2. Bring out the difference between push and pull strategies of promotion.
3. Explain the different types of branding for international marketing.
4. Explain the various methods of export financing.
5. Explain the role of export import bank in export financing.
6. Elucidate the functions of Federation of Indian Export Organisation.
7. Explain the factors affecting channel choice.
8. Explain in detail channel management decisions.

P.T.O.



SECTION – C
(Compulsory)

Answer to this question should **not** exceed 6 pages :

(1×15=15)

9. In February 2010, Ford India Pvt. Ltd., the wholly-owned subsidiary of Ford Motor Company, launched its first small car, the Ford Figo¹, in India. Within 15 months of its launch, Figo sales had crossed 1,00,000 unit sales. The Ford Figo's rapid market growth saw it joining the club of the top five selling cars in India along with the Maruti Alto, the Hyundai i10, the Maruti Swift, and the Maruti Wagonr. The Ford Figo received many accolades including the best passenger car award (2010). Having successfully launched the company's first best selling car model in India, the challenge before the marketing team was how to maintain the momentum in the long run.

Ford president and CEO, Alan Mulally (Mulally), stated that the new Ford Figo was designed and engineered to compete in the heart of the domestic car market in India. At the September 2009 show at which the Figo was revealed, Mulally said, "Our exciting new Ford Figo shows how serious we are about India. It reflects our commitment to compete with great products in all segments of this car market. We are confident the Ford Figo will be a product that Indian consumers really want and value." The company had conducted a lot of marketing research to understand consumer behavior while developing the Figo. Based on research, Ford found its potential target customer and named him Sandeep. Sandeep was a young, tech-savvy, value seeking buyer. Ford designed and developed the Figo to suit the target customer's needs. The Ford Figo featured a solid stance, an invitingly large interior, and a vibrant, youthful character. From the day of its reveal, Ford started giving final shape to its marketing strategies for the Figo to get ready for the big launch. Keeping the target customer in mind, Ford followed a multi-pronged launch strategy covering many aspects like online social networking, the print media, TV commercials, blogging, and specific website and online advertising. With the initial success behind it, the marketing team faced a challenge in evolving a marketing strategy to build on the company's first major success in India.

Ford Motor Company, a global automotive industry leader based in Dearborn, Michigan, USA, manufactured or distributed automobiles across six continents.



With about 2,01,000 employees and about 90 plants worldwide, the company's automotive brands included Ford, Lincoln, Mercury and Volvo. The company provided financial services through Ford Motor Credit Company established in 1995. Ford India was a wholly owned subsidiary of Ford Motor Company with more than 2,300 employees. Ford started its operations in India in 1995 as a 50/50 joint venture with Mahindra and Mahindra (M and M).

The company launched its first product in India 'The Escort' (C segment sedan) in 1996 from M and M's Nashik Plant. In 1999, the Escort platform was ceased and Ford launched 'Ikon' from its new facility in Chennai. This was followed by the launch of Endeavour SUV in 2003, the Fusion in 2004 and the Fiesta in 2005. In March 2005, Ford bought out M and M's 15% stake in the company. For the period January to December 2006, Ford India posted an overall growth of 87%. In January 2008, Ford announced plans to invest US \$ 500 million to double the capacity, set up an engine plant and launch Figo. Ford India registered a 3% overall annual growth in 2009 on year-on-year sales performance, selling a total of 29,488 units in this year compared to 28,563 units sold during the previous year.

Ford India did not register any significant growth in the passenger vehicle market in India. As of 2009, Ford India sold around 2,000 cars a month while the market leader Maruti Suzuki India Ltd. (Maruti Suzuki) sold over 71,000 cars a month. In India, the largest manufacturer of small cars in the world, small cars accounted for 78% of the total cars sold. According to experts, the main reason for Ford India's low sales volume in the country was its lack of presence in the small car segment in a market which was extremely price-conscious. After doing product and brand-specific market research and tracking shifts in the social, technological, economic, environmental, and political arenas, Ford conducted market research online and in person, refining and creating new data-gathering processes that influenced product development and the marketing campaigns. The Ford Figo was designed based on the survey research.

The Ford Figo was developed to capture the younger generation of customers. As such, it was specifically targeted at the mid-20s age group and the emerging needs of this group. In a reveal sequence as spicy as India itself, the Ford Figo emerged in a lightning surround of colors, lights, Bollywood-inspired music, smoke, and camera flashes during the September 23 event. On September



23, 2009, Mulally revealed two Figo models, one in bright Squeeze green and the other silver.

Ford India followed a unique marketing strategy for the Ford Figo. The launch was supported with a marketing campaign designed to communicate the car's leading features to a number of core audiences namely the press, the car dealerships, and the customers. Ford India sold more than 30,000 units of the Figo in 25 weeks. Hinrichs said, "As we have seen from the spectacular early success of the Ford Figo, more and more Indian consumers appreciate the fuel efficient, economical, high quality, safe, and fun-to-drive vehicles that Ford offers. By the middle of this decade we will introduce eight new vehicles to India from our global platforms, in segments appropriate for this market. This is part of our 'better plan' to bring more and more vehicles from our vast global portfolio to India and other markets in Asia Pacific and Africa." Though Ford had entered the Indian car market in 1997, till it launched the Figo, it had less than 1.8% of the Indian car market. "Figo is a game changer for us and will help us to increase our market share in India," Boneham said. However, he noted that more buyers were opting for diesel models, leading to a mismatch in supply.

Questions :

- a) Analyze Figo's marketing strategies and explore ways in which the marketing should be evolved to keep the brand relevant to the target audience.
- b) Describe the various issues and challenges in target marketing.
- c) Discuss the study of the multi-pronged introduction strategy of Figo.