

PGDM, 2014-16

Marketing Management II

DM-205

Trimester – II, End-Term Examination: December 2014

Time allowed: 2 Hrs and 30 Min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No. on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. In case of rough work please use answer sheet.

| Sections | No. of Questions to attempt | Marks | Marks |
|----------|------------------------------|--------------------|-----------|
| A | 3 out of 5 (Short Questions) | 5 Marks each | 3*5 = 15 |
| B | 2 out of 3 (Long Questions) | 10 Marks each | 2*10 = 20 |
| C | Compulsory Case Study | 15 Marks | 15 |
| | | Total Marks | 50 |

Section A

Q1. GameTech International, which manufactures wearable health tracking devices, plans to enter India. The company however, decides to delay its entry and wants to watch the operations of its closest competitor, which is also entering India. What is the possible rationale behind this delaying decision? What is the strategy followed by GameTech?

Q2. Savola Ltd., which manufactures Savola brand of healthy cooking oil intends to launch a TV commercial to promote the product. Describe how the ad can incorporate negative appeals in its messages effectively.

Q3. Discuss how do the stages in a product's life cycle influence the marketing communications mix?

Q4. Price discrimination, which occurs when a company sells a product at two or more prices that do not reflect a proportional difference in costs, is often practiced by companies. Briefly discuss how a company can use pricing discrimination with suitable examples?

Q5. No matter how well channels are designed and managed, there will be some channel conflict. What are the causes of channel conflict?

Section B

Q6. As a product manager, you have been asked by your company to develop new product(s) that would help the company grow further. Explain what process you would follow in achieving this objective.

Q7. You have been asked to devise an integrated communication plan for a new mobile phone that would be launched shortly by a new company. Explain how you would achieve this task by outlining the steps involved in developing effective marketing communications.

Q8. Select a company of your choice and analyze its product mix. How will you carry out this analysis? Why is it important for product-line managers to do a product-line analysis? On what basis would you decide to retain or drop a brand?

Section C

Building a Co-Branded Card: Buy Now and Pay Now: Citibank Indian Oil

Debit Card

Citibank and Indian Oil have unveiled India's first co-branded debit card in Mumbai. Mr J M Gugnani, Executive Director (sales), Indian Oil and Mr Sarvesh Sarup, Global Consumer Banking Head, Citibank India and Mr Sameer Vakil, Vice President and Country Manager, South Asia, Master card International met over a cup of coffee to discuss about the success of the co-branded debit card. Till date co-branded credit cards were available in India. Indian consumers prefer buying more on cash than swapping a debit card on their purchases. But they have a strong feeling that debit cards also will provide ample opportunity for consumers to earn points and redeem them for free gifts and coupons which otherwise a cash based transaction would not have made possible.

Citibank is a member company of Citigroup, the largest and most diversified financial service provider in the world. Citibank in India has come to be acknowledged as one of the leading International banks with a track record of outstanding milestones. Cash management was pioneered by Citibank in 1986 and is used by 800 corporate with through puts totaling \$25 billion which is 6% of India's GDP. It holds 8% of market share in foreign exchange management. It has over \$5 billion assets as the leading custodian. It is also pioneer in consumer banking being the first to introduce focused consumer lending programs and also first to introduce electronic banking. It is the first to launch credit cards in India and has more than 1.6 million credit card users in India.

Indian Oil Corporation is the largest commercial enterprise in India and the only Indian presence in Fortune 100 companies of the world. It is the largest National Oil company in Asia Pacific Region. It operates 7 of the 18 refineries in India with a combined capacity of 38.15 million tones per annum. It has the country's largest network of crude and product pipelines with a combined

length of 6523 kms and a capacity of 43.45 million mts per annum. It holds 53% of the petroleum products market share in India.

Indian Oil and Citibank are pioneers and leaders in their respective business domain. So, it was thought that the card would be made available to both new and existing Citibank Suvidha and Banking customers across the existing 15 cities in India where Citibank has branches. They can opt for this card at the time of opening their account with Citibank and existing customers can get this card on request. This co-branded card will serve both as debit card as well as an ATM card, providing customers an online access to their account while they shop or withdraw cash. This card is based on Master card's online direct access payment mechanism. There is no transaction fee on usage of the debit card at Indian Oil retail outlets. For every 100 rupees spent at Indian Oil retail outlets using the Indian Oil Citibank Debit card, the customer will get 2 reward points. Similar purchases at other locations earn the cardholder one reward point per Rs100. All reward points can be accumulated and redeemed for free petrol, SERVO engine oils at Indian Oil retail outlets. In addition there is a plan to have special offers on batteries, tires and other products.

Mr Gugani is of the opinion that Indian Oil is having a bouquet of cards that fit almost all possible categories. Some of the popular cards include The Indian Oil Citibank Credit Card, Power Plus Fleet card, Indian Oil Myshop card etc. Indian Oil debit card is a unique product that provides safety, convenience and budgetary capabilities. Mr Sarves Sarup is of the opinion that Citibank always looks for innovative ways to add value and convenience to the life style and financial requirements of customers. The Indian Oil Citibank Debit card has the potential for leveraging the strength of relationship between Indian Oil and Citibank, which can provide unique benefit of 'Buy Now and Pay Now' segment of the petrol users.

Questions

Is there a perfect fit between Indian Oil and Citibank to launch a co-branded debit card? Do you think it will work in Indian environment? What are the methods that you will suggest for creating a differentiation between the co-branded credit cards and debit cards of the same partners? What benefits do you think, this cobranded card will serve for both the partners as well as customers?