

QP Code : 17556

(CBSGS)
(3 Hours)

[Total Marks : 60

- N.B :**
- (1) **Section-A is compulsory.**
 - (2) Attempt any **Four** question from remaining **Six** in **Section-B.**
 - (3) Relevant industry examples to validate your answers will be appreciated.
 - (4) Add suitable diagrams to support your answer.
 - (5) Please do not repeat point.
 - (6) You are free to make logical assumptions while solving the Case study but they must be mentioned clearly in your answer.

SECTION-A (20 Marks)

Read the following and answer the question as mentioned in the end

Case on TATA Ace

The resounding success of Tata Ace, a mini-truck with an engine capacity of less than one ton launched by Tata Motors, was due to a deep understanding of the market needs and customer requirements. The vehicle was designed after extensive market research, which reflected customers' requirement for a smaller vehicle that had low maintenance costs, higher driver safety, better driving comfort, and also one that reflected the social status of the owner and the user. Ace was a roaring success in a market that was earlier dominated by three-wheeler load carriers, and was also awarded the BBC-Top Gear Design of the Year 2006.

The resounding success of Tata Ace, a mini-truck with an engine capacity of less than one ton launched by Tata Motors in 2005, was due to a deep understanding of the market needs and customer requirements. The company realized that with the booming Indian economy there would be a demand for large multi axle trucks which could transport materials more efficiently. At the same time, this would also necessitate a demand for smaller vehicles on feeder routes for the hub-and-spoke type of arrangement. This would require smaller vehicles, which are capable of navigating through the narrow roads and by-lanes of cities, small towns, and villages, to service the feeder routes. At that time, the market for transporting small loads over short distances had been cornered by the three-wheeler majors like Bajaj and Piaggio. In order to compete effectively with the three-wheeler majors who dominated the market for small payload vehicles, the company needed to offer a better solution to the customers. The solution was in the market, and that is where the engineers went to talk to the transporters, the small traders, and the farmers to understand their needs and requirements.

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Discussions with potential customers and a detailed market research indicated that there was indeed a need for a vehicle for transporting sub one ton loads over small distances. Customers wanted a last mile distribution vehicle that had low maintenance costs, higher driver safety, and better driving comfort. What came out more strongly was the social status that small traders, transporters and farmers associated with a four-wheeler "truck." Accordingly, it was decided that the vehicle should be positioned as a Tata truck in mini size with a competitive price tag while maintaining high quality standards. Pricing was a crucial issue as the vehicle had to be priced in comparison to the three-wheelers, and therefore the cost had to be reduced. This was achieved through a combination of using and modifying parts already developed for other vehicles in the Tata stable, and outsourcing, which constituted as much as 82 percent of the product.

As the commercial-vehicle owners were concerned with the turnaround time of the vehicle for the next trip and the loading capacity, Tata Ace was designed to achieve top speeds of about 8-14 kph higher than that of the other three-wheelers, and also a cargo bed bigger than the existing three-wheelers. Thus, Tata Ace was fitted with a 700cc engine capable of delivering 16bhp, suitable for both rural and urban use, with the ability of carrying a variety of payloads, and with the agility to navigate narrow by-lanes owing to its lower turning radius. The sporty car-like features were modelled to ensure comfort in ride and handling while differentiating the vehicle from the three-wheelers. The sleek appearance as well as the positioning as a truck in mini size reinforced the social prestige aspect.

The vehicle was advertised using the symbol of a baby elephant with the tag line "small is big". It was launched with a 15 to 20 percent higher price tag than that of a comparable model of three-wheeler. As the vehicle operated only within a limited radius, the service points had to be closer to the vehicles' operating routes. For this purpose, the company augmented the service network by training automobile garages that were branded as Tata-certified service points.

Within 22 months of the launch of the vehicle, the company rolled out the 1,00,000th Ace, surpassing its own optimistic estimates by a huge margin. Besides the Indian market, Tata Ace was also launched in the international markets of Sri Lanka and Nepal.

Questions:

1. Henry Ford said that customers could get cars of any color as long as it was black, while Tata Motors went to customers before designing Ace and asked them about the price and features that they wanted. Compare and contrast between these two approaches.
2. What are the different types of benefits or gratifications that consumers can draw from a product or a service? Discuss with respect to the case.

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SECTION-B (40 Marks)

Answer any 4 out of 6 Questions.

Each question would carry **10 Marks** and each sub-question would carry **05 marks**.
Explain all the answers with examples of your choice

3. Marketing Strategy overview
 - (a) Marketing Strategy
 - (b) Business Strategy
 - (c) Marketing vs Business StrategyAny two from (a) or (b) or (c)
4. Pillars of Marketing
 - (a) Types of Segmentation
 - (b) Targeting Strategy
 - (c) Positioning StrategyAny two from (a) or (b) or (c)
5. Market Situation Strategy
 - (a) Leaders Strategy
 - (b) Challengers Strategy
 - (c) Nichers StrategyAny two from (a) or (b) or (c)
6. Five forces model of competition
 - (a) Bargaining Power of Supplier
 - (b) Threat of New Entrants
 - (c) Rivalry among existing IncumbentsAny two from (a) or (b) or (c)
7. Portfolio models
 - (a) BCG Matrix
 - (b) GE Matrix
 - (c) Ansoffs MatrixAny two from (a) or (b) or (c)
8. New Product Strategy
 - (a) Marketing Entry Strategy
 - (b) Brand Extension
 - (c) Product Line ExtensionAny two from (a) or (b) or (c)