

(FURTHER REVISED COURSE)

(3 Hours)

[Total Marks : 60]

- N.B. : (1) Section I is Compulsory and carries 20 marks.
 (2) In Section II answer any four questions out of six. Each question carries 10 marks.
 (3) Write both the Sections in one answer book.

Section I

1. The following case is based on the Company's Brief released for news circulation. Answer the questions set below. Note that marks will be given for thought process and supporting theoretical concepts outlined for justification. 20

BSA Motors launches largest range of eScooters in India

BSA Motors, a Strategic Business Unit of Tube Investments of India (TII), part of the Rs.9582 crore Murugappa Group, launched five models of BSA eScooters in Chennai recently. The eScooters are manufactured at the BSA Motors new plant in Ambattur, with an investment of Rs.200 million for the first phase. The Ambattur plant has an initial production capacity of 150 eScooters a day which can be ramped up to 300 units per day as and when required. The first batch of eScooters has been rolled out from Chennai on 10th November 2008.

BSA Motors announced Actress Tamannah, the rising star in south Indian movies as the brand ambassador for BSA eScooters, to create strong linkage with the target audience of the age group between 14 to 30 years. She has acted in trendsetting films like 'Happy Days' in Telugu and 'Kalloori' in Tamil.

Mr. M A Alagappan, Executive Chairman, Murugappa Group launched the product range. The five models of the BSA eScooters are:

Smile - The most competitively priced e-Scooter in the country for the age group of 13 to 18 years; 250 W, top speed of 25kmph. License and Registration is not required for riding this eScooter

Divia - First e-Scooter designed exclusively for girls in the age group of 16 to 20 years; 250 W, top speed of 25kmph. License and Registration is not required for riding this eScooter

Street Rider - Unisex sportz model from teen to twenties; 250 W, top speed of 25 kmph. License and Registration is not required for riding this eScooter

Roamer - For working men and women for the age group of 18 to 25 years; 500 W, top speed of 40kmph, requires license and registration.

Roamer+ - The Family eScooter ; 800 W, top speed of 45 kmph, requires license and registration.

Commenting on the occasion, Mr. M M Murugappan, Chairman, Tube Investments of India said, "We see our entry into the electric two wheeler market as a logical extension of our current business, from bicycles to electric two wheelers. The eScooters is presently a Rs.450 crore market in India and the industry is expected to double in a year's time. BSA's foray into the eScooters category helps us to expand our portfolio in the two wheeler market. He also added, "BSA eScooters will undoubtedly be the next big success from TII."

The Ambattur plant will have facility for painting, assembly and testing of eScooters. Key parts like motor, controller, battery, lamps, wheel discs, tyres & tubes have been sourced from reputed automotive vendors. The plant is equipped with State-of-the-Art technology with comprehensive full vehicle performance testing with a test track, motorized conveyor assembly line with modern assembly tools.

The BSA eScooters are certified by Automotive Research Association of India (ARAI) to be used in public roads in India. Maintenance free batteries and motors make BSA eScooters 100% trouble free. The BSA eScooters have an efficiency of 82-85% in comparison to petrol run vehicles which has an efficiency of 35-38%.

Speaking on the occasion, Mr. Arun Alagappan, Senior Vice President, BSA Motors, said, "BSA Motors, a Strategic Business Unit was consciously formed to ensure focus and attention to the growing eScooter market in India. The BSA marketing team is constantly tracking leading style and fashion trends among the youth and their way of life. Hence, care has been taken on every aspect of the marketing mix to suit it to the target group. He also added, "Our initial thrust will be in the south Indian market and would be accessible with wide range of dealership network shortly."

BSA Motors has carried out extensive market research to understand customer preferences in terms of features, colours, graphics and product names. The products have been specifically designed to suit Indian conditions. Every model has gone through extensive tests and validation to suit to the Indian roads and weather.

Each eScooter will have four colour options with the exception of Diva which will have five colour options. The unique features of these eScooter models are its protective safety switch, twin passenger foot rest, ergonomically designed seats, great storage space, side reflectors and many more innovative features that are not currently available in the market. The forte of BSA Motors lies in product design and top notch quality. Out of the five models, three models are in 250 watts, one in 500 watts and one in 800 watts.

Press advertisements of BSA Motors calling for 40 dealerships in South India had an overwhelming response from 400 applicants. Strict criteria were applied for dealer selection and the best 45 applications were selected for the launch phase. BSA Motors initially plans to set up 45 exclusive dealerships before December 2008 in states of Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, Puducherry and Goa. All BSA Motors showrooms in the country will also have service centres with best in class equipment to provide complete service and satisfaction to the BSA customers.

For effective after sales service, BSA Motors plans to set up a centralized customer care call centre. BSA Motors' customers can shortly call on GSM and Toll free VSNL number or SMS for product queries, test rides and service related issues.

Questions :

- (1) According to you, what could have been the Criteria applied by BSA Motors for Dealer Selection ?
- (2) Assume BSA Motors have announced a Price Range of Rs.22,000/ to Rs.36,000/- depending on the different Models. Suggest the pricing for each of the models. Justify your Answer.
- (3) According to you, which of the Five Models will sell maximum and why ?
- (4) What could be the reasons for the initial thrust in the South Indian Markets only by BSA Motors ? Comment on the selection criteria for the Brand ambassador.

Section II

2. In many consumer products companies, marketing executives seem to play the lead role in new product planning, whereas research and development executives occupy this position in firms with very complex products such as electronics. Why do these differences exist ? 10
3. Segmenting, Targeting, Positioning and Differentiation hold up the Marketing Strategy of a firm. Discuss this fact by giving examples in the four wheeler market in India. 10
4. Marketing Strategy is a concept developed by the Organization with the close participation of all the members including the Agencies. Explain and bring out the difference between Marketing Strategy and Marketing Management. 10
5. Pricing of product has to maintain a fine balance while being optimum to generate profits, affordable to the customer and fair to beat competition. Highlight the importance of setting the objectives in formulating the Pricing Strategy. 10
6. Explain Porter's five forces model and value chain. How it can enhance performance of an Organization ? 10
7. Write short notes (any two) :— 10
 - (a) Harvesting Strategy.
 - (b) New Product - Idea Generation
 - (c) Sales Promotion tools for Personal Selling.
 - (d) Distribution Channels for Frozen Foods.