MBA(PT)V/11.14.1050 Reg.No.

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MBA(PT) DEGREE V SEMESTER EXAMINATION NOVEMBER 2014

SMP 2505 –STRATEGIC MARKETING

(Prior to 2012 Admission)

Time: 3 Hours Maximum Marks : 50

(5 x 10 = 50)

I. Define strategic planning. How does it differs from conventional planning? Explain the steps in strategic marketing planning.

OR

II. Explain the role of macro environmental analysis in strategic marketing planning.

III. A small firm is entering the photocopying market with a new version of photocopier with new technology. Suggest a suitable market entry strategy for the firm.

OR

IV. Explain the following:
- (i) guerrilla attach
- (ii) Flank attack
- (iii) Harassment strategy

V. Discuss various position defensive strategies of a market leader in the Auto segment.

OR

VI. What do you mean by market challenger strategy? What strategies are generally used by market challenger to challenge the leader?

VII. What do you mean by brand positioning? Explain the different strategies used by companies for brand positioning.

OR

VIII. Discuss the role of counter trade as a pricing strategy for international marketing.

IX. CASE PROBLEM: (COMPULSORY)

Company:

The Union Oil Company is a diversified company in the petroleum industry and is engaged in all phases of oil refining and marketing of oil-related products. It produces and refines crude oil; manufactures and sells refined petroleum products; and sells fuel oils for industrial customers.

The refined products of the company include gasoline, naphtha, kerosene, light and heavy fuel oils, industrial oils and lubricants and other specialties. The company has 5 refineries and has extensive research and development capabilities to introduce new and improved products in the marketplace.

The oil industry is intensely competitive. The competition is very keen in marketing and distribution of refined products to industrial and retail consumers. In spite of increased capacities of several competitors, Union Oil was still a major market participant with significant market share in industrial lubricants.

(P.T.O.)

The leadership position of Union Oil was due to its unique technological capabilities developed through its R&D process. The industrial lubricants were blended from selected raw materials and processed using its proprieties for use in various heavy industrial machinery. Union Oil sold all industrial lubricants under its own brand names. The containers were marked with a special identification number which enabled the company to trace the date and batch of manufacture of the lubricant. Samples from each hatch were stored for several years. These samples enabled the company to track changes in the composition over the years and resource complaints from clients. All customers were thoroughly satisfied with the quality of the lubricant and there were virtually no customer complaints on the performance of the lubricant. Because of Union Oil's strict adherence to the above procedures, it had 50 per cent market share in industrial lubricants.

The marketing manager at Union Oil was for two years trying to get a major consumer of a special lubricant to switch to Union Oil. NL. Industries was the biggest diversified corporation with significant demand in its various subsidiaries, NL used Lubricant from another, major oil producer for years and was content with the existing supplier. NL, however, had a unique purchasing policy. Due to its heavy consumption of several raw materials, it bought from various manufacturers with its own name of containers and packages. The purchasing department defined the specifications and acquired supplies on a competitive basis. This permitted NL to buy its raw materials from several suppliers but at the same time not depending on any particular brand name.

The purchasing manager was impressed with the quality of Union Oil's products and expressed willingness to obtain Union Oil's lubricant in order to diversify from the current single source. He explained to Union Oil that NL would buy the lubricant but not under Union's brand name. NL would supply their containers which would be identical to those used for obtaining lubricant from their competitors. He believed that this policy could not be compromised under any circumstances.

Union Oil, on the other hand, could not sell lubricant other than under its own brand name. It indicated some willingness to change the policy if NL would allow special identification numbers to got on the containers that would distinguish Union Oil from their competitors. This would allow them to resolve problems if there were any complaints from NL subsidiaries. Union Oil could not allow any other compromises due to its insistence on quality.

It appeared that NL would not bend its purchasing policies. Union Oil, on the other hand, stood to gain on increase of 10 percent in its lubricant market share and possibly more in future years.

QUESTIONS

(i) What should Union Oil do in this situation?

(ii) Should the blending process be altered to match competitor's composition and also match the price?

(iii) How important is it to increase market share and discourage competition in specialty products? And

(iv) Should the strict 'branding" policy be compromised in order to gain in market share?

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