



MBA.IB.II/05.12.348

**MBA (INTERNATIONAL BUSINESS) DEGREE II SEMESTER
EXAMINATION MAY 2012**

SMI 2205 INTERNATIONAL MARKETING

Time: 3 Hours

Maximum Marks: 50

(5 × 10 = 50)

- I. A. What are the salient features of international marketing? Explain.
OR
B. What do you understand by international marketing orientations? Explain with suitable illustrations.
- II. A. What are international market entry strategies? Explain.
OR
B. What is strategic alliance? Explain its role in international marketing.
- III. A. What are the various pricing strategies followed in international market? Explain.
OR
B. What are the product strategies followed by MNCs in global market? Narrate their salient features.
- IV. A. What are the various steps involved in designing international marketing organization? Explain.
OR
B. Describe the factors determining promotion strategies in international market.

V. **Case study:**

The new iteration of Maruti Suzuki's best-selling entry level sedan, the swift Dzire, has a four-speed Automatic Transmission (AT) variant. You no longer have to keep changing gears to match the car's speed while driving. The vehicle does so on its own – with just one (or two) forward option on the gear stick as well as a reverse and neutral option. It is the first Maruti Suzuki offering with automatic transmission since the AX variant of the Wagon R launched years ago.

Small cars with automatic transmission are still a niche segment. Mr. Mayank Pareek, Managing Executive Officer for marketing and sales of Maruti Suzuki, estimates they will account for only five percent of Swift-Dzire's sales, but this is still better than before when they were virtually ignored. "The price difference is quite large, but it is a small one to pay for those who want the convenience of automatic cars." he adds. Running costs are almost the same, the AT variant consumes only marginally more fuel.

(P.T.O.)

Automatics outnumber manual variants overseas and Pareek feels that with increasing numbers of Indians having travelled abroad and driven them, such cars are bound to get more popular in India. "Automatics are 90 percent of the car fleet in the United States", he says. "I think people who return from there will drive sales". He also expects automatics to get cheaper as sales increase.

Hyundai has been selling AT variants of its *i10* and *i20* cars for years now. At ₹5.11 lakh, its *i10* Sportz AT is the cheapest automatic car in India (Its manual variant costs around ₹4.5 lakh). It is a different story with bigger and more costly cars. Since the cost of an automatic is much the same for all cars, the more expensive the model, the narrower the cost difference between the AT and the regular variant. The automatics variant of Hyundai's mid-level Sedan, Verna, for instance accounts for 6% of the model's sales.

With luxury cars, the situation is the reverse. It is manual transmission models that are the rarity. Audi, BMW and Mercedes-Benz only provide manual transmission options in their high-end models. "Many customers for these cars also buy smaller cars. Once they have driven an automatic in India, they find it difficult to drive a vehicle with manual transmission again" says Pareek.

Questions:

1. Is there any scope for the sales of small cars with Automatic Transmission (AT) in India, as in the United States? Justify your answer.
2. What are the promotion strategies needed for the marketing of small cars with AT in India and abroad? Give your suggestions.
