



MBA.F.II/05.12. 334

**MBA (FT) DEGREE II SEMESTER EXAMINATION MAY 2012**

**SMS 2205 MARKETING MANAGEMENT**

Time : 3 Hours

Maximum Marks: 50

(5 x 10 = 50)

- I. A. What is meant by marketing management? Explain its nature and scope.  
**OR**  
B. What is marketing information system? Enlist its main components.
- II. A. Why do companies often change the market target strategies? Explain.  
**OR**  
B. Explain the factors which affect the consumer behaviour.
- III. A. Explain the process of developing a new product.  
**OR**  
B. Explain some marketing strategies for different stages of product life cycle.
- IV. A. "The decision of the type of channel system to be used is critical to corporate success". Comment.  
**OR**  
B. What are the challenges of marketing management in the context of globalization?
- V. HSBC is known as the "world's local bank". Originally called the Hong Kong and Shanghai Banking Corporation Limited, HSBC was established in 1865 to finance the growing trade between China and the United Kingdom. HSBC is now the second largest bank in the world, serving 100 million customers through 9,500 branches in 79 countries. The company is organized by business line (personal financial services, consumer finance, commercial banking, corporate investment banking and market, private banking) as well as by geographic segment (Asia-Pacific, U.K./Eurozone, North America/NAFTA, South America, Middle East).

Despite operating in 79 countries, the bank works hard to maintain a local feel and local knowledge in each area. HSBC's fundamental operating strategy is to remain close to its customers. As HSBC's chairman Sir John Bond said in November 2003, "Our position as the world's local bank enables us to approach each country uniquely, blending local knowledge with a world-wide operating platform".

For example, consider HSBC's local marketing efforts in New York City. To prove to jaded New Yorkers that the London-based financial behemoth was "the world's local bank", HSBC held a "New York City's Most Knowledgeable Cabbie" contest. The winning cabbie gets paid full-time for HSBC for the year, and HSBC customers win, too. Any customer showing as HSBC-bankcard, checkbook, or bank statement can get a free ride in the HSBC-branded Bankcab. The campaign demonstrates HSBC's local knowledge, "in order to make New Yorkers believe you are local, you have to act local", said Renegade Marketing Group's CEO Drew Neisser.

Across the world in Hong Kong, HSBC undertook a different campaign. In the region hit hard by the Severe Acute Respiratory Syndrome (SARS) outbreak, HSBC launched a program to revitalize the local economy. HSBC plowed back interest payments to customers who worked in industries most affected by SARS (cinemas, hotels, restaurants and travel agencies). The program eased its customers' financial burden. The bank also promoted Hong Kong's commercial sector by offering discounts and rebates for customers who use an HSBC credit card when shopping and dining out, to help businesses affected by the down turn. More than 1,500 local merchants participated in the promotion.

(P.T.O)

In addition to local marketing, HSBC does niche marketing. For example, it found a little-known product area that was growing at 125 percent a year; pet insurance. In December 2003 it announced that it will distribute nationwide pet insurance through its HSBC insurance agency, making the insurance available to its depositors.

HSBC also segments demographically. In the United States, the bank will target the immigrant population, particularly, Hispanics, now that it has acquired Bital in Mexico, where many migrants to the United States deposit money.

Overall, the bank has been consciously pulling together its world wide businesses under a single global brand with the "world's local bank" slogan. The aim is to link its international size with close relationships in each of the countries in which it operates. The company spends \$ 600 million annually on global marketing and will likely consolidate and use fewer ad agencies. HSBC will decide who gets the account by giving each agency a "brand-strategy exercise". Agencies will be vying for the account by improving on HSBC's number 37 global brand ranking.

Questions:

- (i) What have been the key success factors for HSBC?
- (ii) Where is HSBC vulnerable? What should it watch out for?
- (iii) What recommendations would you, make to senior marketing executives going forward? What should they be sure to do with its marketing?

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