

Eastern University, Sri Lanka

Faculty of Commerce & Management

Second Year First Semester Examination in BBA/B.Com/B.Econ – 2007/08 (proper/Repeat)

MKT 2114 - Marketing Management

Answer all Questions

Time: Three Hours

Q1. Case Study:

The Coca-Cola Company : A Global enterprise

The Coca-Cola Company is the world's latest carbonated soft-drink producer. In 2004, the company sold the equivalent of 11.8 billion cases of soft drinks worldwide. Approximately 76 percent of the company's soft-drink revenues and 81 percent of soft-drink operating income arise from sales outside the United states. These statistics are not surprising some Coke and Coca-Cola are among the world's best known trademarks.

The global presence of the Coca-Cola company is evident in numerous ways. Four of the world's top five carbonated soft drinks are sold by the company. These brands include Coca-Cola / Coca-Cola Classic, Diet Coke, Coca-Cola Light, Fanta and Sprite. The company captured 46 percent of the worldwide market for carbonated soft-drink flavor segment: Coca orange and Lemon-Time.

One of the reasons for Coca-Cola's world wide presence is it's extensive, efficient, and effective bottling network. This bottling network, which includes company owned bottlers, joint ventures with established bottlers in various countries, and franchised bottlers, allows for Coca-Cola / Coca-Cola classic to be distributed in more than 195 countries, Fanta and Sprite in 164 countries, and Diet Coke / Coca-Cola-Light in 117 countries.

Coca-Cola Marketing in Japan

The Coca-Cola company sold its product to Japan as early as the 1920s. However, it did not establish a formal Japanese subsidiary until 1957. Since that time, the company has built a dominant position in the Japanese soft-drink market. For example, Coca-Cola is sold in 1 million stores and some 700,000 vending machines in Japan. The Coca-Cola company captures more than 33 percent of all carbonated and noncarbonated soft drinks sold in Japan. It is estimated that the Coca-Cola brand captures 70 percent of the Japanese Cola market; Coca-Cola Light captures 20 percent. Pepsi-Cola captures less than 10 percent of this market. Industry analyst estimates that advertising spending for the Coca-Cola brand is about five times higher than the amount spent by Pepsi-Cola.

The successful entry in to Japan by the Coca-Cola company and subsequent performance provide valuable insights into global marketing in general and the need to consider cultural issues. For instance, company executive emphasis that adoption to the local culture manifests itself in numerous ways. Its management practices focus on consensus and group-building consistent with Japanese values. Customs such as lifetime employment for Japanese employees are adopted. Efforts to localize consumer communication are also event in the language used in advertising and the group setting featuring the consumption of the product.

Questions

a) Which of the four global market-entry strategies does Coca-Cola use most often when expanding its worldwide presence?

(06 Marks)

b) Why should marketer consider the cultural issues when going for the global marketing?

(06 Marks)

c) Collaborative relationships also are becoming a common way to meet the demands of global competition. What are the ways and means to meet these demands globally?

(04Marks)

d) What is competitive advantage? Relate your answer with this case study.

(04Marks)

e) What is gray market? What are the conditions that should be fulfilled when going for gray market globally?

(04 Marks)

f) Global advertisement should consider social issues as well as cultures. Explain the ways by which advertisements can be made to cater global market offerings.

(04Marks)

(Total 28 Marks)

Q2. a) Briefly explain the terms 'Marketing' & 'Marketing Management'.

(04 Marks)

b) Explain the differences between **Consumer and Industrial Market**.

(05 Marks)

c) "The **Marketing Concept** is applicable to all business organizations irrespective of size or nature of goods and services". Describe this statement with suitable examples.

(09 Marks)

(Total 18 Marks)

Q3. a) What do you mean by **attitude** of a person? How may an **individual's attitude shape** his or her demand for goods and services?

(06 Marks)

b) Explain the relationship between '**Consumption and customer Satisfaction**'

(04 Marks)

c) Use your own family background and explain family purchase behaviour and its pattern.

(08 Marks)

(Total 18 Marks)

- Q4. a) Explain the process of dividing a consumer market into different segments. (03 Marks)
- b) Examine the main **dimensions** which a marketing manager might use to segment industrial market. (06 Marks)
- c) "Market segmentation and product differentiations are really two sides of the same coin and businesses seek to match products to market segments". Explain the relationship between market segmentation and product differentiations with suitable examples. (09 Marks)
- (Total 18 Marks)**

- Q5. a) How does labeling benefit consumers and marketers? (04 Marks)
- b) "There is nothing the manager can do once a product reaches the decline stage of the product life cycle". Explain the above with BCG matrix strategy. (06 Marks)
- c) "The banking sector in Sri Lanka is trying to introduce more tangible aspects in it's services". Explain with examples. (08 Marks)
- (Total 18 Marks)**