

Roll No.
210 -/1/8/-

HV-682

January 2017
M. B. A. (Marketing Management) Examination

IIIrd Semester
INTERNATIONAL MARKETING

(Time 3 Hours)

(Max. Marks: 70)

Note : Attempt any three questions from Section A. Section B is compulsory. Section A worth 66 marks and Section B is carrying 24 marks. Each question of Section A carries 22 marks.

Section A

1. What are the major challenges of global marketing for Indian Businessmen who wish to enter in global business ?
2. What are the marketing implications of understanding cultural environment of a country you wish to launch your product in that country ? Give suitable example.
3. How regional trade agreements help or hinder the growth of exports from any country ? Explain
4. Is it necessary to modify the product before launching it in a foreign market ? Why and why not product modifications are done for foreign market ?
5. Do you think traditional distribution channels are losing their importance at the time of e-commerce era. Give the merits and demerits of online business.

Section B

TATA MOTORS ACQUIRES THE JAGUAR ICON

On March 26, 2008 India's Tata Motors finalized a deal to acquire the Jaguar and Land Rover luxury brands from Ford for \$2.3 billion. Tata Motors has built vehicles for more than 50 years, though mainly trucks. Earlier in 2008 Tata Motors had revealed plans to launch the Tata Nano, a budget \$2,500 (one lakh rupee) compact city car. Tata Motors is part of the Tata Group, one of India's biggest conglomerates. Some of Tata's other businesses include luxury hotels (Taj Mahal in Mumbai, Pierre in New York), tea (Tetley), steel (Corus), insurance, and mobile phone service. The company is highly respected in India.

Not surprisingly, many people were very skeptical about the merits of the deal and questioned whether an Indian company was really the best steward for a luxury marque like Jaguar. Some speculated that the deal was motivated by Tata's desire to acquire iconic brands, almost like former colonialists acquiring the trappings of the former empire. Jaguar had lost Ford \$15 billion during Ford's 18-year ownership of the brand, and Jaguar's sales were in a steady decline. Jaguar sold 60,485 cars in 2007, a huge drop from 130,334 in 2002. Some industry analysts struggled to see what value Tata could add that had eluded Ford, and what synergies could arise between the selling of the \$2,500 Nano and the prestigious Jaguar brand icon.

Some experts say that Ford never really understood how to fit the Jaguar brand in its portfolio and how to market it better. Ford's biggest blunder may have been undermining Jaguar's brand heritage with the launch of low-end models, the mid-range S-Type in 1998 and the compact executive X-Type in 2001. Ford discontinued both models in 2008.

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Tata has experience taking over global brands (e.g., Tetley Tea, Corus Steel). Its strategy has been to let each business run its own entity, with modest input from the home office. The purchase of Daewoo, the South Korean truck manufacturer, illustrates this strategy. After Tata bought the firm in 2004, Daewoo still operates mostly as a Korean business. Tata Motors has promised not to shift production from Jaguar's British factories. A key element of the deal is that Ford will continue to supply Jaguar with engines and components, as well as provide access to Ford's hybrid and low-emission power-train technology. The new owner plans to return the Jaguar marque to its premium heritage, eschewing volume models such as the X-Type. Ravi Kant, the chairman of Tata Motors said, "At this moment, our focus is on making sure we strengthen our position in the segments we are already and seeing that Jaguar and Land Rover go on to become not just a very cherished brand but a very profitable brand." (USA Today, May 27, 2008). The first step will be an update of the XJ-Type, Jaguar's flagship saloon. Tata also ponders the launch of a successor to the E-Type sports car of the 1960s. Tata hopes that the Jaguar's footprint will enable it to penetrate into Europe and the United States, markets where it is completely unknown at present.

Discussion Questions :

1. Will the acquisition of the Jaguar marque be a smooth ride for Tata ? Does the Tata / Jaguar deal make any sense ? What are Tata's underlying motives for the acquisition ?
2. What cultural issues do you think will crop up between Tata Motors and the new acquisition? How should Tata cope with these ?
3. What are the marketing challenges that Tata will face ? How do you think these should be tackled ?