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Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: Marketing Information System	Semester: V
Program: BBA (AUTO MARKETING)	Time: 03 Hours
Course code: DSBA3001	Max. Marks: 100
Instructions:	

SECTION A (20 Marks)

		Marks
1	Describe the essential components of a Dealer Management System (DMS) for the Automotive Industry.	10 Marks, CO2
2	It is predicted digital and analytics will transform automotive organizations across the value chain. Manufacturers (includes Steel, Auto components, etc.) will need to use digital technologies heavily for internal transformations. Describe at least 2-3 such digital interventions for organizational transformations in the Automotive industry.	10 Marks, CO2

SECTION B (20 Marks)

3	<p>Even as industry players are focused on refining design and imbibing technology to attract the consumer, new and improved marketing strategies are ultimately needed to engage and influence them to purchase the vehicle. Today, marketing calls for clever creativity as the target customers are based in different markets - each of which require a unique and impactful strategy. For instance, in Tier II and III markets, companies are customizing experiential campaigns to influence specific communities comprising of professionals such as teachers, doctors, lawyers and businesspersons. However, urban or Tier 1 markets call for engagement at a mass level.</p> <p>Automakers have taken cognizance of these facts, realizing that these markets are definite growth drivers of the future, companies are customizing experiential campaigns to influence its target audience. Companies are increasingly following a 360-degree approach as being present across mediums including TV, Print, Stills, Digital, Mobile, Augmented Reality, Virtual Reality, engagement marketing is critical. Therefore, the one imperative fact going forward, is to leverage interconnectedness of all mediums of engagement, while effectively communicating a message to the audiences.</p> <p>Discuss how the automakers should engage prospects and existing customers in Tier 2 and Tier 3 markets in India.</p>	20 Marks, CO2
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SECTION-C (30 Marks)		
4	<p>Given the current situation (related to declining market conditions), auto component manufacturers need to examine their current business in the following ways:</p> <ul style="list-style-type: none"> • Rethink product strategy: manufacturers will need to de-risk their portfolios by diversifying, for example including after-market sales. They will need to redefine customer segments, such as shared taxi aggregators, and rethink their geography, by sharpening export markets, for example. These cannot be one-time efforts and will require annual strategy reviews. • Partnerships to build capabilities: faster market access and time-to-market are critical. Manufacturers can co-invest in R&D and product development, building capabilities through partnerships. • Embrace digital: manufacturers will need a roadmap for this transformation with clearly defined milestones and a taskforce to drive change. • Non-conventional sales approach: business should develop a hunter/farmer approach, where the hunter focuses on bringing in new business and the farmer works to grow that customer and invest in the customer of the future. • Manage organizational and cultural change: manufacturers will need a transformation office to identify the roles that create the most value for an organization and assign them projects that drive growth in the future. <p>By taking the factors, discuss how the future MIS should be designed and utilized by the stakeholders of the Automotive industry.</p>	30 Marks, CO3
SECTION-D (30 Marks)		
5	<p>Discuss how India’s auto component industry can transform the current decline phase into a growth phase by using the levers discussed in the following case study.</p> <p><i>Case Study</i> – 10% of 2 million vehicles sales target through database marketing by Maruti Suzuki India Ltd (MSIL)</p> <p>It’s one thing to talk big data, and quite another to let analytics gathered from databases of large businesses help with actual prospecting exercises. India’s passenger vehicle major Maruti Suzuki India Ltd (MSIL) is setting out to achieve a yearly sales target of two million vehicles by 2020. Significantly, it’s aiming to achieve 10 per cent of that target through database marketing. With the help of its regional dealer networks and call centres, Maruti Suzuki’s active customers number about 6.5 million.</p>	30 Marks, CO3/CO4

But the company has a database much larger than that – 15 million customers in all, out of which 12 million have been mapped as ‘unique’. And so far, database marketing has accounted for about 5% of the brand’s total sales every year.

The analytics-led customer relationship management (ACRM) leads to Maruti Suzuki running an average of 2,000 targeted regional campaigns in a year with over a lakh cars sold incrementally through database marketing over the last three years. The company collects data from a range of business transactions such as sales, service, exchange, insurance, and customer profiling along with the data on its dealer management system. All of this data runs on a private cloud analytics architecture that helps design sales strategy.

Maruti Suzuki has been at it since 2008. Sanjeev Handa, Vice-President – Marketing, MSIL, lays out the findings: 45 per cent of Maruti’s current customers are first-time buyers, 28 per cent are repeat customers, while another 27 per cent are looking to buy a second car. “When this seed germinates, the fruit we want from the tree is more Maruti. That’s what the efforts are for,” Handa declares.

While there’s not much historical data on first-time buyers, what gets captured on the remaining 55 per cent of customers helps gather insights from when a prospect is due for changing a car to whether their children are at college, the latter being an opportunity to acquire another customer. Moreover, workshop data helps spot accidental or damaged cars, yet another opportunity for sales.

Insights gathered from MSIL databases led to a “successful” geo-specific campaign run in Punjab to push the sales of Alto 800, for example. Customers that have owned an old model of Alto and Alto K10 for over 4.5 years, running over 30,000 kilometres with an insurance claim of over ₹7,000 were identified. “Our target customers there were on one hand aged 26-35 years and salaried, and on the other, over 55 years and retired, both groups having active transactions with us for a year prior to the campaign. Through our dealers and call centres, we generated over 150 prospects from that exercise,” explains Handa.

In Pune, a similar campaign to generate sales of Ciaz, Maruti Suzuki found that customers between the ages of 26-75 years who owned either an SX4, Dzire or a Swift for over 5.5 years were more likely to upgrade to a higher end sedan. This outreach yielded about 100 prospects out of which about 50 per cent customers purchased the Ciaz. On the target of two million by 2020, Handa says, “I wouldn’t say we’re being bullish by aiming for 10 per cent of that number but there’s definitely an advantage in using insights from data to sell and service better.” Besides spending approximately ₹8-10 crore per year on analytics, the company will be attempting to expand the scale of the ACRM project year-on-year.