

THE OPEN UNIVERSITY OF SRI LANKA  
FACULTY OF MANAGEMENT STUDIES  
MBA IN HUMAN RESOURCE MANAGEMENT  
LEVEL: 9  
MCP213/MSP933/MMP9331 MARKETING MANAGEMENT  
FINAL EXAMINATION 2025  
DURATION THREE (03) HOURS



DATE: 23.02.2025

TOTAL MARKS: 100

TIME: 1.30PM-4.30PM

### Important Instructions

- Section A is compulsory.
- Select and answer 3 questions from Section B
- Altogether students should answer 4 questions
- Marks have been mentioned at the end of each question.
- All the workings should be shown clearly.
- Start each answer from a new page.

### Section A: Compulsory

Q 01: Read the case study below and answer the questions that follow

#### The Hutch-Etisalat Merger and Its Impact on Competition in Sri Lanka's Telecommunication Industry

The telecommunication industry in Sri Lanka has undergone significant transformations since the end of the state monopoly in 1989. With the entry of private players, competition increased, leading to technological advancements and improved services. However, industry dynamics have continued to evolve, with mergers and acquisitions shaping market structures. One such pivotal event was the merger between Hutchison Telecommunications Lanka (Pvt) Ltd and Etisalat Lanka (Pvt) Ltd. This case study examines the implications of this merger on market competition and industry performance. Until 1989, Sri Lanka's telecommunication industry was under a state monopoly. The government later allowed private sector participation, leading to the entry of Celltel, the country's first mobile telecom operator. Initially, mobile phones were considered luxury items accessible only to the upper class. Over time, technological advancements and market competition made mobile services more affordable and accessible. Several key players have influenced the evolution of the telecom industry, including Dialog, Mobitel, Hutch, Airtel,

and Etisalat. Each operator introduced new services and technologies to remain competitive. However, due to financial and strategic challenges, mergers and acquisitions have periodically reshaped the industry.

Celltel was the first mobile telecom operator in Sri Lanka, introduced on June 18, 1989, using the Motorola TACS system. Initially enjoying a monopoly, it faced competition when Mobitel and Dialog entered the market. In 2007, Celltel rebranded as Tigo under its parent company, Millicom. The rebranding aimed to shed its outdated image and appeal to a younger demographic. However, in 2009, Millicom decided to exit the Asian market, leading to the sale of Tigo's operations in Sri Lanka to Etisalat. This acquisition positioned Etisalat as a competitive player, focusing on optimizing data services and launching 3G in 2010. However, the delay in adopting 4G technology placed it at a competitive disadvantage against market leaders Dialog and Mobitel.

In response to industry challenges, CK Hutchison Holdings and Etisalat Group entered into a definitive agreement to merge their mobile telecommunications businesses in Sri Lanka. The merger was completed on November 30, 2018. According to Fitch Ratings, the merger aimed to relieve competitive pressures that had affected revenue and EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortization) growth in the Sri Lankan telecom market.

The Hutch-Etisalat merger marked a significant shift in Sri Lanka's telecommunication industry. While reducing the number of market players, the merger strengthened Hutch as a competitor, ensuring continued competition with industry leaders. The long-term impact of this consolidation depends on Hutch's ability to leverage its enhanced infrastructure and financial resources to provide affordable and innovative services. Overall, the merger underscores the dynamic nature of the telecommunication industry and the strategic responses required to sustain growth in a competitive environment.

- a) Analyze 4 key reasons for Etisalat's failure in the Sri Lankan telecommunication industry. **(12 Marks)**
- b) Discuss how Hutch can improve its segmentation, targeting, and positioning (STP) strategy to compete more effectively with market leaders like Dialog and Mobitel. **(12 Marks)**
- c) Draw a suitable positioning map that includes Dialog, Mobitel and Hutch within the market. **(04 Marks)**

- d) Discuss how a telecommunication company can enhance customer relationships while providing better customer service. **(12 Marks)**

**(Total 40 Marks)**

## **Section B**

### **Select and Answer 3 Questions from Section B**

**Q 02:**

- a) Do you think consumers go through all the steps in the buyer decision-making process when purchasing a refrigerator for their home? Justify your answer using the buyer decision-making process. **(10 Marks)**

- b) Identify five benefits generated through internal marketing programs for a company and explain how they contribute to the organization's success. **(10 Marks)**

**(Total 20 Marks)**

**Q 03. “Companies can create value for customers at various stages, from sourcing raw materials to product delivery.”**

Evaluate each stage of value chain analysis in the chocolate manufacturing industry, using examples to support your response. **(Total 20 Marks)**

**Q 04.**

- a) Analyze the market segmentation bases used by the bank to tailor its products and services to meet the needs of different customer segments. Provide relevant examples to support your answer. **(15 Marks)**

- b) Explain the key differences between the Selling Concept and the Marketing Concept.

**(05 Marks)**

**(Total 20 Marks)**

**Q 05.**

- a) **“Each culture contains sub-cultures or groups of people who share values based on common life experiences and situations” (Hofstede, 2001)**

Discuss the significance of understanding culture and subculture in the development of global marketing strategies, providing relevant examples to support your explanation.

**(12 Marks)**

- b) Explain the differences between proactive marketing and reactive marketing.

**(08 Marks)**

**(Total 20 Marks)**

***-All Right Reserved-***