

AM 23/I.12m

MATRICULATION AND SECONDARY EDUCATION CERTIFICATE EXAMINATIONS BOARD

UNIVERSITY OF MALTA, MSIDA

MATRICULATION CERTIFICATE EXAMINATION
ADVANCED LEVEL
MAY 2012

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|----------------------|---------------------------|
| SUBJECT: | MARKETING |
| PAPER NUMBER: | I |
| DATE: | 12 th May 2012 |
| TIME: | 4.00 p.m. to 7.00 p.m. |

Answer ANY FIVE [5] questions.

All questions carry equal marks [20 marks each].

1. Marketers strive to develop unique product positions to different segments of the market. Explain this statement and illustrate, by way of applied examples, how companies engaged in the motor vehicle industry manage to successfully develop unique market positions for their products. (20 marks)
2. Promotional Pricing is defined as “*The act of temporarily pricing products below the list price and sometimes even below cost, to increase short-run sales.*” (Kotler P). Illustrate in which instances a company may adopt promotional pricing and indicate also the potential perils of such pricing. (20 marks)
3. Explain and illustrate by way of applied examples, how the various elements comprised in a company’s marketing communications mix may be applied effectively. (20 marks)
4. Outline the main elements of a marketing plan and illustrate the importance of each stage to the marketer. Substantiate your arguments with examples. (20 marks)
5. Explain the industrial buyer decision process and illustrate its relevance to office furniture products. (20 marks)
6. Explain the PLC concept and illustrate its relevance and application to the pricing of a product of your choice. (20 marks)
7. Explain what is meant by ‘*relationship marketing.*’ Illustrate, by way of applied examples, how relationship marketing may be applied by a **service company**. (20 marks)
8. a) Explain the main phases of the marketing research process. (6 marks)
b) Illustrate, by way of applied examples, the importance of each phase to a not-for-profit organization of your choice. (14 marks)

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MATRICULATION CERTIFICATE EXAMINATION

ADVANCED LEVEL

MAY 2012

| | |
|----------------------|---------------------------|
| SUBJECT: | MARKETING |
| PAPER NUMBER: | II |
| DATE: | 14 th May 2012 |
| TIME: | 9.00 a.m. to 12.00 noon |

Answer ALL questions in Section A and ANY TWO [2] questions from Section B.

Section A – Answer ALL questions.

The Chen Family Buys Bicycles

The Chens live in Riverside, California, west of Los Angeles. Terry is a physics professor at the University of California, Riverside. His wife Cheryl is a volunteer, working 10 hours a week at the Crisis Center. They have two children: Judy, age 10, and Mark, age 8.

In February, Cheryl's parents sent her \$100 to buy a bicycle for Judy's birthday. They bought Judy her first bike when she was five. Now they wanted to buy her a full-size bike for her eleventh birthday. Even though Cheryl's parents felt every child should have a bike, Cheryl didn't think Judy really wanted one. Judy and most of her friends didn't ride their bikes often, and she was afraid to ride to school because of traffic. So Cheryl decided to buy her the cheapest full-size bicycle she could find.

Since most of Judy's friends didn't have full-size bikes, she didn't know much about them and had no preferences for a brand or type. To learn more about the types available and their prices, Cheryl and Judy checked the *JCPenney* catalog. After looking through the catalog, Judy said the only thing she cared about was the colour. She wanted a blue bike, blue being her favourite colour.

Using the *Yellow Pages*, Cheryl called several local retail outlets selling bikes. To her surprise, she found that a local hardware store actually had the best price for a 26-inch bicycle, even lower than *Toys "R" Us* and *Wal-Mart*.

Cheryl drove to the hardware store, went straight to the toy department, and selected a blue bicycle before a salesperson approached her. She took the bike to the cash register and paid for it. After making the purchase, the Chens found out that the bike was cheap in all senses. The chrome plating on the wheels was very thin and rusted away in six months. Both tires split and had to be replaced.

A year later, Cheryl's grandparents sent another \$100 for a bike for Mark. From their experience with Judy's bike, the Chens realised that the lowest-priced bike might not be the least expensive option in the long run. Mark is very active and somewhat careless, so the Chens wanted to buy a sturdy bike with an aluminium frame, cross-country tires, and a full reflector kit.

The Chens were concerned that Mark wouldn't maintain an expensive bike with all these features. When they saw an advert for a bicycle sale at *Kmart*, Cheryl and Terry went to the store with Mark. A salesperson approached them at an outdoor display of bikes and directed them to the sporting goods department inside the store. There they found row after row of red 10-speed bikes with minimal accessories – the type of bike Cheryl and Terry felt was ideal for Mark.

A salesperson approached them and tried to interest them in a more expensive bike. Terry dislikes salespeople trying to push something on him and interrupted her in mid-sentence. He said he wanted to look at the bikes on his own. With a little suggestion, Mark decided he wanted one of these bikes. His desire for accessories was satisfied when they bought a multifunction sports computer for the bike. After buying a bike for Mark, Terry decided he'd like a bike for himself to ride on weekends. Terry had ridden bikes since he was five; in graduate school, before he was married, he'd owned a 10-speed; and he frequently took 50-mile rides with friends. But he hadn't owned a bike since moving to Riverside 15 years ago.

Terry didn't know much about current types of bicycles. He bought a copy of *Bicycling* at a newsstand to see what was available. He also went to the library to read *Consumer Reports'* evaluation of road, mountain, and hybrid bikes. Based on this information, he decided he wanted a *Serrato*. It had all the features he wanted: a light-weight frame, durable construction, and a comfort sports saddle. When Terry called the discount stores and bicycle shops, he found they didn't carry the *Serrato* brand. He then decided he might not really need a bike. After all, he'd been without one for 15 years.

One day, after lunch, he was walking back to his office and saw a small bicycle shop. The shop was run down, with bicycle parts scattered across the floor. The owner, a young man in grease-covered shorts, was fixing a bike. As Terry was looking around, the owner approached him and asked him if he liked to bicycle. Terry said he used to but had given it up when he moved to Riverside. The owner said that was a shame because there were a lot of nice places to tour around Riverside.

As their conversation continued, Terry mentioned his interest in a *Serrato* and his disappointment in not finding a store in Riverside that sold them. The owner said that he could order a *Serrato* for Terry but that they weren't in inventory and delivery took between six and eight weeks. He suggested a *Ross* and showed Terry one he currently had in stock. Terry thought the \$500 price was too high, but the owner convinced him to try it next weekend. They would ride together in the country. The owner and some of his friends took a 60-mile tour with Terry. Terry enjoyed the experience, recalling his college days. After the tour, Terry bought the *Ross*.

Source: Adapted from text prepared by Barton Weitz, University of Florida, Levy M & Weitz B, Retailing Management.

Answer ALL questions of Section A

1. Outline the decision-making process for **each** of the Chen family members' bicycle purchases. (20 marks)
2. Compare the different purchase processes for the three bikes. (10 marks)
3. Compare the personal selling skills of the salespersons of the '*Kmart*' shop and the small bicycle shop. (10 marks)

Section B

Answer ANY TWO [2] questions. All questions carry equal marks [30 marks each].

4. You have just been engaged as Export Manager with a local furniture manufacturing company. Your Managing Director has asked you to draw up a report on the potential benefits and perils of international marketing to the company, which has never exported any of its products to date. Substantiate your arguments by giving examples related to the company. (30 marks)
5. As a leading marketing consultant, you have been asked to deliver a 30-minute talk on the importance of effective distribution to a group of local importers. In your talk it is essential that you explain the pros and cons of the different channels of distribution to your audience. Prepare in detail the notes and examples you will be using when giving this talk. (30 marks)
6. Explain the role/function of **each** of the following and indicate how they may be used by manufacturers of industrial products by giving examples to substantiate your arguments.
 - a. societal marketing (10 marks)
 - b. marketing mix (10 marks)
 - c. direct marketing (10 marks)
7. Define the product 'a customer' receives when purchasing the following and indicate the salient differences in each:
 - a. a Safari holiday (10 marks)
 - b. a holiday on a cruise-liner (10 marks)
 - c. a scuba-diving holiday (10 marks)