



SUBJECT:	Marketing
PAPER NUMBER:	I
DATE:	30 th April 2019
TIME:	9:00 a.m. to 12:05 p.m.

SECTION A

Answer ALL questions in this section.

This section carries 50 marks.

1. Distinguish between a convenience product and a shopping product. (6)
2. Distinguish between the production concept and the product concept. (6)
3. Explain what an internal database is. (4)
4. Which **THREE** decisions need to be taken when designing a sampling plan? (6)
5. Briefly describe any **THREE** participants in the business buying process. (6)
6. What is product positioning? (4)
7. Explain marketing logistics. (4)
8. List **FOUR** tools used by public relations professionals. (4)
9. Mention **THREE** benefits of direct marketing to buyers. (6)
10. List **FOUR** different types of retail stores. (4)

(Total: 50 marks)

SECTION B

Answer TWO questions from this section. This section carries 50 marks.

All questions carry equal marks (25 marks each).

11. a) Briefly describe the **FOUR** major variables that can be used by companies to segment consumer markets. (8)
- b) Which segmentation variables might a fast-food diner use? Discuss. (17)
12. "The strategy for setting a product's price often has to be changed when the product is part of a product mix." (Kotler & Armstrong, 2012). Discuss the different strategies of product mix pricing, providing relevant examples for each. (25)
13. a) What are non-profit organisations? (5)
- b) Do non-profit organisations need marketing? Discuss by making reference to a non-profit organisation of your choice. (20)



SUBJECT:	Marketing
PAPER NUMBER:	II
DATE:	30 th April 2019
TIME:	4:00 p.m. to 7:05 p.m.

Answer **ALL** questions in Section A and any **TWO** questions from Section B.

SECTION A

This section carries 50 marks.

Case Study: Levi Strauss - An Iconic Brand

After spending 28 years at Procter & Gamble in brand management, Chip Bergh joined Levi Strauss, in 2010, as the new CEO. Levi Strauss is one of the oldest companies in America. Few brands are as iconic as Levi's. Launched as a dry-goods retailer during the California gold rush, the company had a breakthrough in the 1870s when it patented the use of rivets to strengthen the seams in denim work pants and invented the first blue jeans. In spite of its longevity, sales at Levi Strauss had fallen from a peak of \$7 billion in 1997 to \$4.1 billion in five years. From 2001 to 2010, sales never exceeded \$4.5 billion. The company lacked a clear strategy and its financial performance had been erratic for a decade.

As he worked to understand what was going on inside Levi Strauss, Bergh studied the market and its customers. During his second month in the job, he visited Bangalore and asked his staff there to set up an in-home visit. An in-home typically starts with broad questions about lifestyle and interests and then narrows down to how the customer uses the product and views the category. The customer Bergh met with was a 29-year old professional woman from an upper-middle class family. She lived with her parents, spoke perfect English and had attended Cambridge. She had about ten pairs of jeans – Hudson, Guess, Calvin Klein and some others. She talked about each pair: what she liked, what she did not and when she wore it. She also had two pairs of Levi's. One pair she described as her "go-to-jeans". The one pair she would wear day-to-day. The others she wore at university. "They don't fit me anymore, but I can't bear to part with them because they are all memories", "You wear other jeans but you live in Levi's". For Bergh, these words captured the very essence of the brand and "Live in Levi's" became their advertising tagline.

Of course, the company needed much more than a new tagline. As part of its new, focused strategy, Bergh decided to revamp the women's denim line which was launched in 2015. Levi's business had been in decline, owing partly to the rise of athleisure wear. As Bergh comments: "It drives me crazy that women wear yoga pants to nice restaurants – denim would look so much better. But they're choosing athleisure because it's more comfortable.". To fix this problem, designers at Levi's created denim with new technologies, such as four-way stretch – fabric that recovers quickly and does not get baggy at the knees (a common problem with stretch jeans). Consumers loved the stretch, the comfort, the soft fabric and the way they looked in these new designs. Since this relaunch the women's business experienced eleven quarters of consistent growth and sales have increased from less than \$800 million to more than \$1 billion annually. Levi's global market share in women's clothing is in the high single digits. Even if athleisure continues to be strong and the women's denim market share stays flat, Bergh believes that the company can grow by stealing market share.

In marketing their products, Levi's tried to find the right balance between highlighting its heritage and being contemporary. If a seasoned brand dwells too much on its history, it can feel old and dusty. But if you disregard your history, you will be walking away from one of your

strongest assets. One example of how Levi's melded old and new is its iconic trucker jacket. In 2018, Levi's celebrated the trucker 50th birthday. They also partnered with Google to create a wearable technology version which allows you to control your iPhone from your sleeve jacket. Sales of all Levi's trucker jackets jumped nearly 40%, which shows that today's consumers are looking for authenticity and want a brand that stands for something – as Levi's does.

The company is making good progress and it has dramatically increased its investment in advertising, which is working. Fiscal 2017 was the strongest year the company has had in more than a decade, generating an 8% revenue increase, while Levi brand grew 9%. Innovation which was of low priority, was boosted. Product lines at Levi Strauss also change every six months. So it is crucial to get the trends right. Moreover one third of its business comes from selling directly to consumers via website and company-owned retail locations. These businesses have grown 51% over the past five years and the company is well on its way to reaching its goal of becoming a world-class omnichannel retailer.

Bergh believes that Levi's can grow beyond its historical peak of \$7 billion and someday be a \$10 billion brand. Levi's lost a generation of consumers in the early 2000s, but today its customers are younger than ever and Levi's is gaining momentum as it brings them back.

Source: Adapted from: 'The CEO of Levi Strauss on leading an iconic brand back to growth', by Chip Bergh, Harvard Business Review, July-August, 2018 Issue.

Answer ALL questions

1. What is a brand? (5)
2. What makes Levi Strauss an iconic brand? (5)
3. By applying material from the case study provided, outline the main factors that contributed to Levi's decline in sales over the years. (9)
4. Distinguish between the "Product Life Cycle" and the "Brand Life Cycle". Apply your answer to the Denim apparel market. (8)
5. At which stage of the 'Brand Life Cycle' is Levi's currently in? (3)
6. From the provided text material, and by referring to the "Brand Life- Cycle" tool, discuss the main measures and actions which Levi's implemented to re-vitalize and improve sales. (16)
7. What marketing term do we use to describe the measures and actions referred to in Question 6, above? (4)

(Total: 50 marks)

SECTION B

Answer TWO questions from this section. This section carries 50 marks.

All questions carry equal marks (25 marks each).

1. Discuss the relevance of: (i) technology, (ii) consumer lifestyle, (iii) the natural environment, and (iv) government legislation, as inputs to new product development in the domestic car market.
2. Discuss the main functions of packaging. Apply your answer to practical examples of your own choice in the beverage sector.
3. Imagine that you are planning to open a new cafeteria. Discuss how you would plan your new cafeteria by applying the 'Services Marketing Mix'.