



SUBJECT:	Marketing
PAPER NUMBER:	I
DATE:	29 th August 2022
TIME:	9:00 a.m. to 12:05 p.m.

Section A

Answer ALL questions in this section. This section carries 50 marks.

1. Define customer lifetime value. (4)
2. Explain what is meant by market share. (4)
3. Explain what is meant by the marketing environment of a company. (5)
4. Define and briefly distinguish between observational and experimental research. (6)
5. Which are the **FIVE** requirements for effective segmentation? (5)
6. What is the main difference between customer value-based pricing and cost-based pricing? (6)
7. What does marketing logistics refer to? (5)
8. Mention **FIVE** types of advertising media. (5)
9. Define consumerism. (4)
10. Mention **THREE** objectives of sales promotion. (6)

(Total: 50 marks)

Section B

Answer TWO questions from this section. All questions carry equal marks.

11. a) Discuss the **FIVE** different marketing orientations that companies can follow. (15)
 b) Choose a company which applies any **ONE** of the orientations mentioned in part a) and explain how it is doing so. (10)

(Total: 25 marks)

12. Consumer buying behaviour is heavily influenced by various factors which marketers must take into consideration.
 a) Discuss the **FOUR** main factors (characteristics) affecting consumer buying behaviour. (16)
 b) Which of these factors mentioned in part a) might influence your behaviour when purchasing a new smartphone? (9)

(Total: 25 marks)

13. a) Describe the **FOUR** characteristics of services that distinguish services from products, and that marketers must consider when designing services marketing programmes. (16)
 b) According to the characteristics mentioned in part a), how do the services offered by a hairdresser differ from those offered by a retail shop? (9)

(Total: 25 marks)



SUBJECT:	Marketing
PAPER NUMBER:	II
DATE:	30 th August 2022
TIME:	9:00 a.m. to 12:05 p.m.

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

SECTION A

This section carries 50 marks.

Case Study: Ryanair aims to fly high!

Ryanair Holdings plc, parent company of Buzz, Lauda, Malta Air and Ryanair, is a major airline group. Founded in 1984 with its headquarters in Dublin, today Ryanair is Europe's number one low-cost airline, flying to over 40 countries. It generated around €1.6 billion revenue in 2020-21 and passenger growth is expected to exceed more than 225 million by 2026.

Ryanair operates as an ultra-low fare cost structure scheduled-passenger airline serving short-haul, point-to-point routes. It has established many routes to less served locations which has resulted in increased connectivity, tourism and commerce. The company also offers ancillary services such as internet-based services, non-flight scheduled services, and in-flight sale of beverages, food and merchandise.

Ryanair's brand is synonymous with low-cost flights and uses the catchphrase 'low fares made simple' to emphasise this. It uses a standard sales strategy and sells 70% of its seats at the lowest two rates, a third of the seats at a higher rate and the remaining 6% of tickets at the most expensive fare. Ryanair has had run-ins with regulatory organisations regarding pricing discrepancies between advertised and actual prices.

Ryanair's basic principle is to keep flights in the air as much as possible to generate more revenue. Additional revenue is earned through car hire commissions, priority boarding, and baggage checking charges. The only way to purchase a ticket is on the internet. This is the airline's main distribution channel, which is supported by FAQs, an app, online chat, email enquiries and a customer service helpline. With the assistance of AI and analytical software, customer feedback is recorded and any action deemed necessary taken. Efficient and streamlined processes and procedures are in place to enable customers to plan a trip, manage bookings, purchase other services and access useful information such as cancellation and refund policies. Plans are in place to enhance the value of its services by prioritising social responsibility, luggage handling, travel plan flexibility, check-in convenience, and employee's work ethics.

Ryanair does not spend a lot of money on marketing. It promotes its website through traditional media and portrays an image of a simple, joyful, and family-friendly airline in advertisements. The company has been known to run short advertising campaigns criticising competitors and comparing prices. Ryanair's CEO also makes controversial statements at times. This generates additional media coverage and the company benefits from free publicity and PR.

Passage continues on next page.

Ryanair adopted a digital marketing strategy to strengthen its business. This mainly included a rebranded user-friendly website, an active YouTube presence, and making more effective use of Twitter. Data relating to online and social media usage and trends is gathered, and used for business decisions.

Whether an encounter is online or in a physical manner, you will find Ryanair's presence at every touchpoint.

In 2019 Ryanair was rated the worst firm for customer service by UK's consumer association 'Which?' To counter this, the company invested in staff training and the setting up of a customer advisory panel in 2021 to monitor customer experience traits and use the findings to make life easier for travellers.

Although record losses were incurred in financial year 2020-21 due to the impact of the pandemic, the critical situation was well managed where job losses were lessened through negotiated salary cuts and government support schemes. Initiatives were taken to position the airline for full recovery, and an approved plan for accelerated business growth is in place.

Ryanair also used the crisis to intensify its competitive advantages by placing increased aircraft orders, expanding airport partnerships, and securing lower operating costs so that lower fares can be passed on to customers.

Ryanair has adopted ambitious plans to improve its environmental commitment especially towards reducing carbon dioxide (CO₂) emissions. Strategic initiatives include offering more seats, minimising fuel consumption, introducing a 'carbon calculator' scheme and investing \$22 billion in the new and more fuel-efficient Boeing 737-8200 'gamechanger' aircraft. Ryanair will also continue to participate in the EU Emissions Trading System and support the International Air Transport Association 2050 Climate Target. Furthermore, Ryanair implemented a five-year plan to eradicate all non-recyclable plastics from its operations and use environment-friendly substitutes instead, such as bio-degradable cups, paper packaging, and wooden cutlery.

Ryanair has also invested in reforestation, wind farms and other energy-saving projects around the world. However, such carbon offset initiatives were not without criticism, and it remains to be seen if these environment-friendly strategies would lead to business growth.

Taking everything into consideration, Ryanair definitely aims to fly high in the future.

Compiled and adapted from various sources including Valentine Matthew, "Ryanair eyes accelerated recovery with pledge to cut CO₂", Marketing Week, Nov. 2021; ryanair.com; Ryanair Annual Reports; "Ryanair Group – Aviation with Purpose 2021 Sustainability Report"; and international press coverage.

Answer ALL questions

1. Ryanair operates in the competitive airline industry where it is important to give value to customers in order to achieve business growth. Apply the 'Levels of Product' tool to Ryanair and briefly explain **each** component with examples from the case study. (6)
2. Besides the Product element, explain and give examples of how Ryanair uses the other **six** components of the 'Services Marketing Mix' to improve its service offering and attain a competitive advantage. (24)

3. Is Ryanair trying to adopt a societal marketing business orientation? What issues has it encountered? Discuss. Support your answer with references from the case study. (10)
4. In the past, Ryanair was rated poorly for its customer service and implemented measures to address this. State what primary research is, and mention the different ways Ryanair is using this type of research to improve customer service. (10)

(Total: 50 marks)

SECTION B

Answer TWO questions from this section. This section carries 50 marks. All questions carry equal marks.

5. You are in the process of opening a new hotel in a very competitive area. It is important that what you are offering is appealing and attracts the right type of customers.
 - a) Briefly explain what market segmentation and market targeting mean. (5)
 - b) Describe the main segmentation variables used in consumer markets and explain with examples how you can utilise these for your hotel business. (16)
 - c) If you decide to attract corporate customers to your hotel, besides the segmentation variables already mentioned in part a) and b), what others would you consider using?(4)

(Total 25 marks)

6.
 - a) Describe **each** phase of the Product Life Cycle (PLC) tool. (10)
 - b) Apply the PLC to a household consumer durable good and explain the marketing strategy you would use for a product that has just been launched in the market, and compare this to a product that is already successful and well-established. (15)

(Total 25 marks)

7.
 - a) Explain the steps of the personal selling process and apply them to a situation where a consumer is buying a new high involvement product. (21)
 - b) What level of importance do you give to a professional salesperson within the marketing process? Give reasons for your answer. (4)

(Total 25 marks)