



SUBJECT:	Marketing
PAPER NUMBER:	I
DATE:	30 th August 2023
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 equity. (4)
2. Explain what is competitive market intelligence. (4)
3. Distinguish between exploratory marketing research and descriptive marketing research. (6)
4. Distinguish between a consumer market and a business market. (6)
5. List the **FOUR** major variables for segmenting consumer markets. (4)
6. What is a product mix? Provide an example. (5)
7. Distinguish between market-skimming pricing and market-penetration pricing. (6)
8. What is an indirect marketing channel? Provide an example. (5)
9. Explain what is meant by integrated marketing communications. (5)
10. Define sustainable marketing. (5)

(Total: 50 marks)

SECTION B

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

11. a) Define marketing mix, and list the elements that make up the marketing mix of a product. (9)
b) Discuss how a company planning to launch a new VR (virtual reality) headset in the market can use the marketing mix in practice. (16)

(Total: 25 marks)

12. After assessing potential market segments, a company must determine which segments to target.
a) Name and briefly describe the **FOUR** targeting strategies that can be employed by a company. (16)
b) Select **ONE** of these strategies and discuss how a company of your choice might implement it in its marketing efforts. (9)

(Total: 25 marks)

13. Direct marketing is more than just direct distribution; it is also a method of communication.
a) Define direct marketing, and explain its role as a means of communication. (9)
b) Identify and describe **FOUR** different direct marketing tools, providing real industry examples for **each** tool. (16)

(Total: 25 marks)



SUBJECT:	Marketing
PAPER NUMBER:	II
DATE:	31 st August 2023
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: Facebook – looking towards the future

Founded in 2004, Facebook is a leading social media and social networking service with two billion active users every day. Facebook has a net worth of over \$320 billion and is one of the world's most recognisable brands. Facebook's excellent HR policies are regarded as one of the best across all industries. It is known to attract and retain top talent in the industry.

With a mission to engage and connect people worldwide, Facebook allows its users to create personal profiles through simple navigation tools in a unified manner with information such as their hometowns, gender, age, workplace, education, and hobbies. The platform encourages users to extend their network by adding others as friends and then interact with them through messages, commenting on their "wall", uploading and viewing photos, games, and videos, and "tagging" people in their photos. Users can also create posts and give status updates which are viewable to everyone.

Facebook is also an effective platform for digital marketing because of its global coverage, provision for highly targeted paid ads, organic reach, and its ability to integrate with other marketing channels. The latter includes the Messenger app which has grown into a billion-user platform and the high-profile acquisitions of Instagram, WhatsApp, and Oculus VR which have broadened Facebook's reach and influence as a social platform and technology company. Besides its own companies, Intel, Big Switch Networks, Nokia, and Qualcomm, are some of the suppliers that ensure Facebook operates smoothly.

Facebook followers can "like" a business, celebrity, brand, cause, or organization and receive content updates on their News Feed. With the segmentation variables and analytics available, a business can increase brand awareness, track and deploy advertising, have detailed user insights, and chat with users who seek customer service. Over the last decade, Facebook has shifted from the most prominent social medium on the internet into one of the biggest marketplaces. As a result, some of the most popular companies, like Coca-Cola, Nike and Starbucks, use the potential of Facebook to integrate with their existing marketing strategies for effective customer reach.

While digital marketing works differently for businesses in various sectors, it has proven to be cost-effective in enabling companies to target very specific audiences with personalised messages and organic posts. This has proved beneficial for Facebook and its shareholders as out of its \$113.6 billion revenue in 2022, over \$100 billion came from advertising.

Passage continues on next page.

Despite this success, the company has always struggled to establish itself as a platform for business users. Businesses have always considered LinkedIn and Twitter platforms to be better to reach the business community and professionals. Facebook would like to shed its image of being just a communication medium for friends and grow into a place for businesses to market themselves.

Facebook is trying to enhance its services and features to attract businesses to use the platform for brand-building activities with all stakeholders, as otherwise these will be done offline or elsewhere. This can be achieved by providing more localized content to increase engagement and relevance, build communities and utilize upcoming technologies such as Artificial Intelligence (AI), and focus more on education and less on promotion. Today's users want to discover something new, see what's going on in the world and be entertained.

Facebook is already offering businesses several useful services including calls-to-action in photos, managed sections on company pages, scheduled posts, similar page suggestions and an event app, together with a range of analytics covering active users, sales, event participation and online traffic flows. These all help businesses connect with people and other businesses, build communities and grow.

Competition from both old and new platforms is also threatening to reduce Facebook users. New entrants such as TikTok provide customized platforms with innovative content targeting its core market of the younger generation.

To counter this, Facebook is investing in R&D to enable direct messaging and having world class AI and virtual reality to deliver content. This has already been achieved to some extent through Reels (creative short video clips that showcase personality, market brands, or are just fun) which continues to grow quickly in both production and consumption. In fact, more than 140 billion Reels play across Facebook and Instagram each day.

While all this augurs well for its brand equity, Facebook has also had its share of problems over the years including a backlash over its negligence in the protection of user's privacy and data, accusations of spreading fake news, increased regulations and even bans in several countries. In early 2023, layoffs were announced as part of a wider restructuring exercise to flatten the company's organizational structure and reduce costs. This generated negative media coverage.

The future for Facebook with its visionary leadership and business strategies still looks promising, however, it is also bound to be challenging.

Compiled and adapted from various sources including "10 Facebook business page features you should be using" Website Magazine (2015); Facebook's Annual Report 2022; www.facebook.com; and international press coverage.

Answer ALL questions

1. With reference to the case study, explain the main segmentation variables that can be accessed from a Facebook user profile and how businesses can benefit from these. (16)
2. Given that Facebook earns most of its revenue from advertising, should it continue to focus on individual users or just invest more in business services and applications? Give reasons for your answer. (12)
3. Facebook has various stakeholders which are referred to in the case study. Mention **FOUR** of them and briefly explain Facebook's relationship with **each** of them. (12)
4. What is brand equity? Give examples from the case study of what affects Facebook's brand equity. (10)

(Total: 50 marks)

SECTION B

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

5. Explain the stages of the process an electronics company goes through when developing a new laptop computer. (25)

(Total: 25 marks)

6. (a) Explain the components of the 'Levels of Product' tool. (10)

- (b) Apply the 'Levels of Product' tool to compare eating out at a fine dining restaurant with that of a fast food outlet. (15)

(Total: 25 marks)

7. Explain the purchasing stages an individual consumer would go through when buying a new car. Give practical examples during **each** stage. (25)

(Total: 25 marks)