

BITS, Pilani- Dubai Campus
Knowledge Village, Dubai

II Year II -Semester
Comprehensive Exam
[CLOSED BOOK]

Course: PoM for Engineers Course No: MGTS UC233
Test: Comprehensive Exam Date: 09/06/04
Max Marks: 35 Duration: 3 hours

*Read the question paper carefully before answering the questions. Answer briefly and to the point. The emphasis will be on quality and depth of understanding and not quantity.
Section I has objective type of questions. Answer all questions.
Section II has 7 questions. Answer all questions briefly.
Section III has 3 case studies. Answer all the questions following the case studies.*

SECTION I

0.25X20= 5 Marks

- 1) The strategy sometimes referred to as mass marketing is also known as _____ marketing.
- 2) Immediate or expected changes in behavior resulting from the effects of experience are called _____
- 3) The component of attitude that represents the information or knowledge a consumer has about the object or concept is known as the _____ component.
- 4) The stage of the product life cycle that is appropriate for the use of informative advertising is the _____
- 5) A measure of the responsiveness of purchasers and suppliers to changes in price is referred to as
 - a. marginal cost
 - b. demand curve
 - c. price elasticity
 - d. breakeven curve
- 6) The density of distribution whereby a firm tries to place its products or services in as many outlets as possible is called _____ distribution.

- 7) Which of the following is the best example of a company that is expanding the breadth of its product mix?
- Aim creates strawberry, peach and apple flavored toothpastes
 - Gerber baby food begins selling term life insurance to grandparents
 - Friskies cat food introduced single serving cans
 - Igloo icecream introduces fat-free yoghurt
- 8) According to Circuit City ads, if one of its customers finds the item he or she purchased at a lower price within 30 days of the purchase, Circuit City will refund the difference. In terms of the hierarchy of effects, this action by Circuit City is intended to create _____
- 9) New York City officials raise prices on subway tokens when they need more money for the budget because they feel the demand for subway transportation is
- unavoidable
 - elastic
 - inelastic
 - a method to increase ridership
- 10) Shortly after botanist Jeniffer Rich decided to open a gift shop, she was looking for software that would provide multitasking capabilities. She wanted it to handle her bookkeeping, provide her with tax information, and make it easy to place online orders for gift and card deliveries. She looked at several packages aimed at making retailing easier, and finally settled on a software package that is called Your Gift-Store Expert CPA, which was in the middle price range. The purchase of this software was an example of a _____ purchase.
- Straight rebuy
 - Modified rebuy
 - Speciality buy
 - New task buying
- 11) A(n) _____ is a challenge posed by an unfavorable trend or development that would lead, in the absence of defensive marketing action, to deterioration in sales or profit.
- 12) Expand the abbreviations
- AIDA
 - FMCG
 - POP Advt.
 - EDLP
 - GRP
- 13) Classify the following consumer goods
- Mouthwash
 - Chanel perfume
 - Original Oil Painting
 - Ford Taurus car

SECTION II

- 1) Differentiate the following (any 5)
 - a. Joint demand & Derived demand
 - b. Advertising & Publicity
 - c. Bonus Pack & Premium
 - d. Reach & Frequency
 - e. Product length & Product depth
 - f. Gatekeepers & Influencers
 - g. Vertical & Horizontal Channel Conflict5M

- 2) Compare a typical marketing mix for a convenience product with one for a specialty product. What are the primary differences in these mixes? 2M

- 3) What should be the degree of distribution intensity is appropriate for each of the following
 - a. Time Magazine
 - b. Nike Sportswear
 - c. Rolex watches
 - d. Dial Soap
 - e. Apple Computers
 - f. Waterford Crystal1.5 M

- 4) What mix of promotional variables would you use for each for the following & why
 - a. Junior's children's shoes
 - b. Valvoline motor oil
 - c. Independent marketing research firm
 - d. Road construction equipment2M

- 5) How do manufacturers of children's crazes like *Pokemon* apply Consumer Buyer Behavior Theory to increase their sales. 1M

- 6) In considering Desk & Field research which way of gathering information is more expensive and why? 1M

- 7) Identify and briefly explain the alternative methods of developing a promotional budget? 1M

SECTION III

CASE STUDY I

It was bad news indeed headlined in the Wall Street Journal; McDonald's, the world's largest restaurant company, announced its first ever loss for the last quarter of 2002, as it struggles to turn around its US business and pulls back from expansion in some foreign market. Most important, said analysts, comparable sales in the quarter are down, with sales at U.S. units open at least one year, falling month-on-month and year-on-year comparisons. Poor revenue trends in the US business are a major cause for concern as US sales represent more than 55% of its worldwide sales. Shares in McDonald's fell 5 percent, in quick reaction to the announcement on the New York Stock Exchange. In

November, the company announced restructuring moves that included worldwide layoffs of up to 600 employees, the closing of some foreign restaurants and the withdrawal of business in several countries. An analyst added; "It's clear that the discounting program is not working," referring to the new "Dollar Menu" McDonald's recently launched to drive up sales. Others further commented; "the focus was kind of short term". Portrayed as a "Family" restaurant, McDonald's had always relied on perennial favorites such as Value Meals to contribute a good chunk of the sales pie. Other big contributions came from Happy Meals; specially targeted at children, with the inclusion of a toy in a meal package.

To top off an eventful year, McDonald's also announced a change of leadership to a new Chief Executive to take over control in early 2003. As much as being the envy of the corporate sector, to be at the helm of the most successful restaurant business in the world, the new Chief Executive will also face a daunting task in reversing the unhealthy sales trends in a relatively short "fast food" time.

1. How would you relate McDonald's sales trends to the Theory of Product Life Cycle and give reasons why you agree or disagree with a marketing viewpoint that expansion in foreign countries should be frozen. 2M
2. As Marketing Advisor to the new Chief Executive, would you advise him to retain or scrap the "Dollar Menu"? State your reasons 1.5M
3. How important are psychological benefits to the purchase of any product and name some psychological benefits that can be derived from the purchase of a McDonald's Happy Meal. 1.5M

CASE STUDY 2

In a world where cashless transactions seem to be a way of life for the average consumer in the not too distant future, American Express Cards have always been in the forefront of the "plastic money" business with innovative products and services. It is of no surprise that a major portion of the world's economies are driven by consumer spending and very much so dictated by the ease of pulling a card out of the pocket and signing for the exchange of goods or services rendered. The growth of the global card business has been phenomenal in the past decade, often registering double-digit percentage growth per annum. However, in terms of market share, American Express Cards are always trying to catch up with MasterCard and Visa; which together captured roughly three quarters of the market share cake. In growing the card business, Card companies had always channeled their resources in increasing the number of merchants accepting their cards and consumer cardholders. This actually looks easier said than done as some marketing analysts have likened it to be as complex as the classic "chicken or egg first" story.

Nevertheless, American Express Cards are determined to stay in this profitable business as they have done for many decades. As much as it has built a strong loyal card holders base through its "Don't leave home without it" programme, it

has to come up with more creative marketing ideas to capture the increasingly lucrative market share or watch its position be diluted further.

1. As Marketing Director with limited resources, will you choose to grow the cardholder base or merchant base? Discuss the reasons for your choice. 1.5M
2. Develop a brand loyalty program to retain a strong cardholder base. Highlight your programme with five distinct rewards to encourage cardholders to stay with American Express. 2.5M

CASE STUDY 3

You are a new employee of a medium sized company which makes a range of chocolate snack products. The company was founded and is owned by John Jones, who has built his business over the last 20 years by acquiring other smaller companies as well as by developing his own products. The company has a reputation for being innovative, and trades under a range of brand names, wherever possible the various factories negotiate with suppliers in order to keep costs down. These factories are based in the north of the country and most of the group sales are made in that area. The products may be bought in confectioners, newsagents, tobacconists, supermarkets and independent retailers. These retailers are serviced by a salesforce.

Jones is aware that his business lacks marketing skills and that sales currently depend on his salespeople's good relationships with the buyers for the various retailers. He spends some money on advertising, mainly in the trade press. There is no specific marketing plan for the group. Jones has plans to retire in 10 years time and wishes to "grow the business" in order to better fund his retirement. He believes the answer to be in better marketing. As a result, you have been recruited and placed on a management development programme. One objective of this programme is to allow you to develop your skills and enable you to show an understanding of how marketing may help improve the future prospects of the company.

1. Jones needs to know more regarding the range of marketing information that will be necessary to provide a platform for planning. Make a list of the marketing information that you believe would be useful for marketing decision making. Briefly state how you would collect this information. 3M
2. How might Jones improve his business through an understanding of market segmentation Outline the criteria that you would use in segmenting the chocolate snacks market. 2M
3. Bearing in mind that the company has previously relied on building sales through good trade relationships, discuss what measures you would consider in order to promote sales more effectively. Outline a promotional programme that would be appropriate. 2.5M

GOOD LUCK

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II Year II –Semester
Test 1

Course: Principles of Marketing for Engineers
Course No: MGTS UC233
Test: Test 1
Max Marks: 30 (Weightage 15%)

Date: 04/04/04
Duration: 50 minutes

Read the question paper carefully before answering the questions. Answer briefly and to the point. The emphasis will be on quality and depth of understanding and not quantity.

Section I
Fill in the blanks

1. A major activity in strategic planning is _____ analysis whereby management evaluates the products and businesses making up the company.
2. From a buyer's viewpoint, the _____ element of the market mix is designed to provide convenience.
3. _____ is a strategy for company growth through starting up or acquiring businesses outside the business's current products or markets.
4. _____ is the systematic collection and analysis of publicly available information about competitors and developments in the marketing environment
5. _____ is the systematic design, collection, analysis and reporting of data relevant to a specific marketing situation facing the firm.
6. A(n) _____ is a segment of the population selected to represent the population as a whole.
7. Primary data can be obtained or collected in five ways. They are observation, focus groups, surveys, behavioral data, and _____
8. In a _____ sample, the population is divided into mutually exclusive groups (such as age groups), and random samples are drawn from each group.
9. Within the _____ Internet domain, consumers are finding it easier to communicate with companies on the web.
10. Kodak's movement into electronics in order to digitize their image-making capacity is an example of _____

11. A business can be defined in terms of three dimensions: _____, _____, and _____
12. _____ is a gathering of six to ten people who spend a few hours with a skilled moderator to discuss a product, service, organization, or other marketing entity.
13. A _____ is an offering from a known source. (0.5 X 15 = 7.5)

Section II

Answer the following questions briefly

1. What is the difference between :
 - a. market segment and a target market
 - b. intensive growth and integrative growth
 - c. survey and questionnaire
 - d. value proposition and customer perceived value
 - e. data warehousing and data mining
 - f. marketing channel and supply chain

6
2. David Packard of Hewlett-Packard observed, "Marketing is far too important to leave to the marketing department." In your own words, what do you think he meant?

1
3. Core competencies are important for a business to recognize in themselves in order to be competitive. Core competencies have three characteristics. State them.

1.5
4. In this modern age of customer relationship marketing, explain how the elements of the marketing mix (the 4 P's) should be viewed from the buyer's standpoint as the 4 C's.

2
5. Define market attractiveness and competitive strength.

2

Section III

Answer any two questions.

(5X2 =10)

1. Describe each of the four different types of business examined in the Growth Share Matrix. There are four SBU strategies pursued by a business. Explain how each of these strategies works in relation to the four types of businesses examined in the Growth Share Matrix.
2. State six ways, or steps, that a company might take to improve the quality of its marketing intelligence.
3. Explain the differences between probability and non-probability sampling. Identify various types of each

Good Luck

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II Year II -Semester
QUIZ 1

Course: Principles of Marketing for Engineers

Course No: MGTS UC233

Test: Quiz 1

Max Marks: 20 (Weightage 10%)

Date: 31/03/04

Duration: 30 minutes

Name: _____

ID No: _____

Answer all questions

Section I

1. Marketing is the process of planning and executing the conception, pricing, _____, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.
2. When consumers go shopping on the Internet, they are said to be shopping in a _____
3. _____ are wants for specific products backed by an ability to pay
4. _____ is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering as compared to the perceived alternatives
5. _____ marketing is the task of hiring, training, and motivating able employees who want to serve customers well.
6. The formula that best describes how to determine customer value is as _____
7. _____ describes the use of electronics means and platforms to conduct a company's business

8. One type of information that buyers have access to on the World Wide Web are third parties that add value by aggregating information about alternatives. They are called _____
9. Small boxes that contain text and perhaps a picture are the most extensively used Internet advertising tools, are called _____
10. When a group of companies get together to combine their purchases to create better purchasing power and receive discounts from suppliers they are called a _____
11. A transfer simply means that A gives X to B but does not receive anything tangible in return.
- True
 - False
12. Connections between people within a company to one another and to the company mainframe is called:
- Internet
 - Ethernet
 - Intranet
 - Extranet
13. Which of the following is not an example of a way in which a consumer can communicate to businesses on the Internet?
- Call me button
 - Complaints via e-mail
 - E-mail by company reps
 - Toll Free Number
14. When developing or designing a Web site there are seven design elements that need to be considered. They are context, content, customization, communication, connection, commerce, and:
- Cohesiveness
 - Coercion
 - Community
 - Concern

15. There are several elements that make up the content factors of a Web site. Which one of the following is not one of the factors?
- Interesting and useful information
 - Changing news of interest
 - Good typefaces and font sizes
 - Links with related Web sites
16. Which of the following is not a tool for tracking and measuring customer satisfaction
- Complaint and suggestion systems
 - Customer satisfaction surveys
 - Ghost shopping
 - Intelligent Tracking systems
17. The ability of a company to produce individually differentiated goods for its customers is known as _____
18. A company's _____ consists of its structures, policies, and corporate culture, all of which can be dysfunctional in a rapidly changing business environment
- Style
 - Culture
 - Rules
 - Organization
19. Which of the following are not resources that are needed by companies to carry out its business processes?
- Labour
 - Commercials
 - Information
 - Materials
20. A person's feelings of pleasure or disappointment resulting from comparing a product's performance (or outcome) in relation to his or her own performance (or outcome) is called satisfaction.
- True
 - False

_____ **Good Luck** _____