Version OM/1

EGT2
ENGINEERING TRIPOS PART IIA

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Thursday 5 May 2023   9.30 to 11.40

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Module 3E2

MARKETING

*Answer not more than **two** questions.*

All questions carry the same number of marks.

*The **approximate** percentage of marks allocated to each part of a question is indicated in the right margin.*

*Write your candidate number **not** your name on the cover sheet.*

STATIONERY REQUIREMENTS
Single-sided script paper

SPECIAL REQUIREMENTS TO BE SUPPLIED FOR THIS EXAM
None

10 minutes reading time is allowed for this paper at the start of the exam.

You may not start to read the questions printed on the subsequent pages of this question paper until instructed to do so.

You may not remove any stationery from the Examination Room.

1   Uber is an online transportation network company that has been disrupting the taxi industry around the world. Its app allows consumers to use their phones to locate Uber drivers around them and book affordable trips. Uber drivers use their own personal cars and choose their own working hours. Uber has hired you as a consultant and have asked you to address the questions below. In answering the questions, feel free to make and state any assumptions as you see fit, and remember that you are not assessed based on your knowledge of a particular company or industry, but on your knowledge and application of relevant marketing concepts and tools:

(a)   What would you recommend should be Uber's customer value proposition in the UK, and why?   [25%]

Students should discuss and apply the Value=Benefits/Price concept and the customer relevancy framework to develop and outline their recommendations.

(b)   What could Uber do to strengthen its brand equity in the UK?   [25%]

Students should discuss the brand equity concept as a combination of two dimensions: (a) awareness and familiarity, and (b) strong, unique, favourable associations. Then they should provide some recommendations for Uber to improve these two dimensions.

(c)   In your view, is customer loyalty critical to a company like Uber? Why or why not?   [25%]

Students should discuss the economics of loyalty, which is a combination of growth effects and margin effects. Good answers will explain these two dimensions in some detail to argue that generally, yes, loyalty can be critical to a company like Uber. Great answers will also discuss the risks of a leaky bucket approach to customer management for a company like Uber.

(d)   What could Uber do to improve its customer loyalty?   [25%]

Students should discuss at least some of the main drivers of loyalty, like customer satisfaction and delight, effective service recovery mechanisms, and avoiding key symptoms of customer disregard (e.g., complaint procedures, slows responses, customer information management, etc.).

2   TekBooks is a new bookshop on King Street in Cambridge, offering a selection of academic, specialist and technical books from one central city location. The owners of TekBooks want you to help them with their marketing strategy, and have asked you to deal with the questions below. In answering the questions, feel free to make and state any assumptions as you see fit, and remember that you are not assessed based on your knowledge of a particular industry, but on your knowledge and application of relevant marketing concepts and tools:

(a)   How should TekBooks segment the market? Who should it target and why?   [25%]

Good answer will use the 3 main segmentation approaches covered in the module: traditional, psychographic and job-based. Combining these 3, they should derive some sensible recommendations.

(b)   What positioning strategy would you recommend for TekBooks and why?   [25%]

Students should apply the positioning framework to derive reasonable suggestions: (1) Define the competitive frame of reference (target market and segmentation, nature of competition), (2) Define the basis of positioning (points of difference and points of parity). Great answers may even plot a quick positioning map.

(c)   What should the marketing mix of TekBooks look like and why?   [50%]

Good answers will provide some well-supported recommendations about the product (e.g., sources of differentiation and USP, factors speeding up consumer adoption), distribution (e.g., direct vs indirect), pricing (e.g., should be aligned with positioning and value-based) and communications (e.g., objectives and how to break through the clutter, how to build distinctiveness).

(TURN OVER

3   One of your classmates is a coding wizard and has just won £1m in the 2023 "App&@it!" contest, a competition designed to support talented people like her to create a new app for smartphones. She's not sure what kind of app to come up with, or even what kind of industry to enter. All she knows is that she wants to create something entirely new, and she has the coding and financial resources to do so. She has asked for your help. In answering the questions below, feel free to make and state any assumptions as you see fit, and remember that you are not assessed based on your knowledge of a particular technology or industry, but on your knowledge and application of relevant marketing concepts and tools.

(a)   What kind of market research would you advise your friend to do if she wants to create something radically new, and why?   [20%]

Good answers will point out that we are dealing with a market driving innovation, and hence research designed to uncover incipient needs (rather than existing and latent needs) should be used. Ethnographic research and market observation would be particularly useful, rather than for example customer surveys and questionnaires.

(b)   Using the strategy curve and blue ocean strategy frameworks, develop a quick idea for a new app that you would recommend to your classmate. You are encouraged to be creative in your answer and you can assume anything is possible.   [80%]

Good answers will pick an industry and then outline the factors of competition in that industry (i.e., variables on which competitors compete, and which customers compare). Then they should plot the existing curve for example of the whole industry or of a dominant player. After that, they should show how eliminating, reducing, raising, and creating factors of competition can lead to a novel offering in the market.

END OF PAPER