

EGT2
ENGINEERING TRIPOS PART IIA

Date and Time

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 You have been approached by the manufacturer of a new energy drink called BrainBlaster to recommend how the company should position and market its product in the UK market when it launches in 2025. BrainBlaster is the first energy drink in the market to contain Blastokinetix®, a ground-breaking new synthetic substance with effects similar to caffeine, but much more powerful. What would you recommend the company should do in the UK in terms of the following:

- (a) The segmentation strategy for BrainBlaster. [30%]

The segmentation strategy should be based at least on 3 techniques: traditional segmentation, psychographics (e.g., VALS), and job-based. Good answers will use all these to come up with specific recommendations. A quick customer persona could also be developed to bring the segment to life.

- (b) The brand positioning of BrainBlaster. [30%]

The concept of positioning should be discussed (along with the main steps) and applied in some detail. Again, the questions requires specific, original recommendations. Good answers will discuss ways to deal with the negative health associations of having such a powerful ingredient.

- (c) The marketing mix of BrainBlaster. [40%]

Students should discuss the 4 Ps of the marketing mix: a product strategy, a price strategy, channels, and marketing communications. In-depth, convincing, well-supported and creative recommendations are required, by applying all the relevant theory.

2 The new CEO of a large engineering firm was recently quoted in the press as saying: “to be a true market leader, a company needs to be market oriented, have a strong brand, and be the best at everything it does”. Do you agree or disagree with this statement?

Why or why not? Critically discuss the statement, using specific examples in your answer (e.g., brands we discussed in the module or that you are familiar with).

[100%]

Answers should touch on 3 issues in this answer: (1) the concept of market orientation (intelligence generation, dissemination and responsiveness) and its benefits (e.g., performance, innovation, customer and employee outcomes); (2) the benefits of building strong brands (customer and company benefits); and (3) the customer relevancy concept and the idea that companies do not need to differentiate on multiple dimensions. Good answers will provide specific and well-articulated examples about each of these (e.g., companies that are very market oriented, strong brands, and companies that have been focused vs over-stretched). The case studies we looked at in class could be sources of some great examples too.

3 You have founded a marketing consulting agency in Cambridge, and your first client is the Copper Kettle, a historic café and restaurant located on King's Parade in Cambridge. Established more than 100 years ago, it serves drinks, breakfast, lunch, and dinner every day and can also host special events. Until now, their marketing efforts have been limited. They have decided to hire you as a marketing consultant, primarily to help them strengthen their brand and increase customer retention.

(a) Their data suggests that although customer satisfaction scores are high, customer loyalty is low. What are some plausible explanations for this, and how could they boost loyalty? [30%]

This could be because the relationship between customer satisfaction and loyalty is not strong, and tends to be curvilinear. It could also be due to the phenomenon of customer apathy. Students should discuss at least 2 missing links in the Customer Satisfaction-Loyalty nexus: word of mouths effects (and the NPS) and customer participation. Good answers will provide some examples in which these may be managed/implemented.

(b) Currently they have no loyalty programme of any kind, but they are considering launching one. What are the advantages and disadvantages of loyalty programmes, and do they tend to work? In your view, should the restaurant launch a loyalty programme, and why or why not? [30%]

Students should explain the economics of loyalty (in terms of growth and margins effects) and the general benefits of building loyalty. Then they should also point to evidence showing that loyalty programmes increase repeat business only in selected industries. A discussion of all the objectives of loyalty programmes should ensue (e.g., increase retention, data collection, etc.), and good answers may discuss whether they would implement a programme or not, based on the objectives they are aiming to achieve.

(c) What could the Copper Kettle do to strengthen its brand in Cambridge? [40%]

Good answers will discuss the key drivers of brand equity, namely awareness and associations (favourable, strong and unique). Then they should articulate specific ways in which the CK could boost these dimensions. Good answers may also go deeper, e.g., by discussing the application of storytelling and brand archetypes, the brand equity pyramid, and the brand asset valuator.

END OF PAPER