

EGT2
ENGINEERING TRIPOS PART IIA

Wednesday 30 April 2014 2 to 3.30

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

STATIONERY REQUIREMENTS

Single-sided script paper

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

1 (a) Describe Maslow's hierarchy of needs, and comment on its applicability in understanding the needs of contemporary consumers. [40%]

(b) Briefly introduce and suggest one example (from previous research discussed in class or otherwise, or from real life) for each of the following biases and anomalies in consumer decision making:

(i) Primacy and recency biases. [20%]

(ii) Pennies-a-day. [10%]

(c) Airlines are known to adjust their prices dynamically, so that the price of a specific seat on a specific flight could vary with time until the flight departs. Discuss whether organisers of music concerts should do likewise and adjust the ticket prices of concert seats dynamically. [30%]

2 (a) Discuss the pros and cons of segmentation by demographics. [30%]

(b) Describe the concept of perceptual map, and discuss the pros and cons of using perceptual maps in product positioning. [40%]

(c) Firms often design lines of products. Products within the same line belong to the same product category but are targeted at different segments of customers. Discuss the pros and cons of this marketing approach. [30%]

- 3 (a) Describe the two types of marketing communication appeals as discussed in class, and discuss how they can influence consumer decision making. [20%]
- (b) The television broadcast of the Super Bowl, an annual sporting event in the United States, is typically the most watched television programme in the year in that country.
- (i) Discuss why commercial (i.e., advertising) airtime during the Super Bowl broadcast has become the most expensive commercial airtime of the year. [20%]
- (ii) Discuss why companies that pay for Super Bowl commercial airtime often develop new, expensive advertisements that are broadcast for the first time during the airtime. [30%]
- (iii) Suppose a company is facing a choice between using its Super Bowl commercial airtime to advertise an existing product that has been sold in the market for some time, or using the airtime to advertise a new product. Discuss what factors the company should consider when making the choice. [30%]

END OF PAPER

