

ENGINEERING TRIPOS PART IIA

---

Friday 30 April 2010 2.30 to 4.00

---

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.*

*There are no attachments.*

STATIONERY REQUIREMENTS

Single-sided script paper

SPECIAL REQUIREMENTS

None

<p><b>You may not start to read the questions printed on the subsequent pages of this question paper until instructed that you may do so by the Invigilator</b></p>
---

1 In today's business world, products in many markets are becoming "commoditised" at a rapid pace due to stiff competition. Firms that fail to find powerful points of differentiation inevitably enter fierce price wars, which dramatically reduces profitability. Thus the long-term sustainability of a firm critically hinges on its ability to "de-commoditise" its product. Using cooking oil as an example of a typical "commodity", discuss how a manufacturer of cooking oil can "de-commoditise" it and establish competitive advantage.

[100%]

2 Pricing has always been a difficult yet important element of the marketing 4Ps, because it is the only P that brings in revenue, while all others imply cost. However, most companies do not know how to price their products optimally. That is precisely the problem that the Swiss watch manufacturer SWATCH is facing at the moment. The company, whose products have been very popular, is planning to launch a new design, and is determined to get the price right this time. Assuming you are a consultant from a major consulting firm and are hired to develop an optimal pricing strategy for the new design:

(a) Recommend and explain to the company an optimal pricing approach for the product.

[40%]

(b) Provide the company with a plan as to how an optimal pricing strategy can be implemented for the new design.

[60%]

3 (a) Members within conventional marketing channels (suppliers, intermediaries, and buyers) often have conflicting objectives. Why? How might channel conflicts undermine channel coordination? How can control be established in a channel to overcome these problems?

[60%]

(b) Discuss some of the more important factors you would consider in making a choice about the most appropriate channel design.

[40%]

- 4 (a) With reference to the possible stages involved in consumer response to marketing communications, explain how marketers can employ different communication tools (e.g. advertising and sales promotion) to best effect. [60%]
- (b) Describe the different types of appeal in advertising messages and how they can influence consumer decision making. [40%]

**END OF PAPER**