

ENGINEERING TRIPOS PART IIA

Tuesday 24 April 2012 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

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

- 1 (a) Explain why the demand for a branded handbag may increase after a big increase in its price. [30%]
- (b) Suppose there is in fact another brand of handbag that has long competed directly with the brand mentioned in (a). Discuss how the strategic responses of this competitor might weaken or strengthen the demand-increase effect in (a). [40%]
- (c) Discuss two more examples with which demand could increase with price. Note that credit will be given to answers that are very different in nature from each other and from your answer to (a). [30%]
- 2 (a) Discuss the pros and cons of carrying out marketing research for a new product before launching it in the market. [30%]
- (b) Henry Ford (1863-1947), the legendary industrialist and founder of Ford Motor Company who popularised automobiles in the US, has this quote attributed to him: “If I had asked people what they wanted, they would have said faster horses.” Discuss this quote in relation to the value of doing marketing research as a part of new product research and development. [40%]
- (c) It has been said that, when Steve Jobs was leading Apple Inc., the company did little or no marketing research. Supposing this to be true, discuss why (at least in recent years) Apple could remain very well tuned to what customers need and want. [30%]
- 3 (a) Describe the “traveller’s dilemma”. State the theoretical prediction regarding the decisions of strategic consumers in this dilemma, and briefly explain your answer. [40%]
- (b) How may real people’s decisions in a traveller’s dilemma differ from the theoretical prediction? Suggest possible reasons for such differences. [40%]
- (c) Describe one more example of strategic consumer behaviour that is different in nature from the traveller’s dilemma. [20%]

- 4 (a) What is brand equity? [30%]
- (b) “Brands have personalities.” Discuss this statement and its managerial relevance to brand-owning companies. [30%]
- (c) “The image of a brand is shaped not only by the brand-owning company.” Discuss this statement and suggest hypothetical or real examples that illustrate how the image of a brand may turn out to be not what the brand-owning company intends. [40%]

END OF PAPER

