

EGT2
ENGINEERING TRIPOS PART IIA

Tuesday 28 April 2015 14 to 15.30

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

STATIONERY REQUIREMENTS

Single-sided script paper

10 minutes reading time is allowed for this 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 the three value disciplines. Briefly discuss how a firm should formulate its competitive strategies from the perspectives of the value disciplines. [20%]
- (b) “The best way to compete is to stay away from competition.” Provide arguments in support of this statement in the context of marketing strategies that firms may decide to adopt. [40%]
- (c) Why might it be preferable for Burger King to open a new restaurant next to (as opposed to far from) an existing McDonald’s restaurant that seems to be enjoying good business? [40%]
- 2 (a) Suggest two different scenarios in which a profit-maximising firm would sell a product at a price that is lower than the product’s marginal cost of production. Explain your answers. [50%]
- (b) Explain two mechanisms through which low price can signal high quality. [40%]
- (c) Why might it be easier to sell a second-hand car at £10,245 as opposed to £10,000? [10%]
- 3 (a) Describe the newsvendor problem in supply chain management. [10%]
- (b) The management of a restaurant has decided to keep its number of tables below the level that would be required to meet the restaurant’s usual demand. There is enough space to allow for more tables and the restaurant would have no financial problems in purchasing more tables and related accessories.
- (i) Suggest two different marketing-related reasons that might have led to the restaurant’s decision. Explain these reasons. [50%]
- (ii) Select one of the reasons in your answer to (i). Suppose this is the real reason behind the restaurant’s decision. How should the other aspects of the restaurant’s marketing strategy be designed in conjunction with this decision? Explain your answer. [40%]

END OF PAPER