

EGT2
ENGINEERING TRIPOS PART IIA

Wednesday 27 April 2016 9.30 to 11

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) Briefly describe the general framework of marketing strategy. [30%]
- (b) From a product orientation perspective, a cinema is principally a business that screens movies. Explain how a cinema's business could be viewed differently from a market orientation perspective. [30%]
- (c) Explain why Master of Business Administration (MBA) programmes might need to maintain *high* fees to attract good students. [40%]
- 2 (a) "Pricing is the moment of truth – all of marketing strategy comes to focus on the pricing decision." Discuss this statement. [30%]
- (b) From a psychological perspective, why might Hi-Lo pricing be more attractive to consumers than Everyday Low Price (EDLP)? [30%]
- (c) "Low-end retailers should use EDLP, mid-brow retailers should use Hi-Lo Pricing, but high-end retailers should never use any of these two strategies." For each class of retailers in this statement, offer one reason in support of the statement, and one reason against it. [40%]
- 3 (a) Explain the meaning of 'area of vulnerability' in the context of perceptual map analysis. [20%]
- (b) "A new entrant to an industry should position its products away from the dominant incumbents' products." Offer one reason in support of this statement, and one reason against it. [30%]
- (c) 'Amazon Lives' is a (fictional) not-for-profit organisation dedicated to the preservation of wildlife along the Amazon River. In recent years the organisation's funding support has dwindled continuously. Although existing support is still sufficient to keep the organisation in good financial health, there are views in the organisation that it should become financially more independent. Therefore the organisation (which has never run any revenue-generating business) is considering selling merchandise that leverages its high international brand reputation. Examples of merchandise that have been discussed in staff meetings include cuddly toys of Amazon animals as well as

Version VM/2

camping equipment. Should Amazon Lives develop a merchandise business at all, and if yes, what type(s) of merchandise should it sell? Explain your answer. [50%]

END OF PAPER