

# POSSIBLE THEORY QUESTIONS

## Question 1

Selling one's products in an international market involves adopting a degree of risk to one's business. Although it is in the business's interest to minimise risk, there is typically a positive correlation between the risk of loss/bad debt/etc. and the reward of significantly higher market share and profits.

Discuss *exporting*, *joint ventures*, *strategic alliances*, *licensing*, and *foreign direct investment* as international expansion options, and comment on both the risk and reward associated with each.

See pages 390 to 393 in Marketing Management. Please note that a *joint venture* entails two or more companies joining forces to create a new company which is jointly owned, while a *strategic alliance* is merely an agreement between two or more companies to work together (i.e. no new company is formed).

## Question 2

The low cost airlines market, both in South Africa and abroad, competes predominantly on the basis of price. Discuss the additional three P's in the extended (services) marketing mix, and then relate them to this industry and suggest how each could be used to gain a competitive advantage.

*Refer to Services Marketing course notes.*

## Question 3 (June 2004 exam)

For many years, Business to Business marketers have understood the value of establishing good relationships with carefully selected customers. Only recently, has this concept become practiced by consumer marketers. Explain why this is so.

Summarise relationship marketing as a strategy for a consumer marketer. Indicate the benefits which it offers. Explain how relationship marketing can be implemented, pointing out some of the difficulties which may be incurred. Use an example (e.g. a company, product/s or brand/s) in your discussion.

## Question 4 (June 2004 exam)

As someone who has had exposure to marketing management, you have been asked by a group of businessmen wishing to improve the performance of their small companies to advise them on the following aspects of promotional management:

- a. The objectives of sales promotion programmes.
- b. How the success of sales promotions can be measured.
- c. What can be done to make sales promotions more successful.

Please note that sections a, b and c carry equal weightings.

### **Question 5**

A company's Integrated Marketing Communications (IMC) programme – also called its promotion mix – consists of a blend of advertising, sales promotion, public relations, personal selling, and direct marketing.

Collective Investments Ltd, a company specializing in the sale of unit trusts, has just launched in a very competitive South African financial services market. Advise the marketing manager about each of the five components of the IMC programme, and how she can use each to give her company a competitive advantage.

*See pages 578-585 in Marketing Management.*

### **Question 6**

- a) Vertical (backward and forward) and horizontal integration are terms often used by consultants when discussing competitive forces in an industry. Explain what they mean and use examples to illustrate possible integration scenarios.
- b) Draw the Ansoff Matrix (Product/Market Expansion Grid) and label each quadrant. Now, briefly (in a few lines) explain what each quadrant signifies and slot in the best example from the list below:
- i) Coca cola launching a new 5 litre economy size bottle.
  - ii) Bakers punting the fact that their Tennis biscuits make an ideal base for cheesecake.
  - iii) Retailers such as Tesco (UK) offering their existing customers unconventional products such as bank accounts, broadband Internet connectivity, etc.
  - iv) BMW producing mountain bikes and targeting them at a market segment who would not necessarily be willing, or in a position, to buy BMW cars.

Please note that sections a and b carry equal weightings.

### **Question 7 (May 2004 class test)**

*Critically* discuss the Boston Consulting Group (BCG) model. Explain how it is derived. Using two products or brands as examples, show where they lie in the matrix, justifying your decision. As a marketing manager, describe the strategies that you would employ in each case. *Please note that your examples should lie in different sections of the matrix.*

*See pages 94-95 in Marketing Management.*

### **Question 8 (June 2003)**

Why is a selection of channel of distributions an important decision? Outline the major functions of channels of distribution and the factors that influence choice of channels.

*See Chapter 17 (503-533) in Marketing Management.*

### **Question 9 (June 2003)**

Outline and discuss the differences between business-to-business markets and consumer markets.