


EXAMINATION: MANAGEMENT III: MARKETING MANAGEMENT (11058)
SS 2010 –FINAL EXAMINATION
EXAMINER: PROF. DR. ERICHSON

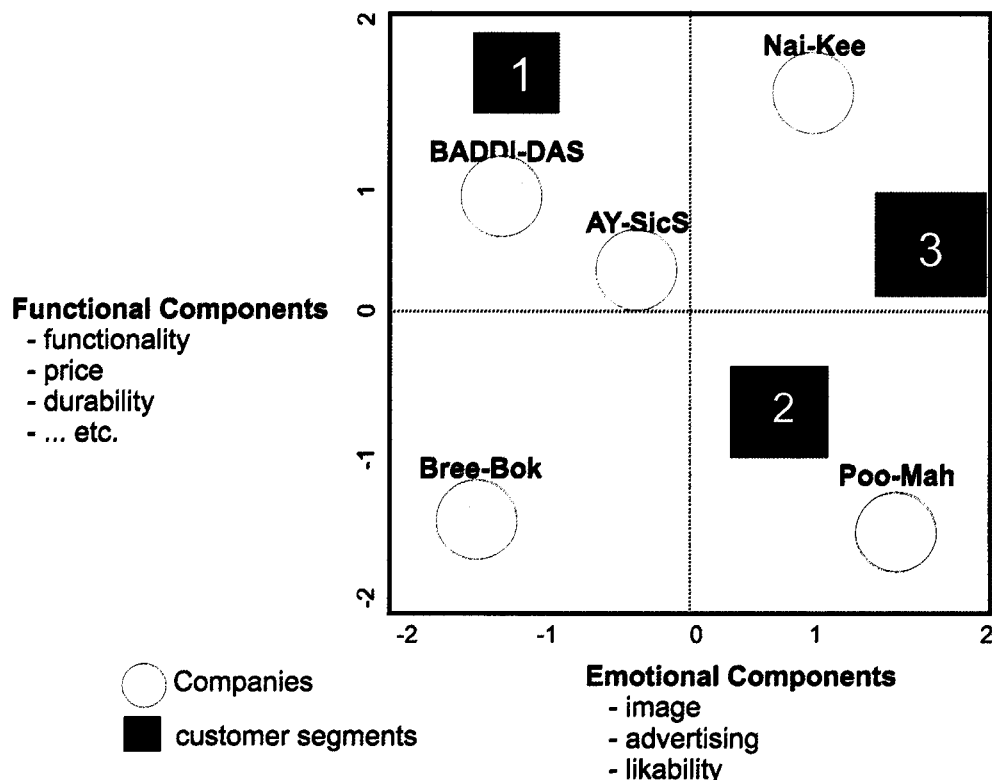
You are allowed to use: a pocket calculator (in accordance with the instructions given by the examination office) and a translating dictionary from your native language to English (without any notes written in it). Choose either the question part or the case study. The estimated time and corresponding points for each question/section is provided in parentheses. This examination has two pages. The maximum points to reach are 60.

PART A: QUESTIONS
Question 1
(9 Min.)

- Explain the four phases from a need to a purchase on a self chosen example!
- What is meant by Broadening & Deepening of the Marketing Concept?
- Who or What are CAPI, CASI, and CATI?

Question 2 PRODUCT POLICY
(11 Min.)

- What is meant by the “Convenience Function” of a packaging? Describe shortly!
- One important theoretical model is the product life cycle (PLC)
 - Define the PLC with one sentence!
 - Concerning Product Policy, what are possible strategies for the phases Introduction, growth, maturity, and decline?
 - What limitations do you see? Name and explain two!
- Below, you see the results of a positioning analysis with companies on the sports market and three identified customer segments. If a new company wants to enter the market, where and why should this company position their products regarding the given figure below?



**Question 3****PRICE POLICY****(20 Min.)**

- a) Define a premium price strategy compared to an economy price strategy related to the two dimensions: product quality and price!
- b) What is meant by the dual character of the price?
- c) Under which circumstances is a survival strategy crucial as pricing objective?
- d) The sport shoe manufacturer "Nai-Kee" wants to set up his prices based on the cost oriented "Markup-method", whereas "Nai-Kee" wants to earn a 30 percent markup on the sales. Calculate the unit costs and the markup price with the following data:

<i>Variable costs per unit:</i>	<i>30 €</i>
<i>Fixed cost</i>	<i>200,000€</i>
<i>Expected unites sales</i>	<i>500,00</i>

- e) What means "Image pricing"?
- f) Now, "Nai-Kee" decides to use another approach to calculate the optimal prices for their products. Therefore they use the Cournot Model. Based on a market study „Nai-Kee“ estimated the following market demand function for its new football shoe:

$$x = 3,500 - 250 p$$

where: x = number of shoes sold per year

p = price per shoe in US\$

Furthermore, they have the following expenditures:

<i>Average variable cost (linear):</i>	<i>5 \$/pair of shoes</i>
<i>Fixed production costs:</i>	<i>100,000 \$/year</i>
<i>Advertising costs:</i>	<i>5.5 million \$/year</i>

Calculate the profit maximizing price as well as the resulting quantity!

Question 5 COMMUNICATION POLICY**(20 Min.)**

- a) Graph or explain the communication process by SHANNON!
- b) Name three characteristics of the mass media "Advertising"!
- c) Name three possibilities for consumer promotion activities!
- d) What is meant by "Corporate Identity" and which elements does it comprise?
- e) What are the 5Ms? Name them all!

please, turn page

**Part B: CASE STUDY**

Up to now, the snowboard manufacturer “Fast & Furious” is selling their products only in the United States of America. But, for the upcoming season they plan to enter the German speaking market (Germany, Austria, Switzerland). In the United States “Fast & Furious” is a cult brand with its own lifestyle. Their branded snowboards “@ Hadry” have a high demand by snowboarders because of the remarkable individual graffiti design, therefore each snowboard exist only once in the world – according to their slogan: “Individual Boards for Individual Riders”. In the U.S. the snowboards are positioned in the high price segment and are focused on sophisticated snowboarder which attach great importance on high quality and emphasize their personality with a good design of their equipment.

The market entrance is planned by using a broad advertising campaign in selected TV-channels (Eurosport, Viva, MTV Europe, ...) and printed advertisings in journals for snowboarders.

Please, answer the following questions:

Question 1)**(10 min)**

For the briefing of the advertising agency, you need to tell them some terminologies of the communication plan. Therefore define the following terms: Advertiser, advertised object, target person, message, advertisement, and advertising medium.

Question 2)**(30 min)**

Use the 5Ms (Advertising Planning) – to create an optimal advertising plan for “Fast & Furious” with their product “@ Hadry” in the German speaking market (Germany, Austria, Switzerland).

Question 3)**(20 min)**

To consider ways to grow the business via existing and/or new products, in existing and/or new markets, the ANSOFF product market growth matrix is a good instrument to decide the course of action given the current performance. Thus, use the ANSOFF matrix to obtain possibilities for “Fast & Furious” in the future by using a Z-strategy.

[Help: Z-strategy: Market penetration → product development → market development → diversification (lateral, horizontal, vertical)]

Good Luck!