

MATRICULATION AND SECONDARY EDUCATION CERTIFICATE EXAMINATIONS BOARD
UNIVERSITY OF MALTA, MSIDA
MATRICULATION EXAMINATION
ADVANCED LEVEL
SEPTEMBER 2015

SUBJECT:	MARKETING
PAPER NUMBER:	I
DATE:	1 st September 2015
TIME:	9.00 a.m. to 12.00 noon

Answer ANY FIVE (5) questions.

All questions carry equal marks (20 marks each).

1. (a) What is the purpose of segmentation? (6 marks)
(b) How does segmentation enable market targeting and positioning? (14 marks)
2. Provide insights on the importance of the 7Ps of marketing, describing how each element is adopted in practice by commercial companies. (20 marks)
3. Discuss and outline the marketing research process which a marketing manager would go through to obtain feedback from customers. (20 marks)
4. Describe consumer, business and government markets, providing examples from the local scenario. (20 marks)
5. Discuss packaging as a marketing tool and explain the essential principles of packaging as applied to frozen food products such as ice cream. (20 marks)
6. (a) What are the main aims of advertising? (4 marks)
(b) Define the AIDA model and explain how it can be used to plan an advertising message. (16 marks)
7. (a) Explain what is meant by environmentalism. (4 marks)
(b) Discuss how environmentalism is encouraging companies to adopt short-term and long-term marketing strategies to sustain the environment. (16 marks)
8. How can a manager of a non-profit organisation in charge of the running of a local museum apply the principles of marketing? (20 marks)

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MATRICULATION EXAMINATION
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SEPTEMBER 2015

SUBJECT:	MARKETING
PAPER NUMBER:	II
DATE:	2 nd September 2015
TIME:	9.00 a.m. to 12.00 noon

Answer ALL questions in Section A and ANY TWO [2] questions from Section B.

Section A – Answer ALL questions.

CASE STUDY**Hermès: 180 years of success**

What started as a harness workshop founded by Thierry Hermès in 1837, has today become a world-renowned manufacturer of a vast range of luxury goods, including leather items, clothes, scarves, perfume, watches and much more. The company today owns more than 300 Hermès stores worldwide and declared about 1 billion dollars in profits last year.

The Paris-based family business grew gradually over the years, passing from one generation to the other, but always keeping class and quality a priority. In fact, the company has never accepted to mass-produce or mechanise its production. Hermès goods are almost exclusively made in France by hand.

The Hermès scarf

One of the company's most recognised original goods is the Hermès scarf, which was introduced in 1937, the same year Hermès celebrated its 100th anniversary. These unique pieces of silk have been worn by personalities such as Queen Elizabeth II who wore one for her postage-stamp portrait, Jackie Kennedy who used it to cover her hair from the rain, and Grace Kelly who used it as a sling when she broke her arm in 1956.

Hermès scarves are manufactured near Lyon, a famous silk port in the centre of France. They are woven from the silk of the mulberry silkworm. Each 90 cm square scarf requires no fewer than 250 cocoons. Throughout the years, more than 2000 scarf patterns have been created, the horse motif being particularly famous and popular. Produced in limited editions by artists around the world, the patterns become instantly collectible.

The process of creating a new design for a Hermès scarf is very complex. It takes about two years for the designer, the engraver, the colourist, the weaver, the printer and the finisher to complete the work – all done by hand. In fact, the company creates only 20 new designs each year. Instead of seeing this as a drawback, the company boasts of the exceptional quality of its products, which take a considerable amount of time to be completed.

It is this uniqueness that allows the company to sell its scarves for more than 400 dollars each, with some scarves being priced over 2000 dollars. These exorbitant prices, however, do not keep customers from buying them. In fact, the company sells a scarf every 25 seconds. According to

fashion historian, Polly Guerin, this is because women of privilege buy these scarves to distinguish themselves from the crowd. Moreover, in some instances, these women use the scarves as a kind of fashion currency. As Guerin explained, “It’s not unusual for a woman to own a collection of Hermès scarves and in the end bequeath them to other women, as the scarf has hereditary value”.

After almost 180 years, Hermès’ popularity is still on the increase as can be seen by the company’s revenue, which has doubled in the last four years. Pierre-Alexis Dumas, the company’s artistic director, thinks the reason behind this is because it is a family company. However, there may be other reasons besides this. It may be the rarity of the product, the company’s French identity, or maybe, as CEO Axel Dumas put it, it is because “we are not only offering you a product, we are offering you a dream come true”.

References

Braver, R. (2014, December 14). *The history of Hermes [Video file]*. CBS News.

Klara, R. (2014, December 7). *How the Hermès scarf remains an A-list accessory: by being stubbornly French*. Adweek.

Answer ALL questions in Section A

1. Based on the facts presented in the case, what is the target market of Hermès? (4 marks)
2. Discuss the major pricing strategies available to Hermès when setting prices for its range of scarves. (18 marks)
3. List the different channels of distribution that are available to any company and describe which type of channel or channels are relevant to Hermès. (18 marks)

Section B

Answer ANY TWO (2) questions. All questions carry equal marks (30 marks each).

1. Describe the marketing concepts (also referred to as marketing orientations) and explain how they are adopted in a company of your choice. (30 marks)
2. A manufacturer is planning to develop and introduce a new electric bicycle on the market. List and describe the major steps the company would go through in developing the new product. (30 marks)
3. Discuss the personal selling process, outlining the important steps involved in developing a successful sale. Provide examples of how this process is used in practice by sales people. (30 marks)
4. (a) What are the benefits of providing a marketing plan for an organisation? (6 marks)
(b) Provide an outline of the content of a typical marketing plan, describing each part. (24 marks)