

MATRICULATION AND SECONDARY EDUCATION CERTIFICATE EXAMINATIONS BOARD

UNIVERSITY OF MALTA, MSIDA

MATRICULATION EXAMINATION

ADVANCED LEVEL

MAY 2017

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<b>SUBJECT:</b>	MARKETING
<b>PAPER NUMBER:</b>	I
<b>DATE:</b>	1 <sup>st</sup> June 2017
<b>TIME:</b>	4.00 p.m. to 7.05 p.m.

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**Section A. Answer ALL questions in this section.**

**This section carries 50 marks.**

1. List the elements of the services marketing mix. (7)
2. What is a brand? (5)
3. Define customer relationship management. (4)
4. Distinguish between the marketing concept and the societal marketing concept. (6)
5. What is the decision-making unit of a buying organisation? (5)
6. Distinguish between service intangibility and perishability. (4)
7. Briefly explain the role of public relations in marketing. (5)
8. What is competitive marketing intelligence? (4)
9. Briefly describe the three main objectives of marketing research. (6)
10. Explain what consumerism is. (4)

**(Total: 50 marks)**

**Section B. Answer TWO questions from this section. This section carries 50 marks.**

**All questions carry equal marks (25 marks each).**

11. (a) Which are the **THREE** phases of the market targeting and product positioning process? (15)  
(b) Why is this process so important to a company? (10)
12. (a) What is the role of retailers in the distribution channel? (10)  
(b) Discuss the various types of retailers that might sell small kitchen appliances, such as toasters and kettles. (15)
13. Discuss **THREE** main ways in which a local company of your choice may decide to enter foreign markets.

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<b>SUBJECT:</b>	MARKETING
<b>PAPER NUMBER:</b>	II
<b>DATE:</b>	2 <sup>nd</sup> June 2017
<b>TIME:</b>	9.00 a.m. to 12.05 p.m.

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

Section A. This section carries 50 marks.

**Case Study: How Airbnb found a mission – and a brand**

Airbnb has been one of the signature successes of the “sharing economy”. Along with Uber, it’s a young brand that has penetrated consumers’ consciousness – and rung up a \$30 billion dollar valuation - so quickly that many use it as a verb. [As in, “Let’s go to Miami for the weekend. We’ll Airbnb a place by the beach!"]. Airbnb astutely expanded its brand from one known for putting budget travelers in people’s living rooms to endless exotic options (tree houses anyone?) to renting ultra-high-end gems to the likes of Gwyneth Paltrow.

Sometime in 2013, Airbnb started thinking about reorienting its entire mission and centre of gravity to better articulate the elements that made using its platform so unique. Douglas Atkin, the company’s new global head of community began by posing the questions. “Why does Airbnb exist?” What’s its purpose? What’s its role in the world? The answers to those questions, as Atkin puts it would become “the rudder that guides the whole ship”. Atkin and his team interviewed 480 employees, guests, and hosts around the world. Again and again, he says, he heard guests saying that “the last thing they wanted to be is tourists”. That felt too passive for them. Airbnb customers wanted to engage with people and culture; they wanted to be insiders.

A single idea began to emerge: the notion of “belonging”. By mid-2014 the company had settled on a repositioning around this concept. Airbnb had a new mission statement: to make people around the world feel like they could “belong anywhere”. A long time ago, cities used to be villages. But as mass production and industrialization came along, that personal feeling was replaced by “mass produced” and impersonal travel experiences” Airbnb would stand for something much bigger than travel; it would stand for community and relationships and using technology for bringing people together. When travelers leave their homes, they feel alone. They reach their Airbnb, and they feel accepted and taken care of by their host. The opportunity to show some humanity or receive some expression of humanity from others has become rare in our disconnected world. This is one of the elements which makes Airbnb

*Passage continues on next page.*

different from other aspects of the so-called sharing economy. At its core, Airbnb involves the most intimate human interactions: visiting people in their homes, sleeping in their beds, using their bathrooms. This is precisely what makes it objectionable to so many people who can never imagine using it. But it's also what makes it unique. This kind of sharing is not present when you hire a person to fix a leak on TaskRabbit, or when you get into someone's air-conditioned black car for a silent ride to the airport. More than anything else, it is an aspect of Airbnb that distinguishes it from Uber, Lyft, and any other of its sharing-economy peers. "Belonging" in the Airbnb-rebrand context is also much broader. It didn't have to be about having tea and cookies with the person whose place you're staying in. It meant venturing into neighbourhoods that you might not otherwise be able to see, staying in places you wouldn't normally be able to, bunking in someone else's space and having an experience that person "hosted" for you, regardless of whether you laid eyes on him or her. The company also had a new logo to symbolize the notion of "belonging": a cute squiggly shape it called the "Belo". The result of months of conceiving and refining. In July 2014, Airbnb introduced the rebrand as well as a redesign of its mobile app and website.

Hotel chains are also starting to imitate Airbnb and to experiment with ways to tap into the "home-sharing" boom themselves. In 2016, AccorHotels, the France-based parent of Raffles, Fairmont, Sofitel, Swissotel, and others, acquired the short-term-rental startup Onefine stay, which offers luxury accommodation in private homes with the high-end service of a hotel. Accor also invested in Oasis Collections, another startup pushing a "home-meets-hotel" concept. Thomas Cook is experimenting with a "Casa Cook" hotel, which the company describes as "like staying at a friend's house, where the kitchen is always open". A microchain, Freehand Hotels, offers separate – or shared rooms to appeal to the budget-travel set.

Of course the same has happened before in the hospitality industry. It wasn't that long ago that boutique hotels – Ian Schrager's Morgans, which opened in New York City in the 1980s was one of the first – were considered revolutionary. Now almost every hotel company has its own twist on the concept. So will we see "At Home by Marriott" or "Hilton Home-Shares"? Not tomorrow. But maybe sometime soon.

*Source: Adapted from: 'How Airbnb found a mission – and a brand', Fortune, January 1, 2017*

**Answer ALL questions in Section A.**

1. Airbnb expanded its brand with the idea of reorienting its mission. Describe how Airbnb repositioned its brand. (16)
2. What distinguishes Airbnb from other products of the "sharing economy", such as Uber? (8)
3. By applying the "Levels of the Product" Tool, compare the "core" and the "tangible" product of Airbnb accommodation with that offered by more traditional hotel chains, such as Hilton and Marriott. (16)
4. The case study refers to efforts being made by competing hotel chains such as AccorHotels to offer "home sharing" accommodation. How important do you think is it for hotel chains to imitate Airbnb? Do you think that the demand for hotel chain accommodation is on decline? Why? (10)

**(Total: 50 marks)**

**Section B. This section carries 50 marks.**

**Answer ANY TWO (2) questions. All questions carry equal marks. (25 marks each)**

1. Discuss the main functions of packaging. Substantiate your answer by providing practical examples of your own choice.
2. Discuss the purchasing stages a consumer would typically go through when buying home furniture.
3. Brands such as 'Lego™' and 'Sony Playstation™', are associated with premium prices. Supermarkets such as Lidl™, on the other hand, are known for their lower prices and value deals on offer.
  - (a) Outline the various pricing strategies companies may apply. (16)
  - (b) Discuss why companies choose different pricing strategies across the various stages of the Product Life Cycle. (9)