



SUBJECT:	Marketing
PAPER NUMBER:	I
DATE:	2 nd September 2019
TIME:	9:00 a.m. to 12:05 p.m.

SECTION A

Answer ALL questions in this section.

This section carries 50 marks.

1. Define marketing mix. (5)
2. What is customer equity? (5)
3. List **FOUR** contact methods for collecting primary data. (4)
4. Distinguish between specialty products and unsought products. (6)
5. Explain what new product development is. (4)
6. Mention and briefly describe the **THREE** major pricing strategies. (6)
7. List **FIVE** types of advertising media. (5)
8. Explain what is meant by sales promotion. (4)
9. Distinguish between exporting and direct investment. (6)
10. Define environmentalism. (5)

(Total: 50 marks)

SECTION B

Answer TWO questions from this section. This section carries 50 marks.

Questions carry equal marks.

11. a) Explain what customer needs, wants and demands are. (9)
 b) Discuss, with the use of relevant examples, what companies can do to satisfy the needs, wants and demands of consumers. (16)
12. Discuss how a salesperson might use the steps in the personal selling process to sell a car insurance to potential customers. (25)
13. Discuss how companies are using the Internet for marketing purposes. (25)



SUBJECT:	Marketing
PAPER NUMBER:	II
DATE:	3 rd September 2019
TIME:	9:00 a.m. to 12:05 p.m.

Answer **ALL** questions in Section A and any **TWO** questions from Section B.

SECTION A

This section carries 50 marks.

Case Study: Marketing in the Age of Alexa.

The Autonomous car dropped Lori at her home and then left for its scheduled service at the dealership. It would be back in time to take her to the airport the next morning. On the way into her home, Lori gathered the drone deliveries from the drop box on her shop. The familiar voice of Eve, a next generation smart assistant like Alexa, greeted her in the foyer and gently reminded her of her travel plans for her upcoming conference in L.A. Lori hadn't bothered to learn about the details, since Eve had taken care of finding the best flight, seat and hotel room that her company's expense policy would allow. As she unpacked her grocery delivery, Lori saw that Eve had adjusted her weekly purchases, omitting perishables and adding travel size toiletries and sunblock.

Does this scenario sound far-fetched? It isn't. AI (Artificial Intelligence) assistants are rapidly colonizing consumers' homes. Analysts estimate that Amazon, for instance has sold some 25 million Echo smart speakers, which people use to engage with its AI assistant, Alexa and that number is expected to more than double by 2020. Once you take into account the millions of other devices that can already host Alexa through iOS or Android apps, Alexa's market penetration looks even higher. Google Assistant, accessed chiefly through Google Home cylinders and Pixel phones, is now available on 400 million devices. Microsoft and Tencent have platforms for their own AI assistants (Cortana and Xiaowei) and virtual assistants Chumenwenwen and Xiaoice (which is capable of uncannily human conversations and reportedly has 40 million registered users) are already popular in China. Over the next decade, smart assistants like Alexa will transform how companies connect with their customers. They will become the primary channel through which people get information, goods and services and marketing will transform into a battle for their attention.

AI assistants will help consumers navigate their increasingly overwhelming number of choices and thousands of product categories. Even routine purchases can be time-consuming. Non-routine purchases often require evaluating and sorting through the nuances of competing offers which may be fraught with risk. While shopping for shoes may be fun, picking the right toothbrush from more than 200 products is pretty tedious, buying an ill-considered insurance policy or mobile phone plan can be costly. AI assistants will not only minimise costs and risks for consumers but offer them also unprecedented convenience. They will ensure that routine purchases flow uninterrupted to households- just as water and electricity do now. Moreover, they will manage the complexity of more involved consumer shopping decisions by learning consumers' criteria and optimizing whatever trade-offs people are willing to make (such as a higher price for more sustainability).

The result is that consumers will shift their allegiance from trusted brands to a trusted AI assistant. Thanks to Artificial Intelligence (AI) platforms, the job of branded-goods companies is about to get much harder. Increasingly, AI assistants like Alexa will control access to those firm's customers and brand recognition will play less of a role in product selection than dynamic and

idiosyncratic AI algorithms will. That does not mean though, that brands will no longer matter. They can respond in various ways. First, they must invest aggressively in understanding the algorithm platforms use to recommend and choose products including how they weight each brand for each consumer. In some categories and for some consumers, brands may be more important than price. Apple for instance is an example. In others, for instance toothbrushes, brands may be less relevant. AI algorithms will take into account such differences. Second brands need to assess the value of maintaining direct contact with consumers. For some kinds of offerings, such as smart connected consumer electronics promoting brand awareness and loyalty outside the AI platform may be a good strategy. Smart products provide companies a direct channel for communicating with customers and collecting data from them which may make those companies less reliant on AI platforms. In such cases ongoing investments to brand building will make sense. Thirdly, while consumers are increasingly buying online most purchases – currently about 90% of global sales – occur in brick-and-mortar stores. For the foreseeable future consumers will continue to shop offline, where brands will remain influential. As consumer' purchasing shifts to AI platforms, brands should regularly evaluate how important the physical retail channels remain and adjust their strategy accordingly. Again, these vary widely by category. Brands will still be experts in the product categories in which they operate, with deep knowledge about consumer behavior and product innovation.

(Adapted from: 'Marketing in the Age of Alexa', by Niraj Dawar and Neil Bendle, Harvard Business Review, May-June, 2018 Issue.)

Answer ALL questions

1. Briefly outline, from the case study text provided, the 'core benefits' of an AI assistant product, such as Alexa. Supplement your answer by providing direct examples from the case material. (15)
2. Outline the buying stages a consumer would typically go through when purchasing a new laptop computer. (15)
3. Discuss how an AI assistant could potentially influence or alter the buying stages referred to in Question 2, above. (10)
4. The case study refers to the growing importance of the AI assistant in consumer purchase decisions and the declining importance which will be attached to brands. Do you agree with this rationale? Discuss. (10)

(Total: 50 marks)

SECTION B

Answer any TWO questions. This section carries 50 marks.

Questions carry equal marks.

1. Discuss the relevance of social marketing. Apply your answer to practical examples of your own choice. (25)
2. Imagine that you are the owner of a private label supermarket chain selling premium products. Discuss why marketing research is important for your business? (25)
3. You are planning to open a new boutique hotel in the old part of the city.
 - (i) Outline the target audiences you seek to attract to your new venture. (8)
 - (ii) Describe the main segmentation criteria you would apply in selecting the above target audiences. (10)
 - (iii) Outline the main promotion launch initiatives you would undertake, as from one month before the opening of the new hotel. (7)