



SUBJECT:	Marketing
PAPER NUMBER:	I
DATE:	2 nd May 2022
TIME:	4:00 p.m. to 7:05 p.m.

SECTION A

Answer ALL questions in this section.

This section carries 50 marks.

1. Briefly explain what a market is. (4)
2. Distinguish between the selling concept and the marketing concept. (6)
3. Briefly explain what is meant by customer satisfaction. (4)
4. What is the difference between primary data and secondary data? (6)
5. Briefly describe the **THREE** major types of business buying situations. (6)
6. Briefly explain what is meant by positioning in marketing. (4)
7. What is a convenience product? Provide an example. (5)
8. Briefly explain what product bundle pricing is. Provide an example. (5)
9. Mention **FIVE** public relations tools that an organisation can use. (5)
10. What is environmentalism? (5)

(Total: 50 marks)

SECTION B

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

All questions carry equal marks.

11. a) Describe the elements that make up the microenvironment of company. (12)
- b) Discuss how a company of your choice can work with the actors in the microenvironment to better serve its customers. (13)

(Total: 25 marks)

12. a) Briefly describe **FOUR** types of research contact methods. (8)
- b) A local company producing snacks is thinking of changing the product's packaging and would like to gather feedback from the public before selecting the final design. The company's manager is undecided whether to carry out individual interviews or focus groups. Discuss how the manager can make a decision by outlining the advantages and disadvantages of **each** method. (17)

(Total: 25 marks)

13. Din l-Art Helwa is a non-profit organisation founded "to safeguard the historic, artistic and natural heritage of Malta".

(Source: <https://dinlarthelwa.org/about/mission-statement/>)

- a) Explain what a non-profit organisation is. (5)
- b) How can a non-profit organisation such as Din l-Art Helwa apply the principles of marketing? (20)

(Total: 25 marks)



SUBJECT:	Marketing
PAPER NUMBER:	II
DATE:	4 th May 2022
TIME:	4:00 p.m. to 7:05 p.m.

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

SECTION A

This section carries 50 marks.

Case Study: Tommy Hilfiger and Calvin Klein post pandemic

In early 2020, the global fashion industry was worth \$2.5 trillion, however, it was among the hardest hit industries by the COVID-19 pandemic.

A global leader in apparel, PVH Corp., parent company of iconic fashion brands Tommy Hilfiger and Calvin Klein, had increased its annual revenues in 2019 to over \$9.9 billion. The company had 40,000 employees, operations in 40 countries, 2,000 factories, and 6,000 retail locations. It also had a truly global value and supply chain with an extensive network of sourcing partners around the world, enabling it to efficiently deliver competitive and high-quality goods at an attractive price without relying on any one vendor, factory or country.

Aside from its two most crucial brands – Calvin Klein and Tommy Hilfiger (which together accounted for around 85% of sales revenues in 2019) – PVH had a diversified portfolio of so-called Heritage Brands: Van Heusen, IZOD, ARROW, Warner's, Olga, Geoffrey Beene and True&Co. As for geographical segmentation, 43% of revenue was generated in the US, 37% in Europe, 14% in Asia Pacific and 6% in the Americas. PVH competed with other global leaders in fashion, including Ralph Lauren, GAP, H&M, Inditex, Hanes and Burberry. Despite an ongoing consolidation trend, the fashion and apparel industry remained a rather fragmented and competitive market. PVH largely competed in the middle market, with its globally recognised Tommy Hilfiger and Calvin Klein brands targeting different consumer segments at higher price points.

Distribution was done through popular department stores, online retailers such as Amazon, as well as through PVH's own branded stores for Van Heusen, Tommy Hilfiger and Calvin Klein. PVH's global growth strategies included: personalising brand and shopping experiences to drive consumer engagement; leveraging data-driven marketing to deepen relationships with its consumers; expanding global reach through organic growth and acquisitions; investing in technology and data to be more dynamic, nimble and forward-thinking; evolving the supply chain to adapt more quickly to change and reduce lead times; developing and empowering talented employees; delivering sustainable, profitable growth; and generating free cash flow to create long-term stockholder value.

For the Tommy Hilfiger and Calvin Klein businesses, strategic initiatives included delivering compelling products that reflected the brands' accessible premium positioning, category expansion, regional expansion and digitising the brand experience, from design to showrooms for wholesale customers, to online and in-store shopping experiences.

Passage continues on next page.

However, in early 2020 when the pandemic hit, PVH found itself in the same position as many others in the fashion industry. Its financial performance declined considerably, and the company had to take difficult decisions which included decreasing stock levels, reducing its workforce, and closing retail outlets.

The retail side was impacted by government lockdown measures, as well as sudden shifts in market demand since many consumers were largely confined to their homes and facing economic uncertainty amid a deepening recession. On the supply side, complex and vulnerable global supply chains proved to be ill-prepared for factory closures, prolonged shipping delays and reduced labour capacity, as well as sudden order cancellations due to a halt in customer demand. While these supply and demand shocks were triggered by the events of the global pandemic, the fashion industry had long been criticised for the environmental impact of textile waste and exploitative labour conditions for workers.

While revenue figures for PVH improved in 2021, the impact of the pandemic was still being felt. The company took cautious optimism in the fact that sales through digital channels and its own e-commerce sites increased significantly. Accelerating digitalisation and driving online sales was crucial, as was the agility to quickly respond to sudden shifts in consumer trends.

Sustainability would undoubtedly be another major strategic pillar post-pandemic. PVH was aware that the fashion industry was under intensified public scrutiny. Pressure to address urgent social and environmental problems was mounting on multiple fronts, including the media, consumers, investors, employees, and governments among other stakeholders, who could all hold fashion brands accountable in different ways. Internet searches for "sustainable fashion" tripled during 2016-2019 and ten UN organizations launched the UN Alliance for Sustainable Fashion.

In response to growing demands for business sustainability from its global stakeholders, PVH launched its new corporate responsibility (CR) strategy: Forward Fashion, a CR platform with an ambitious vision for the future, setting higher goals for transparency and sustainable business.

The fashion industry had long been ripe for disruptive innovation and the pandemic forced companies to do away with age-old industry practices. Agility was imperative to quickly halt redundant production, switch to remote working, close stores, and redirect customer traffic to online shops. Technological innovations that the industry had been slow to adopt, such as virtual fashion shows, livestream commerce and novel 3D design tools, were catapulted to the forefront and into daily operations.

Novel materials were also gaining traction. Chanel for instance, invested in developing sustainable silk, and H&M into turning algae into bio-fibre and eco-friendly dye. Other innovative materials included bio-fabricated leather and biodegradable textiles. Furthermore, leveraged fabric technology was also offering new functional product value, such as antibacterial intimate wear, Uniqlo's Airism face masks, and PVH turning certain textile waste into new cotton-like natural fibres.

While challenging, PVH is determined to find the winning strategy to navigate the crisis, achieve sustainable growth and offer greater value to consumers beyond the pandemic.

(Compiled and adapted from various sources including "The State of Fashion updates" McKinsey & Co, 2019-21; pvh.com; and international press coverage).

Answer ALL questions

1. What challenges did the fashion industry have to face due to the global pandemic? (10)
2. Explain **FOUR** stakeholders that PVH Corp. must consider when taking decisions for future developments. (16)
3. a) How does PVH Corp. distribute its portfolio of brands to appeal to different consumer segments? (10)
b) Explain how PVH Corp. attempts to use relationship marketing to reach different consumer segments. (4)
4. What does Sustainable Marketing mean? What is PVH Corp. doing to be seen as a socially responsible business? Support your answer with examples from the case study. (10)

(Total: 50 marks)

SECTION B

Answer TWO questions from this section. This section carries 50 marks. All questions carry equal marks (25 marks each).

5. To develop a new product a company goes through a number of steps. Explain **each** stage of this process in relation to a product of your choice. (25)
6. A friend is considering opening a restaurant. What advice would you give with regards to:
a) the characteristics of a service; and (4)
b) the elements of the services marketing mix that your friend should consider when designing a marketing strategy. (21)
7. A shoe store that is famous for its long presence on main street would like to open an online shop. Discuss **FOUR** ways how the shoe store can set up an online marketing presence effectively. (25)

(Total: 50 marks)