

Eastern University, Sri Lanka
Faculty of Commerce & Management

Second Year First Semester Examination in Business Administration/ Commerce
2009/2010 (May/June 2011)

(Proper/Repeat)

MKT 2013 –Marketing Management



Answer all Questions

Time: Three Hours

Q1. Read the following case study and answer the questions given below.

Mazda Gets Moving

Mazda has been selling cars and trucks in the highly competitive U.S market for more than three decades. Its various models have always received high marks from consumers in areas such as styling, performance, reliability, and value. Sporty models such as the rotary engine RX-7, which was Mazda's signature car for many years, and the Miata roaster helped the company sell nearly 400,000 cars and trucks per year in the United States throughout the decade of the 80s and into the early 90s. However, during the mid-90s Mazda embarked on an ill-conceived expansion that included the introduction of six new models in less than a year and a lack of focus in its marketing and advertising plans. From 1994 to 1997, Mazda's U.S sales dropped nearly 70 percent and reached their lowest level in 15 years. When Richard Beattie took over as president of Mazda North American Operations in early 1997, he said he found an inefficient company with an "image that was bouncing all around." most of the advertising for the various Mazda models touted the prices and functional features of the cars, with little attention being given to image and positioning. A change in marketing strategy as well as advertising philosophy was clearly needed if Mazda was to regain its strong position in the U.S market.

To begin its recovery, a new marketing strategy was developed that called for Mazda to refocus its efforts and target a younger generation of drivers who appreciate cars with sporty features and want to make a statement about themselves with their cars. In the fall of 1997 Mazda parted ways with its advertising agency of 27 years and awarded its \$250 million business to a new agency, W.B.Doner & Co., now known as Doner. The new agency was given the task of building an image that would capture Mazda's overall personality and set its vehicles apart from other cars. The agency was also asked to develop an advertising theme that could be used for the Mazda brand rather than trying to establish a separate image for each model. Doner developed a simple but powerful slogan for Mazda, "Get In. Be Moved." the slogan is seen as more than just an advertising tagline; it's brand promise. Mazda's group manager of brand strategy and communication notes, "it's an invitation to the consumer, a motivation and a promise that you come to Mazda, you get in, and we promise that you'll be moved by what our cars have to offer."

One of the first challenges Doner undertook was to develop a campaign to completely reposition Mazda's subcompact Protégé model. The Protégé was positioned as a step up from a compact sedan but retained compact attributes such as fuel efficiency and price. The dual market for the Protégé included entry-level young buyers and older, empty nesters who wanted a smaller second car. However, the new advertising strategy for the protégé called for positioning it as a cool, fun, hip-to-drive vehicle for young, individualistic females. The ads would target young professional women in their early 20s to mid-30s and promote euro-chic styling, room for friends, value reliability, and cool features such as CD players and air-conditioning.

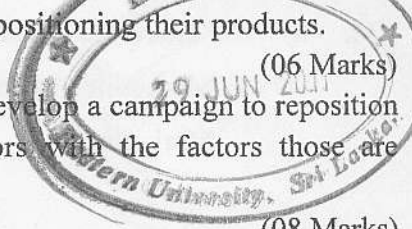
The launch of the repositioning campaign for the protégé, Doner developed several television commercials that combine computer-generated backgrounds with live action and feature a group of hip 20-somethings carpooling in a protégé. One of the most popular spots, "Protégé World," shows the group driving a protégé through a surrealistic cityscape accompanied by a vocal set to music from the Nails' "88 Lines about 44 Women," bemoaning the trials and tribulations of their workday lives. As the car drives off the screen, the voice-over describes how the protégé "is a change from your high-maintenance relationships."

In addition to using commercials, Mazda also gave the redesigned protégé a major push on the Internet. Mazda kicked off what it called "the world's largest online automotive launch party" with banner ads on a number of websites and portals such as Yahoo!, Excite!, America Online's Auto center, CarPoint, and MTV. The ads lead visitors to the protégé section of Mazda's website, which was created by Mazda's interactive agency. Once there they could start the "protégé Road Trip," where users picked the traits and a photograph of an imaginary travel companion before starting on a cyber journey that included choosing visual roads to take. Fun facts about the car were offered along the way. While online, travelers could also enter a sweepstakes to win a new protégé and play trivia games supplied by the game-shoe site Uproar. Mazda also mailed a CD ROM with music, movie reviews, and interviews to people who requested more information while visiting the protégé website.

The new campaign has been very successful in repositioning the protégé and attracting younger buyers. Sales of the protégé increased 33 percent in the fourth quarter of 1998 and nearly 20 percent in 1999. The "Get. In. Be. Moved" tagline is also being used in campaign for other Mazda models, including the Miata roadster and the 626 and Millenia sedans. Mazda's U.S. sales increased in 1998 and in 1999, and Mazda appears to be on the move once again.

Questions:

- a) 'Advertising and Promotion are an integral part of our social and economic systems.' Describe this statement citing the case.

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- b) Evaluate the success of Mazda's strategies in repositioning their products. (06 Marks)
- c) What are the factors that can be considered to develop a campaign to reposition the company's product? Compare these factors with the factors those are influencing the services industry. (08 Marks)
- d) Companies are moving from traditional mass media to new approaches to marketing and promotion. Describe this trend with factors that influences for this situation. (08 Marks)

(Total 28 Marks)

- Q2. a) Companies are now moving from mass marketing to market segmentation. Define the 'market segmentation' and describe the major segmentation variables of demographic and psychographic segmentation with examples? (08 Marks)
- b) 'Characteristics of services greatly affect the design of Marketing Programs' What are the distinctive characteristics of services. Explain with examples? (06 Marks)
- c) Brands are assets that must be carefully developed and managed. Describe desirable qualities for the selection of brand name? (04 Marks)

(Total 18 Marks)

- Q3. a) 'Consumers pass through some stages when taking buying decision.' Describe the stages in buying decision process with a suitable example. (06 Marks)
- b) Describe the stages of the product life cycle and explain how marketing strategies change during the product's life cycle. (08 Marks)
- c) 'It is very rear to enjoy the Absolute Advantage by any country in contemporary environment.' Briefly differentiate the Comparative Advantage from Absolute Advantage? (04 Marks)

(Total 18 Marks)

Q4. a) 'There are several modes available for a marketer to enter into International Marketing.' Identify and describe the modes available for International Marketing?

(06 Marks)

b) 'An International Marketer should follow some Principles in International Marketing for their success.' Briefly describe the basic principles that have to be followed by an International Marketer?

(06 Marks)

c) Differentiate between Marketing concept and Societal Marketing concept with example?

(03 Marks)

d) What are the differences between push and pull strategies? Why would a firm choose one over the other?

(03 Marks)

(Total 18 Marks)

Q5. a) 'Not like consumer market there are number of participants in business buying process.' Describe the roles of participants of buying center in purchase decision.

(07 Marks)

b) A competitive and environmental analysis of markets should include all the key influencing factors that affect the way in which the company can compete. Identify and describe the three types of the competitive environment with suitable example?

(05 Marks)

c) 'To obtain a representative sample, a probability sample of population should be drawn.' Describe the types of probability sample with example.

(06 Marks)

(Total 18 Marks)