

**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**SUPPLEMENTARY EXAMINATION JULY 2008**

**TITLE OF COURSE: PRINCIPLES OF MARKETING (BA 113)**

**DEGREE AND YEAR: DIPLOMA IN COMMERCE YEAR 1/  
IDE DIPLOMA IN COMMERCE YEAR 3  
B. ED. COMM.**

**TIME ALLOWED: THREE (3) HOURS**

**INSTRUCTIONS:**

- 1. TOTAL NUMER OF QUESTIONS ON THE PAPER IS 5**
- 2. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B**
- 3. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
- 4. MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF YOUR WORK**

**SPECIAL REQUIREMENTS: NONE**

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.**

## **INSTRUCTIONS**

**ANSWER SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B.**

### **SECTION A: (COMPULSORY)**

#### **QUESTION 1: IRISH SHOES**

**James O'Donovan is president of Irish Shoes, a Long Beach distributor of specialty athletic shoes. Three years ago, O'Donovan was a center for the San Diego Clippers of the NBA. He spent four seasons at that position until serious foot and ankle injuries ended his career. It seems that the constant running, jumping, and dead stops placed excessive pressure on his back, legs, and feet. This ultimately resulted in permanent damage which surgery could not correct.**

**In discussing his problems with Dr. H.N. Wolfe, a prominent Southern Californian podiatrist, O'Donovan learned that the type of difficulty he suffered was quite common, although usually not so severe, in the athletics community. Professional tennis, basket ball, and foot ball players, in addition to track and field athletes, were very susceptible to the problem. Dr. Wolfe also mentioned that the amateur joggers were also coming to her complaining of foot and leg problems.**

**With Dr. Wolfe and her two partners providing technical advice and financial backing, O'Donovan developed a unique athletic shoe. The sole of the shoe contains a polyurethane pad, partially filled with mineral oil. There is sufficient resilience within the pad to prevent it from bursting on impact from the foot as the wearer runs and jumps. The pads essentially act as shock absorbers significantly reducing impact and so pressure on the legs, feet, and back.**

**O'Donovan called this creation the Irish Shoe. To further distinguish it from the inevitable competitors, he designed a symbol of an eagle in flight, and had it made as a blue rubber implant into the sole of the shoe.**

**The shoe sells for \$75, about the price of other quality shoes; its acceptance has been phenomenal. In only six months, O'Donovan has nearly sold out his initial factory run of 15, 000 pairs. He has since placed another order for 20, 000 pairs from his manufacturer in Italy. Irish shoes are distributed throughout the United States – although on a very limited basis in most states – by independent shoe stores. Store managers indicate that it is not unusual for shoe store patrons to drive over 100 miles to a store which stocks the shoes and to ask for them by name.**

**Although the shoe was originally intended for athletes, distributors have noted that approximately 60% of sales have been to non athletes. In fact, senior citizens are the most avid fans of the shoes. This has O'Donovan and the podiatrists working on designs for shoes more appropriate for work settings and leisure activities.**

**Source: Kotler, Phillip., and Armstrong, Gary. (1990) Marketing. 2<sup>nd</sup> Edition. Prentice Hall. New Jersey.**

**Questions:**

- 1. The comfort provided by the Irish shoe is an example of which element of a product? (5)**
- 2. According to the classification of products, what type of product is the shoe itself? (5)**
- 3. Which status has this shoe achieved, given the fact that customers drive many miles to a store which carries the shoe and ask for it by name?(5)**
- 4. The Blue Eagle implant, which has come to symbolize Irish Shoes, is an example of what aspect of branding. (5)**
- 5. Which brand strategy is Irish shoes using? (5)**

**TOTAL: 25 MARKS**

**SECTION B**

**ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION**

**QUESTION 2**

- a. Discuss three ways in which products can be classified, giving examples in each case. (15)**
- b. It would be nice to have a refrigerator in your room on campus so that you can have cold beverages at any time. Use specific examples of people that could play five different roles in the purchase decision making process for the refrigerator. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 3**

- a. **Discuss five competition based pricing approaches. (15)**
- b. **Explain why companies use marketing intermediaries and what key functions are performed by these marketing intermediaries. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 4**

- a. **Discuss five methods of forecasting sales stating one advantage and one disadvantage of each. (15)**
- b. **Discuss five publics that can help or hinder a company from achieving its goals. Give examples in each case to support your answer. (10)**

**TOTAL: 25 MARKS**

### **QUESTION 5**

- a. **Discuss five types of advertising, indicating at which stage of the product life cycle each type can be used. Illustrate your understanding by using an example in each case.**
- b. **The presentation of a retail store to its customers helps to determine the store's image. The predominant aspect of a store's presentation is its atmosphere. Briefly describe five major determinants of a store's atmosphere. (10)**

**TOTAL: 25 MARKS**