

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
FINAL EXAMINATION MAY 2009

TITLE OF COURSE: PRINCIPLES OF MARKETING (BA 113)

**DEGREE AND YEAR: DIPLOMA IN COMMERCE YEAR 1
IDE DIPLOMA IN COMMERCE YEAR 2
B. ED.**

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. TOTAL NUMBER 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: ELDIN INCORPORATED

Marjorie Miele, a former vice president of marketing at General Dynamics of England, was often dismayed at the clutter on her desk. The paper work was bad enough, she reasoned. But the telephone, calculator, and file contributed to the lack of order.

Miele informally researched the problem and found that she was not alone in her thoughts about the need to have a more organized desk. She left General Dynamics to start Eldin Incorporated. After engaging in a formal research project where she studied the office equipment needs of executives, Miele found a definite need for a desktop organizer. Her solution to the problem was the Mark 3 Exec system.

The Mark 3 incorporated the more cumbersome office devices into a single unit. The system, which looked more like a desk blotter, had a built in digital clock, with an alarm and a calendar. Other components of the Mark 3 included a radio, calculator, computerized filing system, and a telephone with an automatic dialer.

The telephone was a hands free model with a mute button, ideal for those conference calls where occasional privacy was needed while conferencing with other people in the office. The Mark 3 was 24 X 38 inches, weighed 15 pounds, and was made of black leather with gold trim.

The profile of customers included the following characteristics: university educated; married; male; aged 35 – 49; title of vice president or director; and income about \$100,000 a year.

The selling price of the Mark 3 was \$685.00 and she calculated her first year break even point to be 425 units. The potential demand was many times this number as she planned to market the product using mail order world wide to advertise. Competitors at this level were non existent. While many companies produced executive desk products, not one had all the features of the Mark 3.

Source: Kotler, Phillip., and Armstrong, Gary. (1990) 2nd Edition. Prentice Hall. New Jersey.

Questions:

1. Which requirement for effective market segmentation is clearly evident in this case? (5)
2. Which base of market segmentation did Marjorie mainly use in segmenting her market? (5)
3. Critically analyze the marketing mix used by Eldin Incorporated. (15)

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Name and describe the three roles of marketing research. Illustrate your understanding by using a practical example for each role. (15)
- b. Discuss the five conditions that must be met for exchange to take place. (10)

TOTAL: 25 MARKS

QUESTION 3

- a. Discuss five pricing objectives that a marketer might have, using a practical example in each case. (15)
- b. Discuss the five levels of a product, illustrate by using examples. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. **There are three general strategies for selecting target markets. Briefly describe each of the three strategies, giving one advantage and one disadvantage of using each strategy. (15)**
- b. **Distribution managers select transportation based on several distinct criteria. Briefly describe five criteria that distribution managers use to select a transport mode. (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. **Discuss five techniques that can be used to set a promotional budget. Give one advantage and one disadvantage of using each method. (15)**
- b. **Define the following terms:**
 1. **Product mix.**
 2. **Product line width.**
 3. **Product line length.**
 4. **Product line depth.**
 5. **Product mix consistency. (10)**

TOTAL: 25 MARKS