

Written Exam at the Department of Economics summer 2019

## **Marketing**

Final Exam.

28. Th. May

(3-hour open book exam)

## **ELEMENTS FOR SOLUTION**

Answers only in English.

**This exam question consists of 2 pages in total (incl. Frontpage)**

### **Falling ill during the exam**

If you fall ill during an examination at Peter Bangs Vej, you must:

- contact an invigilator who will show you how to register and submit a blank exam paper.
- leave the examination.
- contact your GP and submit a medical report to the Faculty of Social Sciences no later than five (5) days from the date of the exam.

### **Be careful not to cheat at exams!**

You cheat at an exam, if during the exam, you:

- Make use of exam aids that are not allowed
- Communicate with or otherwise receive help from other people
- Copy other people's texts without making use of quotation marks and source referencing, so that it may appear to be your own text
- Use the ideas or thoughts of others without making use of source referencing, so it may appear to be your own idea or your thoughts
- Or if you otherwise violate the rules that apply to the exam

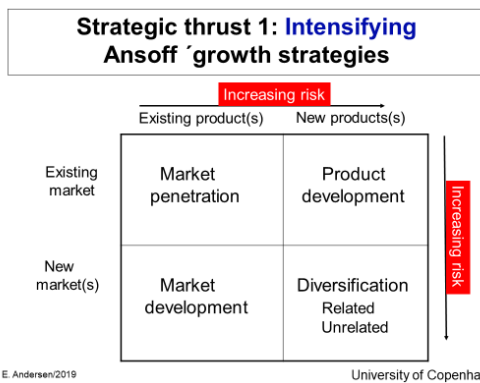
## Exercise 1)

Discuss different strategies for growth of a brand/company and illustrate with own examples.

### Elements for solution:

There is two basic models covering strategies for growth: Intensifying and integration.

1) intensifying = Ansoff's growth matrix



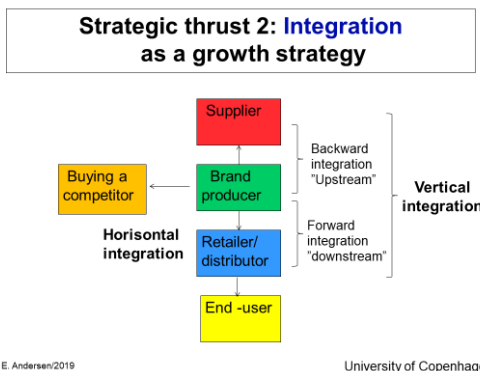
Market penetration: new customers, actual customers buying more/more frequent, new usage situations, more use in existing usage situations. Very often through promotion

Product development: new features, new tastes, new models, from small cars to medium cars, it is NOT continuously (logic) updating of products. It shall be something NEW.

Market development: new markets/countries/continents but also new target groups (for the existing products)

Diversification: most risky business: If Colgate goes into small treats (cakes, snacks etc.)

2) Integration



Horizontal integration: Buying a competitor. The buying company grows by acquisition (and there will be one competitor less)

Vertical integration: backwards: buying/making a strategic alliance with a supplier

Forward: buying/alliance with a distributor/retailer and/or establishing own shops

Other strategies can be mentioned: 3) Extensions (Line/brand extension and/or brand stretch)

4) Porters generic (differentiation or cost focus/leadership)  
Identification of a Competitive advantage at first hand

It is NOT about SWOT, STP, SMART model, PEST or BCG model. If they are mentioned (without at least one of the above mentioned 4 strategies) it can give a 02, if properly described with relevant examples and indicating a marketing mind set.

## Exercise 2)

Discuss some of the factors that in general are influencing consumer behavior in relation to the buying decision process for a product/service or product category after your own choice.

### Elements for solution:

Many different factors are influencing consumer behavior.

Two approaches/based on slides can be the basis for the answer:

1) The SOR model (most relevant) and 2) the 5 step model (AND with focus on factors influencing)

#### 1) SOR model

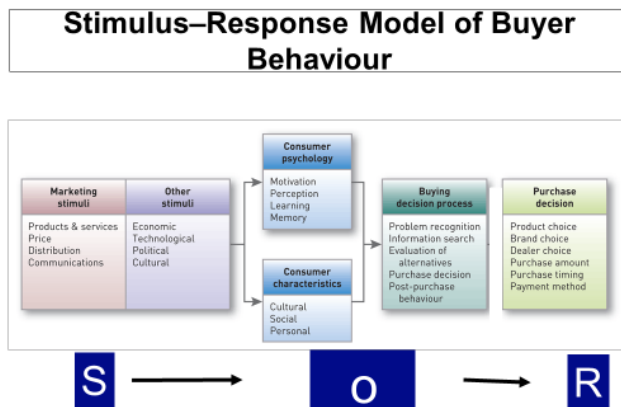


Figure 5.1 Stimulus–response model of buyer behaviour

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The role of the many factors differs, depending on the product category, It is a good idea to make a split between f.ex. low and high involvement products/services and maybe sort of motivation.

But some factors are always relevant:

Cultural, social and personal factors (elements from the PEST-model, referencegroups, family etc.)

Marketing stimuli (from the marketing mix, basically promotion)

Other kinds of information: from the press, Facebook news feed, TV-news, blogs, etc.

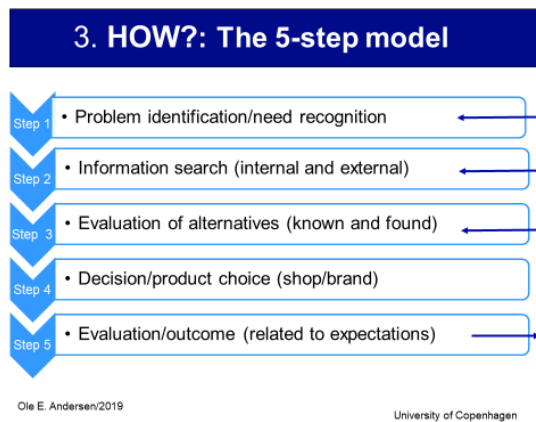
Earned media: reviews, trustpilot-ratings, test-results, WOM, likes etc.

Perceived risks, knowledge/perception of brands,

Personal variables: age, gender, income

## 2. The 5-step model

if this model is used/referred to it is important that the focus is on **the factors influencing** the different steps and NOT only the process in itself.



It could f.ex. be in step 2 under Information search (internal/external search) comments on the roles in the decision making unit (initiator, influencer, decider, user, buyer) and choice criteria

### Exercise 3)

Define and characterize the promotion parameters 1) advertising and 2) marketing public relations and discuss their strengths and weaknesses.

**Elements for solution:** Define and characterize:

**Advertising:** paid ad/message, that is inserted in a medium(off- or online)

Mass communication, non-personal, pushed, one-sided

Strengths: very controlled by the marketer (message, medium, number of insertions, timing, format) Many different media, targeted to different groups

Weaknesses: Not that trustworthy (because it is mostly biased/one-sided)

Difficult to measure the communication effects/effects on sale

Much clutter, sometimes not specific relevant for the individual receiver

**Marketing public relations:** Owned medium (the tools are press release/kit/meeting) with the intention of getting Press/blog mention in editorial articles/context, generating attention. Important that the student notice the intermediate role of the press.

Strengths: perceived trustworthy, more informations than in advertising, Can support advertising campaigns, getting attention of important niche groups, that are difficult to reach through advertising

Weaknesses: Little/no controle of the message being send, If it is send, when it is send, which direction the article has and/or will go. The marketer puts an intermediate person/function in the process: the journalist/blogger

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There will be an overall evaluation of the answers based on the 7-point scale