

Uganda Martyrs University
Faculty of Business Administration and Management
BAM II
Principles of Marketing Exam
Date: December 2013

Instructions

Do not write anything on the question paper

Section I is COMPULSORY.

Answer any 2 questions of your choice from section II.

All Questions carry equal marks.

Time: 3 hours

SECTION I

Please read the case study carefully and answer **ALL** the questions that follow.

Positioning in the Imported Premium Bottled Lager Market.

Since the growth years of the early 1990s the premium bottled lager market has stagnated due to the rise of draught equivalents in pubs and bars. The dominant brands are Budweiser from the USA, Grolsch from the Netherlands, and Holstein Pils and Becks from Germany. Together, these four brands account for over 80% of the imported premium bottled lager market. The key to success is clear positioning through advertising and packaging.

Budweiser emphasizes its quality in terms of freshness ('fresh beer tastes better') and its US heritage. Grolsch gains distinctiveness with its swing-top embossed bottle. Its ads stress the Dutch heritage of the lager and its distinctive taste, ensured by being brewed for longer than other beers. Holstein Pils positions on quality and its German heritage: one ad campaign featured a group of German brewers demonstrating their commitment to the beers traditional standards. It included the strap-line 'still brewed to the 16th century purity law. Just water, barley, malt and hops'. Recognizing the importance of healthy drinking it is also promoting the fact that it has lower carbohydrate content than some other lagers.

Beck's positioning is based on a humorous arty ad campaign featuring the bottle. One version shows the state of the bottle reflecting the state of the drinker- for example, a shrink wrapped bottle was accompanied by the strap line 'paranoid' Another uses visual puns to relate how different character types might visualize their bottles of beer. For 'fashion victim', a bottle is left with only the CK letters on it, the rest having been picked away from the foil wrapper; for the tight-fisted', a chalk line has been drawn to the mark the point the drink was left at when last sipped. Beck's also donates prizes for modern art and student film making.

Positioning in this segment is critical for brand legitimacy. The aim is to make Budweiser, Grolsch, Holstein Pils and Beck's the brands to be seen with. To do this, two factors are vital: first, a fashionable and stylish image and second, a track record of product quality (emphasized in the brands promotion) that sustains its attraction after the novelty has worn off.

QUESTIONS

- i) What do you understand by the term market segmentation and explain the requirements for effective segmentation? (8 marks)
- ii) Depending on the promotional objectives sought by any of the above firms, different advertising strategies and approaches may be taken. Discuss some of the content strategies that firms can adopt in advertising. (5marks).
- iii) Suggest distribution channel(s) they can adopt to maintain their market share. (4 marks)
- iv) From the case study, list the competitive advantage of each of the Beers. (8 marks)
- v) Discuss the factors that are affecting pricing decisions of the above beer companies. (10 marks).
- vi) With the help of a model, suggest a marketing strategy that each of the brands can adopt. (5marks).

SECTION II

2. With examples write short notes on the following terms.

- i) Marketing mix.
- ii) Market research and marketing research.
- iii) Odd-even pricing and prestige pricing.
- iv) Market segmentation.
- v) Push and pull strategies.
- vi) Exclusive and selective distribution.
- vii) Shipping package and primary packaging.
- viii) Product line depth and product mix width.
- ix) E-business and E-commerce.
- x) The goal of marketing? (Total: 30 marks)

3. a) you are the marketing director of Britannia (u) ltd products in Uganda. Discuss the marketing research process that your company undertook before launching its soft drink products on the market. (20 marks)

b) Discuss the E-domains in E-marketing. (10 marks)

4. Starting a business in Uganda has many challenges and companies do a number of activities before launching their products and or services. What marketing environment items do these firms need to study exhaustively to succeed in business? (30 marks)

5. Kamonde Zoe is a junior executive in her twenties working in a prominent sportswear company. She has decided to purchase a new mobile phone. What is the potential decision making process for her? With the help of a model, discuss the product diffusion process in marketing. (30 marks)