

Uganda Martyrs University
Faculty of Business Administration and Management
BAM II
Principles of Marketing Exam
Thursday, 11th December 2008

Instructions

Question 1 in section I is **COMPULSORY**.

Answer any 2 questions of your choice from section II.

All Questions carry equal marks.

SECTION I

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

Question 1.

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 Holsten 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. Holsten 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 visualise 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, Holsten 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? (10 marks)
- ii) Why is target marketing important for companies?(10 marks)
- iii) From the case study, list the competitive advantage of each of the Beers. (10 marks)

SECTION II

2. With examples write short notes on 4 of the following terms.

- i) Marketing orientation
- ii) Delighting customers
- iii) Co-branding
- iv) Brand stretching
- v) Brand equity
- vi) Marketing ethics (Total: 10 marks)

3. a) Explain what a marketing mix is.

b) What are the characteristics of an effective marketing mix? (10 marks)

4. In designing questionnaires for purposes of research, you should take into account a number of factors. What are those factors? (10 marks)