

UGANDA MARTYRS UNIVERSITY, NKOZI CAMPUS
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

CODE: 2101 COURSE: PRINCIPLES OF MARKETING

DATE: 5.12.2014

Time allowed: 3 hours:

Instructions to Candidates:

Read the following before answering the examination questions.

- Do not write anything on this question paper.
- Use of relevant examples will earn you a credit.
- Attempt any three (3) questions in section B
- All questions in section A are compulsory and relate to the case study
- The paper is in two sections: A and B

SECTION A

Icon Acoustics: by passing Tradition

The dream

Like most entrepreneur, Dave Fokos dreams a lot. He imagines customers eagerly phoning Icon Acoustics in Billerica, Massachusetts, to order his latest, custom-made stereo speakers. He sees sales climbing, cash flowing, and hundreds of happy workers striving to produce top-quality products that delights Icon's customers.

Dave has taken a long time to develop his dream. While majoring in electrical engineering at Cornell, Dave discovered that he had a strong interest in audio engineering. Following graduation, Dave landed a job as a speaker designer with Conrad-Johnson, a high-end audio-equipment manufacturer. Within four years, Dave had designed 13 speaker models and decided to start his own company.

Dave identified a market niche that he felt other speaker firms overlooked. The niche consisted of "audio-addicts"- people who love to listen to music and appreciate first-rate stereo equipment. These affluent-well educated customers are genuinely obsessed with their stereo equipment. "They would rather buy a new set of speakers than eat" Dave observes.

Dave faced one major problem-how to distribute Icon's products. He had learned from experience at Conrad-Johnson that most manufacturers distribute their equipment primarily through stereo dealers. Dave did not hold a high opinion of most such dealers. He felt that they too often played hardball with manufacturers, forcing them to accept this margin. Furthermore, the dealers concentrated on only a handful of well-known producers who provided mass-produced models. This kept

those firms offered more customized products from gaining access to the market. Perhaps most disturbing, Dave felt that the established dealers often sold not what was best for customers, but whatever they had in inventory that month.

Dave dreamed of offering high –end stereo louder speakers directly to the audio-obsessed, by passing the established dealer network. By going directly to the customers, Dave could avoid the dealer markups and offer top-quality products and service at reasonable prices.

Required:

- Basing on the case and other relevant information, Identify and explain factors that will contribute to the success of Dave's dream. **(20 marks)**
- Using the knowledge of marketing you have learnt, advise Dave on how he can segment his market in order to satisfy targeted customers efficiently and effectively. **(20 marks)**

Section B (attempt only three questions)

2. (a) with relevant examples, discuss the role of marketing to an organization. **(12 marks)**

(b) Identify and explain the differences between selling and marketing approach. **(8 marks)**

3. (a) what are the psychological factors that influences the buying behavior of an individual? **(10marks)**

(b) In the purchase decision of any product, there are always different types of buying decision behavior. As a marketing consultant, write a paper informing the

company management on different types of behavior in decision making of a buyer. **(10 marks)**

4. (a) identify and explain the importance of marketing research to an organization of your choice. **(8 marks)**

(b) With the help of a diagram, explain the components of a marketing information system that helps to distribute the right information in the right form at the right time to make better marketing decisions **(12 marks)**

5. a) Identify and explain the importance of marketing environment to an organization of your choice. **(5 marks)**

b) Discuss the marketing environmental factors a marketing organization should understand in order to make better decisions for the success of an organization. **(15 marks)**

6. With an organization of your choice, explain how application of the marketing mix elements can help an organizations to achieve its market growth. **(20 marks)**

Wish you a merry x-mas