



NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCE AND EDUCATION

DEPARTMENT OF MARKETING AND LOGISTICS

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FIRST OPPORTUNITY QUESTION PAPER	
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INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions.2. Read all the questions carefully before answering.3. Number the answers clearly4. Write as legible as possible, and as precise as possible5. Indicate your class lecturer's name on your answer sheet

THIS QUESTION PAPER CONSISTS OF 6 PAGES (Including this front page)

SECTION A: MULTIPLE CHOICE QUESTIONS

[25]

Choose the correct answer and use the answer sheet to answer the following questions. Each question only has ONE correct answer. One (1) mark shall be awarded for each correct answer.

1. Which one of the following is not a way in which a firm can obtain new products by acquisition?
 - A. buying a whole firm
 - B. buying a patent
 - C. backward engineering
 - D. buying a license to produce a product

2. Major sources of new-product ideas include internal sources and external sources. Which one of the following are not common external sources of new-product ideas?
 - A. consumers
 - B. suppliers
 - C. competitors
 - D. government agencies

3. The way consumers perceive an actual or potential product is perceived as the _____.
 - A. product idea
 - B. product concept
 - C. product image
 - D. product proposal

4. New-product concepts are often tested with consumers before _____.
 - A. commercialising them
 - B. attempting to turn them into a product
 - C. pricing them
 - D. creating advertising and promotion

5. When developing new products, it is important for a firm to distinguish between a product concept, a product image and a product _____.
 - A. idea
 - B. proposal
 - C. life cycle
 - D. all the above

6. A detailed version of a new idea stated in meaningful consumer terms are called a _____.
 - A. product idea
 - B. product concept
 - C. product image
 - D. product proposal

7. When using test marketing, firms typically choose one of three approaches: standard test markets, controlled test markets or _____.
- A. blind tests
 - B. random sample test markets
 - C. simulated test markets
 - D. non-standard test markets
8. Which of the stages in the product life cycle is characterised by rapid market acceptance, increasing sales and increasing profits?
- A. introduction
 - B. maturity
 - C. growth
 - D. decline
9. The team-based new-product development approach is faster because departments work closely together through _____.
- A. team efforts
 - B. better planning
 - C. cross-functional teams
 - D. departmentalisation
10. A common reason why so many new products fail in the marketplace is that the market size may have been underestimated.
- A. True
 - B. False
11. Which approach to test marketing entails that the firm finds a small number of representative test cities, conducts a full marketing campaign in these cities and uses store audits, consumer and distributor surveys, and other measures to gauge product performance?
- A. standard test markets
 - B. controlled test markets
 - C. simulated test markets
 - D. single-city test markets
12. When managing the new-product development process, the _____ is an approach firms use to install an innovation management system to collect, review, evaluate and manage new-product ideas.
- A. team-based new-product development
 - B. customer-centred new-product development
 - C. sequential new-product development
 - D. systematic new-product development
13. The PLC (product life cycle) concept describes a _____ as temporary periods of unusually high sales driven by consumer enthusiasm and immediate product or brand popularity. This may be part of an otherwise normal life-cycle, as in the case of 'ripped jeans'.
- A. product style
 - B. product fad

- C. product fashion
 - D. product class
14. A _____ tend to have a standard PLC (product life cycle) shape. Products such as the 'dial telephone' passed through a regular history of introduction, rapid growth, maturity and decline.
- A. product form
 - B. brand
 - C. product class
 - D. product style
15. Which one of the following is true regarding price?
- A. Price has had the least perceptible impact on buyer choice.
 - B. Price is the least flexible element in the marketing mix.
 - C. Unlike product features and channel commitments, prices cannot be changed quickly.
 - D. Price is the sum of all the values that consumers give up gaining the benefits of having a product.
16. More companies are adopting the concept of _____, which carefully integrates and coordinates the company's many communication channels to deliver a clear, consistent and compelling message about the organization and its brands.
- A. communication mix
 - B. direct marketing
 - C. integrated marketing communication
 - D. Marketing communication
17. Which of the following can be classified as a discount retailer?
- A. 7-Eleven.
 - B. Checkers.
 - C. Edgars.
 - D. Jet.
18. Cultivating opinion leaders and getting them to spread information about a product or service to others in their communities include:
- A. Buzz marketing
 - B. Opinion leaders
 - C. Events
 - D. Mass Media
19. Wholesalers buy mostly from _____ and sell mostly to retailers and industrial consumers.
- A. Independents
 - B. factory outlets
 - C. producers
 - D. discount stores

20. _____ includes all the activities involved in selling products or services directly to final consumers for their personal, nonbusiness use.
- A. Franchising
 - B. Retailing
 - C. Brokering
 - D. Wholesaling
21. Specialty stores carry _____ with _____ within them.
- A. Wide product lines; deep assortment
 - B. Narrow product lines; shallow assortment
 - C. Wide product lines; shallow assortment
 - D. Narrow product lines; deep assortment
22. Which of the following is an example of persuasive advertising?
- A. Informing consumers about the need for a product
 - B. Communicating consumer value
 - C. Maintaining consumer relationships
 - D. Changing consumer perceptions of product value
23. Once the marketing management has set the advertising objectives, which is the next task they should perform?
- A. Develop advertising strategy
 - B. Set advertising budget
 - C. Develop ad structure
 - D. Evaluate ad campaigns
24. _____ is an attempt to stir up positive or negative emotions to motivate a purchase.
- A. Humor appeal
 - B. Rational appeal
 - C. Emotional appeal
 - D. Moral appeal
25. Advertising reaches the masses of _____ dispersed buyers at a low cost per exposure and enables the seller to repeat a message many times.
- A. culturally
 - B. economically
 - C. geographically
 - D. biologically

SECTION B: THEORETICAL AND APPLICATION QUESTIONS

[75 marks]

QUESTION 1

(5x2 = 10 marks)

Identify and describe in your own words the five (5) strategies involved in value-based pricing when setting prices according to consumer's perception of value.

QUESTION 2

(4x3=12 marks)

Before a marketer sets prices, the marketer must understand the different types of markets that demand its products. Name and briefly explain by means of an example the four (4) types of markets that effect pricing decisions when setting prices.

QUESTION 3

(5x3=15 marks)

The strategy for setting a product's price is often changed when the product is part of a product mix. Explain how firms find a set of prices (strategies) that maximize the profits from the total product mix.

QUESTION 4

(4x2=8 marks)

Explain why firms use marketing channels and briefly discuss three (3) ways how channel members add value.

QUESTION 5

(10 marks)

The BMW vehicle brand makes use of various marketing distribution channels to ensure that the vehicle reach the end-consumer. A BMW vehicle moves from the manufacturer to the car dealership to the consumers.

- 5.1 Identify the marketing channel that BMW uses to distribute their vehicles. (2)
- 5.2 The number of channel members in BMW's marketing channel can be connected by various types of flows. Identify and briefly describe three (3) types of flows. (6)
- 5.3 Identify the intensity of distribution that is used to distribute the BMW vehicles in the market. Motivate your answer. (2)

QUESTION 6

(4x2=8 marks)

Define the four (4) major steps in designing a customer-driven marketing strategy.

QUESTION 7

(4x3=12 marks)

When a company wants to build a strong brand strategy, they have four (4) brand sponsorship options. Explain each option by using practical examples.