

TU-91.1008 Markkinoinnin perusteet

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EXAM QUESTIONS, MARCH 11, 2009

IMPORTANT: Write on your exam paper when you completed the course assignment, in autumn 2008 or spring 2009

You may answer in English, Finnish or Swedish.

Terminology section

1. Define the following basic marketing concepts briefly and elaborate on the terms with an example.

Each definition counts for 2 points. The total maximum amount of points for the terminology section is 10 points. If you don't obtain at least 50 % (i.e. 5 points) from the definitions, the rest of the exam will not be graded.

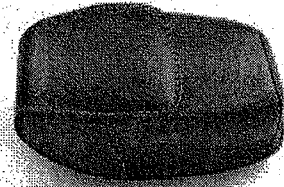
- a) Value proposition
- b) Triple bottom line
- c) Objective-and-task method in setting promotion budgets
- d) Dissonance reducing buyer behavior
- e) Marketing communications mix

Essay questions

*There are four essay questions in this section. You must **choose three (3)** questions to answer. Each essay is worth 6 points totaling a maximum of 18 points for this section.*

2. What is systems (or solutions) selling? Why should companies provide systems or solutions? Give practical examples how companies could use it in their business model in both B2B and B2C contexts.
3. Describe the stages of the STP model (segmentation, targeting, and positioning). What are the primary tasks and actions that can be associated with each stage? How can they be used for creating competitive advantage?
4. Companies operate in a complex networked environment. Define the players in a marketing system. What are the roles and activities of different organizations in this system? Put yourself in the position of the company in this system. How do these players relate to you and have an impact on your business?

5. You and your Uncle Pete have a company manufacturing and marketing plastic covers for mobile phones. Your primary customers are independent mobile phone shops that carry various kinds of accessories for increased sales. After the first two years of operations, you have managed to gather a turnover amounting to 100 k €. Fixed costs have been kept to a minimum since the manufacturing is outsourced abroad and you both work from a home office. You have some good reference clients and surely there are more companies out there that could use your help. "We just need to get the word out", you and your Uncle reason together. You have an option to develop the business by investing into marketing. The "Alternative" would make a pretty good impact on your business as you have estimated in the profit and loss statement below.



Picture of actual product

	Present situation	Alternative	Notes
Net sales	100 000 €	150 000 €	Sales up by 50 % (estimate)
Cost of goods sold	55 000 €	75 000 €	Assuming better deals with more purchases, the cost of goods sold per unit would decrease
Gross margin	45 000 €	75 000 €	
Sales expense	20 000 €	30 000 €	Increase direct advertising and personal selling
Promotional expenses	15 000 €	30 000 €	Increase advertising and branding
General and administrative expenses	7 500 €	7 500 €	
Net profit	2 500 €	7 500 €	
ROMI	28,6 %	???	

Firstly, you are now faced with a decision: Will you continue with things as they are at present, mainly focusing on improving relations with existing clients, or do you go with the Alternative? What is your recommendation based on a Return on Marketing Investment (ROMI or MROI) calculation for the Alternative. In the analysis, show figures for how you calculated the ROMI, not just the final result.

Secondly, do you feel that a ROMI figure alone gives an accurate account of the feasibility and performance of marketing investments? What other marketing metrics could you use? Give examples from each four categories of marketing metrics presented in the course lectures.