

Questions 1 to 6 are based on marketing decisions that relate to *Elocutio plc*.

Figure 1

Elocutio plc is a UK based multinational clothes manufacturer started in 1984. *Elocutio* specialises in high quality, top of the range clothing, supplying specialist outlets and chains in the UK and the rest of Europe.

It only caters for the most exclusive end of the market and the prices of its clothes are comparatively very high. It prides itself on the fact that the *Elocutio* brand is so sought after that cheap copies are made in the Far East, where manufacturers illegally use the designs and copy the logo.

After steady expansion from 1997 to 2007 *Elocutio* was negatively affected by the economic problems in the UK and the rest of the world in 2008 and 2009. As the majority of its target market countries went into recession, consumers lost confidence and started to cut back their spending on luxury items. The very rich were not as affected by the recession and many were happy to continue spending if the price was attractive.

In early 2008 a press report was published which exposed the fact that *Elocutio* was using very low paid workers in India to manufacture some of its clothes. *Elocutio* never denied that it had used low paid workers but it did announce in mid 2008 that all of its clothes were now being manufactured in the European Union (EU).

1. (a) (i) Identify **two** strengths and **two** weaknesses of *Elocutio* shown in **Figure 1**.

Strength

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Weakness

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(4)



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(ii) For each strength and weakness that you have identified in (i), show why it is a strength or weakness for *Elocutio*.

Strength

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2

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Weakness

1

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2

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(4)

(b) How is *Elocutio*'s promotional strategy likely to be affected by the fact that it only supplies to trade customers?

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(5)

Q1

(Total 13 marks)



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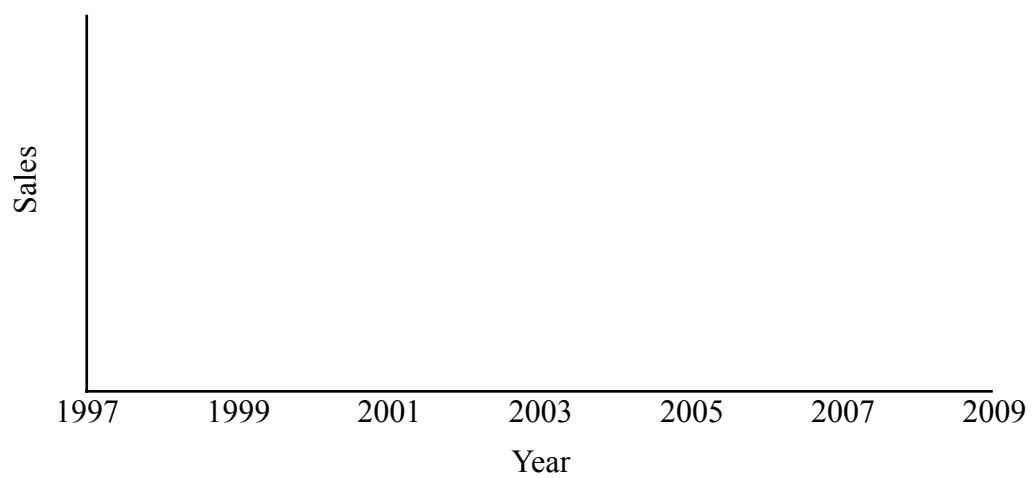
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Q3

(Total 11 marks)

4. (a) Using the information shown in **Figure 1**, draw the product life cycle for *Elocutio* from 1997 to 2009. Your answer should include accurate labelling of the relevant stages of the product life cycle line.

Figure 2 – Product life cycle for *Elocutio* (1997 to 2009)



(3)

Elocutio is considering a number of different extension strategies for its product life cycle. One of these is to produce supplementary products to its clothing lines.

- (b) If *Elocutio* did this, examine what part of the Ansoff Matrix these supplementary products would be in.

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(2)



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5. *Elocutio* produces three main ranges of clothing: office, casual and evening wear. It has details of past sales for each of these ranges. It has spoken to the buyers in the retail outlets, asking their opinions on likely changes in demand. *Elocutio* has carried out cluster sampling in Manchester to gauge customers' likely spending habits in the future.

(a) Why would part of *Elocutio*'s research be secondary data?

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(2)

(b) Examine why the sampling method chosen by *Elocutio* should be described as cluster sampling.

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(3)



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6. **Table 1** shows an extract from the Manchester survey in which 200 existing *Elocutio* customers were asked questions whilst in stores that sold the *Elocutio* ranges of clothes.

Table 1 – Selected questions and answers from the Manchester survey.

| | | | |
|---|----------------------------------|------------------------|--------------------------------|
| 1. How often do you buy <i>Elocutio</i> clothes? At least once in: | A year | 6 months | A month |
| | 60 | 124 | 16 |
| 2. How is your expenditure on <i>Elocutio</i> clothes likely to change in 2010? | Rise | Fall | Stay the same |
| | 2 | 32 | 166 |
| 3. What is the most important aspect of <i>Elocutio</i> clothing for you? | Price | Quality | The number of ranges |
| | 82 | 102 | 16 |
| 4. How often would you want <i>Elocutio</i> to change its Casual range? | Every year | Every season | Less often |
| | 48 | 152 | 0 |
| 5. Which is the most persuasive element of promotion for you? | Media reports from fashion shows | Celebrity endorsements | Positive comments from friends |
| | 50 | 32 | 118 |

(a) Analyse the problems that the data on **Table 1** suggest *Elocutio* might face in terms of meeting its customers' expectations.

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Some of the questions shown on **Table 1** might cause confusion for the customers and they may give answers that would make the survey less valid.

(b) Explain how **one** of these questions should be changed to reduce possible confusion.

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(5)

(Total 16 marks)

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Q6



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Questions 7 and 8 are based upon your own investigations of real marketing campaigns that you have studied during your course.

7. Many businesses carry out continuous market research on their customers' needs or buying habits.

(a) With reference to a business which carries out this kind of research, answer the following questions.

Name of the business

Type of continuous market research used

(1)

(b) Analyse how the continuous market research provides the business with details of customers' needs or buying habits.

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(3)



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(c) How does the business use the information to effectively market its goods or services?

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(6)

Q7

(Total 10 marks)



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8. With reference to a real UK or multinational business that has produced a good or a service for a particular time of the year and then expanded its market to sell the same good or service throughout the year, answer the following questions.

(a) Name of business

Good or service now sold throughout the year

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(1)

(b) Examine why the good or service was originally only marketed at a particular time of the year.

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