



Certificate in Marketing Skills

MARKETING IN PRACTICE

MONDAY, MAY 18, 2009. TIME: 2.00 pm - 4.00 pm

Please attempt Section A and TWO questions from Section B.

(If more than the specified number of questions are attempted, delete those you do not wish to have marked. Otherwise the Examiner will mark **QUESTION 1** and the next **TWO** questions in your Answer Book).

All questions carry equal marks.

Do **NOT** repeat question in answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

SECTION A (50%) (All questions carry equal marks)

Case Study: Organic Honey Products

Liam Murray runs a small family owned organic honey producing company in Co. Wexford which he runs with his wife. He established the business in 2001 when he spotted the increased interest in organically produced health foods. Although it is hard work it has been very successful as he has seen his sales grow by over 30% each year. In fact, his biggest problem to date had been in keeping up with demand and as a result he has been able to charge a premium for his product. His primary distribution channel has been through farmers markets and Christmas Fairs; however, this year he has noticed a fall off in the numbers of people attending both and as a result his revenues have fallen dramatically. He now needs to seriously consider how to improve his sales over the coming months. He has been thinking about launching a new range of organically produced beauty products initially starting with hand and face creams. As he can use the honey and by-products from his own bees as the primary ingredient there are few initial costs involved. Given the downturn however, he does not know if such a move would be a good investment and has asked for your assistance in identifying what he should do.

1. (i) Describe the step by step New Product Development process which you would recommend that Liam uses in launching any new product. Do you think that he should go ahead with the development of the cosmetics range? Give reasons for your response. (25 marks)
- (ii) Using the elements of the marketing mix, propose one alternative strategy for increasing revenue. Please justify your proposal. (25 marks)

SECTION B (50%)

(Please attempt TWO questions. All questions carry equal marks.)

2. Describe each of the orientations towards the market place which can be adopted by an organisation. Using one of these orientations discuss a well known company with which you are familiar and describe which orientation they have adopted. In your answer clearly describe the actions of your chosen company which you feel best illustrate their orientation. (25 marks)

3. (a) What is the difference between branding and packaging for a product? Describe and discuss the functions of packaging a product. Discuss a product which you believe has benefited greatly from innovative package design. (20 marks)
- (b) Briefly explain what is meant by the term product mix? (5 marks)

4. (a) A company needs to set prices at a level which will provide profit while also being attractive to customers. Describe in detail the three general approaches to setting price for a physical good. (20 marks)
- (b) Briefly explain what is meant by the terms price skimming and penetration pricing when launching new products. (5 marks)

5. Publicity is often seen as being a form of free advertising. Discuss this statement in the context of a company with which you are familiar. (25 marks)