

POKHARA UNIVERSITY
Faculty of Management

MKT 241: Principles of Marketing

MODEL QUESTIONS

Section A

Very Short Answer Questions (2 x10 = 10 marks)

1. Explain any two tasks of marketing management.
2. Explain the basic focuses of the four fundamental principles of the marketing concept.
3. Explain the concept of 'Green Marketing' with a suitable example.
4. Why service marketing needs additional 3 Ps on top of the original 4 Ps of goods marketing? Give reasons.
5. Explain the concept of proactive marketing.
6. Explain any two methods of marketing intelligence system.
7. Write down the difference between cost-based and value-based pricing.
8. Point out any four external factors that affect price of a product.
9. Explain attribute-based positioning and benefit-based positioning.
10. Point out any four factors that affect the effectiveness of marketing communication.

Section B

Descriptive Answer Questions (6x10 = 60 marks)

1. What is marketing information system? Explain its value to a marketing decision maker.
2. Explain any four differences between consumer behavior and organizational buying behavior.
3. What does a product life cycle represent? Why is it important in marketing decisions?
4. Explain the concept of service-value-profit chain.
5. Explain how promotion mix changes in the context of the life cycle of a product.
6. Explain the sales oriented objectives of pricing.

Section C

CASE

(20 marks)

MARKET FOR CONSUMER ELECTRONICS

Manufacturers and distributors of electronic appliances across the world are being increasingly challenged to maintain customer allegiance and market share due to growing customer awareness, widening choice, and fierce competition. In a market place like

Nepal, quality and price consciousness coupled with easy availability of cheap albeit dubious products have put immense pressure on premium category of products. Increasing consumer affluence and availability of easy finance schemes have been boosting the consumer electronics' market in Nepal by about 20 percent annually. The business is worth over Rs 4 billion and is growing. Distributors of consumer appliances feel that there is a large group of consumers who are ready to buy any new electronic system on a regular basis. Today, consumer electronic systems are imported from a variety of sources that includes Japan, South Korea, Malaysia, Indonesia, India, and China. Besides, Gold Star Nepal and Him Electronics also assemble TV up to 21" in Nepal.

Prabhakar Thapa, GM of Him Electronics opines "home appliances business has gone from strength to strength because of the drastic fall in prices, new taste of consumers, and new life style. However, increased availability of grey products across the country has hampered quality products' market. The grey market needs to be controlled by the government to make the sector more effective." Aashish Jindal of Paramount Electronics agrees with Thapa on the effect of the grey market. Jitu Agarwal of Navin Distributors that distributes Whirlpool Brand products feels that smuggling is not a serious matter, particularly for larger products.

Sanjiv Jha of Saurav Photo International sells Konka products imported from China. According to him "consumers are looking for low priced products but not low-grade products." In the TV market Konka is the bestselling brand. He claims Konka has a market share of at least 20 percent. The total market size of television in Nepal is estimated around 1,50,000 per year. Increased purchasing power, brand awareness, and tumbling prices have helped change consumer preferences. Consumers are increasingly replacing their black and white sets with color TVs. Although there are more than 40 brands of TVs sold in the market consumers recognize only a few brands such as Sony, LG, Samsung, Philips, Konka, and Changong. Distributors in general feel that the current 40% custom duty and 13% VAT has to be lowered to expand the market size. The rapidly growing grey market is mainly due to the high government taxes. The major demand for TV is coming from the newly electrified villages and small towns. TV sets have become a status symbol in the villages. Electrification and access to national and international channels through satellite transmission has also opened opportunities to start cable services in small towns and clustered villages in Nepal.

Issues for Discussion

1. Identify the factors that have contributed to the expansion of the electronic product's market in Nepal. (10 marks)
2. If you have to introduce a high-price, high-quality TV set in the Nepalese market how would you formulate your pricing strategy in the current market scenario? (10 marks)