



Gratia Christian College
宏恩基督教學院

Examination

Programme : Higher Diploma in Transformative Business Management
Academic Year (Semester) : 2023 - 2024 (Semester 2)
Course Code : HTM103
Course Title : Principles of Marketing
Date : 25 April 2024 (Thursday)
Time : 2.30 pm to 5.30 pm
Time Allowed : 3 hours
Weighting : 30%

Student ID No. : _____

This paper has 3 pages (including this cover page).

Instructions to candidates:

1. This question paper consists of 2 sections:
Section A - essay questions, and
Section B - case study questions.
2. You are required to answer THREE out of the four questions in Section A and the TWO questions in Section B. Each question carries 20 marks, resulting in a total of 60 marks for Section A and 40 marks for Section B.
3. Answer the questions in the answer book provided.
4. This paper carries 100 marks which are allocated to each question as indicated.
5. This is a closed-book examination.

No materials or aids are allowed during the whole examination. If any unauthorized materials or aids are found on a candidate during the examination, the candidate will be subject to disciplinary action.

Do not turn this page until you are told to do so.

You should hand in this question paper after the examination.

Section A – Answer any THREE out of the four questions (60 marks).

Each question carries 20 marks.

Question 1

What is market segmentation? (4 marks) List and define the FOUR market segmentation strategies. (16 marks)

Question 2

Identify and explain the SIX buying decision-making process. (15 marks) Do all the products go through the six buying decision-making process? Answer with examples. (5 marks)

Question 3

Most companies have moved away from mass marketing toward target marketing to identify market segments, select one or more of them, and develop products and marketing programs tailored to each.

- a. Define value-driven marketing strategy. (8 marks)
- b. Explain marketing segmentation, targeting, and positioning. (12 marks)

Question 4

What is pricing? (6 marks) Describe Two (2) major strategies for pricing new products and what are the considerations for choosing the pricing strategy? (14 marks)

Section B – Answer the TWO questions (40 marks).

Each question carries 20 marks.

Founded in Sweden in 1943, IKEA is the world's largest furniture retailer and a global cultural phenomenon. IKEA inspires remarkable levels of interest and devotion from its customers. In 2018, IKEA had over 957 million visits to their stores and opened 19 new stores including their first in India.

IKEA achieved this level of success by offering a unique selling proposition to its customers: leading-edge Scandinavian design at extremely low prices. IKEA has become a curator of people's lifestyles, if not their lives. Far more than a furniture merchant, it sells a lifestyle that consumers around the world embrace as a signal that they've arrived, that they have good taste, and that they recognize good value for money. IKEA has succeeded in building a global cult brand. In 2018, after 12 years of planning and six years after they announced their intentions, IKEA opened the first of its new stores in Hyderabad India. What unites and enchants shoppers all over the world is the store visit, a customer experience that is common to every country IKEA operates. When a consumer walks through an IKEA store, it is a very different experience than most furniture retailers. The sheer number of items, from kitchen cabinets to candlesticks, is a pivotal advantage. Moreover, IKEA knows its customers and customizes offerings by selling products people want to buy. The IKEA Group has not only successfully built a global cult brand but continues to capitalize on it, to grow, and to enable more fans to live an affordable life at home.

(Source: P. Kotler, G. Armstrong, M.O. Opresnik (2021), Principles of Marketing, Pearson Education, Inc.)

Question 1

What product is IKEA selling aside from furniture? (8 marks) Explain how to build customer value through products, services, and experiences. (12 marks)

Question 2

Identify the unique value proposition of IKEA. (10 marks) Differentiate the actual and augmented products of IKEA with examples. (10 marks)

END OF PAPER