The new Carlton Supermarket at Black Rock, St Michael is expected to commence operations in November 2011. The complex, costing approximately $200 million will comprise of a new spacious, full stocked supermarket, rivalling the more prestigious supermarkets on the island. It will also carry a number of shops including a hardware store, two restaurants, a hair dressing salon, a doctor's office, a boutique and a laundry and dry cleaning store.

The new Carlton is relatively near to Eagle Hall and Deacon's Road where at least two other supermarkets are located, though these are not as large and as well stocked.

The new Carlton is an improvement over the current supermarket facility, which was established by the Managing Director, Mr. Andrew Bynoe, more than twenty five years ago. He is optimistic about the new Carlton, though the economic recession continues across the world, and unemployment is on the increase. Complaints about food prices are also common in Barbados.

Carlton is located in the vicinity of several lower and middle income neighbourhoods and is about fifteen minutes walk from the University of the West Indies.

In the past year, the old Carlton supermarket instituted discounts for senior citizens on Mondays and discounts for all shoppers on certain staple items on Tuesdays. Mr. Bynoe is still contemplating whether these discounts will be appropriate, given the need to properly position the new Carlton, as well as the need to recoup investment costs.
Carlton has a loyalty programme to reward frequent shoppers and is thinking of engaging in full-fledged internet shopping, where customers can go to the firm's website, place orders and have them delivered for a fee of between $5 to $10, depending on the size of the order.

**Required**

1. Carlton faces a number of opportunities and threats. Identify and justify four of these.  

   (8 marks)

2. Identify two (2) segments that Carlton should target and justify why these segments would be appropriate.  

   (6 marks)

3. Outline a promotion media strategy for the new Internet shopping site.  

   (3 marks)

4. What promotion message should Carlton emphasise, or alternately, what positioning slogan could they use? Why?  

   (3 marks)

**SECTION TWO**

*This section has 40 multiple choice questions worth \( \frac{1}{2} \) mark each.*  
*This section is compulsory.*

1. Age and life-cycle, lifestyle and personality and self-concept are all examples of which type of factors?  

   a. Psychological factors  
   b. Personal factors  
   c. Psychometric factors  
   d. Prominent factors

2. Style and design, features, quality level, and packaging are all components of the _______.  

   a. core product  
   b. potential product  
   c. augmented product  
   d. actual product.

3. If a toothpaste purports that it gives customers a beautiful smile, the marketer is using which type of brand positioning?  

   a. product attributes  
   b. benefits  
   c. beliefs and values  
   d. powerful

*TURN OVER*
4. Attaching features that customers prize to products, and thus charging higher prices is an example of:
   a. Good-value pricing.
   b. Value added pricing.
   c. Variance pricing.
   d. Cost based pricing.

5. A company is part of a distribution setup, in which the producers, wholesalers, and retailers act as an organisation. This firm is part of a ___________.
   a. vertical marketing system
   b. horizontal marketing system
   c. multichannel distribution system.
   d. conventional distribution channel

6. Which one of the following is NOT a type of vertical marketing system?
   a. corporate VMS
   b. contact VMS
   c. administered VMS
   d. contractual VMS

7. In selecting a name which of the following is not a desirable quality?
   a. It suggest something about the product
   b. It is easy to pronounce
   c. It is extendable
   d. It is expendable

8. If a company is the largest milling operation in Barbados but it sells its products through middlemen who market the product under individual store brands, then this manufacturer is utilising which type of brand-sponsorship?
   a. Licensed brand
   b. Manufacturer's brand
   c. Private brand
   d. Co-brand

TURN OVER
9. Market-penetration pricing refers to the practice of:
   a. setting a high price and then penetrating the market with successive prices for each price sensitive layer.
   b. setting a low initial price to penetrate the market quickly and attract a large number of buyers to win a large market share.
   c. pricing to attract low volume in many segments so as to gradually penetrate the market as a whole.
   d. pricing products very high to penetrate deeply and quickly into large profits for the company.

10. From the producer's viewpoint, a greater number of levels in the channel of distribution means:
   a. greater control.
   b. less channel complexity.
   c. less control and greater channel complexity.
   d. greater opportunity for profit.

11. Social factors that impact on consumer behaviour are all of the following EXCEPT:
   a. culture.
   b. family.
   c. reference groups
   d. roles and status

12. According to the stimulus-response model of buying behaviour, buyer responses consist of all the following EXCEPT:
   a. product choice.
   b. brand choice.
   c. dealer choice.
   d. purchase choice.

13. The __________ tend to be sceptical and only purchase products when the majority of people have tried them.
   a. laggards
   b. late majority
   c. early majority
   d. innovators

**TURN OVER**
14. In Barbados South Asians of the Muslin faith, Rastafarians, and other similar groups would be classified as:
   a. social classes.
   b. subcultures.
   c. innovators.
   d. strivers.

15. If a person in a blind taste test decries a product but when they are given the same product again in another test and told it is a particular brand and the participant starts to extol the product attributes, this behaviour is known as:
   a. Selective attention.
   b. Selective distortion.
   c. Selective retention.
   d. Selective exposure.

16. Based on Maslow's hierarchy of needs, person that buy insurance policies and invest in pension plans would be fulfilling which of the following needs?
   a. social.
   b. esteem.
   c. psychological.
   d. safety.

17. If a product is low cost, presents few risks, and there exist few differences between the brands, then consumers will tend to engage in ____________.
   a. complex buying behaviour
   b. dissonance-reducing buying behaviour
   c. habitual buying behaviour
   d. variety-seeking buying behaviour

18. A company has located a sizable group of people in the Appalachian mountains that fits the profile of existing users of their products. However there are no marketing channels to distribute its products, or agents and brokers to facilitate the transactions. This group is failing in which measure of effective segmentation?
   a. Measurable.
   b. Differentiable.
   c. Substantial.
   d. Accessible.

TURN OVER
19. Maytag, Whirlpool, and General Electric prefer which of the following distribution formats to distribute the majority of their products?
   a. Intensive distribution
   b. Exclusive distribution
   c. Selective distribution
   d. Open distribution

20. Products for which the consumer usually compares with others on price, suitability, quality, and style are typically called:
   a. custom products.
   b. specialty products.
   c. shopping products.
   d. unsought products.

21. Plastic surgery, sports memorabilia, and antiques are all examples of which of the following consumer products category?
   a. convenience products.
   b. specialty products.
   c. shopping products.
   d. unsought products.

22. Advertising is
   a. low cost per exposure.
   b. high cost per exposure.
   c. for niche markets only.
   d. for mass markets only.

23. Which of the following brand development strategies give(s) immediate brand recognition for new products?:
   a. Line Extension and Brand Extensions.
   b. Brand Extension only.
   c. New Brands.
   d. Multi-brands.

24. Which one of the following is NOT a brand development strategy?
   a. Brand extension
   b. Private brands
   c. New Brands
   d. Multi-brands
25. The four key differences between goods and services are:
   a. intangibility, variability, inseparability, and perishability.
   b. intangibility, variability, impalpability, and perishability.
   c. intangibility, invincibility, inseparability, and perishability.
   d. intangibility, variability, inseparability, and plausibility.

26. ________________ is NOT an internal factor that impacts on pricing.
   a. Organisational considerations
   b. Marketing mix strategy
   c. Costs
   d. Company strengths

27. Setting a price for accessory products along with a main product, such as ice makers for refrigerators is called:
   a. Product line pricing
   b. Optional-product pricing
   c. Captive-product pricing
   d. By-product pricing

28. If a company charges high prices on an everyday basis but has frequent promotions to lower prices on selected items temporarily, it is practising:
   a. going rate pricing.
   b. everyday low pricing.
   c. cost plus pricing.
   d. high-low pricing.

29. A distribution system that the different levels are coordinated by the sheer size and power of one of the parties is called a ________________.
   a. Administered vertical marketing system.
   b. corporate vertical marketing system.
   c. contractual vertical marketing system.
   d. multichannel distribution system.

30. Another name for a hybrid marketing channel is a:
   a. Administered vertical marketing system.
   b. corporate vertical marketing system.
   c. conventional marketing channel.
   d. multichannel distribution system.

TURN OVER
31. ___________ is very believable promotional tool that can reach many prospects who avoid the other mass communication tools, as well as salespersons.

a. sales promotion  
b. Personal selling  
c. Advertising  
d. Public relations

32. Which of the following are personal communication tools:

a. personal selling and advertising.  
b. direct marketing and sales promotions.  
c. personal selling and public relations.  
d. personal selling and direct marketing.

33. Advertising usually has as the aims one of the following:

a. inform, persuade, or remind.  
b. inform, persuade, or rehearse.  
c. inform, provide, or remind.  
d. initiate, persuade, or remind.

34. Which one of the following consists of tools such as coupons, contests, premiums, samples, and price packs?

a. sales promotion  
b. Personal selling  
c. Advertising  
d. Public relations

35. ___________ is the most effective marketing communications tools at critical stages of the buying process, particularly in building up buyer's preferences, convictions, and actions.

a. sales promotion  
b. Personal selling  
c. Direct marketing  
d. Public relations

36. A franchise is a type of ___________.

a. Conventional distribution channel  
b. Vertical marketing system  
c. Horizontal marketing system  
d. Multichannel distribution system

TURN OVER
37. Which of the following is not a significant force shaping the digital age?
   a. Digitalisation and connectivity
   b. Customization
   c. Growing consumerism
   d. The explosion of the internet

38. A company which is involved in the sale of consumer products sets up a Website on the Internet to market its products to prospective consumers. Which of the following domains would it have has it created?
   a. B2B
   b. B2C
   c. C2B
   d. C2C

39. E-commerce consists of which of the following:
   a. The use of electronic platforms to conduct business.
   b. The procurement and selling processes supported by electronic means.
   c. The selling aspects of business activities supported by electronic means.
   d. The procurement aspect of business activities supported by electronic means.

40. Which of the following is NOT a benefit to customers of using Internet buying:
   a. convenience
   b. privacy of transactions
   c. increased product selection
   d. promotional costs are lower

(20 marks)
SECTION THREE

Answer any one (1) question in this section.
Each question is worth TWENTY (20) marks.

Question 1

Define and compare the five marketing management philosophies. Be sure to indicate the key components of each philosophy, as well as when the philosophy is appropriate. (20 marks)

Question 2

Personal selling is the most effective form of integrated marketing communications, especially in complex selling situations. Identify the major steps in effective personal selling. Discuss each one, giving relevant examples. (20 marks)

Question 3

Define and discuss the five stages of the consumer/buyer decision making process. The first stage of this process is problem or need recognition. (20 marks)

Question 4

The product life-cycle (PLC) is an important marketing concept. With the aid of an appropriately labelled diagram explain this concept. You should cover the characteristics of each stage of the PLC, with respect to sales, profits, competition, customers and costs. (20 marks)

END OF QUESTION PAPER