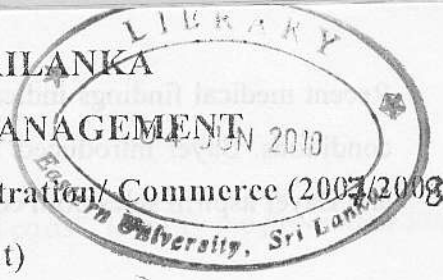


EASTERN UNIVERSITY, SRILANKA
FACULTY OF COMMERCE & MANAGEMENT

Final Year Special Examination in Business Administration/ Commerce (2007/2008)
(February 2010) (Repeat)



MGT 2114-MARKETING MANANGEMENT

Answer all questions

Time: Three Hours

Q1. Read the case and answer the questions below

Bayer Ibuprofen?

For many years, aspirin dominated the market for nonprescription pain relief, and Bayer Aspirin dominated the aspirin market. However, in recent years, acetaminophen- and ibuprofen based pain relievers have taken over much of the market. By 1989, aspirin based products held only 40 percent of the total analgesics market. This dropped to 35 percent by 1992. At that time, Bayer had a 6.6 percent share of the total analgesics market.

Competition in the analgesics market is intense. There are three main types of analgesics- aspirin, acetaminophen, and ibuprofen. There are several advertised brands within each type of analgesic as well as private label and store brands. Product differences within analgesic categories are limited.

The intense competition has given rise to product proliferation and niche strategies. Advil is the leader in the ibuprofen category with a 50 percent share. Motrin, with a 15 percent share, has used three different commercials to target backache, arthritis, and headache pain. It attempts to "maintain the brand's appeal as a general analgesic while reaching out to specific groups of pain sufferers through advertising". The strategy appears to be working, as its share is growing. Nuprin (13 percent share) has attempted to compete with a focus on muscle aches, using celebrities such as Jimmy Connors, Michael Chang, and Joe Montana.

Similar niche strategies are appearing in the acetaminophen and aspirin categories. Acetaminophen based Midol is attempting to position itself as "the menstrual relief specialist". It further focuses with such line extensions as Midol PM Nighttime Formula and Midol IB Cramp Relief Formula. Tylenol is increasingly positioned in terms of arthritis pain relief, though it is also widely used for headache relief. The private label and store brands compete on price. They may sell for a third of the price of the national brands.

Recent medical findings indicate that the regular use of aspirin helps certain heart and color conditions. Bayer introduced Therapy Bayer for this application, but aspirin sales in general and Bayer aspirin sales both continue their relative decline.

In 1995, Bayer launched a \$ 40 million campaign to increase its overall market share. Television ads target the aging baby boomers. One features an older father painlessly horsing around with his younger son taking Extra Strength Bayer. These ads stress effectiveness. A print campaign for the new Aspirin Regimen Bayer focuses on aspirin's ability to prevent heart attacks and strokes.

Excedrin was historically behind Bayer in the aspirin category. However, it now has greater total market share in the overall analgesics market. It has managed to grow its market share by aggressively adding line extensions: ibuprofen based Excedrin IB and acetaminophen based Excedrin AF and Excedrin PM. Bayer management is considering introducing nonaspirin based analgesics using the Bayer name.

Questions:

- a) What is Bayer Aspirin's current product position?
(07 Marks)
- b) What are the benefits and risks of introducing an acetaminophen- and/or ibuprofen based analgesic with Bayer name? Should Bayer do this?
(07 Marks)
- c) If it proceeds, what would it want consumers to learn about the new brands? What learning principles should it use?
(07 Marks)
- d) Develop an ad to introduce a Bayer acetaminophen and/or ibuprofen based analgesic.
(07 Marks)

(Total 28 Marks)

- Q2.
- a) Explain the core concept of Marketing and discuss the different concepts of Marketing.
(05 Marks)
 - b) To what extent do you consider the *Marketing Mix* in product marketing?
(05 Marks)
 - c) Identify the major steps involved in carrying out a *Marketing Research* exercise and briefly explain the problems associated with each stage.
(08 Marks)

- Q3. a) Discuss the stages of *Product Life Cycle*. (05 Marks)
- b) "Each promotion tool has unique characteristics and costs". Identify the *promotion tools*. (05 Marks)
- c) "Market segmentation can be carried out at several different levels" What do you mean by *Market Segmentation*? What are the levels of segmentation? (08 Marks)
- (Total 18 Marks)

- Q4. a) "E-commerce and the internet bring many benefits to both buyers and sellers". Describe four major *e-commerce domains*. (05 Marks)
- b) "There are many factors affected the pricing decisions of a company". Explain the factors affecting the *Pricing decision*. (05 Marks)
- c) Describe the *environmental forces* that affect the company's ability to serve its customers. (08 Marks)
- (Total 18 Marks)

- Q5. a) Explain the various kinds of *Channels of Distribution* and discuss their functions. (05 Marks)
- b) "Marketing of services is difficult than marketing of products" Explain with examples. (05 Marks)
- c) What is *Consumer behavior*? Describe the buyer decision process. (08 Marks)
- (Total 18 Marks)