MBA 508 Principles of Marketing Self Assessment Packet

Students who have had success in a previous course in Principles of Marketing may choose to waive MBA508. The material in MBA508 is a foundation that is used throughout the program, extensively in MBA517. It is, therefore, crucial to your success in the program that you have, in fact, mastered this material. The decision to waive MBA508 is yours, and the responsibility for mastery of the material, should you decide to waive it, is also yours. This packet is intended to assist you in a self-assessment to determine if you in a position to waive MBA508. Included in this packet:

- 1. A sample syllabus for a Principles of Marketing course.
- 2. A self-assessment examination. A score of 80% or higher is suggested as evidence of mastery of the material. You will receive the answer key at the Advising Session.

Text suggestions.

Most texts for Principles of Marketing are similar. A student who wants to refresh his memory could probably consult any leading textbook. Among the possibilities are these, which have been used at SU recently.

- Marketing, 7th ed., Kerin, Berkowitz, Hartley, and Rudelius, McGraw Hill, 2003
- Principles of Marketing Activebook, Kotler and Armstrong, Prentice Hall.

MKTG350: Introduction to Marketing Winter 2003

Professor: Carl Obermiller (Pigott 502, 296-5746, <u>carlo@seattleu.edu</u>)

Office Hours: before or after class or by appointment

Class: Section 01, T/Th 1:15, Pigott 304/Section 02, T/TH 9:45, Pigott 102

Class website: http://classes.seattleu.edu/business/mktg350/obermiller/

Text: *Principles of Marketing Activebook*, Kotler and Armstrong, Prentice Hall. This is an innovative textbook that combines hardcopy and interactive learning on-line. Familiarize yourself with the on-line aspect and establish access to the website throughout the quarter.

Class Format and Objectives

The central goal of the course is to introduce students to the discipline of marketing and its basic concepts and frameworks. The orientation of the course is strategic—students should not expect to learn recipes or toolkit skills that can be applied immediately on the job. Rather, students should learn a general approach to business problems that will influence their thinking over a broad spectrum of applications for a long time. To supplement the conceptual approach, much of the classroom work will aim at applying the ideas to business problems in the form of exercises, cases, and several projects (some individual, some team).

Classes will consist of discussion, some lectures, exercises, and project work. A variety of in-class work, including quizzes, will be used to insure that students are current and comfortable with the reading assignments.

Perhaps more than other business disciplines, marketing involves communication. As a result, close attention will be given to writing and speaking.

Grading

 Quizzes
 100 (2@50)

 Exams
 400 (2@200)

 Projects
 400 (4@100)

Class Participation 100

The class participation score will reflect several variables—attendance, quality and quantity of participation in discussions, in-class assignments, and homework. Normally, class participation requires a brief participation in some form of course-relevant research study.

Grades are assigned in the following manner

A: 940-1000 points A-: 900-939 points B+ 870-899 points, etc.

Evaluation

- Quizzes—10 multiple choice questions based on the reading assignment
- Exams—A mixture of multiple choice and short essay questions
- Class Participation—Attendance, attitude, discussion, homework. *Homework may be assigned at any time.
- Projects—explained below or separately. The projects are done by teams of four. All
 team members are expected to participate on each project; project management
 (including leadership and teamwork) is part of the task. Nonetheless, each project
 should include a brief explanation of each member's responsibilities. Individual
 grades may be adjusted. Neatness, grammatical correctness, style, and organization
 are evaluated on all written work, which is to by typed, 12-point font, double-spaced.

MKTG350 Schedule

date	topic	reading	responsibility
1-7	introduction		
1-9	planning	1, 2, 3	
1-14	strategy	7, 18	
1-16			Project 1: RST Case (1)
1-21	marketing research	4	
1-23	Quiz 1		
1-28	buyer behavior	5, 6	
1-30			Project 2: Research
2-6	EXAM 1		
2-8	product	8, 9	
2-11			
2-13	price	10, 11	
2-18			Project 3: Pricing Case
2-20	Quiz 2		
2-25	promotion	14, 15, 16	
2-27			
3-4	distribution	12, 17	
3-6			
3-11			Project 4: RST Case (2)
3-13	Exam 2		

Projects

- 1. *RST Case* (1). The Rebound Sports Technology case is on the class website. Download it, read it, and answer the case questions at the end.
- 2. *Research*. The class will conduct a research project. Students will be asked to collect data and interpret the analysis of the data. The analysis will be provided. Details of the research project will be made available in class.
- 3. *Pricing Case*. The case, "Pricing Celebrities: What Price John Travolta?" will be presented by video in class; the write-up will be due in the following class. Answer the following questions:
- 1) Discuss the internal and external factors that determine the price a given actor charges for a given film.
- 2) Explain how agents use value-based and competition-based pricing principles to negotiate the price for a given actor in a given film.
- 3) If you owned a baseball team, how would you use value-based pricing principles to decide how much you were willing to pay for given star player?
- 4. RST Case (2). This project will require answers to additional questions about the Rebound Sports Technolo

MBA508 Waiver Exam

 Which of the following best states the match. A. the customer is always right B. make the very best product and people with the customer is always right. C. keep costs low and the firm will be profited. D. do everything to satisfy customers at a people with the customer is always right. 	vill buy it			
2. Segmentation is pretty much the same thA. TrueB. False	ing as positioning.			
3. When Starbucks chose to introduce an ic marketing strength?	e cream product, they relied most on which			
A. many convenient locationsB. excess capacity	C. economies of scale in productionD. strength of the brand name			
4. Marketing assumes that human behaviorA. randomB. determined by economics	is C. motivated by needs D. incapable of explanation			
5. The term <i>psychographics</i> refers to advert A. true B. false	tising using pictures.			
6. Government markets are huge, but they be A. true B. false	buy only a few product types.			
 7. When a selling firm deals with its customer's <i>buying center</i>, it is calling on the customer's A. office that is responsible for purchasing decisions B. people who play different roles in the purchase decision C. headquarters D. retail outlets 				
8. For accuracy of prediction from descripting important than representativeness.A. trueB. false	ive research, random selection is more			

- 9. Fill in the blank to identify the survey technique most appropriate for each of the following (use each response once):

 M=Mail survey

 T=Telephone survey
 P=Personal interview

 I=Internet interview

 _____Contact a sample of professional salespeople with a few questions about their travel preferences.
- _____Contact a sample of professional salespeople with a few questions about their travel preferences.
 _____Reach a large number of people in poor rural areas from the entire U. S. and get responses within a week.
 _____Get responses within a month from a large number of middle class Americans on a set of simple questions but keep the total cost of the study low.

_____Assess responses of a small sample of grocery store buyers for an innovative product idea, an ice cream flavored with liqueur.

- 10. In order to test causal relationships, research should be done with a sample that is
- A. very large
- B. representative of the consumer in the firm's target market
- C. homogenous (free from differences on uncontrolled variables)
- D. a random sample of the population of the U.S.
- 11/12. Browning Office Supplies cannot increase prices or cut costs and has decided to discontinue selling to schools. Given the following data:

sales	retailers	schools	total
80,000 units @\$.70	\$56,000)	\$56,000
20,000 units @\$.60		\$12,000	12,000
tota	I \$56,000	\$12,000	\$68,000
cost of sales	40,000	10,000	50,000
gross margin	16,000	2,000	18,000
expenses:			
variable	6,000	1,500	7,500
fixed	5,600	900	6,500
tota	I 11,600	2,400	14,000
net profit (loss)	\$4,400	(\$400)	\$4,000

- 11. Why did Browning decide to stop selling to schools?
- 12. Is it a good decision? Explain.

 13. When the demand for a product exceeds maximum supply, firms should operate according to the A. marketing concept B. product concept C. production concept D. selling concept 		
14. Business markets are generally much more sensitive to price than are consumer markets.A. trueB. false		
15. What are two good bases for segmenting the cellular phone market?		
16. Explain what makes a "good" basis for segmenting a market.		
17/18. If a firm wanted to enter the automobile market as a cost leader, which of the following strengths would it need? Explain.manufacturing		
• distribution		
 advertising 		
marketing research		
19. The best strategy for attacking the market leader is on the leader's strength.A. trueB. false		
 20. Which of the following targets would likely generate public criticism? A. violent video games targeted for young Hispanic males B. pain relief medicine targeted for older women C. low fat ice cream targeted for overweight people D. legal services targeted for people accused of crimes 		
21. Adding marketing intermediaries to a direct channel generally decreases the total number of transactions that are necessary.A. TrueB. False		
22. Vertical Marketing Systems reduce the firm's horizontal competition.A. True B. False		

 23. Which of the following Vertical Market channel conflict? A. corporate VMS B. contractual VMS C. administered VMS D. all three types should have about the sa 				
 24. In recent years, retailers have gained channel power because A. they have ultimate pricing control B. consumers have become more loyal to stores than to brands C. there are fewer retailers than any other member of the channel D. they have access to valuable consumer information 				
25. Which of the following promotions wiA. end-of-aisle displayB. "send in 10 box-tops and get a free coffC. 25%-off coupon on the boxD. "buy three, get one free"	Il best increase trial of a new food product? ee mug"			
26. Which of the following budgeting methodjectives?A. matching competitors' spendingB. constant percentage of sales	hods is usually best for achieving strategic C. objective-and-task method D. the three would be equally effective			
27. The possibility of economies of scale is that isA. on the low end of the feasible rangeB. near the middle of the feasible range	n production is a reason for firms to set a price C. near the high end of the feasible range D. outside the feasible range			
28. The criticism that "marketers get peop opposite of the marketing concept. A. True B. False	le to buy things they don't need" is the exact			
29. Channel conflict is likely to be higher if a firm distributes through similar outlets (e.g., all discount stores), rather than through outlets with dissimilar business strategies (e.g., some discount stores and some specialty stores).A. True B. False				
30. Which of the following will encourage A. decreasing the average length of sales of B. decreasing the percentage of time spent C. decreasing the frequency of sales calls p. D. decreasing the number of accounts	on selling duties			

31. Which of the following ad media is best at making a message available at the instant that the consumer wants it?

A. TV commercials C. direct mail

B. newspaper ads D. internet context ads

32. A producer distributed lawn mowers through wholesalers and retailers. The retail selling price was \$800. The retail markup was 35%, and the wholesale markup was 20%. If the manufacturing cost was \$312, what was the contribution profit per unit for the producer?

A. closest to \$50 C. closest to \$150 B. closest to \$100 D. closest to \$200

33. Starbucks does research on a new product—a coffee flavored "snack" drink to be sold only through their stores. They estimate the potential market to consist of the 40 million coffee drinkers in the U.S. who buy drinks at coffee shops. Given their current expansion, Starbucks estimates they will have 2500 stores, and that 30% of the public will have ready access to a store. The marketing plan is estimated to achieve a 30% level of awareness. Concept tests have shown that 60% of those who learn about the product express a willingness to try it; and, product tests have shown that 20% who try it report they would drink it regularly. Other marketing research suggests that regular drinkers would consume two of these drinks per week.

At a price of \$2.50 per drink, what is the estimate of sales per year?

- 34. If two products, A and B, cannot be distinguished by consumers in a "blind" test (a test with no labels), could the two brands be differentiated?
- B. Yes, they could have different salient attributes
- C. Yes, they could offer different core benefits
- D. Yes, they could have different actual or augmented aspects
- 35. In general, product life cycles are getting longer.
- A. true B. false
- 36. Which of the following testing methods would provide the **fastest** results?

C. standard test market A. concept test

B. controlled test market D. simulated test market

37. Market investments in building brands do nothing to help consumers; they merely increase the price of the products.A. trueB. false
I. Acme Espresso sells home espresso machines. Its fixed costs for the year are \$750,000. The average price is \$250, with variable unit costs of \$80. Sales for the next year are estimated to \$1,250,000. Show your work.
a) What is Acme's markup on price percentage?
b) What is the breakeven point in units?
c) What is the expected profit, given the sales estimate?
d) Assume that the firm's investment for next year is one-half its fixed costs. If Acme's owners could invest in guaranteed government bonds with a yield of 12%, should they do so, instead of continuing with the espresso machine business? Explain.
 II. Assume a new consumer non-durable product, the Widget. Your marketing department has identified two levels of each of the 4 Ps as possible for the Widget marketing plan: Product: very high quality product OR basic, low cost product
 Price: relatively high price OR relatively low price Distribution: intensive distribution OR highly selective distribution

Explain why the levels combine to an appropriate mix.

a) Briefly describe a marketing plan by selecting one level from each of the four Ps.

personal selling

• Promotion: heavy advertising and sales promotion OR selective advertising and

b) Why would a firm ever want selective distribution rather than intensive distribution?		
c) Give an example of a consumer non-durable product that requires personal selling; explain.		
d) Assume Widget were an innovative food product, say a zero-calorie, good tasting, no negative effects ice cream. How could a firm determine the maximum feasible price? Be specific.		
III. Define and give an example for 5 of the following:barriers to entry		
• relative market share		
 modified rebuy 		
• consumer ethnocentrism		
• product concept		
 psychographics 		
marketing myopia		
 sales promotion 		

- intensive distribution
- price skimming

IV. The Boston Consulting Group developed a strategic framework based on industry growth and relative market share. Explain why and how these factors should influence a market's attractiveness.