

The exam consists out of 2 parts. Please refer to the instructions for each part. Both parts are worth 30 points. The total number of points that can be achieved is 60. Please use the specified points per question as an indication how much time you should spend on the question.

**Part 1 - Multiple Choice Questions.** (30 points – 1.5 points for each question)

1. Marketing should be seen as which of the following?
  - a. **An organization wide function**
  - b. A sales function
  - c. A marketing department function
  - d. A customer service function
2. When a company seeks to make purchasing easier for their customers by simplifying the order process they try to increase customer value by \_\_\_\_\_?
  - a. decreasing monetary sacrifice
  - b. improving relational quality
  - c. **lowering time and energy to make the purchase**
  - d. reducing psychological barriers to purchase
3. What is a reason when companies decide not to do marketing research?
  - a. **The cost of a making a wrong decision is lower than the research cost.**
  - b. They follow an innovation strategy which cannot be tested.
  - c. They believe that the results are not useful.
  - d. They have not the know-how for conducting representative surveys.
4. In Michael Porter's Five Forces model substitute product or service is?
  - a. **An alternative way of meeting the same need**
  - b. A less attractive way of meeting the same need
  - c. A new entrant into the industry
  - d. A competitor's product or service
5. Which of the following is the correct order of the product life cycle?
  - a. Growth, Expansion, Maturity, Decline
  - b. Expansion, Introduction, Maturity, Decline
  - c. Growth, Expansion, Decline, Maturity
  - d. **Introduction, Growth, Maturity, Decline**
  - e. Introduction, Growth, Decline, Maturity
6. According to the Information Processing Model, which memory store has the largest capacity but shortest duration?
  - a. **Sensory Memory**
  - b. Short-Term Memory
  - c. Working Memory
  - d. Long-Term Memory
7. What is an example of social forces that have implications for marketing?
  - a. **changes in the demographic profile of the population**
  - b. social responsibility and marketing ethics
  - c. economic cycles like the financial crisis
  - d. natural disasters, such as hurricanes, floods,...

8. The buying behavior is influenced by the buying situation, personal and social influences. Which is not an element of personal influences?
  - a. Information processing
  - b. Motivation
  - c. Beliefs and attitudes
  - d. Personality
  - e. Lifestyle
  - f. Culture**
  
9. When Burger King targets children, teens, adults, and seniors with different ads and media, it is practicing \_\_\_\_\_ segmentation.
  - a. geographic
  - b. age and life cycle**
  - c. psychographic
  - d. behavioral
  - e. usage rate
  
10. Colgate toothpaste offers a number of sub-brands such as Colgate Max Fresh, Cavity Protection, and Sparkling white. What type of segmentation criteria does Colgate use for their branding strategy?
  - a. Lifestyle segmentation
  - b. Benefit segmentation**
  - c. Usage segmentation
  - d. Purchase behavior segmentation
  
11. Usage rate, brand loyalty, and readiness stage fall under which segmentation base?
  - a. Psychographic
  - b. Behavioral**
  - c. Demographic
  - d. Benefit-based
  
12. When the researcher actively collects data through group discussions and depth interviews with respondents, this is called which of the following?
  - a. Quantitative Research
  - b. Exploratory Research**
  - c. Respondent Research
  - d. Collective Research
  
13. When, for the development of the new Gillette Fusion razor line, P&G was observing men in their bathrooms how they were shaving P&G was employing:
  - a. ethnographic research**
  - b. descriptive research
  - c. neuro scientific research
  - d. causal research

14. A retail chain wants to estimate average monthly spending of its customers. Due to time constraints, it selects customers visiting stores on weekends. The PRIMARY limitation of this sampling method is?
- High cost
  - Sampling frame error
  - Lack of representativeness**
  - Large sample size requirements
15. What is the purpose of segmentation?
- To identify differences in behavior that have implications for marketing decisions
  - To target segments that are not targeted by competitors
  - To target segments which match our product/service attributes
  - To target and identify segments which are not catered for at all
16. Which of the following is a useful tool for determining the position of a brand in the marketplace?
- Perceptual map
  - Mind map
  - Segmentation map
  - Psychographic map
17. A fast-food chain tests two different price levels in similar markets to study their effect on sales. This research is classified as:
- Descriptive research
  - Exploratory research
  - Causal research**
  - Observational research
18. An airline monitors competitors' prices daily and adjusts its fares accordingly to avoid losing customers. This pricing approach is best described as:
- Cost-plus pricing
  - Value-based pricing
  - Competition-based pricing**
  - Psychological pricing
19. This is a group of people in the process of diffusion who enjoy being at the leading edge of innovation and buy into new products at an early stage:
- Late majority
  - Early adopter**
  - Early majority
  - Laggards
  - Earlybirds
20. Which of the following is not a unique characteristic of services?
- Conditionality**
  - Intangibility
  - Variability
  - Inseparability
  - Perishability

**Part 2 – Short Answer Questions (60 points – 30 points for each question)**

You need to answer 2 of out of the 3 questions to achieve the total amount of 60 points for this part. If you answer more than 2 questions, the first 2 will count. Clearly indicate by the question number which question you are answering.

General remark: The use of tables and graphs to structure/illustrate your answer is strongly recommended. In addition, make use of headings, subheadings and underline important points.

**Question 1**

**Critically evaluate the usefulness of the Kano Model as a tool for understanding customer needs and informing marketing strategy. (30 points)** In your answer, you should:

- a) Explain the key components of the Kano Model **(10 points)**
- b) Discuss how the model can be applied to product development and marketing decision-making **(8 points)**
- c) Use examples from real organizations or industries to support your answer **(7 points)**
- d) Identify limitations of the Kano Model in contemporary markets **(5 points)**

**Question 2 (30 points)**

**Sunshine GmbH** manufactures alternative heating systems. The company has recently secured a patent for a revolutionary heating technology developed in Scandinavia that consumes only one-fifth of the energy required by conventional systems. Management plans to introduce this innovation to the market under the brand name **“Skandisun.”** To determine the most appropriate go-to-market strategy, management must make several distribution-related decisions.

- a) Before selecting distribution channels, Sunshine GmbH must analyse the product, the company, the market, and the competitive environment. **Explain which key considerations should be taken into account in each of these four areas when choosing suitable distribution channels for Skandisun (8 points).**
- b) In designing the distribution system, Sunshine GmbH must define the **vertical** and **horizontal structure** of the sales channel. Explain what is meant by vertical and horizontal channel structure in this context **(6 points).**
- c) One option under discussion is **direct distribution**. **Explain what direct sales would involve for Skandisun and analyse the main advantages and disadvantages** of this approach for Sunshine GmbH **(6 points).**
- d) As an alternative, Sunshine GmbH is considering **indirect distribution** via intermediaries. **Discuss the advantages and disadvantages of distributing Skandisun via retailers and wholesalers (6 points).**
- e) Another option is a **multi-channel distribution system**. **Explain what a multi-channel approach would entail for Skandisun and outline its potential benefits and challenges (4 points).**

**Question 3 - Product Portfolio Analysis (30 Points)**

The table below shows part of the product portfolio of The Coca-Cola Company.

Product Category	Product Line	Product Variants
Cola Beverages	Coca-Cola	Original, Zero Sugar, Diet, Caffeine-Free, Vanilla, Cherry
Fruit Juices	Minute Maid	Orange, Apple, Mango, Mixed Fruit
	Simply	Simply Orange (Pulp / No Pulp), Simply Apple
Sports & Energy Drinks	Powerade	Mountain Berry Blast, Fruit Punch, Zero Sugar
	Monster Energy	Original, Ultra, Mango Loco, Zero Sugar
Bottled Water	Dasani	Still, Sparkling, Lime-Flavored
	Smartwater	Still, Alkaline, Flavored
Ready-to-Drink Tea & Coffee	Fuze Tea	Lemon, Peach, Green Tea
	Costa Coffee (RTD)	Latte, Cappuccino, Americano
Flavored & Specialty Drinks	Sprite	Original, Zero Sugar, Lemon-Lime
	Fanta	Orange, Grape, Strawberry, Pineapple

**Questions**

- Define product width** (2 points) **Identify** the product **width** of The Coca-Cola Company. (2 points)
- Define product length**. (2 points) **Calculate** the product **length** of The Coca-Cola Company. Describe your calculation. (3 points)
- Define product depth**. (2 points) **Using** one product line from the table, **explain** the product **depth** with an example. (3 points)
- Define product mix **consistency**. (3 points) Evaluate the consistency of The Coca-Cola Company's **product** mix using evidence. (5 points)
- Identify** and **explain** two **growth** opportunities for The Coca-Cola Company based on its current product portfolio. (8 points)

## Sample answers

### Question 1 - Critically evaluate the usefulness of the Kano Model as a tool for understanding customer needs and informing marketing strategy. ....

#### High-Quality Sample Answer (30 points)

The Kano Model is a framework used to classify product and service attributes based on their impact on customer satisfaction. It helps marketers understand that not all features contribute equally to customer perceptions of value, making it a useful tool for informing marketing strategy.

The model identifies several categories of customer requirements. **Must-be attributes** are basic expectations; if they are absent, customers are dissatisfied, but their presence does not increase satisfaction. **Performance attributes** have a linear relationship with satisfaction, meaning better performance leads to higher satisfaction. **Excitement attributes** are unexpected features that delight customers and can create competitive advantage.

From a marketing strategy perspective, the Kano Model is particularly useful in **product development and feature prioritization**. For **example**, in the smartphone industry, battery life and call quality are must-be attributes, while camera quality may be a performance attribute. Features such as facial recognition or innovative AI tools can act as excitement attributes that differentiate a brand and support premium positioning. By understanding these distinctions, marketers can allocate resources more effectively and design value propositions that align with customer expectations.

However, the Kano Model also has **limitations**. Customer expectations are not static, and excitement attributes can quickly become performance or must-be attributes over time. For instance, touchscreens were once a delight feature but are now expected as standard. This makes the model less effective if not updated regularly. Additionally, the model can oversimplify complex consumer preferences and relies heavily on accurate customer research, which can be costly and time-consuming.

In conclusion, the Kano Model is a valuable tool for understanding customer needs and informing marketing strategy, particularly in competitive markets. While it provides useful insights into customer satisfaction, marketers must be aware of its limitations and use it alongside other market research tools.

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#### Sample Low-Quality Answer (<30 points)

The Kano Model is a well-known marketing theory that is used to look at customer satisfaction and how customers feel about products and services. It is important in marketing because companies always want customers to be satisfied and to have a good experience. The model explains that customers react differently to different features, which is something marketers need to understand in today's competitive environment.

There are several parts to the Kano Model, and these include basic needs and exciting needs. Basic needs are things that customers expect as standard, and if they are not there customers will be unhappy. Exciting needs are features that customers enjoy and that make the product better. This shows that companies should try to include as many good features as possible in order to increase satisfaction. Other features are also included in the model, but they are not always as important depending on the situation and the type of customer.

The Kano Model can be applied to marketing strategy because it helps businesses decide what features to include in their products. For example, in the phone industry, phones need to have good technology and useful features or else customers may choose a different brand. By using models like Kano, companies can improve their products and become more competitive in the market. This is especially important because competition is high and customers have many choices.

However, the Kano Model also has some limitations. Customers are all different and may not agree on what features are important. Also, markets change very quickly, especially in technology, so models might not always stay relevant. Even so, the Kano Model is still useful because it gives companies a general idea of what customers want and helps guide decision-making.

In conclusion, the Kano Model is a helpful marketing tool that focuses on customer satisfaction. Although it has some weaknesses, it can still be used by companies to improve their marketing strategies and understand customers better. Overall, it is an important model in marketing and is widely used by businesses.

#### Why this scores poorly

- Repetitive and vague statements
- Minimal explanation of Kano categories
- No critical depth (assertions without reasoning)
- Generic examples with no clear linkage to the model
- Uses filler phrases (“important,” “competitive,” “widely used”) instead of analysis

This is a realistic “lots written, little said” answer that would likely fall in the low third / fail- range.

**Question 2 - Sample Answer** (Not all aspects are expected. 2 points for each valid and clear aspect.)

#### a) Analysis of Key Factors Influencing Channel Choice

##### Product-related factors

- Skandisun is a **technologically complex and innovative product**, requiring:
  - Extensive customer consultation and explanation
  - Professional installation and after-sales service
- The **high price level** and **long product life cycle** indicate a high-involvement purchasing decision
- These factors favour channels that can deliver **expertise, trust, and service quality**

##### Producer (company)-related factors

- Financial resources available to build and manage a sales and service organization
- Existing **sales and technical know-how** within Sunshine GmbH
- Desired level of control over: Pricing, Brand image, Customer relationships
- Strategic objectives (e.g. rapid market penetration vs. long-term positioning)

##### Market-related factors

- Target segments (e.g. private households, commercial buildings, property developers)
- Geographic scope (regional, national, international markets)
- Customer expectations regarding: Advice and consultation, Installation, Maintenance and service
- Purchasing behaviour (planned, high-risk, high-involvement decision)

##### Competitive environment

- Distribution channels used by competitors
- Degree of channel saturation
- Competitive pressure on prices and margins
- Need for differentiation through superior service or accessibility

#### b) Vertical and Horizontal Channel Structure

##### Vertical channel structure

- Refers to the **number of distribution levels** between manufacturer and end customer
- Possible structures include:
  - Direct distribution: manufacturer → customer
  - One-level channel: manufacturer → retailer → customer
  - Two-level channel: manufacturer → wholesaler → retailer → customer

##### Horizontal channel structure

- Refers to the **number of intermediaries at the same channel level**
- Typical forms include:
  - Exclusive distribution (very few or single partners)
  - Selective distribution (limited number of qualified partners)
  - Intensive distribution (many intermediaries)
- Determines market coverage, control, and brand positioning

**c) Direct Distribution for Skandisun****Meaning**

- Sunshine GmbH sells Skandisun **directly to end customers**
- Possible forms:
  - In-house sales force
  - Online sales platform
  - Direct contracts with commercial clients or property developers

**Advantages**

- Full control over pricing, branding, and customer relationships
- Direct customer feedback for innovation and improvement
- Higher contribution margins (no intermediary mark-ups)
- Better protection of patented technology and know-how

**Disadvantages**

- High investment in sales infrastructure and personnel
- Limited market reach, especially internationally
- Slower market penetration
- Increased operational complexity for Sunshine GmbH

**d) Indirect Distribution via Intermediaries**

**Distribution via retailers** - Sale through specialised heating or energy-system retailers

**Advantages**

- Close contact with end customers
- Retailers can provide advice, installation, and service
- Faster access to local markets

**Disadvantages**

- Lower margins compared to direct sales
- Reduced control over pricing and customer experience
- Dependence on retailer motivation and competence

**e) Multi-Channel Distribution System**

**Meaning** - Sunshine GmbH uses **several distribution channels simultaneously**

**Possible structure**

- Direct sales to large commercial customers
- Retail distribution for private households
- Wholesalers for regional or international coverage

**Advantages**

- Maximised market reach
- Better coverage of different customer segments
- Reduced dependency on a single channel

**Challenges**

- Risk of channel conflict (e.g. price competition between channels)
- Higher coordination and management complexity
- Need for clear channel roles and pricing policies

**Question 3 - Sample Answers****a) Product Width**

- Correct definition: *The number of different product categories offered by a company. (2p.)*
- Correct identification of width = 6 product categories (2 points)

“The product width of The Coca-Cola Company is 6, as it offers six different product categories: Cola Beverages, Fruit Juices, Sports & Energy Drinks, Bottled Water, Ready-to-Drink Tea & Coffee, and Flavored & Specialty Drinks.”



**b) Product Length**

- Correct definition: *The total number of product lines offered across all product categories. (2p.)*
- Correct total = 11 product lines (3 points) Correct calculation: 2 points, Clear working shown: 1p.
- The product length of The Coca-Cola Company is 11. This is calculated by counting the total number of product lines across all product categories: Coca-Cola (1), Minute Maid and Simply (2), Powerade and Monster Energy (2), Dasani and Smartwater (2), Fuze Tea and Costa Coffee (2), and Sprite and Fanta (2).

**c) Product Depth (2 points)**

- Correct definition: *The number of variants offered within a single product line. (2 points)*
- Correct product line identified: 1p. Correct explanation of variants: 1p. Clear link to depth: 1p.

“One example of product depth is the Coca-Cola product line. This product line has several variants, including Original, Zero Sugar, Diet, Caffeine-Free, Vanilla, and Cherry. The availability of multiple variants within the same product line shows a high product depth, as the company offers different versions of the same product to meet different consumer preferences.”

**d) Product Mix Consistency (3 points)**

- Clear definition: *Product mix consistency refers to how closely related the product categories and product lines are in terms of use, production, distribution, or brand image. Full explanation = 3 p. Partial explanation = 1–2 points*
- Evaluation of Product Mix Consistency (5 points) Identification of high consistency (all beverages): 2 points Explanation using at least two factors (similar distribution channels, similar target markets, shared branding): 2 points Clear evaluative judgement (e.g. “overall highly consistent”): 1 mark

*Coca-Cola’s product mix is highly consistent because all product categories are beverages. They use similar production processes, are distributed through the same retail channels, and target similar consumer markets. This allows the company to benefit from economies of scale and strong brand recognition.*

**d) Growth Opportunities (8 points)**

Award points for two well-explained growth opportunities.

For each growth opportunity:

- Identification of opportunity: 2 points
- Explanation of how it builds on current portfolio: 2 points

Possible Growth Opportunities (examples):

1. Expansion into Health-Focused Beverages
  - More low-sugar, functional, or vitamin-enhanced drinks building on existing water and juice lines.
2. Increased Product Depth
  - Adding new flavors or formats (e.g. energy drink variants, coffee flavors).
3. New Product Categories
  - Entry into plant-based drinks or wellness beverages.
4. Geographic Expansion of Existing Lines
  - Introducing successful product lines into new international markets.