

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS MANAGEMENT**

**STRATEGIC MARKETING MANAGEMENT II – CBU 4201**

**FINAL EXAMINATION - AUGUST 2009**

**TIME ALLOWED: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

- (i) Answer **QUESTION One (1)** and any other **Three (3) QUESTIONS**.
- (ii) All questions carry 20marks each
- (iii) Questions may be answered in any order
- (iv) As much as possible, use relevant examples

**SECTION A**

**QUESTION 1**

D & D had to initially overcome four problems in successfully marketing a private label sanitary napkin

- (i) Customer loyalty to two brands – Modes made (by Johnson and Johnson) and Kotex (made by Kimberly Clarke Corporation)
- (ii) Store buyer bias;-the buyers felt women would not change their brand loyalty.
- (iii) Lack of advertising – D & D did not advertise since this would compete with the private labelled products; this lack of advertising meant the woman customer was unaware of D & D's product.
- (iv) Large company discount buying – Johnson and Johnson and Kimberly Clark offered greater “package” discounts the larger the total purchase, and therefore, any purchase from D & D would reduce the size of the “package” discounts received from these other firms.

Ken Brant and Jason Trevis, vice-president of marketing, developed a strategy to overcome the above barriers. The strategy had the following components.

1. 40% lower price for similar quality products (according to Ken Brant, D & D was able to offer the lower price because of more effective overhead utilisation through increased volume, virtually no advertising, selling only to major chains and taking lower profit margins from the name brand manufacturers).
2. Unique packaging - a resealable flip-top box and four and five – colour artwork.
3. Emphasis on the greater profit potential for the retailer of a private label program (the retailer could expect to receive a margin of 30% versus 10% margin offered in comparable national brands)
4. Fast service. (One week turnaround) so at one week after the order is placed, it is on its way to the customer.

Most of the company's dollar volume of sales came from sanitary napkins, which were sold to the consumer / retail segments of the market. It competed in industrial and hospital segments on a much smaller scale. The second largest component of company sales was diapers. Tampons and cotton swabs accounted for a very small percentage of company sales.

The sanitary napkin market was dominated by Johnson & Johnson and Kimberly Clark. Other competitors were Scott Paper and Playtex. The market had grown about 113% from 1998-2008. A major threat came from private labels

Adapted from :-

Strategic Management Concepts and Cases ;4<sup>th</sup> edition Thomson Strickland.

### **REQUIRED**

- a) Prepare a marketing plan for D & D. **[20 Marks]**
- b) A change in strategy requires it to be accepted for effective implementation. Advise Jason Treves on how he could manage change. **[10 Marks]**
- c) What strategies can D & D use to challenge the market leaders? **[10 Marks]**

### **QUESTION 2**

Discuss the reasons why the coordination and integration of marketing mix components are important in effective marketing management. **[20 Marks]**

**QUESTION 3**

Explain the activities involved in marketing strategy implementation.

**[20 Marks]**

**QUESTION 4**

You have been tasked with doing strategic evaluation of a recently adopted marketing strategy. How would you carry out your task?

**[20 Marks]**

**QUESTION 5**

Discuss the contrasting views of the traditional marketing management and total quality management (TQM)

**[20 Marks]**

**QUESTION 6**

One of the difficult management control issues of determining whether a process is experiencing normal variation or is actually out of control. Discuss how management can resolve this issue.

**[20 Marks]**

**QUESTION 7**

Discuss the process of competitor analysis.

**[20 Marks]**

**END OF EXAMINATION**