



**University of Kelaniya – Sri Lanka**

*Centre for Distance and Continuing Education*

**Faculty of Commerce and Management Studies**

Bachelor of Business Management (General) Second Year Examination (External) – 2021

March – 2024

**BMGT E2015 – Marketing Management**

Time: 03 hours

**Instruction :**

- The allocated time for this examination is three (03) hours.
- Part I consists of multiple-choice questions and is compulsory. For multiple-choice questions, please use the provided answer sheet exclusively. Each question carries equal marks.
- Part II contains compulsory questions; all questions in this section must be answered.
- In Part III, choose and answer two questions from the options provided.
- Total marks 100

**Part 1**

Please select one answer per question and mark it with an 'X' on the provided answer sheet. Marking multiple answers will be considered incorrect. Remember to attach the answer sheet to the booklet when submitting your exam materials.

- (1) What is the definition of marketing?
- a) The process of selling products and services
  - b) Developing promotional campaigns to increase brand awareness
  - c) Managing customer relationships to maximise sales
  - d) Creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

- (2) Which marketing concept emphasizes understanding and meeting the needs of customers?
- a) Production concept
  - b) Selling concept
  - c) Marketing concept
  - d) Product concept
- (3) How does the societal marketing concept differ from the marketing concept?
- a) It focuses on maximizing profits above all else.
  - b) It considers not only the wants of consumers but also the long-term well-being of society.
  - c) It emphasizes meeting the needs of customers regardless of societal impact.
  - d) It concentrates solely on creating superior products.
- (4) Which marketing concept suggests that consumers will favor products that offer the most in quality, performance, and innovative features?
- a) Product concept
  - b) Selling concept
  - c) Marketing concept
  - d) Societal marketing concept
- (5) A fashion retailer wants to study the shopping behavior of its customers during the holiday season. They track customers' movements within the store using heat maps and analyze purchase patterns. What type of research method is being used?
- a) Observational research
  - b) Survey research
  - c) Experimental research
  - d) Secondary research
- (6) A toy company is planning to launch a new line of educational toys for toddlers. To gather insights into parents' preferences and spending habits, they conduct in-depth interviews and focus groups. What type of research method are they using?
- a) Survey research
  - b) Qualitative research
  - c) Experimental research
  - d) Quantitative research

- (7) Which sampling method involves dividing the population into groups based on certain characteristics and then selecting samples from each group?
- a) Simple random sampling
  - b) Convenience sampling
  - c) Stratified sampling
  - d) Cluster sampling
- (8) A leading supermarket chain in Sri Lanka notices a significant increase in demand for organic and locally sourced produce, driven by consumers' growing awareness of health and sustainability. Which aspect of the marketing environment is most likely influencing this trend?
- a) Economic environment
  - b) Natural environment
  - c) Political and legal environment
  - d) Social and cultural environment
- (9) A Sri Lankan travel agency experiences a decline in tourist arrivals following political unrest and travel advisories issued by foreign governments. Which component of the marketing environment is having the most immediate impact on the agency's operations?
- a) Political and legal environment
  - b) Economic environment
  - c) Social and cultural environment
  - d) Technological environment
- (10) A mobile phone manufacturer offers different models tailored for gamers, professionals, and budget-conscious consumers. Which segmentation approach is the manufacturer employing?
- a) Undifferentiated marketing
  - b) Differentiated marketing
  - c) Concentrated marketing
  - d) Micromarketing

- (11) Market segmentation helps businesses to:
- a) Reduce competition
  - b) Lower marketing costs
  - c) Decrease product demand
  - d) Increase customer satisfaction
- (12) What is the primary goal of market targeting?
- a) Maximizing market share
  - b) Minimizing product differentiation
  - c) Identifying potential customers
  - d) Allocating marketing resources effectively
- (13) In a marketing plan, what does the term "positioning" refer to?
- a) The physical location of the company's headquarters
  - b) The distribution channels utilized by the company
  - c) The pricing strategy used for the company's products
  - d) The perception of the company's brand in the minds of consumers
- (14) Company Y is launching a new line of organic skincare products. It aims to position its brand as environmentally conscious and committed to using natural ingredients. Which of the following statements best describes the positioning strategy of Company Y?
- a) Company Y is targeting budget-conscious consumers.
  - b) Company Y is emphasizing product features and specifications.
  - c) Company Y is focusing on convenience as its primary selling point.
  - d) Company Y is appealing to consumers who prioritize sustainability and natural ingredients.
- (15) Company X is in the process of developing a new smartphone with advanced features not available in the current market. Which stage of the new product development process is Company X most likely in?
- a) Idea generation
  - b) Concept development and testing
  - c) Business analysis
  - d) Product development

- (16) Branding helps in:
- a) Differentiating products from competitors
  - b) Reducing customer loyalty
  - c) Increasing product price
  - d) Decreasing brand recognition
- (17) Company Y has introduced a new energy drink in the market, positioning it as a healthier alternative to traditional caffeinated beverages. Which stage of the product life cycle is Company Y most likely targeting?
- a) Introduction
  - b) Growth
  - c) Maturity
  - d) Decline
- (18) What does the term "skimming pricing" refer to in the context of pricing strategy?
- a) Adjusting prices based on changes in market demand
  - b) Setting a low initial price to gain market share quickly
  - c) Setting a high initial price to target early adopters
  - d) Offering discounts to customers who purchase in bulk
- (19) What is the primary purpose of conducting concept testing in the new product development process?
- a) To estimate potential sales and revenue
  - b) To assess consumer perceptions and preferences
  - c) To evaluate the feasibility of manufacturing the product
  - d) To determine the product's target market
- (20) A cosmetics company launches a series of short videos featuring makeup tutorials and product demonstrations on social media platforms like Instagram and TikTok. Which type of advertising is the company using?
- a) Print advertising
  - b) Broadcast advertising
  - c) Digital advertising
  - d) Outdoor advertising

- (21) Which of the following is an example of a sales promotion tactic?
- a) Creating a company website
  - b) Organizing a press conference
  - c) Conducting market research
  - d) Offering a buy-one-get-one-free deal
- (22) Personal selling is characterized by:
- a) One-way communication from the seller to the buyer
  - b) Mass communication through media channels
  - c) Face-to-face interaction between the seller and the buyer
  - d) Non-personal communication through advertising
- (23) Public relations (PR) activities primarily focus on:
- a) Generating short-term sales
  - b) Building and maintaining positive relationships with various stakeholders
  - c) Directly promoting products and services to customers
  - d) Conducting market research studies
- (24) Which of the following is a primary function of distribution in marketing?
- a) Facilitating the movement of goods from producers to consumers
  - b) Determining product pricing
  - c) Creating promotional materials
  - d) Conducting market research
- (25) Which of the following is a function typically performed by wholesalers?
- a) Providing storage facilities and inventory management
  - b) Managing advertising campaigns
  - c) Direct marketing to end consumers
  - d) Setting retail prices for products

**(Total 25 Marks)**

## Part II

### Question No. 01

Read the given case study carefully and answer the questions.

**"Island Flavors: Exploring the Meal Delivery Market in Sri Lanka"**

#### FRESH FEASTS

Fresh Feasts is a Sri Lankan-based company that entered the market in 2021 with a specialization in delivering ready-to-cook meals to households across Sri Lanka on a weekly basis. Offering convenient meal solutions, these dishes come in individual containers and require minimal heating before consumption. Priced at LKR 20,000 for a week's worth of dinners for a family of four, Fresh Feasts has gained traction among middle and upper-class professional families in key cities such as Colombo, Kandy, and Galle. Notably, the brand received an endorsement from Sri Lankan celebrity chef Peter Kuruvita, further solidifying its reputation in the culinary landscape.

#### KITCHEN GOURMET

In a survey conducted in February 2022 among 150 Sri Lankan customers, Kitchen Gourmet garnered an average rating of 8/10, while Fresh Feasts received an average rating of 9/10. Despite its slightly higher price point, Kitchen Gourmet appeals to budget-conscious families, offering dinners for four at LKR 15,000 per week. Renowned for its diverse meal options infused with international flavors, Kitchen Gourmet continues to explore expansion opportunities beyond Sri Lanka, eyeing markets such as India and the Maldives.

#### THE CURRENT SRI LANKAN MARKET

As of the present market situation in Sri Lanka, the economy remains resilient despite enduring challenges. Key industries such as tea, apparel manufacturing, and IT services continue to drive economic growth. However, recent global events and local factors have introduced complexities. The COVID-19 pandemic has altered consumer behaviors and spending habits, impacting the food and hospitality sectors. Additionally, geopolitical tensions may influence

market dynamics, necessitating strategic adaptations for businesses operating within the country.

Fresh Feasts' potential expansion into the Sri Lankan market aligns with the growing demand for convenient and high-quality meal solutions. With an expanding middle and upper-class demographic appreciating culinary excellence, there exists a favorable environment for Fresh Feasts to thrive. However, navigating the evolving market landscape requires careful consideration of consumer preferences, economic trends, and competitive dynamics. Adaptability and innovation will be essential for businesses seeking success in the current Sri Lankan market scenario.

*"This case study is specifically designed for examination purposes."*

### Questions

a) *Using the given table,*

I. Identify different market segments that Fresh Feasts can address.

Justify your answer for each segment using a few sentences.

(10 marks)

II. List down the main challenge and opportunity associated with each consumer segment.

Proposed Market Segment	Justification	Challenge	Opportunity
1			
2			
3			
4			
5			

(05 marks)

b) How can Fresh Feasts and Kitchen Gourmet leverage consumer insights and market trends to innovate their offerings and adapt to changing consumer preferences in the Sri Lankan market? *(Write down five methods and justify the answer.)*

(10 marks)

**(Total 25 Marks)**



**Part III**

Select two (02) questions and answer.

**Question No. 02**

- a) Compare and contrast the cost- and value-based approaches to pricing new products using the following five aspects.

<b>Aspect</b>	<b>Cost-Based Approach</b>	<b>Value-Based Approach</b>
Basis of Pricing		
Focus		
Pricing Strategy		
Customer Perception		
Flexibility		
Market Positioning		
Competitive Advantage		

(10 marks)

- b) Using the table below, outline the factors influencing price sensitivity in consumer purchasing behavior and provide appropriate examples.

<b>Factors Affecting Price Sensitivity</b>	<b>Impact on Price Sensitivity</b>	<b>Example</b>
1		
2		
3		
4		
5		

(15 marks)

**(Total 25 Marks)**

**Question No. 03**

The product life cycle has four stages: introduction, growth, maturity, and decline. Every stage has unique characteristics that affect marketing strategies.

- a) List the characteristics of each stage of the product life cycle.

(05 marks)

b) explain how the different stages of PLC influence the marketing strategy  
(05 marks)

c) The new product development process involves several stages that a product goes through. List down and explain those stages of the new product development process.  
(15 marks)

**(Total 25 Marks)**

**Question No. 04**

“The economic downturn exerts varying impacts on enterprises. This is a macro-environmental factor. Nevertheless, its influence is derived from task environment factors.” Do you agree with this statement? Explain

(10 marks)

A Sri Lankan tea manufacturing company is experiencing a decline in sales of its flagship tea brand both domestically and internationally. The marketing team suspects that changing consumer preferences, increased competition from other tea producers, and shifts in global trade patterns may be contributing factors. They decide to conduct marketing research to understand the underlying reasons for the decline and identify potential strategies to revitalise sales.

a) What research methods are most suitable for investigating consumer preferences in the beverage industry, particularly regarding tea products? Justify your answer using your theoretical knowledge using following table .

Research method	Justification

(05 marks)

b) Considering population size and diversity, How do you determine the appropriate sample size for conducting market research on Sri Lankan tea consumers? Justify your answer using your theoretical knowledge.

(05 marks)

- c) What are the advantages and disadvantages of using qualitative research methods, such as focus groups or interviews, compared to quantitative methods like surveys or experiments in studying consumer behaviour?

(05 marks)

**(Total 25 Marks)**

**Question No. 05**

A multinational fast-food chain is planning to expand its operations into Sri Lanka and introduce its popular menu items to the local market. However, the company recognizes that consumer behavior in Sri Lanka is influenced by cultural factors, including dietary preferences, religious practices, and traditional customs. To ensure a successful launch and resonate with Sri Lankan consumers, the company seeks to understand how cultural influences shape their purchasing decisions and consumption habits.

- a) Examine the factors determining the behaviour of consumers.

(15 marks)

- b) How do you perceive the role of cultural factors in influencing consumer behaviour and preferences in Sri Lanka, particularly in the context of food and dining choices? Explain.

(10 marks)

**(Total 25 Marks)**