



UTHM

Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

FINAL EXAMINATION SEMESTER II SESSION 2023/2024

- COURSE NAME : PRINCIPLES OF MARKETING
- COURSE CODE : BPA 11603
- PROGRAMME CODE : BPA / BPB / BPP
- EXAMINATION DATE : JULY 2024
- DURATION : 3 HOURS
- INSTRUCTIONS :
1. ANSWER ALL QUESTIONS
 2. THIS FINAL EXAMINATION IS CONDUCTED VIA
 - Open book
 - Closed book
 3. STUDENTS ARE **PROHIBITED** TO CONSULT THEIR OWN MATERIAL OR ANY EXTERNAL RESOURCES DURING THE EXAMINATION CONDUCTED VIA CLOSED BOOK

THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

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- Q1** In a bold move set to revolutionize the automotive industry, Tesla's CEO Elon Musk announced the company's intention to embrace a new pricing strategy. Tesla made waves by introducing dynamic pricing adjustments for its vehicles, effectively changing prices multiple times within short time frames. This strategy, known as "dynamic pricing" or "surge pricing," allows Tesla to respond quickly to changes in demand, production costs, and market conditions. By leveraging real-time data analytics and consumer behaviour insights, Tesla adjusts prices to optimize revenue and maintain competitiveness in the rapidly evolving EV market. While some customers appreciate the transparency and flexibility of dynamic pricing, others have voiced concerns about the unpredictability and potential for price fluctuations. Nevertheless, Tesla's bold approach to pricing underscores its agility and adaptability in navigating the complexities of the automotive industry's transition to electric mobility.

Source: Tesla CEO Elon Musk Says Automaker Will Adopt 'Super High' Use Of Dynamic Pricing, CNBC (May, 2021)

- (a) List **TWO (2)** new pricing strategies Elon Musk could consider implementing if he plans to launch a new Tesla model.
(2 marks)
- (b) Explain **FOUR (4)** effective action responses Elon Musk could implement to a competitor's price changes resulting from Tesla's adoption of dynamic pricing.
(8 marks)
- (c) Outline **FIVE (5)** alternative pricing adjustment strategies that Elon Musk could consider implementing for Tesla besides 'Super High' dynamic pricing.
(15 marks)

- Q2** CEO Jeff Bezos founded Amazon.com in 1995 as a place where book lovers could shop online books. Besides e-commerce sites, Amazon also has brick-and-mortar stores. Amazon does not stock all the items it sells. Instead, it created a huge supply chain, setting up a real-time connection with hundreds of manufacturers. When a customer places an order, it is relayed to the manufacturer, who fills the order on Amazon's behalf. By contrast, brick-and-mortar stores purchase orders out of their inventory, typically working with a few vendors. Amazon has built a supply chain focused on responsiveness and customer service. Same-day shipping is available in seven major US cities. Today, Amazon.com is the world's largest online retailer, offering books, CDs, shoes, and other merchandise. It has more than 80 million active customer accounts.

Source: How Amazon Aims To Keep You Clicking, Business Week (March, 2009)

- (a) Identify the type of channel members adopted by Amazon.com with appropriate examples.
(5 marks)

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- (b) Distinguish between the upstream and downstream supply chain partners for Amazon.com.

(5 marks)

- (c) Discuss **FIVE (5)** ways the intermediary channel members could add value to Amazon.com.

(15 marks)

Q3 In December 1980, the world's largest fast-food chain began in Malaysia. In April 1982, McDonald's opened their first restaurant in Malaysia at Jalan Bukit Bintang, Kuala Lumpur. McDonald's Corporation granted Golden Arches Sdn Bhd permission to open a McDonald's restaurant in Malaysia. They currently have 185 franchise locations around the country after twenty-six years. After their arrival in Malaysia, McDonald's has provided over 7000 job opportunities. Their vision is to become the customers' favourite place and way of eating. McDonald's gets the benefit from Malaysia's fast-food trend as it allows them to gain more market share and customers. McDonald's offerings have become more efficient, as a result of technological advances, customers can order online. Malaysia's growing internet users support this kind of service because consumers want 24-hour fast food. McDonald Malaysia using marketing communications mix and also called its promotion mix that consist blends five different components to engaging and communicating with customers.

Source: Effective Marketing Strategies of McDonald's in Malaysia and Indonesia. International Journal of Applied Business and International Management (January, 2021)

- (a) Discuss **FIVE (5)** components of the communication mix for McDonald's Malaysia company.

(20 marks)

- (b) Explain the concept of integrated marketing communications (IMC) used by McDonald's chains restaurants.

(5 marks)

Q4 In today's digital landscape, people easily connect with information, brands, and each other anytime, anywhere, including through social media platforms. However, as this interconnectedness grows, it raises ethical questions about privacy, data security, and the responsible use of technology in society.

- (a) Suggest **THREE (3)** proactive steps users can take to protect their personal information on social media.

(15 marks)

- (b) Discuss **FIVE (5)** public policy issues impacting direct and digital marketing practices in today's business sector.

(10 marks)

- END OF QUESTIONS -

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