

Exam paper in Marketing Management
The assignment for day 2 contains 5 pages incl. a front page.
Winter exam 2022, 2nd Semester, Exam in Theme 4 and 5.

Marketing Management

1st external case exam: Written interdisciplinary exam

Handout (day 1): 4 January 2022, 08.30 AM

6-hour written exam (day 2): 5 January 2022, 08.30 AM – 14.30 PM

The exam paper consists of four assignments. The four assignments are weighted as follows in the overall assessment of the exam.

Assignment 1: 45%

Assignment 2: 10%

Assignment 3: 35%

Assignment 4: 10%

Total 100%

Important information

The 1st external exam is evaluated on the basis of learning objectives applicable to the second semester. Therefore, please note that any strategic situational analysis, relating to 1st semester learning objectives, should be placed in the appendix. This can be a good basis for presenting a well-argued marketing plan at a tactical and operational level, where arguments for the content of the marketing plan is supported by the strategic situational analysis.

The situational analysis must be placed in the appendixes, as it is not a part of the basis for evaluation. However, it is expected that the content from your situational analysis is included in the argumentation for proposing solutions in the assignment (referring to the appendix for documentation.)

Do not contact the company featured in the case!



1. Marketing (45%)

As stated in the material from day 1, the company now wants to market its tea products primarily towards a target group with the following characteristics:

- Women
- Larger cities in Denmark
- Age 25-50
- Focused on domestic "hygge" and their own well-being
- An interest in sustainability and the development of the planet in general

Assignment 1.1 (10%)

Argue for relevant differentiation/positioning variables and generate a positioning map based on your own assessment of the current positioning on the Danish tea market.

Assignment 1.2 (20%)

Now, produce parts of a marketing plan for Pukka, where the following marketing tools are used:

- Product
- Place – From a Supply Chain Management perspective as well as a Marketing perspective.
- Price

Assignment 1.3 (15%)

Offer a concrete and well-argued proposal for a digital promotion campaign.

2. Law (10%)

Assignment 2.1 (5%)

As mentioned, they aspire to get a wider reach in retailing with the Pukka brand, which is why the sales management are planning a big campaign in order to obtain more distributors. Therefore, they are mapping out new potential distributors, and then dividing them into segments corresponding to the scope of the potential sales: The A segment covers distributors with the

most potential; the C segment covers distributors with the least potential. The B segment covers distributors with a potential somewhere between the A and C segment.

Pukka's sales and marketing actions are based on the segmentation:

- The A segment: Here, Pukka send a sales representative on a sales visit to talk about a special introduction offer; not all the sales representatives have time to schedule a meeting with the potential distributors before showing up.
- The B segment: Here, Pukka's sales representatives call up the potential distributors and present them with the same offer.
- The C segment: Here, Pukka simply send an e-mail with the same offer.

Not long afterwards, it turns out that not everybody appreciates the approaches, and the sales manager at Pukka is approached by distributors in both segment A, B, and C, who all believe that the different courses of action are illegal.

Are the courses of action used for segment A, B, and C illegal?

Assignment 2.2 (5%)

Because of the campaign, Pukka manage to recruit a number of new distributors including Urteshoppen in Aarhus. When Urteshoppen place their first order, it contains 300 packages of tea, which is due to be delivered on September 3rd. When Pukka receive the order, they book a carrier to collect the tea on September 3rd in the afternoon in Pukka's own warehouse located on Zealand, after which he drives towards Jutland. However, the carrier is involved in an accident on his way; the windshield on the carrier's truck breaks after it is hit by a stone. It is not possible to book a technician until the next morning, and consequently Urteshoppen receive the tea on September 4th in the afternoon. Urteshoppen are not pleased with that, and therefore they are contemplating whether they should claim that the goods are late. They are considering cancelling the transaction.

Can Urteshoppen claim that the goods are late?

3. Economics (35%)

Assignment 3.1 (7.5%)

Discuss and propose which market structure is applied on the Danish tea market.

The discussion can fruitfully focus on the prices mentioned below from Nemlig.com (Table 1), the market shares on the tea market as stated in the Euromonitor/Passport report that was handed out on day 1, as well as other factors, which you find relevant.

Table 1: Tea prices for tea in bags. Advertised normal prices.

Pickwick standard tea, 20 bags	10.00 kr.
Pickwick special tea, 20 bags (green tea, camomile tea etc.)	18.00 kr.
Lipton Yellow Label, 25 bags	19.95 kr.
Yogi Tea, 17 bags (Organic herbal teas)	31.95 kr.
Twinings tea, 25 bags	31.95 kr.
Fredsted herbal tea/special tea, 20 bags	18.95 kr.
Fredsted standard tea, 20 bags	8.40 kr.
Pukka tea, 20 bags (organic special and herbal tea)	38.00 kr.

Source: nemlig.com on November 2nd 2021

Assignment 3.2 (20%)

As brand manager for Pukka your job in the fall 2021 is drawing up budgets. Unilever view the retail trade as consisting of two major groceries groups (Group A and Group B) plus the additional groceries trade (Additional). The Expected marketing contribution for the Pukka brand is shown in Table 2.

Table 2: The Expected marketing contribution for the Pukka brand, 2021

	Group A	Group B	Additional	Total
Sale	33,750 unit	13,500 unit	20,250 unit	67,500 unit
Sales price per unit per customer	23.80 kr.	24,20 kr.	24.40 kr.	
Turnover	803,250.00 kr.	326,700.00 kr.	494,100.00 kr.	1,624,050.00 kr.
Variable unit costs	11.23 kr.	11.23 kr.	11.23 kr.	
Variable costs	379,012.50 kr.	151,605.00 kr.	227,407.50 kr.	758,025.00 kr.
Contribution margin	424,237.50 kr.	175,095.00 kr.	266,692.50 kr.	866,025.00 kr.
Campaign & activity contribution	75,000.00 kr.	88,000.00 kr.	32,000.00 kr.	19,000.00 kr.
Chain store contribution	349,237.50 kr.	87,095.00 kr.	234,692.50 kr.	671,025.00 kr.
Additional marketing costs				275,000.00 kr.
Marketing contribution, Pukka				396,025.00 kr.

You have collected the necessary information from the purchasing, sales, and marketing departments and you have reached the following conclusion concerning the budget requirements for 2022:

Prices:

Group A: 4.7% increase

Group B: 5.6 % increase

Additional: 4.1 % increase

Campaign & activity contribution:

Group A: 5.0% increase

Group B: unchanged

Additional: 65,000 DKK

Sale:

Group A: 1.5% decrease

Group B: 3.2 % increase

Additional: 20.0 % increase

Variable costs:

11.92 DKK per unit

Additional marketing costs:

375,000.00 DKK

Draw a budget for the marketing contribution for Pukka tea for the year 2022 and comment on the anticipated development on a chain level and in total.

Appendix:

- Excel sheet containing the budget groundwork for assignment 3.2

Assignment 3.3 (7.5%)

As many other companies, Unilever are now experiencing a period with significantly increasing costs. This includes raw material prices, cargo rates, and storage costs.

By using economic concepts and models, discuss how this affects the tea market. Remember to comment on the price elasticity of tea. You are not expected to make calculations.

4. Discussion of the implementation plan (10%)

Assignment 4.1

Discuss the challenges that Pukka faces when implementing your proposals/recommendations. (Your discussion can for example contain several of the following considerations: Are your answers in the previous assignments correlated? What are the consequences of these answers? Do the activities make sense from an economical point of view? Is the plan legal?)