

Exam assignment Marketing Management

Day 1 case description: Containing 3 pages including front page and appendixes

September exam 2020, 2nd semester, examination in theme 4 and theme 5

Marketing management

1. external case exam: Written cross-curricular exam

Case description hand out (day 1): 7th of September 2020 at 08.30 am

**Written exam (day 2): 8th of September 2020 from 08.30 am to 2.30 pm
(kl. 14.30)**

The assignment consists of 4 questions.

The 4 questions are weighted as below in the overall evaluation of the hand in.

Question 1: 50%

Question 2: 30%

Question 3: 10%

Question 4: 10%

Total: 100%

Important information

The 1st external exam is evaluated on the basis of the learning objectives for the 2nd semester. Students should therefore be aware that any situational analysis, relating to 1st semester learning objectives, should be placed in appendix. This can be a good basis for presenting a well-argued marketing plan at a tactical and operational level, where the arguments for the content of the marketing plan is supported by the situational analysis. Situational analysis must be placed in appendix, as this is not part of the basis for evaluation, but the content of the situational analysis is expected to be incorporated into the arguments for proposing solutions in the assignment (where the student refers to appendixes when providing documentation to support arguments)

The case company is **not** to be contacted

1. Marketing and Sales (50%)

As it states in the case material B&O faces a number of challenges. They want to create growth by focusing on the product category Staged and wants to promote this towards a target group, consisting of wealthy 30-40 years old, living in major cities in Denmark.

1.1 (30%) Based on the above mentioned target group and the product category Staged, please work out a recommendation for a future marketing mix for B&O, which is both relevant and well-argued.

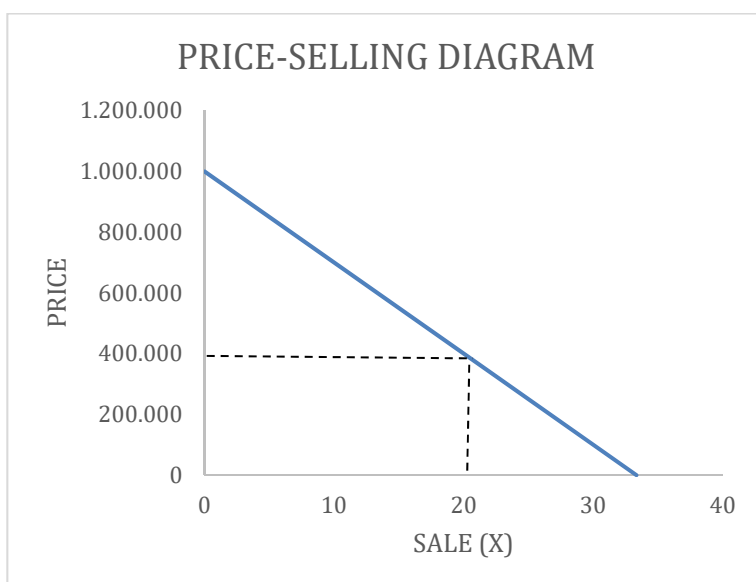
1.2 (10%) In continuation of your marketing mix, please make an activity plan with an overview of the recommended activities including a budget of the marketing expenses. The activity plan must be divided into a minimum of 4 quarters.

1.3 (10%) B&O wants HiFiklubben to introduce their Staged products in their stores. You are employed in the Sales department in B&O and will participate in a meeting with representatives of Hifiklubben in 3 weeks. You are asked to describe, how you will prepare yourself and your colleagues for this meeting. You are also asked to set up a brief synopsis for potential (sales-) Material used at the meeting.

2. Economics (30%)

B&O sells the very expensive Beolab 90 speakers. As mentioned in the presentation B&O calls them: "Perhaps the world's most advanced digital loudspeaker. Unprecedented power and acoustic performance adapting seamlessly to your living space and listening modes"¹

B&O has, through a market study, established the following relation between price and sales on the Danish market (prices are excluding VAT).



¹ <https://www.bang-olufsen.com/en/speakers/beolab-90?variant=beolab-90-silver-black>

In 2020, B&O has sold 20 speakers at a price of DKK 400,000 on the Danish market (excluding VAT). If the price is 1,000,000 DKK, no speakers are sold. The variable cost per unit is DKK 100,000 (excluding VAT) and is assumed to be constant per unit. Due to the general economic downturn B&O does not expect to sell more speakers in 2020.

B&O is now preparing the 2021 budget and has asked you to help:

2.1 Based on the information provided (on price and sales and variable costs per unit), please calculate the optimal price and sales.

2.2 How much will the optimal price and sales for 2021 (as calculated in question 1) change the contribution compared to the selling of 20 speakers in 2020?

2.3 Calculate the point-price elasticity in optimum (question 2.1) and explain what the calculation gives of information for B&O.

2.4 In marketing (question 1.2), you were asked to prepare a budget for marketing expenses (for the entire Staged category). By using the optimal price (from question 2.1) calculate how many Beolab 90 speakers (number of units) B&O needs to sell to cover these marketing expenses.

2.5 Finally, please make a conclusion (no calculations) in which you point out how your calculations and assessments above will affect B&O's economic position.

3. Business Law (10%)

B&O has a contract to deliver goods DDP (incoterms 2020) to a firm in Odense (DK) on the 1st. June 2020. On the 1st. of June nothing arrives from seller and buyer wants to cancel the contract and claim compensation.

3.1 Can the buyer do that?

3.2 Which other tools could the buyer choose to use?

4. Discussion of the implementation plan (10%)

4.1 Discuss the challenges of B&O, when they are to complete your suggestions/recommendations, including what might reduce the effect of your suggestions.