Exam paper in Marketing Management

The case description for day 2 contains 4 pages incl. a front page

Winter exam 2021, 2nd Semester, Re-examination in Theme 4 and 5

**Marketing Management**

Re-exam, 1st external case exam: Written interdisciplinary exam

Handout (day 1): 8 February 2021, 08.30 AM

**Written exam (day 2): 9 February 2021, 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:

Question 1: 40%

Question 2: 15%

Question 3: 35%

Question 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.*

***Do not contact the company featured in the case!***



**1. Marketing (40%)**

Les Deux has achieved a high growth rate in the last year and now they want to invest more in the Danish market.

As mentioned before, the company now wants to market its products primarily to a target group with the following characteristics:

* 20-29 years old
* Male
* Is interested in sustainability and other social issues.

1.1 With the target group selected by Les Deux as a benchmark, prepare a relevant and well-argued presentation of three of the P’s in the marketing mix: Promotion, Place and Product.

1.2 On the basis of the scheduled promotion goals above, Les Deux wants your well-founded proposal for choice of media, plus a specific description and suggestion to the promotion message.

**2. Sales and negotiation (15%)**

Les Deux attended the clothing fair in Herning and here their Key Account Manager met the buyer from the clothing chain Quint. Even though the buyer was quite busy, the employee managed to arrange a sales meeting. Les Deux has an ambition to sell their products via the clothing chain, and subsequently their Key Account Manager wants to be as well prepared for the meeting as possible.

* 1. Les Deux wants your help with the preparations for the meeting. Therefore, you must prepare a proposal for the execution of the meeting.
  2. Your proposal should be as specific as possible.

**3.** **Economics (35%)**

Les Deux is right now developing strategic plans for the future years, and they are contemplating their options with regards to price setting.

3.1 Discuss the market form of Les Deux’s products and how the price is formed. Feel free to include models/illustrations. No calculations.

Les Deux is working on next year’s collection. One of the products is a knitted sweater model XY. The recommended retail price for this product is scheduled to be 799.50 DKK including VAT in various web shops (VAT = 25%).

When setting the price, they have considered what the market can handle, while taking the competitive situation into account. Now they are about to negotiate prices with the manufacturer in Bangladesh. The gross margin ratio (the contribution margin) is expected to be 50% in web shops. Les Deux has their own demand for a gross margin ratio at 40%. Shipment from Bangladesh is expected to be 4.5 DKK per sweater.

3.2 Prepare a calculation that shows the maximum amount Les Deux can pay the supplier in Bangladesh for producing the sweater.

Les Deux are engaged in CSR, focusing on the UN’s world goals. Therefore, they want to ensure that the local workers in Bangladesh, who produce the sweater, are payed fairly. Les Deux will actively communicate this to their customers. Subsequently, Les Deux estimates that they can increase the price for the sweater to 824.50 DKK including VAT. All other conditions remain unchanged.

3.3 Prepare a calculation of how much more Les Deux can pay the supplier for the sweater now.  
  
Les Deux wants to communicate to their customers specifically how much more the local workers are payed thanks to them. The pay for the employees who produce the sweater in Bangladesh normally amount to 4.00 DKK per sweater. (Approximately 0.5% of the sweater’s total price). Now, assume that Les Deux can ensure that half of the extra pay for the sweater to the supplier will benefit the employees.

3.4 Calculate the percentage pay increase Les Deux can state they have ensured the local workers in Bangladesh by increasing the price from 799.50 DKK to 824.50 DKK.

Les Deux is now reconsidering whether it is realistic that they can increase the price for their product just because they are focusing on CSR and their contribution in reaching the UN’s world goals.

3.5 Explain how focusing on CSR and the UN’s world goals may influence the demand and subsequently the price formation of Les Deux’s products.

**4. Discussion of an implementation plan (10%)**

4.1 Discuss the challenges Les Deux faces when implementing you proposals/recommendations.

(For example, the discussion could contain some of the following views: How are your answers from the previous questions connected? What consequences do they entail? Do the activities make sense economically? Is the plan legal?)