

EXAMINATION AND EVALUATION DIVISION
DEPARTMENT OF POLYTECHNIC EDUCATION
(MINISTRY OF HIGHER EDUCATION)

COMMERCE DEPARTMENT

FINAL EXAMINATION
DECEMBER 2011 SESSION

P5712 – STRATEGIC MARKETING

DATE : 03 MAY 2012 (THURSDAY)
DURATION : 2 HOURS (8.30 AM – 10.30 AM)

This paper consists of **FOUR (4)** pages including the front page.
SECTION A: Essay (3 questions – Answer **ALL**)
SECTION B: Essay (2 questions – Answer **ALL**)

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CHIEF INVIGILATOR

SECTION A**ESSAY (60 Marks)**

Instruction: This section consists of **THREE (3)** essay questions. Answer **ALL** questions.

QUESTION 1

- a) Explain **FOUR (4)** levels of competition with suitable examples. (10 marks)
- b) General environment is composed of factors that can have dramatic effects on firm strategy. Discuss **TWO (2)** general environment segments with examples. (10 marks)

QUESTION 2

There are two portfolio planning methods that are practiced by an organization which are the Boston Consulting Group (BCG) and the General Electric (GE). Explain with suitable examples the Boston Consulting Group (BCG) Matrix that is used by an organization to determine the strategy of a business organization.

(20 marks)

QUESTION 3

- a) Micheal Porter has identified five (5) forces that are widely used to assess the structure of any industry. One of the forces is the threat of new entrants. Briefly explain **SEVEN (7)** factors affecting the threat of new entrants. (14 marks)
- b) Explain the strategy that can be taken in order to reduce the threat of new entrants. (6 marks)

SECTION B**ESSAY (40 MARKS)**

Instruction: This section consists of **TWO (2)** questions. Answer **ALL** the questions by referring to the case study below.

CASE STUDY: AIS –BLENDED COFFEE SHOP

Ais-Blended Coffee Shop is one of the largest chains of coffee shops in Malaysia. They started their business in the early 80's as a tiny chain in Kelantan coffee shops, grew rapidly in the 90's and now own 110 coffee shops in Malaysia. This chain of coffee shop is very well managed by a well seasoned management team popularly known as ABC because of Pandak Ali CEO and Zainal Ramli Managing Director's favourite beverage is "Air Batu Cendol" a well known Malaysian Traditional drink.

Although the company has expanded enormously since it went public in 1991 but has also encountered a number of problems. The company had it success through the 90's, but now the younger generations is not liking the environment of the shops and they feel out of place in Ais Blended Coffee Shop, above all the price of drinks in the coffee shop seems to be a little expensive to them. The Ais Blended Coffee Shop did not have much competition like kopitiam and the like in the initial days but now they have competition from d'Chili and Santan Berlada. They also had problems of employee discontentment.

The expensive and aggressive marketing strategy has given Ais Blended market dominancy. They earned RM1.42 million in the year 2000, sales were still growing but it started growing at a decreasing rate, because their aggressive strategy and attitude towards competitors not only grew rivalry with other businesses but they also lost customers. It was difficult for them to maintain their growth of 20% only on domestic market, so they opted for going overseas.

They want to have 1000 outlets abroad in the next three years. In the domestic market they repositioned themselves adding internet service, fast food etc. to maintain their profit. Ais Blended needs readjust their strategies and repositioned them to rise from the fall.

QUESTION 1

Based on the case study above, prepare a SWOT analysis for Ais-Blended Coffee Shop.

(20 marks)

QUESTION 2

As a newly appointed General Manager of Ais-Blended Coffee Shop, you are required to explain the following strategies:

a) Product Differentiation Strategy

(10 marks)

b) Product Positioning Strategy

(10 marks)