

SAMPLE SHORT AND VERY SHORT ANSWERS

Part II: Short answer. Using the space provided on the exam, please answer **THREE** of the following four questions. If you answer all four, only the first three answers will be counted. 3*10 points each=30 points.

PLEASE WRITE YOUR ANSWERS BELOW ON THIS EXAM—NOT ON THE SCANTRON SHEET.

1. What does *commercial comedy* involve? Why does it make sense?

Commercial comedy involves a firm using its brand mascots (such as the AFLAC Duck or the Energizer Bunny) to provide high quality entertainment for non-profit fundraising events. The non-profit group receives free high quality entertainment, enabling it to keep more of the proceeds from the event. In return, the firm receives access to the customers. Since the humor will make sense only in the context of the product and brand mascot, there will be extended focus on the product and brand. In addition, the performance may receive coverage on local television. Thus, both parties benefit from this arrangement. [The non-profit issue must be addressed to receive any credit on this question. This is an integral part of how the strategy works. The use of humor and brand mascots reflect general advertising strategies. A hint was given in lecture the week before the exam that this was likely to show up on the exam, so expectations are higher on this than on certain other questions.]

2. According to the author of *Socialnomics*, how have methods for evaluating the impact of web sites changed?

During earlier years of the Internet, the impact of web sites was often gauged with measures such as the total number of hits (which counts each "object" such as a photo, graphic, or counter on the page) or total visits. With social media where people log in, however, it is now possible to keep track of *active* users—users who visit repeatedly and thus indicate a greater interest and staying power.

3. According to the author of *Socialnomics*, how can search engines be used to predict virus outbreaks?

Google and Yahoo make available statistics of frequently searched terms. Many people, when they or family members first start experiencing symptoms of the flu, will search for information on flu symptoms online. Many hope to avoid having to go through the hassle of setting up a doctor's appointment, so the search will often precede doctor visits by some two

weeks. Using IP addresses of searchers, it is possible to in which regions more searches on flu symptoms and treatments are made. A high number of searches in the area increase the likelihood that an epidemic will be experienced in the area in the near future.

4. Please discuss some aspects of the economic environment and their implications.

[Several issues were discussed in class. You were expected to address at least three. Note that you must *discuss* these issues and identify implications—not just list these. You must mention aspects of the *economic* environment—not just any parts of the overall marketing environment. A hint was given in lecture the week before the exam that this was likely to show up on the exam. It pays to attend class regularly!]

- High levels of consumer debt. Many consumers owe a great deal on home mortgages and credit cards. This limits their ability to buy and to get financing for new purchases, thus reducing demand experienced by firms.
- Consumer purchasing power. Inflation increases the costs of goods over time, thus reducing purchasing power if not upset by increased earnings. This reduces demand. In some areas, the costs of living and doing business are higher, thus making things more expensive for consumers, again reducing demand.
- Economic cycles. The economy goes through cycles, ranging from strong to weak. During recessions, consumers have less money to buy, reducing sales and profits. With excess capacity, prices may be driven down, also reducing profits.
- Structural changes. The U.S. was historically more of a self-sufficient, manufacturing based economy. This resulted in a number of relatively well paid manufacturing jobs. With more free trade and technological changes, many of these jobs have left the U.S. This decreases some kinds of demand domestically but introduces opportunities abroad. Since U.S. firms cannot compete with low wages offered abroad, we must provide value more based on technology and innovation.
- "New" family expenses. In past decades, families might have a modest cable TV plan but otherwise paid much less for information technology. Today, many families have much more elaborate and expensive cable or satellite TV programs, an expense for Internet access, and possibly for multiple cell phones (in contrast to the single land line that used to be the norm). These expenses take away money that consumers used to spend elsewhere, decreasing demand.

Part III: Extremely short answer. These questions can usually be answered in one or two sentences. Using the space provided on the exam, **please answer FOUR** of the following five questions. If you answer all four, only the first three questions will be counted. 4*5 points each=20 points. **PLEASE WRITE YOUR ANSWERS BELOW ON THIS EXAM—NOT ON THE SCANTRON SHEET.**

1. According to the conceptualization discussed in class, what is *customer value*?

Customer value is the ratio of benefits to sacrifice (usually money). Different customers will have different standards of value. For example, for some customers, a high quality, high priced product may be much more valuable than a low quality, low priced product.

2. According to the text, what does *value co-creation* involve?

Value co-creation involves the additional value that is created when customers are given the opportunity to customize products (e.g., designing athletic shoes online that are then custom made).

3. Does it make sense to sell a typewriter online rather than in a retail store? Why or why not?

Although the mediocre value-to-bulk value makes this distribution approach inefficient, taking up shelf space in retail stores is likely even less efficient. It is more practical to distribute this type of specialty product from central locations to geographically dispersed customers. [The following is not required for full credit, but may be added]: Selling typewriters may be required to maintain credibility as a full line office supply store. If money is lost on this sale, additional sales to the same customer may make up.

4. In terms of competition, what does it mean that a market is well “balanced?”

In a well balanced market, different firms try to serve the unique needs of different segments, differentiating the products and services they provide. This reduces the emphasis on price competition.

5. How is the industry represented by the NAICS code 345 likely to differ from the one represented by 345112?

The industry represented by 345 is broader and includes more sub-industries. The industry represented by 345112 is one of these sub-industries, having a more specific scope. For example, the short three digit industry might be metal manufacturing, and the six digit industry might be metal screws.