

UNIVERSITI SAINS MALAYSIA

Second Semester Examination  
Academic Session 1994/95

April 1995

AGW515 - MARKETING MANAGEMENT

Time : [3 hours]

---

**INSTRUCTION :**

Please ensure that this examination paper consists of **THREE (3)** printed pages before you begin.

Section A is **COMPULSORY** and answer **TWO (2)** only in Section B.

**SECTION A : COMPULSORY**

1. You have been engaged as a marketing consultant by the Motor Repairers Association. The association is concerned about its public image arising from negative remarks from various parties and in particular by Mr Justice Harun Hashim. The Journalistic report is appended below. Advise the association on marketing issues. Your analysis should cover the following aspect :
  - a. The tangible and intangible elements in the marketing of the motor repair business.
  - b. Alternative ways of segmenting the potential market; and
  - c. A marketing plan that should be implemented by the association to earn *the publics' respect*.

[60 marks]

**SECTION B : Answer TWO (2) questions only.**

2. Compare and contrast the buying processes of final consumers and organizational buyers.

[20 marks]

...2/-

3. What are the pricing objectives(s) of a skimming pricing policy? Is the same true for a penetration pricing policy? Explain.

[20 marks]

4. Discuss the life cycle of a product in terms of its probable impact on a manufacturer's marketing mix.

[20 marks]

- oooOOOooo -

# Judge to repairers: Earn public's respect first

KUALA LUMPUR, Mon. — Mr Justice Harun Hashim said today that motor vehicle repairers must earn the respect and acceptance of insurers and the people by attaining a certain level of workmanship.

He said it would help those repairers who had sued the General Insurance Association (PIAM) over a scheme of approved workshops "if they were to think positively along these lines because nobody nowadays owes anybody a living."

"It is not enough just being able to turn a screw," he said.

Mr Justice Harun added that the Selangor and Federal Territory Motor Repairers Association must establish certain standards in the quality of a repairer's work before admitting him as a member.

"Surely to be a member of the association you must attain a certain degree of workmanship or standing so that you are worthy to be a member."

"If this is done, and if the standards are well known and published, then the scheme of approved workshops prepared by PIAM would not be necessary."

"Cars could therefore be repaired at any garage whose owner is a member of the association."

"I think you must have pride in your work, and to establish this you must raise repair standards to a level which would earn respect."

"Get your respect first. If standards were to rise, PIAM would not have to prepare the list (of approved workshops)."

"You must build your re-

putation. You can't demand respect. You must earn reputation."

"Certainly the motor repairers had a right to work, but the right to business is different," Mr Justice Harun said of the relationship between the repairers and insurance companies.

He said this in dismissing the application by 32 repairers to stop PIAM from implementing the scheme of approved workshops introduced in April which they claimed affected their livelihood.

(All the plaintiffs are members of the Selangor and Federal Territory Motor Repairers Association).

He, however, ordered an early trial of the suit filed on May 26 naming PIAM chairman Zulkifly Mohamed Salleh, deputy chairman Lau Kuan Siew and the

association's members as defendants.

Mr Justice Harun gave his decision after hearing submissions from Mr Harpal Singh for the plaintiffs and Mr Cecil Abraham for the defendants.

The plaintiffs' suit claimed unspecified damages and a declaration that the list was beyond the scope of the Federal Constitution as well as PIAM's constitution and unfairly discriminated against them.

On the allegation by the plaintiffs that the scheme's implementation was tainted with fraud and corruption, Mr Justice Harun said this could not easily be substantiated.

He said that the insurance companies chose by secret ballot the repairers whom they wanted in the scheme and the latter would

not know who had voted against them.

He said that even if a bribe was offered there was no assurance that a repairer would be chosen because the ballot was secret.

He added that it was very serious to make an allegation of fraud and corruption against an association which was a "creature" of statute law.

Mr Justice Harun said the primary reason for such a scheme was so that the quality of work could be of some standard.

He said the quality of repairs had to be "very high" because of the present sophistication of cars and because today's highways were built for speed.

"The car owner must be assured that the quality of work is such that he and his family could drive off the

car and not be killed," he said.

Mr Justice Harun said the public's interest came first and the higher the cost of repairs the higher insurance premiums would be.

"It is in the public interest that premiums be kept as low as possible," he said.

He said that if the claims by motor vehicle repairers were over-inflated premiums would be higher as insurance companies had to pay out more.

It was concern with the quality of repair work and to maintain a degree of honesty and integrity that the approved repairers scheme was introduced, he said.

He said that insurance companies had the right to choose who they wanted to repair the cars of their clients as they were paying money for the repairs.

877/87

