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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(BUSINESS ADMINISTRATION)**

**Date: 14<sup>th</sup> August, 2019**  
**Time: 2.00 – 4.00pm**

**KBA 210 - PRINCIPLES OF MARKETING**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

**Read the following excerpt carefully and answer the questions that follow:**

The Australian mobile phone market is one of the strongest in the world, showing substantial growth and continuing to expand steadily as late adopters purchase phones. Any global trends are likely to be mirrored in this market. It is the next stage in the development of the mobile phone market that has the industry buzzing. A Nielsen research report shows that while statistics on mobile phone ownership are difficult to accurately predict because at least 20% of Australians own more than one phone, it is known that at least 86% of Australians own a mobile phone. Telstra's Research Director, Foad Fadaghi reported that "More than 50 percent of Australians have a smartphone, so now we are looking to the second half of the population, that do not have the economic means and are relying on 'hand me downs' and things like that. That market has really gravitated towards lower end products." Fadaghi indicated that there is a market for lower price-point phones and plans. Market leader Apple iPhone has shown little interest in pursuing this market, while Samsung with the Android operating system has lower priced products.

It came as no great surprise to junior account manager Daniel Knights, a keen marketer who constantly updates knowledge of mobile communication devices, that a new competitor would eventually enter the mobile phone market. He was delighted when Managing Director of an advertising firm, Starship Advertising offered him an opportunity to prepare a fully integrated promotion campaign to launch a new mobile developed by a Chinese manufacturer that would retail at about half the price of the smart phone devices currently being sold by Apple and Samsung. The new phone would have a touch screen but limited capabilities for video and data downloads. He knew the main users of the lower priced 'feature' phones were likely to be the very young who had been given 'hand me downs' and were connected on the 'pay-as-you-go' plans as well as those who were aged between 45-65 age group and those who had owned their mobile phones for a considerable period. More research was needed to provide insights into this campaign.

***Source: StuDoc (2019)***

**Required:**

- a) Identify and explain the various marketing environmental factors affecting the mobile phone market (6 marks)
- b) From the above excerpt advise the company on the various ways they may apply market segmentation. (6 marks)
- c) Using the consumer buying behavior process, assist the management to understand the behavior of consumers towards new product . (6 marks)
- d) Explain the importance of marketing research as used in the excerpt. (6 marks)
- e) Using the product life cycle discuss the stages the new product is likely to go through in the market place. (6 marks)

**QUESTION TWO (20 MARKS)**

- a) Besides being a legal requirement for most countries, packaging and labelling is a vital marketing tool . Using the various types of packaging, discuss this statement. (9 marks)
- b) Identify and explain the main pillars of marketing as proposed by the marketing philosophy. (4 marks)
- c) Identify and explain at least SEVEN differences between the old and the new marketing thinking. (7 marks)

**QUESTION THREE (20 MARKS)**

- a) Marketing intelligence systems enable marketing managers to gather day to day information from the market, however if not well planned may lead to poor information collection. Based on this information, discuss the actions that a marketer may implement to ensure effective collection of market intelligence. (12 marks)
- b) Define services mix. And explain the various elements of services mix. (8 marks)

**QUESTION FOUR (20 MARKS)**

- a) Consumers bear different traits in the adoption of new product. Clearly explain the traits, and their significance to a marketer. (10 marks)
- b) Describe various types of Distribution Channels considered for Marketing of:
  - (i) Consumer Goods . (5 marks)
  - (ii) Industrial Goods. (5 marks)

**QUESTION FIVE (20 MARKS)**

- a) As a result of novel challenges in the domestic markets and going global perspectives many marketers are forced to adjust with environmental changes as a result of the new millennium. Discuss these challenges. (15 marks)
- b) Identify and explain the factors that may influence pricing of new products in the market. (5 marks)