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

Date: 11th April, 2019
Time: 2.30pm -4.30pm

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 and answer the questions that follow:

"There's no need to ask the price - it's a penny" was the proud claim of Marks and Spencer stores a hundred years ago. From the start, it had developed a unique position in its market - an emphasis on low price, wide range and good quality. Over time, the Marks and Spencer position has been steadily developed, along with its profitability. By the 1990s it looked unstoppable as a retailer, as it progressively expanded its product range from clothing to food, furnishings and financial services. Many observers had commented on the fact that the company did not have a marketing department. After a sudden drop in profits and sales during 1998, critics claimed that the company had lost its position in the market place. A marketing department was therefore set up in 1998. Marketing, at least in terms of advertising the brand, had become so important to its competitors, but had never been high on Marks & Spencer's agenda.

It was realised that Marks & Spencer had failed to keep pace with customer service. In many issues of retail development, such as out-of-town shopping centres, Sunday opening and loyalty cards, it had lagged behind its main competitors. While it has stood still, the likes of Tesco and Sainsbury's marched ahead until there was no longer much that felt exceptional about the Marks & Spencer shopping experience. Analysts argued that Marks & Spencer had failed to make its store layouts help shoppers bring clothing together to make outfits. In a typical Marks & Spencer store, all jackets would be located in one area and all cardigans in another, for example. Its competitors had made much greater progress in bringing together co-ordinated sets of clothing which would encourage shoppers to spend more. Marks & Spencer has also been criticized for making things difficult for customers by not accepting payment by major credit cards.

In response to its current troubles, the newly created marketing department of M&S launched its first national campaign for retail towards the end of 1998. The ads followed an initial attempt at regional TV advertising earlier in the year, which the company was said to be very pleased with. The newly appointed Chief Executive claimed "It's not that people don't like what we're selling, but that we haven't got the message across. There are an awful lot of people who love us for our knickers, but they don't love our home furnishings because they don't even know they are there."

Required:

- i) Argue the strengths and weaknesses of Marks and Spencer (7 marks)
- ii) Using the Porters' Five force model, explain the benefits of competitor analysis to Marks and Spencer stores (5 marks)
- iii) Suppose you were marketing manager of Marks and Spencer stores, discuss some of the actions that can be used to fight competition (6 marks)
- iv) Discuss the importance of market segmentation in the above excerpt (5 marks)
- v) Advise Marks and Spencer stores on the modern marketing communication methods that can be used to revive its brand (5 marks)
- vi) Identify the marketing philosophy used by Marks and Spencer. Justify. (2 marks)

QUESTION TWO (20 MARKS)

- a) Product positioning is a critical step in product introduction to the market. Identify and discuss the bases that can be used in the marketing of shoe wear in Kiambu County. (8 marks)
- b) Compare and contrast industrial and consumer buyer behavior process. (6 marks)
- c) Outline challenges faced by suppliers of raw materials used in manufacturing industries in Kenya. (6 marks)

QUESTION THREE (20 MARKS)

- a) Marketing segmentation is critical in the tailoring and addressing the various needs of customers. Using the various bases of segmentation, argue this statement. (6 marks)
- b) Identify and explain the main characteristics that determine channel effectiveness to a marketer. (6 marks)
- c) Product packaging aside from being a legal requirement is a significant tool in product marketing. Discuss. (8 marks)

QUESTION FOUR (20 MARKS)

- a) The rate of adoption of a product depend on individual customer traits. Using a well labelled diagram, discuss this concept (10 marks)
- b) Pricing is the most flexible element of marketing mix, however it may lead to success or failure of a brand. Explain. (10 marks)

QUESTION FIVE (20 MARKS)

- a) The Kenya Bureau of Standards has recently identified Nuggets peanut butter as a product with toxic substances and unfit for consumption and as a result this leads to poor product image to the affected marketer. Suppose you have been asked to advise a firm similarly affected, discuss the legal factors a marketer should consider during production (10 marks)
- b) Discuss the appropriate set of marketing mix suitable for marketing services. (10 marks)