

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMINATION

2019/2020 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

**FOR THE DEGREE OF BACHELOR OF
COMMERCE**

COURSE CODE: BCO 211

COURSE TITLE: PRINCIPLES OF MARKETING

DATE: 10/12/2019

TIME: 8.00 – 10.00AM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

QUESTION ONE

You are the newly appointed brand manager for Grooming Partner, an unscented deodorant shampoo aimed at Generation X members. Sales of this brand have been declining for quite some time and recent exploratory research conducted by the company suggests that your brand is no longer price competitive. From your study of marketing, you think that a reconsideration of the market segmentation used previously to better understand the target consumer might be the key to this dilemma.

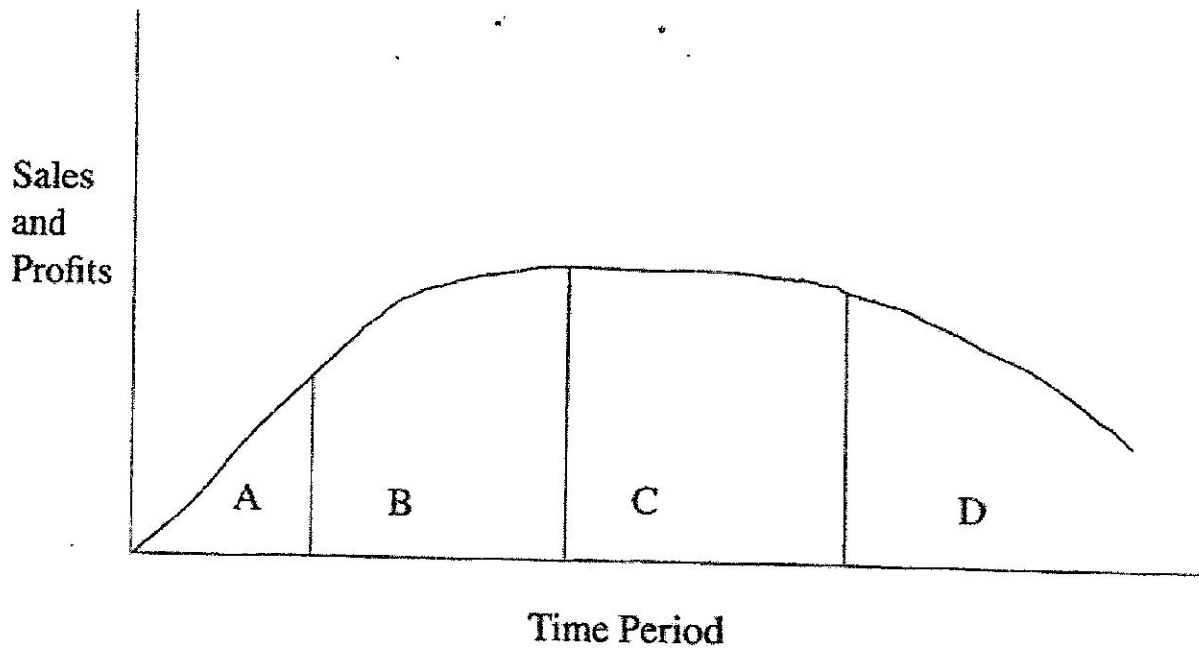
- a) From your own investigation of organizations similar to yours, you discover that many marketers of deodorants in those organizations sharpen their marketing strategy by adopting a multivariate demographic segmentation (i.e. combining two or more demographic variables) approach. Using examples, explain why and how such a segmentation approach might be used to inform strategy in attempting to resolve the sales decline. (8mks)
- b) What pricing strategy or strategies might work best with your suggested segmentation approach to recover this situation and why? Illustrate your argument with example(s). (8mks)
- c) What strategies can the firm do to remain relevant in the market (8mks)
- d) Which distribution channel can best be applied here and highlight functions of the distribution channel (6mks)

QUESTION TWO

- a). Explain the term cognitive dissonance. Describe the steps marketers can take to reduce cognitive dissonance and negative post-purchase behavior in general. (10 marks)
- b) Debe Limited is in the process of introducing a new product in the market. Explain six factors that may affect the product adoption rate. (10mks)

QUESTION THREE

- a). Wote Limited has one of its products in the stage marked "D" of a product life cycle. Explain five marketing strategies which the firm should adopt for the product (10mks)



b). One of the major factors that influence the buyer's behavior is the "Cultural factor", briefly discuss it. (10mks)

QUESTION FOUR

- Stem Limited recently rebranded one of its products. Explain six reasons which could have made the firm to take such an action. (12 marks)
- Discuss the advantages of Radio as a promotional tool in the rural market of Kenya over television (8 marks)

QUESTION FIVE

- Explain four circumstances under which a marketing firm may opt to sell its products directly to its customers. (8 marks)
- Discuss the various stages of a new product development process by taking the example of an electric car as a new product concept.(10mks)
- A marketer in the cosmetics industry once remarked: "In the factory, we make cosmetics; in the drugstore we sell hope" how does this relate to the marketing concept and the need of the marketers to understand consumer behavior?