

KIBABII UNIVERSITY



SPECIAL/SUPPLEMENTARY EXAM

2020/2021 ACADEMIC YEAR

SECOND YEAR FIRST SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCO 211

COURSE TITLE: PRINCIPLES OF MARKETING

DATE: 29/09/2021

TIME: 11.00AM-13.00PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

Question One

Your CEO has noted that the life cycle of most products and services is becoming shorter. He is therefore thinking of diversifying the product portfolio of the bank through brand extension. As a Product Manager for your bank he has asked you to prepare a report to be presented to management to:

- a) Briefly explain any **four** factors that can affect the life of a product. **(8 marks)**
- b) Discuss the advantages and disadvantages of brand extension. **(12 marks)**
- c) A certain bank believes that to remain competitive in the industry it has to be innovative and come up with new products every now and then, elaborate **(10 marks)**

Question Two

You have been hired as a marketing consultant for a newly set up bank. You are required to advise its management on their market segmentation strategy.

Required:

Using a report format:

- a) Identify and explain **five** factors that must be considered before market segmentation. **(10 marks)**
- b) Advise management any **two** benefits of market segmentation to consumers and any **three** market segmentation benefits to the bank. **(10 marks)**

Question Three

As a marketing consultant, advise the marketing department on the necessary stages that have to be followed in order to come up with a new product. **(Total 20 marks)**

Question Four

- a) A micro-finance institution in Kenya would like to introduce a highly innovative mobile banking product. However, its Board of Directors would like to understand how diffusion of innovation works. Using relevant examples, discuss the **five** adopter categories **(10 marks)**
- b) A product is anything that can be offered to a market for attention, acquisition use or consumption that might satisfy a want or need. Briefly explain levels of product and provide an example for each level **(10 marks)**

Question Five

In the face of stiff competition and unstable economic environment, Company XY has decided to develop a new product targeting the ordinary population such as local community;

- a) Explain any two functions of packaging. (2 marks)

- b) Explain any five steps in product development. (10 marks)

- c) Briefly discuss four classifications of consumer products. (8 marks)