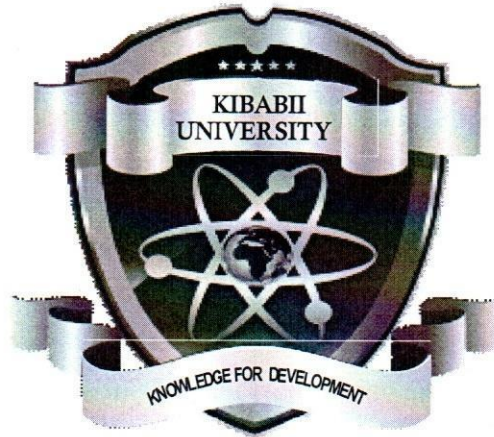


**KIBABII UNIVERSITY**



**UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR  
FIRST YEAR FIRST SEMESTER**

**MAIN EXAMINATION**

**FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION**

**COURSE CODE: MBA 806**

**COURSE TITLE: MARKETING MANAGEMENT**

**DATE: 26/01/2022**

**TIME: 9.00AM – 12.00PM**

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**INSTRUCTION TO CANDIDATES**

- Answer question **ONE** (compulsory) and any other **THREE** questions
- Question **ONE** attracts **40 marks**
- Time allowed is **THREE** hours
- All other questions attract equal marks (**20 marks**)

## QUESTION ONE

Answer Question ONE and any other Three questions

### **A MARKETING MIX MODEL FOR A COMPLEX AND TURBULENT ENVIRONMENT**

Marketing success in a turbulent environment requires an approach that is different to that recommended by traditional strategic marketing theory, which is insufficient to guide marketers in markets in varying states of change and turbulence. For example, the product life cycle approach can be misleading if other environmental factors are not considered concurrently, and the marketing warfare approach focuses only on the competitive environment, not taking adequate account of developments in the other environmental variables. Thus, these strategic approaches are unlikely to enable companies to develop and maintain defendable, competitive positions over the long-term.

Furthermore, they are not consistent with the current strategic approaches of collaboration and networking (Mason, 2004:174). This criticism of the traditional approach to marketing strategy is supported by other authors who believe that sequential strategic marketing planning does not suit a changing environment because it is too slow and unresponsive for a fast changing marketplace, nor can it keep up with customers' requirements or with aggressive competitors (Nilson, 1995:27 and Pine, in Heilbrunn, 1995:8). In addition, traditional market research and traditional marketing mix models are too simplistic to understand complex marketing situations; as such models assume linear relationships between mix variables and the resultant outcomes (McGlone & Ramsey, 1998:248 and Tedesco, 1998:5). Since the simplistic approaches recommended by traditional theories can be dangerous, marketers should consider the overall environmental position when designing their strategies and adopt non-traditional marketing methodologies (Wollin & Perry, 2004:568).

In current complex and turbulent environments, speed in recognising opportunities and developing new products, as well as reducing the time to market is essential (Manning, 1991:74; Morris, 1996:13 and Größler *et al.*, 2006:262). Since decisions and actions have to be taken without total clarity of information, planning should concentrate on 'how to do it' and keep the 'what to do' options open as late as possible (Nilson, 1995:70). For marketing to be effective, it must be proactive, not reactive. It must create events, and not merely rely on market research,

since competitors can too easily copy the reactive following of customer requests. In other words, marketing innovation is essential.

Richardson (1996:1) supports this view by maintaining that: "traditional marketing is an inadequate response to the marketing opportunities emerging in a modern economy and is inappropriate for the complex social, economic, cultural and political climate of the late twentieth century and beyond."

Nilson (1995:107) maintains that, as the environment, product and customers become more complex, it is essential for a firm to focus its scarce resources on those key activities that will give the best result. He maintains that there are two approaches to using marketing tactics effectively in chaotic environments: stabilising or destabilising approaches. McGlone and Ramsey (1998:251) agree that some marketing activities have a stabilising effect on the company by encouraging the system to behave within boundaries, while other marketing activities have a destabilising effect by causing unanticipated consequences that break the system boundaries.

This is typical of a 'chaos system', but, according to Nilson (1995:173), "a system that is totally out of control is really just that: uncontrollable." Thus, a dynamic chaos market system is preferred. In other words, a system operating at the edge of chaos is preferred because stabilising and destabilising activities can be used to balance the system between uncontrollability and stagnation. Thomas (in D'Aveni, 1999:129) found that companies following a stabilising approach produced better returns in a more stable environment, but that there was little difference between better and poorer performers.

However, when turbulence increased, companies following a stabilising strategy produced worse results and the gap between successful and less successful company performance increased. This implies that destabilising tactics used in more turbulent markets should lead to greater success than when stabilising tactics are used in such markets. Mohr (2001:45) maintains that companies in changing environments must not allow their core competencies to become core rigidities, creating lock-in to old or obsolete technologies or products and hindering new product development. This could happen if a firm concentrates on stabilising tactics that tend to keep the firm and its environment in equilibrium. To avoid this she suggests 'creative destruction', which involves continuously innovating in order to make the firm's own products obsolete and to replace them with the firm's own developments. Continuous leadership in a market is not possible without this creative destruction, which is a form of continuous destabilization.

*Adapted from Wolverhampton intellectual repository*

- a) What do you understand by the term Marketing environment (2 Marks)
- b) Discuss on the factors that can influence the product life cycle (10 Marks)
- c) The author believes that sequential strategic marketing planning does not suit a changing environment because of its speed and unresponsiveness. What is your take as a business consultant (10 Marks)
- d) Traditional Marketing mix models are too simplistic to understand complex marketing situations. Do you support this assertion.? (8 Marks)
- e) In current complex and turbulent environments, speed in recognizing opportunities and developing new products as well as reducing time to market is essential. As a marketing consultant explain to your client how he can develop a new product. (10 Marks)

## **PART B**

### **QUESTION TWO**

As markets become more competitive, the traditional bases of segmentation are increasingly proving to be inadequate.

- a) Making reference to examples, Identify factors that should be taken into account in developing an effective segmentation strategy in competitive markets.(10marks)
- b) Products or brands can be positioned against competitive products or brands on positioning maps. Discuss on possible positioning bases.(10marks)

### **QUESTION THREE**

- a) Using a well labeled diagrams distinguish between the Boston Consulting Group (BCG) and General Electric (GE) Matrices as alternative existing products management frameworks and explain which between the two is superior model.(10 marks)
- b) The precise choice of a distribution system is influenced by a number of factors. Discuss (10 Marks)

#### **QUESTION FOUR**

- a) Because of the unique challenges that services face, the approach adopted in their marketing is usually different. Discuss on the features that distinguish services from goods, challenges brought about by such characteristics and appropriate tactics of addressing them.(10 Marks)
- b) Price is a quantification of the value exchanged between the marketer and the customer which facilitates the closure of exchange transaction.Discuss various factors that influence pricing decisions.(10 Marks)

#### **Question Five**

- a) Sellers have motivation for the use of distribution strategies; explain the distribution strategies used by a marketer in the quest of achieving his/her target goals and objectives. (10mks)
- b)A consumer purchase is not just an abrupt action but a series of activities that precedes the actual purchase and even continues after the purchase. Discuss the consumer decision process. (10mks)