



KIBABII UNIVERSITY COLLEGE

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KIBABII UNIVERSITY COLLEGE
(A Constituent College of MasindeMuliro of Science & Technology)

UNIVERSITY EXAMINATIONS

2012 2013 ACADEMIC YEAR

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

COURSE CODE: MBA 806

COURSE TITLE: MARKETING MANAGEMENT

DATE: 19TH JUNE 2013

TIME: 2.00 PM – 5.00PM

Instructions to Candidates

Answer question **ONE** and any other **three** questions

Part A: Compulsory

Coridge Communications Centre Ltd (CCC)

Established in the late 1970s CCC specializes in the manufacture and supply of business and advertising gifts. Based in Nairobi Kenya, the company employs a total of thirty people. The company's proud boast is that it supplies promotional products 'From a few pence to the limit of your imagination! 'These products, which amongst other items include pens, key rings and desk accessories, are printed with client's name and designed as a give-a ways to customers.

The business and promotional gifts market has become increasingly competitive over the past few partly as the result of buyers becoming, more demanding in their purchasing patterns, and partly because the number of companies within the industry has increased dramatically; the barriers to entry have traditionally been relatively low.

Having experienced a decade of sales and profit growth, CCC's management was concerned to find that the sales performance in 1989 was static and that in 1990 it declined. This was in spite of apparent general increase in demand within the industry as a whole. More worrying, profits had by the end of 1990 virtually disappeared. At the same time. The average order size and the level of repeat buying had both declined. With no sign that the next twelve month would see an improvement, a long delayed decision to begin exporting was made. Following discussions with a local businessman who having been redundant had set himself as an export consultant, the company began to supplying several Uganda and Tanzania business gift house with products. With no previous experience in exporting, responsibility of handling this as given to the new inexperienced sales administrator who was one of the very few within the company with any language ability.

At the same time, a local market research agency was commissioned to conduct what CCC's Managing Director referred to as ' a bit of image research' in order to find out why the company's performance in its domestic market was so disappointing. The research findings suggested the following.

- a) Although levels of awareness of the company amongst buyers of business and advertising gift are high, the company is viewed as old fashioned.
- b) There is nothing distinctive about the company and its products
- c) It is seen as having a strong regional base and has only a limited ability to service clients outside this area.
- d) The Company's advertising materials and catalogue are unadventurous
- e) Prices are perceived to be slightly above the industry norms
- f) The company's attendance at trade shows is spasmodic and its stands at exhibitions are generally inexpertly staffed

- g) The staff does not have reputations for being able to generate new ideas for clients' promotional campaigns. Instead, they tend to recommend ideas that have been tried and tested
- h) Deliveries are often a day or so later than promised. Whilst in the majority of cases this does not cause real problems, it is a source of annoyance amongst clients. In other cases, however, when deadlines are tight and the product is tied to a specific promotion, this does not create major difficulties.
- i) In an industry in which time sales are often short, the company does not seem to be able to respond either quickly or effectively to unexpected demands.
- j) Customer complaints tend to be handled unsatisfactorily.

When respondents were asked how likely it was that they would do business with CCC over the next twelve months, the mean pattern of responses suggested *fairly unlikely*.

The summary of these findings concluded with a comment that a small but arguably significant number of respondents had believed the company had gone out of business within the preceding six months.

CCC four senior managers-the Managing Directors, the Finance Director, the Sales Directors and the Marketing Managers – were, despite the poor sales performance, seemingly surprised by these findings and were inclined to dismiss them. A copy of the report was, however, also given to non-executive director who had joined CCC three month previously. He insisted that the report be taken seriously and recommended that a marketing consultant be employed to make recommendation on the future strategy.

- a) As a Marketing Consultant employed by CCC, prepare a report examining in details the implication of these findings for the company's future marketing strategy (20 marks)
- b) In doing this you should also make reference to the implications for control (10 marks)
- c) Identify the other types of information you would require before drawing up a medium term marketing plan (10 marks)

QUESTION TWO

How important is the development of a marketing orientation for the effective development and implementation of a marketing plan (20 marks)

QUESTION THREE

As markets become more competitive, the traditional bases of segmentation are increasingly proving to be inadequate. Making reference to examples. Identify factors that should be taken into account in developing an effective segmentation and positioning strategy in competitive markets. (20 marks).

QUESTION FOUR

Your organization is planning to develop a new range of new products targeted at an international market of your choice. Using examples (20 marks)

- (a) Explain the role of innovation within organization (10 marks)
- (b) Propose and justify an approach to new product development (10 marks)

QUESTION FIVE

You have recently taken responsibility for a product which our company has marketed for several years, but which now appears to be entering the decline stage of the product life cycle. Identify the strategic alternative that is open to you and the criteria that should be used in deciding between these alternatives (20 marks)