



(University of Choice)

**MASINDE MULIROU NIVERSITY OF
SCIENCE AND TECHNOLOGY
(Kisumu Campus)
UNIVERSITY EXAMINATIONS
2015/2016 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER EXAMINATIONS
FOR THE DEGREE
OF
BACHELOR OF COMMERCE**

COURSE CODE: BCB 202

COURSE TITLE: PRINCIPLES OF MARKETING

DATE: JUNE 2016

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Answer question One and any Two questions

Question One

Cyclist Bank has three divisions: Banking Operation Division, Financial Services Division and Human Resource Division. Banking operations division offer services and products to both individuals and corporate customers throughout Kenya. Financial services division offers insurance products or services and personal investment products in managing capital and income to achieve wealth maximization objective. Human resource division is responsible for matters relating to recruitment, training, promotions, retirement and services for payroll administration and pensions management.

The bank branches are mostly located alongside the main highways. The locations have been selected for their strategic positions. These locations have also large track of land to the rear of each bar which can be used for future expansion. Cyclist bank has a wide range of products being offered to customers. A typical branch at present access 2000 customers daily. The bank has a network of 200 branches. Coordination of all these branches is eating up excessive management time.

The turnover of Cyclist bank is in excess of 40 million Kenya shillings. There is also a significant number of bad debtors in each branch. Each day the branch managers communicate electronically, their operational results to the headquarters. Major decisions are made at the head quarters. All but one of the branch manager have been in the post for many years and have traditional news of the Chief executive officer (CEO) of Cyclist bank oversees the various business units by means of quarterly meetings with branch managers which are intended to solve many issues that arise. The CEO is unable to understand why there are so many problems with the bank as he believes that the dedicated managers should know their branch areas and should focus on delivery of product to their markets.

However the CEO appreciate that the business has grown and the current needs of running the bank may be complex. The bank also needs to continuously grow to have a competitive advantage in the industry.

- (a) Although Required Cyclist Bank faces many problems the business of the bank has expanded (grown). Explain the problems facing Cyclist bank in the Market (10 marks)
- (b) You have been appointed as a new marketing manager of the Cyclist bank. The management of the bank wishes to open a new market segment in the rural area. Advise the manager on the essentials for market seamen tats
- (c) Explain the benefit the management of the bank will derive from market segmentation(10 marks)

Question Two

- (a) Identify and explain the demographic and geographic variables in an organisation's marketing environment (10Marks)
- (b) Explain the reason behind the constant development of new products by marketers (5marks)

Question Three

Briefly explain the following terms:

- (a) Price discrimination
 - (b) Skimming pricing policy
 - (c) Penetration pricing policy
 - (d) Customer products
 - (e) Industrial products
- (15 Marks)

Question Four

- (a) Using relevant examples, discuss the importance of studying consumer buying behavior. (7 Marks)
- b) Identify four circumstances under which customers from one product to another (8 Marks)

Question Five

- (a) Explain four ways in which product branding enhance an organizations competitiveness (5 Marks)
- (b) Sales promotion is an important promotional mix-tool. With relevant market examples , discuss in full the various classifications of sales promotion (10 Marks).

