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(The *University of Choice*)

MASINDEMULIROUNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

UNIVERSITY SPECIAL/SUPPLEMENTARY EXAMINATIONS
2021/2022 ACADEMIC YEAR

FIRST YEAR SECOND SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

MASTERS OF BUSINESS AND ADMINISTRATION (MBA)

COURSE CODE: BCB 436

COURSE TITLE: APPLIED MARKETING RESEARCH

DATE: WEDNESDAY, 3RD AUGUST 2022 TIME:8.00-10.00AM

INSTRUCTIONS TO CANDIDATES

Section A is compulsory. Attempt any TWO questions in section B

TIME: 2 HOURS

This Paper Consists of 3 Printed Pages. Please Turn Over

Under the regulatory and legal fire in the United States, tobacco companies have been staking their financial future in developing countries. In seven years since Turkey abolished price controls that had propped up its state-owned tobacco company, Philip Morris has gotten millions of Turks to cast aside local cigarettes in favor of Malboro, Parliament, and L&M brands. For Philip Morris-which saw international tobacco profit grow 60-percent to $4.6 billion last year from 1994-nowhere has that push been more successful than Turkey. In the nation that inspired the phrase "smokes like a Turk,"43 percentages of the 62.9 million population smokes, according to government estimates, compared to 25 percent in USA. Meantime, cigarette consumption in Turkey has increased at an annual rate of about 4.76 percent since 1992, making this one of the fasted-growing markets in the world. Philip Morris has watched its share of the Turkish cigarette market mushroom, to 23 percentages in 1997 from 15 percent in 1995, while Tekel, the government-owned tobacco company, has seen its hold drop to 70 percent from 82 percent over the same period, according to figures provided by the Turkish government. Third-ranked R.J. Reynolds, with its Winston and Camel brands, say its share has grown to 7.3 percent from 2.9 percent.

Turkish smokers got their first taste of Philip Morris brands in the 1970s, when smuggled; tax free American cigarettes began flooding local bazaars. But it wasn't until the early 1980s that the company was allowed to sell cigarettes in Turkey. Eager to raise Turkeys status in the west, then Prime Minister Turgut Ozal decided to turn his rural country into a model of free enterprise. One of his targets: Tekel, the creaky state monopoly that has held exclusive rights to sell tobacco, salt and liquor to Turks since the warning days of the Ottoman Empire.

How could Mr. Ozal prod Tekel into the modern age? He announced in 1984 that foreign tobacco merchants would be allowed in turkey for the first time since the days of the sultans.

But there was a catch: Tekel would continue to price and distribute all cigarettes both foreign and domestic. That advantage came in expecially handy when Tekel in 1988 launched Tekel 2000, a cigarette blended with American tobacco leaves that it designed to compete with Marlboro. Priced about 25 cents lower than a standard 20-cirgarette pack of Marlboros at the time, Tekel 2000 quickly won a quarter of the market.

Arguing that it couldn't survive in Turkey unless it had the right to price and distribute its own products, Philip Morris leveraged the one thing it had that the government badly wanted: millions of dollars to invest in the country. And it wouldn't invest that money unless Tekel gave up control.

Tekel eventually relented, and in May 1991, Philip Morris got right to market, price, and distribute its own cigarettes, conditioned on a number of factors, including building its own factory. Philip Morris announced a joint venture with Sabanci Holding Inc., a local company, and poured $100million to start construction of the factory in the Southwestern city of Torballi. The factory opened in 1993; Philip Morris eventually expanded it into a $230 million facility capable of cranking out more than 28 billion cigarettes annually.

Supporting the idea that Philip Morris adjust its cigarette blends is a confidential 1992 report, titled "PM's Global strategy. Malboro Product Technology "conducted by researchers at rival B.A.T industries PLC's Brown & Williamson unit". "When Marlboro has been introduced into a market there is no evidence that initial offerings may be closer to that market's traditional taste," concludes the report that documents different Marlboro formulations in countries including Brazil, Britain, and Germany. "over time PM will alter the product and introduce product technology more consistent with an overall Marlboro sensory character.

Philip Morris says it doesn't comment on speculation by competitors. The company says it strives "to ensure that Marlboros are as consistent as possible worldwide, "but adds that some variations results from local regulations that limit constituents like tar or require the use of locally grown tobaccos. Beyond the taste difference, Tekel couldn't keep up when Marlboro prices were cut. Although they still maintain Tekel 2000 was a success, Tekel Executives announced that they want to sell the brand to a foreign competitor. Where Philip Morris really bested rivals is in marketing and distribution.

Question One

a) What kind of information should Philip Morris obtain to decide on a marketing and distribution strategy in Turkey? (8 marks)

b) Referring to 1(a) above, how can Philip Morris obtain such information? (8 marks)

c) Is it ethical for Philip Morris to overtly alter the taste of its own cigarette over a period of time for it own profit. (8 marks)

d) What kind of research should Philip Morris do to gain Market share in Turkey? (6 marks).

Question Two

a). Matopeni Finance limited was incorporated in the early 2000's as a private financial institution in Kenya. Currently, it has 200 staff and an annual business turnover of Ksh.800 million. The bank has three branches located in Mombasa, Nairobi and Kisumu.

Since its inception, the bank has been doing well and has been competing effectively until the beginning of the year 2010. In the recent years the bank has experienced sluggish business performance and a drop in clientele.

As a research consultant, you have been commissioned by the bank to conduct a comprehensive study in the wake of a sluggish performance.

Required

i). Describe the management decision problem facing Matopeni Finance as it seek to reverse its sluggish performance and formulate a corresponding marketing research problem (4 marks)

ii). Formulate three possible marketing research objectives for your study. (6 marks)

iii). In formulating your objectives above, what factors did you take into consideration? (4 marks).

iv). Design a likert scale to measure the reason for the sluggish performance of Matopeni Finance (6 marks)

Question Three

a) Marketing research is crucial for new product development and a number of questions are answered in the new product research. Identify the key questions answered in new product research (8 marks).

b). Test marketing involve trying out a new product on a small scale using the marketplace as a laboratory and sales as a yard stick. Discuss the reasons for undertaking market testing (6 marks).

c). Identify and explain the THREE major kind of research done under distribution research (6 marks).

Question Four

a) Discuss two types of non-response encountered in a survey research ?(2marks)

b) How can non-response be tackled?(6 marks)

c) Identify and explain **four** reason for conducting descriptive research design (6 marks)

d) What are the ethical issues in data collection? (6 marks)

Question Five

a). Attitude is believed to strongly influence behavior. Attitude measurement is key people hold attitudes about virtually everything. It is one of the most widely used ideas in all social psychology or consumer behavior. Identify and explain the primary scales of measurements and information provided by each. (8 marks).

b). Identify and explain the various types of attitude rating scales and information provided by each (6 marks).

c). Identify and explain three methods for measuring market potential (6 marks).