



(The University of Choice)

**MASINDEMULIROUNIVERSITY OF SCIENCE
AND TECHNOLOGY (MMUST)**

MAIN

**UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR**

FIRST YEAR SECOND SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

BACHELOR OF COMMERCE

COURSE CODE: BBM 436

COURSE TITLE: APPLIED MARKETING RESEARCH

DATE: MONDAY, 19TH/12/2022 TIME: 3:00 – 5:00PM

INSTRUCTIONS TO CANDIDATES

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

TIME: 3 HOURS

This Paper Consists of 3 Printed Pages. Please Turn Over 

Subaru is the automobile division of Fuji Heavy Industries (FHI). Subaru has been operating in the United States since 1968 when it began selling the 360 Minicar. Subaru has offered many different cars over the years, but as of 2006 it sold six different brands in the United States. These brands each have a variety of different models. The six brands are the B9 Tribeca, Outback, Forester, Legacy, Impreza, and Baja. One of the unique things about Subaru is that 100 percent of its models come with all-wheel drive. The B9 Tribeca, Outback, and Forester fall in the spot utility category. The B9 Tribeca comes in five-passenger and seven-passenger models.

Subaru's strategy is apparent in one of its key players, Joe Barstys. Joe has been with Subaru for more than 20 years, and he spends his time worrying about customer satisfaction. Joe and people like him are the backbone of Subaru. These people help Subaru focus on the customer and cater to the wants and needs of the customer by conducting marketing research. Joe has incorporated the use of customer surveys into his practice and for this he has gained the title of "Mr. Survey". Joe's goal is to develop a customer satisfaction level that will help build a certain level of loyalty in Subaru's customers. This loyalty is extremely important in the car business because it has historically been much lower than in the other industries. In fact, while approximately 90 percent of customers are please with the purchase of their automobile purchase, only 40 percent are loyal enough to buy the same brand again. This is result of the short- term approach that has been traditionally used by the auto industry. Subaru hopes to avoid this approach by making the entire experience of owning a Subaru an enjoyable one.

Surveys are a valuable tool to Subaru in the quest for customer loyalty. The company mails a survey to each customer within 30 to 45 days of purchase to assess the customer's feelings towards the newly purchased vehicle, to obtain information on the nature of the interaction with the dealer, and to learn about other elements of the car buying process. Subsequent to the initial contact, more surveys follow throughout the "lifetime" of the customer (that is, the duration of ownership of the car, on average six to seven years). The letter surveys assess the long-term satisfaction with the vehicle and the dealership. The mail surveys have a high 50 percent response rate. As of 2005, about 500,000 surveys are mailed each year. Additional surveys are conducted over the internet. These surveys provide important feedback, allowing Subaru to adjust its approach to the demands of the customer. An example of the importance of adjustments can be found in the case of female consumer. Through the surveying, Subaru found out that it needed to adjust its marketing to include female consumers, who are becoming an increasingly larger part of the market. It was important for Subaru to undertake what types of things would appeal to women in order to offer a more desirable product to them.

Another benefit of marketing and survey research is that Subaru has been able to identify what types of people are more likely to buy its automobiles. Subaru believes that the typical Subaru owner is different from the average consumer. Its average consumer is highly intelligent, highly independent, and somebody that is outside the mainstream crowd. Thus, Subaru tries to market automobiles to these types of people and attempts to distinguish itself from larger, more mainstream competitors. Results of affinity for the company can be seen already as customers feel motivated to send pictures of their cars to Subaru.

Subaru of America, Inc., announced on January 4, 2006 that for the third consecutive year, the company recorded an all-time sales record, selling a total of 196,002 units in 2005. The

company's aim was continued growth in 2006 and hoped that with the help of marketing research it would be able to achieve this goal. It believes that listening to the customers and adapting its practices to meet their concerns will provide customers with a higher level of satisfaction and ultimately lead to a higher level of loyalty. Subaru's marketing research staff, like "Mr. Survey," will be critical to this endeavor.

Question 1

- a). Discuss the role that marketing research can play in helping Subaru understand the evolution of consumers to its brands. (9 marks).
- b). In order to continue to grow, Subaru must foster and build the Loyalty of its customers. Define the management decision problem and its related marketing research problem. (4 marks).
- c). Design a questionnaire to measure consumers evaluation of Subaru brands (12 marks).

Question 2

- a). The differences between primary and secondary data lead to some distinct advantages and uses of secondary data. What is the usefulness of secondary data in research? (12 marks).
- b). The quality of secondary data should be routinely evaluated. What criteria should be used to evaluate secondary data. (13 marks)

Question Three

What are the problems encountered by companies carrying out international market research in developing countries? How might these companies deal with the issue of information gap? (25 marks)

Question Four

- a). What is meant by exploratory, descriptive and causal research design? (6 marks).
- b). Explain the uses and limitation of exploratory research design (5 marks).
- c). Identify and explain methods used to measure market potential (6 marks).
- d). Discuss the usefulness of measuring market potential (8 marks).

Question Five

- a). Write short notes on the following marketing research concepts (15 marks).
 - i) Segmentation Research,
 - ii) Product Research,
 - iii) Price Research,
 - iv) Distribution Research,
 - v) Promotion Research.
- b). Discuss THREE ethical issues in marketing research that relate to respondent clients? (10 marks).