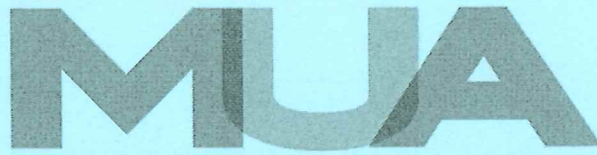


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP/
BACHELOR OF COMMERCE/ BACHELOR OF EDUCATION ARTS**

**BML 106/BML 111/BCM 125/MKT 241: PRINCIPLES/ FUNDAMENTALS OF
MARKETING**

DATE: 10TH DECEMBER 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your Registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

PRINCESS SERVICES

In general, services are characterized by their intangibility; perishability, heterogeneity and simultaneity. But different services vary significantly in the extent to which these characteristics hold. While strictly speaking, the "service" of Princess services is intangible, given the physical nature of the rented vehicle, it really is not as intangible as many other services in the sense that the consumer can see and touch the Princess services rented vehicle. For the vast majority of the period during which the customer uses the service of Princess Services, the physical car is the service provided. For many services, intangibility makes it very difficult for the consumer to judge quality and for the producer to control quality. This is not nearly as difficult a proposition in the case of princess services. The "convenience" factor (e.g., location, speed of pick-up and drop-off, etc.) associated with rental is the most significant intangible associated with car rental.

Princess services are clearly a very perishable service. If a day goes by and a car is not rented, the opportunity to generate revenues from that unrented time is lost forever. Perishability is a critical factor in the rental industry given the generally high fixed cost associated with the service (i.e., a fleet of vehicles). All industry players must cope with this perishability and different companies will have somewhat different strategies for dealing with it. Princess services are not a particularly heterogeneous service, as compared, for example, to the services provided by a doctor, an architect, a lawyer or a hairdresser. While customers may request different vehicles or different extras (e.g., child seat, ski rack) or different rental terms (return with empty or full tank, unlimited miles, etc.), the majority of customers will receive exactly the same service--the use of a vehicle for some specified period of time. Further, the basic interaction or contact that employees of the Princess services company have with customers is going to be very similar.

The issue of simultaneity is not a major issue for the Princess services industry. The service being provided by the Princess services industry is the use of a vehicle in a location where the customer both needs one and does not have one (i.e., typically when the customer is travelling). While there is simultaneity in the sense that the customer and the vehicle are together during the time that the service is consumed, most of the process of creating the service.

Once the student understands the characteristics of the Princess services industry from a service design perspective, the discussion can move to how easyCar's operational design allows it to compete on the basis of price. Given the extent to which easyCar has designed its process to reduce cost, students should not have a difficult time identifying the features of its process design that allow it to offer a lower price. The key point to drive home is the extent that easyCar has gone to align its operations strategy and process design with its business strategy. Clearly the order winning criteria in this case is low price. Perhaps the best way to make this point is to explicitly compare easyCar's operations with the operations of a traditional car rental company. After having gone through this comparison, the instructor can ask students why all Princess services companies don't follow easyCar's lead and reduce their costs in this manner. Doing this drives home the link between the operations design and the business strategy--that is, the traditional Princess services companies have strategies focused more on flexibility and service, and as such have different order winning criteria and different operational designs to support these criteria.

Finally, once the components of the easyCar operations systems have been brought out, they can be used to make the point that many of the methods that easyCar uses can be thought about as applications of production line approaches applied to a service context. This point is particularly worth making if students have been assigned to read Levitt's (1972) "Production-line approach to service". The easyCar situation clearly illustrates the ideas of service standardization, reducing the discretionary action of employees and using technology to support or substitute for people in the process.

Required:

- a) From the Princess services case, argue four features of services (6 marks)
- b) Assume Princess services had several branches for its services examine five roles of such initiative (10 marks)
- c) List any four types of control needed in an organization like Princess services (4 marks)
- d) From the case study, examine four benefits of pricing Princess services (5 marks)

QUESTION TWO

- a) Compare and contrast Technological environment with Legal environment in marketing (7 marks)
- b) Differentiate the Marketing Information System concept from the Marketing Research concept (8 marks)

QUESTION THREE

- a) Discuss any five reasons why sometimes a new product can fail in a given market (10 Marks)
- b) Highlight five key benefits of marketing planning initiative (5 Marks)

QUESTION FOUR

- (a) Differentiate product positioning from market segmentation (5 marks)
- (b) Examine any three features of marketing research (6 marks)
- (c) Examine how motivation affects consumer buying behaviour (4 marks)

QUESTION FIVE

- a) Examine five strategies a marketer can employ on a product or service that is on a decline stage of a product life cycle **(10 marks)**
- b) Highlight any five benefits of branding a product **(5 marks)**

QUESTION SIX

- a) Explain five green marketing strategies that firms can use to earn consumer trust **(7.5 Marks)**
- b) Discuss any five functions of distribution channels **(7.5marks)**

