



MUEO

MOI UNIVERSITY

OFFICE OF THE DEPUTY VICE CHANCELLOR (A R&E)

UNIVERSITY EXAMINATIONS

2018/2019 ACADEMIC YEAR

SECOND YEAR END OF SEMESTER EXAMINATIONS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 212

COURSE TITLE: PRINCIPLES OF MARKETING

DATE: 17TH DECEMBER, 2018

TIME: 2.00PM-5.00 PM

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF (2) PRINTED PAGES

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BBM 212: PRINCIPLES OF MARKETING

INSTRUCTIONS: Answer all questions in SECTION A and any other THREE in section B.

SECTION A

1. Southwest Airlines

As more and more consumers cut back on spending, perhaps no industry has been hit harder than the airline industry. Even Southwest Airlines, which has posted profits in every one of its 37 years of operation, has felt the pinch. Although Southwest Airlines has suffered less than other airlines, recent passenger traffic has declined, driving down revenues in each of the last two years, which has also hit the company's profits and stock price. So what's Southwest Airlines doing? For starters, it is expanding beyond the 70-plus cities it now serves and is beginning new flights to heavily trafficked airports. It is also attempting to sweeten the ride by boosting wine and coffee service and rolling out onboard Wi-Fi. But perhaps more important is what no-frills Southwest Airlines *isn't* doing—adding fees. Other airlines are generating millions of dollars in revenues by charging for basics, such as checking baggage, sitting in aisle seats, or using pillows. But Southwest Airlines insists that such fees are no way to grow an airline. Other attempts to jump-start demand include an ad campaign urging consumers to continue traveling despite the still-sluggish economy and a companywide fare sale with one-way rates as low as \$49. It hopes that these efforts will bring customers back and curb the revenue slide.

- i) Consider every tactic that Southwest Airlines is employing to curtail slumping sales. Evaluate the degree to which each is effective at accomplishing its goal. **(10 Marks)**
- ii). Are the company's efforts enough? Is it possible for Southwest Airlines to reverse the effects of a strong industry slump? **(5 marks)**
- iii) Marketing Environment forces are critical to the success of marketing efforts. In light of this statement explain opportunities and threats presented by each micro environmental factor to the marketing department **(10 Marks)**

SECTION B

2. a) Before entering a market, a marketer has to segment the market to determine which part of the market is worth going into depending on the company's objectives. Describe the various levels of segmentation the market can choose from. **(8 Marks)**

b) Consumer products are those bought by final consumers for personal consumption. Marketers usually classify these goods further based on how consumers go about buying them. Elaborate on those various classifications **(7 Marks)**
3. a) Marketing has been criticized because it "makes people buy things they don't really need." Refute or support this accusation. **(10 Marks)**

b) Think of a product or retailer to which you are loyal. What has caused this loyalty? What could a competing product/retailer do to break this loyalty? **(5 Marks)**

4. a) The selection of the channels of communication is an important decision in the promotion function. Identify five factors that a marketing manager should consider when selecting media **(10 Marks)**
b) With the help of a diagram discuss the various new product adoption process **(5 Marks)**
5. a) Using examples, discuss any TEN factors influencing pricing in the transport sector **(10 Marks)**
b) Discuss how companies adjust their prices to take into account different types of customers and situations **(5 Marks)**
6. Discuss the FIVE important questions the marketing manager must answer to design a winning marketing strategy. How does the manager go about answering these questions? **(15 Marks)**

