



MOI UNIVERSITY
OFFICE OF THE DEPUTY VICE CHANCELLOR
(ACADEMICS, RESEARCH, EXTENSION & STUDENT AFFAIRS)

UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
SECOND YEAR FIRST SEMESTER EXAMINATION

FOR THE DEGREE OF
BACHELOR
OF
BUSINESS MANAGEMENT

COURSE CODE: **BBM 212/BPM 213**

COURSE TITLE: PRINCIPLES OF MARKETING

DATE: 11TH AUGUST, 2023 **TIME:** 9.00 A.M. – 12.00 P.M

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF (2) PRINTED PAGES

PLEASE TURN OVER

COURSE TITLE: PRINCIPLES OF MARKETING

COURSE CODE: BBM 212

TIME 3 HOURS

INSTRUCTIONS

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

SECTION A

QUESTION ONE

A) Dell

Not long ago, Dell was the PC industry darling, turning the industry upside down with its direct marketing approach. At one point, it was the world's leading PC maker. But in recent years, Dell has been hit hard by a combination of factors. One is competition: HP took Dell's "top-seller" status away by providing a better one-stop shop for equipment and services to businesses, where Dell gets three-fourths of its sales. At the same time, Taiwanese competitor Acer took a bite out of Dell's low-cost advantage. By selling cheaper machines, Acer bumped Dell out of the number-two market share spot. The final blow came from the weak economic environment, which has made consumers and businesses more reluctant to upgrade to newer, faster models. Dell's PC sales fell by 13 percent in 2010, and its net profits fell by 44 percent. The company has cut costs and is also looking to its other businesses to shore up sagging PC sales. But for the most part, Dell appears to just be hanging on while waiting for an improved economy and a predicted powerful PC replacement cycle to reboot the industry.

ii) What is wrong with Dell's strategy to increase PC sales? **(10 Marks)**

ii) How can Dell overcome this problem, particularly as consumer frugality persists? What would you recommend? **(5 Marks)**

B) New products face tough odds. According to one estimate, 80 percent of all new products fail or dramatically underperform. Each year, companies lose an estimated \$20 billion to \$30 billion on failed food products alone. Describe in details why this phenomenon occurs? **(10 Marks)**

SECTION B

QUESTION TWO

A) Marketing Environment forces are critical to the success of marketing efforts. In light of this statement discuss the opportunities and threats presented by each macro environmental factor to the marketing department **(10 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 their various classifications
(5 Marks)

QUESTION THREE

A) Marketing has been criticized because it “makes people buy things they don’t really need.” Refute or support this accusation.
(5 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?
(10 Marks)

QUESTION FOUR

The selection of the channels of communication is an important decision in the promotion function. Identify **FOUR** factors that a marketing manager should consider when selecting media
(8 Marks)

B) With the help of a diagram discuss the various steps in new product adoption process (7 Marks)

QUESTION FIVE

A) Using a diagram, describe the Product Life Cycle and state one strategy that can be applied at each stage.
(10 Marks)

B) Elucidate on how companies can adjust their prices to take into account different types of Customers and buying situations
(5 Marks)

QUESTION SIX

A) Explain the importance of understanding customers and elaborate the core marketplace concepts.
(10 Marks)

B) Expound on how companies use public relations to communicate with their various publics.
(5 Marks)