



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

MASTER OF BUSINESS ADMINISTRATION

BBA 845: STRATEGIC MARKETING MANAGEMENT

DATE: 17/8/2021

TIME: 2.00-5.00 PM

INSTRUCTIONS:

ANSWER QUESTION ONE AND ANY OTHER THREE QUESTIONS

USE OF SUITABLE REAL PRACTICAL EXAMPLES IS ENCOURAGED

QUESTION ONE (30 MARKS)

Read the case (Penton Ltd) below and attend to the questions that follow

Case study – Penton Ltd

Penton is a medium sized company which manufactures and markets a range of Do It Yourself (DIY) products under the Easy-Way brand name. Its performance over the past ten years, a period over which the market for DIY products has grown rapidly, has been viewed by those within the industry as steady; but generally unimpressive. In particular, its critics have pointed to performance levels that are below the industry norm, reliance upon its long-established and now old-fashioned distribution networks, low levels of advertising spend, a failure to exploit potential strength of the brand name, and a poor profit performance.

Towards the end of 1991, the company was the subject of a takeover bid from a smaller but more aggressive and far more successful competitor. Although Penton's board managed to fight off the bid, the sudden awareness of their vulnerability to further bids has led to reassessment of their entire manufacturing and marketing strategy. The problems being faced by the organization were exacerbated by the downturn in retail sales which began to affect the economy at the end of the 1980s. Faced with what was proving to be a static sales curve and a reducing profit margin, the decision was taken to bring in a firm of marketing consultants to conduct a detailed audit of the organization and make recommendations for future strategy. The consultants' initial report highlighted a number of areas of concern which, they suggested, should be the focus of attention:

- a) The organization's strong production orientation and lack of marketing representation at board level.
- b) A largely reactive managerial philosophy
- c) Little long-term product or market planning.
- d) An over-reliance upon a small number of ageing products.
- e) A poorly structured new product planning process.
- f) The generally disappointing performance and high failure rate of new product launches over the past few years.
- g) A failure to exploit the potential strength of the brand name.
- h) Increasing pressure upon margins.

The environmental analysis proved to be more encouraging, with the consultants giving prominence to the size and long-term growth potential of the DIY market, and the major profit opportunities offered by new products. They also pointed to the high level of retail concentration in the market, the need for organizations in this sector to be proactive in their new product development, and for new products to be supported by a strong promotional campaign. In a separate section, the consultants spelled out in detail the implications of the seemingly ever-greater degree of retail concentration, summarizing this with a comment that highlighted the strategic importance of relationship marketing.

The evaluation of the organization's manufacturing capabilities' suggested that there was a need for investment in new plant. With regard to the research and development area, the conclusion was that 'whilst the area has potential and the R&D staff are enthusiastic and highly qualified, the activity has suffered from lack of direction. As a result, the majority of new products have not been related sufficiently directly to the market demands'.

Against the background of this findings, the board has attempted to identify areas that of greatest priority and has decided to focus upon the three areas that which they believe require the most immediate attention.

These are the development:

- A marketing orientation
- A far stronger and more effective planning culture.
- A structured and proactive new product development process.

Required

As a member of the team of consultants,

- a) Make a discussion and prepare a report to management on how the company can effectively go about embracing the marketing orientation from the previous focus on product orientation. (8 marks)
- b) Make a discussion and prepare a report to the management on how the company can effectively embrace a planning culture (8 marks)
- c) Make a discussion on how the company can effectively adopt a structured and proactive product development process (8 marks)
- d) What are the implications of your suggestions in each of the three above areas on the company's marketing and overall performance? (6 marks)

QUESTION TWO (20 MARKS)

- a) Using suitable business scenario cases, differentiate between marketing management and strategic marketing management (4 marks)
- b) In one of the recent Management Board's meeting of the Millennium College of Business, an institution operating in Kenya, members noted that the institution has not been carrying out marketing environment analysis, an exercise deemed important in informing on the organization's marketing decisions and strategies. You have been hired by the institution to spearhead this task.

Required

With reference to the above scenario,

- i. Using four points, discuss the strategic significance of carrying out marketing environmental analysis (8 marks)
- ii. Make a discussion on how you can utilize the SWOT tool to conduct marketing environment analysis for the institution (8 marks)

QUESTION THREE (20 MARKS)

Using suitable examples, business and marketing scenarios discuss;

- a) The importance of competitor analysis for marketing practitioners and managers (4 marks)
- b) The process followed by consumers and organizations in buying goods/services (4 marks)
- c) Your understanding of the importance of relationship management programs (4 marks)
- d) The importance of customer information on strategy formulation (4 marks)
- e) The factors and methods considered in setting prices (4 marks)

QUESTION FOUR (20 MARKS)

Using suitable examples and or marketing scenarios,

- a) Explain the dimensions of brand strategy (4 marks)
- b) Describe the rationale behind new product development strategy (6 marks)
- c) Discuss how the product life cycle influences strategy (4 marks)
- d) Interrogate the role of promotion as a marketing mix dimension (6 marks)

QUESTION FIVE (20 MARKS)

With reference to enterprises/institutions you are familiar with,

- a) Describe the market segmentation, targeting and positioning process concepts and practices (6 marks)
- b) Make an analysis of the contribution of segmentation, targeting and positioning to marketing planning (6 marks)
- c) Discuss the ethical issues involved in marketing (8 marks)