



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR
MASTER OF BUSINESS ADMINISTRATION

BMK 5101: MARKETING MANAGEMENT

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 3 HOURS

INSTRUCTIONS:

- Answer question **ONE (Compulsory)** and any other **THREE** questions
- Do not write on the question paper.

This paper consists of Three printed pages

QUESTION 1 (Case study)

WATER JOE: A NEW PRODUCT IDEA FROM A STUDENT

David was a typical student. When it was time for a test, he would stay up all night and cram. David had more difficulty than others staying up, because he hated the taste of both coffee and sodas. He wished someone would caffeinate plain water. After college he was still looking for a caffeinated drink without a caffeine flavor. He mentioned this to a friend whose father owned a beverage company. The chemist at the beverage company helped David to develop a formula for a spring water product that incorporated as much caffeine as an eight-ounce cup of coffee. David took the formula; named it Water Joe, put it in half a litre bottle, created a label, and prepared to launch the product. Bottling Water Joe required special equipment that most bottlers did not have were not willing to purchase. The company already had a water distribution system in place and wanted to form a partnership to market Water Joe. David jumped at this opportunity and formed Water Concepts Co.

The market for Water Joe was large and diverse, including athletes, individuals who work late at night, and people tired of their teeth turning brown from coffee. Reaching these consumers required getting distribution in convenience stores, truck stops, and other retail outlets. David also wanted to position Water Joe as an alternative to soft drinks like Coke and Pepsi. His strategy was to situate Water Joe next to soft drinks in stores. By the end of 1996 Water Joe was shipping 400,000 bottles a week to retailers in every state in the United States. Annual sales have grown to \$12 million. David is pleased with his success. Competition has noticed and is introducing similar products. He must now consider how to continue growth in the future.

Questions

- a) Why do you think Water Joe has been such a successful new product? **(7 marks)**
- b) What other market segments might Water Joe target? **(7 marks)**
- c) What new products do you think David might develop in future? Why? **(6 marks)**
- d) Marketing has been criticized because it “makes people buy things they don’t really need”. Refute or support this accusation. **(5 marks)**

QUESTION 2

- a) Traditionally the marketing mix consisted of just 4 Ps. Today, marketing is far more customer oriented than ever before; therefore the need for addition of three elements to the mix to make the SEVEN (7) Ps; commonly known as the extended marketing mix. Briefly discuss each of these extended marketing mix elements. **(15 marks)**
- b) With an aid of a diagrammatic illustrations, explain the components of a Marketing Information System (MIS). **(10 marks)**

QUESTION 3

- a) Marketers need guidance regarding their conduct in the market place. This is because conflicts are bound to arise between the needs of the society, customers and the company. Citing examples, discuss marketing and social marketing concepts/philosophies that may govern the operations of companies. **(12 marks)**
- b) Brookside Dairy and Kenya Airways among other companies have been investing heavily in **event and sponsorship** marketing. Is this heavy expenditure justifiable? **(13 marks)**

QUESTION 4

Discuss the **THREE** key levels of a product that marketers should take into considerations when designing a new product. Use an example of a local product(s) to demonstrate these levels. **(25 marks)**

QUESTION 5

- a) There are many ways to segment a market. However, all segmentations may not be effective. Describe the criteria for successful segmentation. **(10 marks)**
- b) Pick a product that has successfully entrenched itself in the Kenyan market and explain the concept of product positioning. **(3 marks)**
- c) Describe **SIX** factors that are critical in guiding the process of price setting in a product. **(12 marks)**