



THE CO-OPERATIVE UNIVERSITY OF KENYA

END OF SEMESTER EXAMINATION APRIL -2023

**EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS AND
INFORMATION TECHNOLOGY, COMMERCE
(YR IV SEM II, YR III SEM I)**

UNIT CODE: BCBS 3101/BCMM 2303

UNIT TITLE: MARKETING MANAGEMENT

DATE: THURSDAY 20TH APRIL, 2023

TIME: 2:00 PM – 4:00 PM

INSTRUCTIONS:

- Answer question ONE (compulsory) and any other TWO questions

QUESTION ONE

Reading the following case study and answer the following questions

SAFARICOM

Since 2007, the leading mobile operator in Kenya, Safaricom launched one of the most successful implementations of a mobile money transfer service, M-PESA. The product is called M-PESA since “Pesa” is the Swahili word for money and the “M” is for mobile. The service has grown rapidly since launch, and is currently used by over 8 million subscribers. M-PESA is a SMS-based system that enables users to deposit, send, and withdraw funds using their mobile phone. Customers do not need to have a bank account and can transact at any of the country’s over 11,000 agent outlets. Registration and deposits are free and most other transactions are priced based on a tiered structure to allow even the poorest users to be able to use the system at a reasonable cost. Transaction values are typically small, ranging from USD 5 to USD 30. M-PESA was the first product of its kind to be introduced in Kenya and is generally viewed as a successful implementation that should be used as a model for other developing countries. Company Information as of March 2009 Anchor Product or Products National remittance is the main product offering of M-PESA. Safaricom positioned the product as a fast, safe and easy way to ‘send money home’. The service also enables airtime purchase, bill payment, ATM withdrawal and purchase of goods and services. Mobile Phone Penetration Medium – by the end of 2008, mobile penetration in Kenya was 39% or over 15 million subscribers. The subscriber base is expected to rise to 29.28 million, or 66.7 percent penetration, by year-end 2013. Literacy Levels High – literacy levels in Kenya are over 90% for males and over 80% for females. In Kenya, 83% of the population 15 years and older have access to mobile phone technology.

Required:

- (a) Citing relevant examples, examine the marketing philosophy adopted by Safaricom. **(5 marks)**
- (b) Using examples and marketing knowledge on product decisions, explain two classes of products developed by Safaricom. **(4marks)**
- (c) Argue how the company can adopt demographic market segmentation that in the market. **(6 marks)**
- (d) Explain how the company can benefit from Marketing planning. **(8 marks)**
- (e) Evaluate four ethical issues Safaricom should consider in its promotion. **(7marks)**

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QUESTION TWO

(a) Examine the difference between market skimming pricing and market penetration pricing?

(8 marks)

(b) Evaluate six factors a firm should consider in its distribution strategies.

(12 marks)

QUESTION THREE

(a) Compare and contrast product from service.

(10 marks)

(b) Examine five features of a business markets

(10marks)

QUESTION FOUR

(a) Differentiate personal selling from sales promotion.

(10 marks)

(b) Examine four forms of formulating a promotion budget.

(10 marks)

QUESTION FIVE

(a) Evaluate how marketing Environment affects companies marketing initiatives. **(10 marks)**

(b) Discuss the four objectives of pricing in an organization.

(10marks)