

2902/102
PRINCIPLES AND PRACTICE
OF MARKETING
July 2019
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SALES AND MARKETING

PRINCIPLES AND PRACTICE OF MARKETING

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of SEVEN questions.

Answer any FIVE questions in the answer booklet provided.

All questions carry equal marks.

Candidates should answer the questions in English.

This paper consists of 2 printed pages.

Candidates should check the question paper to ascertain that both pages are printed as indicated and that no questions are missing.

1. (a) Suba Limited has adopted the societal marketing concept in its operations. Explain **five** benefits that the firm will derive from adopting this concept. *maximize their p. increase sales.* (10 marks)
- (b) Explain **five** reasons that may contribute to slow adoption of a new product in the market. *Price customer perception. Competition. Poor design. Initial. Change.* (10 marks)
2. (a) Outline **six** corporate social responsibility activities which an organisation may engage in. *ve* (12 marks)
- (b) Secondary sources of information may be used to gather market intelligence. Explain **four** challenges that a researcher may face when using such sources. (8 marks)
3. (a) Explain **five** ways in which customers may interpret a firm's reduction in product prices. (10 marks)
- (b) Explain **five** decisions which a marketing manager may make when managing channels of distribution. (10 marks)
4. (a) Describe the **five** adopter categories in consumer buying behaviour. *Standard in adoption. 2nd. 3rd. 4th. 5th. 6th. 7th.* (10 marks)
- (b) City Limited recently established a customer care department. Outline **five** roles that the department will be performing. *Keeping records - Receiving orders. Answering letters - classifying.* (10 marks)
5. (a) Outline **six** external factors which a firm should consider when setting prices of its products. *Production wages & salary. Characteristic cost.* (12 marks)
- (b) Sanaa Limited is a major distributor in Mombasa. Describe **four** major physical distribution functions which the firm performs. *Right.* (8 marks)
6. (a) Maridadi Limited is a new company and it intends to start advertising its products. Outline the criteria it should use when choosing the media to use. *Access. Cost. Availability. Reliability. Duration. Speed.* (10 marks)
- (b) Explain **five** advantages of using online marketing. *Fast. Flexible. Fair. Reliable. Reach. Clear. Clear. Clear.* (10 marks)
7. (a) Proto Enterprises Limited uses publicity and public relations to promote its products. Explain **four** advantages that the firm gets from using this method. (8 marks)
- (b) Explain **six** causes of customer dissatisfaction in a service business. (12 marks)

- Poor service
- Lack of customer attention
- poor hygiene
- poor closing of sale
- High prices



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