KENYATTA UNIVERSITY

EXAMINATION FOR THE DEGREE OF DEGREE OF BACHELOR OF COMMERCE

BBA 409: INDUSTRIAL MARKETING

2ND SEMESTER 2025/2026 TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

1. This paper consists of FOUR (4) questions.
2. **QUESTION ONE is COMPULSORY** and carries 30 marks.
3. Answer ANY OTHER TWO (2) questions from Questions Two, Three and Four. Each carries 20 marks.

QUESTION ONE (COMPULSORY — 30 MARKS)

Read the following case scenario carefully and answer ALL THREE parts.

CASE SCENARIO: BUILDPRO KENYA LIMITED

BuildPro Kenya Limited is a mid-sized supplier of construction materials — steel reinforcement bars, cement additives, and waterproofing chemicals — operating primarily in the Nairobi Metropolitan region. Its customers include large construction firms (such as H. Young & Co. and China Roads), government agencies (the Kenya National Highways Authority and the National Housing Corporation), and smaller building contractors who procure materials on a project-by-project basis.

BuildPro's Sales Director has noticed a troubling trend: the company keeps losing large government tenders to two competitors, East African Portland Cement (EAPC) and a new Chinese entrant offering aggressively low prices. Meanwhile, BuildPro's private-sector clients — particularly large construction firms — remain loyal, often renewing contracts without competitive bidding. The Sales Director has commissioned a strategic review and needs your input on segmentation strategy, the industrial buying process, pricing, and how to promote BuildPro's value proposition to different customer types.

BuildPro currently has no formal account management system, no documented pricing policy for different customer segments, and relies entirely on personal selling through a small team of six sales engineers. Its annual revenue is KES 1.2 billion, with 60% from private-sector clients and 40% from government tenders.

PART A

(a) *Using Hofstede's dimensions and the concept of derived demand,* **explain** the fundamental differences between industrial marketing and consumer marketing. Illustrate your answer with specific examples drawn from BuildPro's operating environment.

(8 marks)

(b) Identify and **analyse** the types of industrial customers BuildPro currently serves. For EACH customer type, describe the likely composition of their Decision Making Unit (DMU), including the roles of users, influencers, deciders, and gatekeepers, and explain how this should shape BuildPro's approach to personal selling.

(12 marks)

PART B

(c) BuildPro is losing government tenders on price but retaining private-sector clients through relationships. **Evaluate** whether BuildPro should adopt a segmented pricing strategy — using competitive tender pricing for government clients and relationship-based pricing for private clients — or a uniform pricing policy across all segments. Justify your recommendation by drawing on industrial pricing theory, cost analysis frameworks, and at least ONE relevant example from the Kenyan construction or manufacturing sector.

(10 marks)

TOTAL QUESTION ONE: 30 MARKS

QUESTION TWO (20 MARKS)

PART A

(a) Safaricom has recently developed a new M-Pesa-integrated supply chain financing platform marketed exclusively to manufacturers and distributors. Using the **eight-stage industrial buying process (Buyphases)**, **apply** each stage to explain how a large Kenyan manufacturer — such as Bidco Africa or EABL — would approach the decision to adopt this platform. For each stage, specify which DMU role would be most active and what Safaricom's sales team should do.

(10 marks)

PART B

(b) Bamburi Cement's key product — Ordinary Portland Cement — is widely considered to be at the **maturity stage** of its product life cycle in Kenya, facing intense competition from EAPC, Savannah Cement, and imports from China. **(i)** Analyse the strategic marketing challenges Bamburi faces at this stage, with specific reference to pricing, promotion, and distribution. **(ii)** Recommend TWO product strategies Bamburi could use to extend the product life cycle or defend its market position. Justify each recommendation.

(10 marks)

TOTAL QUESTION TWO: 20 MARKS

QUESTION THREE (20 MARKS)

PART A

(a) Twiga Foods — a B2B agribusiness platform connecting farmers and food manufacturers to retailers — is expanding into the institutional catering market (hospitals, universities, hotel chains). You have been appointed as a marketing consultant. **Design** a comprehensive STP (Segmentation, Targeting, and Positioning) strategy for Twiga's institutional market entry. Your answer must:

- (i) Identify and justify THREE distinct segments using appropriate industrial segmentation bases;
- (ii) Select the most attractive target segment and justify your choice using measurable criteria;
- (iii) Develop a clear positioning statement for Twiga in the chosen segment, specifying the key point of differentiation relative to traditional food distributors.

(12 marks)

PART B

(b) Compare and contrast direct channel selling with distributor-based channels in industrial markets. Using ONE Kenyan example for each channel type, evaluate when each is more appropriate, and explain what logistics and physical distribution decisions must accompany each channel choice.

(8 marks)

TOTAL QUESTION THREE: 20 MARKS

QUESTION FOUR (20 MARKS)

PART A

(a) ISUZU East Africa has developed a new fully electric light-commercial vehicle (LCV) for fleet operators and logistics companies in Kenya. The product is currently at the **new product development (NPD) stage** and will soon move to commercialisation. As the Industrial Marketing Manager:

- (i) Identify and explain the THREE most critical NPD stages for this type of product in an industrial market, and describe what ISUZU should do at each stage to maximise commercial success.
- (ii) Design a promotional strategy for the commercial launch of this electric LCV, specifying the most appropriate promotional tools for EACH distinct type of industrial customer ISUZU will target (fleet companies, government agencies, and logistics firms). Justify why personal selling should be the cornerstone of this strategy.

(12 marks)

PART B

(b) Critically evaluate the following statement:

> *"In industrial markets, an organisation that masters personal selling has little need for advertising, digital marketing, or trade shows. The relationship between buyer and seller is all that matters."*

In your critique, address: (i) the extent to which this statement is supported by industrial marketing theory; (ii) the role of the broader promotional mix (including digital tools, trade shows, and public relations) in industrial markets today; and (iii) at least TWO Kenyan examples that challenge or support this view.

(8 marks)

TOTAL QUESTION FOUR: 20 MARKS