KENYATTA UNIVERSITY

EXAMINATION FOR THE DEGREE MASTER OF BUSINESS ADMINISTRATION

BBA 840: MARKETING MANAGEMENT

2ND SEMESTER 2025/2026 **TIME: 3 HOURS**

INSTRUCTIONS:

1. Answer QUESTION ONE (Compulsory) and any THREE (3) questions from Questions 2–5.

SECTION A: COMPULSORY QUESTION (30 MARKS)

QUESTION ONE

CASE STUDY: SAFARICOM PLC — NAVIGATING A COMPETITIVE KENYAN MARKET

Safaricom PLC is Kenya's leading telecommunications and technology company, listed on the Nairobi Securities Exchange (NSE). With over 42 million subscribers, it commands more than 65% of Kenya's mobile market. Its iconic M-Pesa mobile money platform, launched in 2007, has grown into a pan-African fintech solution now operating in Ethiopia, Tanzania, Mozambique, and the DRC. By 2024, M-Pesa was contributing over 40% of Safaricom's annual revenues — a remarkable transformation from a voice-and-data telco to a financial services powerhouse.

Safaricom's success has not been accidental. The company has relentlessly applied marketing management principles in navigating an increasingly competitive environment. When Airtel Kenya and Telkom Kenya began aggressive price competition, Safaricom chose not to engage in a price war. Instead, it doubled down on its value proposition: superior network coverage, a trusted M-Pesa brand, and innovative bundled offerings such as Bonga Points, Lipa Na M-Pesa, Fuliza (an overdraft facility), and M-Shaba (savings). These products were designed to address the financial inclusion needs of Kenya's largely informal economy.

Safaricom segments its customers meticulously. It targets different segments with tailored products: Zuri and Masoko for SMEs and informal traders; Safaricom Business for corporate clients; and youth-focused data bundles such as "Blaze" for the 18–25 age bracket. Its positioning has consistently centred on the tagline "The Better Option" and more recently on being Kenya's purpose-led brand with the statement "Transforming Lives."

Distribution is another pillar of Safaricom's strategy. The company operates through over 200 Safaricom Experience Centres, more than 300,000 M-Pesa agents across the country, online self-service channels, and partnerships with retailers such as Naivas and Quickmart. These touchpoints ensure extensive market coverage from Nairobi's CBD to remote rural areas such as Turkana and Mandera.

On the promotional front, Safaricom blends above-the-line campaigns (television, outdoor billboards, radio) with below-the-line strategies (mobile app promotions, targeted SMS, influencer marketing, and in-store activations). Its "Safaricom Live" music concerts and "Nane Nane" promotions have become cultural touchstones that reinforce emotional brand loyalty among Kenyan consumers.

However, Safaricom faces mounting challenges. The Communications Authority of Kenya (CA) has flagged concerns about its dominant market position and is exploring regulatory interventions. The entry of global tech giants such as Google Pay and the expansion of Equity Bank's Equitel and KCB M-Pesa are intensifying competition in the mobile money space. Meanwhile, the post-COVID economic recovery has raised consumer price sensitivity, particularly among low-income segments. Safaricom's leadership must now decide whether to prioritise aggressive expansion into new African markets or to consolidate its dominance in Kenya by deepening customer relationships through enhanced marketing strategies.

Read the case study above carefully and answer ALL THREE parts below.

(a) Safaricom operates in a complex and dynamic marketing environment. Using relevant frameworks from your course, *conduct a comprehensive environmental analysis* of Safaricom, clearly distinguishing between the internal, micro, and macro environmental factors shaping its marketing decisions. Conclude by identifying two strategic opportunities and two significant threats arising from this environment.

(10 Marks)

(b) Safaricom serves multiple and diverse customer segments. Critically *evaluate Safaricom's market segmentation, targeting, and positioning (STP) strategy*. In your evaluation, assess how effectively the company's product offerings (M-Pesa, Blaze, Safaricom Business, Lipa Na M-Pesa) align with its identified target segments, and discuss the appropriateness of its positioning approach in the context of the Kenyan competitive landscape.

(10 Marks)

(c) Safaricom's continued growth depends on its ability to *design and implement a coherent marketing mix strategy* that balances product innovation, pricing, distribution, and promotion. Drawing on the case, critically assess TWO elements of Safaricom's current marketing mix and *recommend a strategic marketing plan* for the next two years that will help the company defend its market leadership against the growing competitive threats from Airtel, Equitel, and global fintech players.

(10 Marks)

SECTION B: ANSWER ANY THREE (3) QUESTIONS (30 MARKS)

QUESTION TWO

Answer BOTH parts (a) and (b).

(a) Equity Bank Kenya has recently expanded its agency banking network to over 47,000 agents nationwide, launched digital products targeting smallholder farmers through EquiDuuka, and is exploring a joint venture with a South African fintech. Using the *PESTEL and Porter's Five Forces frameworks*, analyse the macro and competitive marketing environment that Equity Bank is operating in, and explain how these forces should inform its marketing strategy.

(5 Marks)

(b) Consumers of financial services in Kenya exhibit complex buyer behaviour influenced by both cultural and individual factors. Critically discuss the *key determinants of consumer buying behaviour* that a bank marketing manager at Co-operative Bank of Kenya should consider when designing campaigns targeting the SACCO and SME segments. Incorporate the buyer decision-making process in your discussion.

(5 Marks)

QUESTION THREE

Answer BOTH parts (a) and (b).

(a) East African Breweries Limited (EABL) markets a diverse portfolio including Tusker, Guinness, Senator Keg, and Smirnoff targeting distinctly different consumer groups. Critically *evaluate the bases of market segmentation* that EABL employs for each major brand, and assess the viability of the target market strategies it has adopted in the face of Kenya's shifting demographic and regulatory landscape.

(5 Marks)

(b) Uchumi Supermarkets once held a strong market position in East Africa but has struggled significantly against competitors such as Naivas and QuickMart. Using the *concept of positioning strategies and perceptual mapping*, analyse where Uchumi stands relative to its competitors, explain the factors that led to the erosion of its market position, and recommend a viable repositioning strategy for its potential market comeback.

(5 Marks)

QUESTION FOUR

Answer BOTH parts (a) and (b).

(a) Brookside Dairy, a subsidiary of Kenyatta family-owned holdings and market leader in Kenya's dairy sector, recently launched "Brookside Gold" — a premium UHT milk variant priced significantly above the market average. Applying the *Product Life Cycle (PLC) model and new product development framework*, assess the strategic product and branding decisions involved in this launch. Discuss the implications of the product's current PLC stage on Brookside's marketing budget and business planning.

(5 Marks)

(b) Kenya Airways operates in an extremely price-sensitive and competitive airline market, facing competition from Ethiopian Airlines, RwandAir, and Emirates on key routes. Critically *analyse the internal and external factors influencing Kenya Airways' pricing decisions* and evaluate the appropriateness of TWO pricing strategies the airline could adopt to improve revenue yield while maintaining brand equity.

(5 Marks)

QUESTION FIVE

Answer BOTH parts (a) and (b).

(a) Nation Media Group (NMG) operates across print (Daily Nation), digital (Nation.Africa), television (NTV), and radio (Easy FM). As traditional media revenues continue to decline globally, NMG must rethink its promotional strategy. Critically *evaluate the role of Integrated Marketing Communications (IMC) strategy* for NMG, discussing how it can optimise its promotional mix — advertising, digital marketing, content marketing, and public relations — to grow its digital subscriber base while retaining its legacy brand audiences.

(5 Marks)

(b) Bidco Africa, one of East Africa's largest FMCG manufacturers (producing cooking oils, fats, soaps, and animal feeds), distributes its products across Kenya, Uganda, Tanzania, and Rwanda. Using the *marketing channel design and logistics management frameworks* from the course, evaluate the distribution challenges Bidco faces in reaching last-mile consumers in rural East Africa and propose a structured *marketing plan* for improving channel coverage and supply chain efficiency over the next three years.

(5 Marks)