



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2016/2017

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

BBA 840: MARKETING MANAGEMENT

DATE: Wednesday, 8th May, 2017

TIME: 2.00 p.m. - 5.00 p.m.

INSTRUCTIONS:

Answer question **ONE** and any other **THREE**.

Read the Case and Answer Question One

A careful market segmentation is critical to successfully selling products; you need to understand what makes different consumers tick and how best to reach them. Skincare giant Nivea conducted and impressive market research campaign that can be modeled by other firms.

First, a little background: Beiersdorf is an international skincare company with leading brands such as Nivea and Eucerin. The company has become the value leader in the field, meaning people spend more on Nivea sun protection products than any other brand.

Nivea's reputation in this broad segment is bolstered by robust scientific research and development focused on providing the best protection possible from the sun's skin-damaging rays.

The key was to further segment the sun protection products market by two important factors: Skin type and the climate where the products are used. Skin types include very light, fair, normal, dark and children (who tend to have thinner, lesser developed skin) while the climates include moderate, hot and very hot. The level of protection is measured by SPF, which stands for Sun Protection Factor. The lighter the skin and the higher the temperature, the higher the SPF that is needed. The company's market research revealed significant demographic differences between men (who go for convenience), women (who gravitate towards more luxurious products) and children (a market

reached through adult parents, mostly mothers). Through the use of surveys and focus groups, Nivea was able to determine the attitudinal differences between distinct segments of consumers.

They discovered concerned consumers who were not at all concerned about getting a tan but instead were more focused on protection from sun damage. Sun avoiders don't buy these products at all because they avoid high-exposure situations, although with education they may be convinced of the need for sun protection product purchases. Conscientious sun lovers love being out in the sun but are concerned about protection. Careless tanners, on the other hand, don't worry about the sun at all and buy low-SPF products if they buy any at all. Finally, the naïve beauty conscious people are the ones who want to have a good tan but don't adequately understand the relation between SPF and protection.

Nivea used this research to develop their unique brand positioning that includes making sun care as simple as possible, providing education about the importance of protection and finding ways to reinforce that protection message. One product innovation that came from this research was a product that offered full and instant protection from both UVA and UVB sunrays because many consumers fail to apply such products in the necessary timeframe for effectiveness (20-30) minutes before exposure). Other product innovations have included sprays that are easy to apply, colorful products for children and water-resistant products for both children and adults. Advertising for children's products targets the mothers of children with a protection message.

Required:

- a) Segmentation is process of splitting or dividing potential customers into certain groups or segments sharing similar levels of needs. Discuss the step that Beiersdorf may implement in the process. (15 marks)
- b) The reason for using marketing decision support systems is because it helps to support the software vendors planning strategy for marketing products. Explain the various components of Marketing Information Systems (MKIS) (15 marks)

Question Two

Discuss the marketing implications of business planning and budgeting, while referencing the stage of the product life cycle. (10 marks)

Question Three

To ensure customers have accessibility to the product, the company has to ensure that they design the channels appropriately and make appropriate decision on whom to use and why they are preferred.

Discuss the channel design decision elements.

(10 marks)

Question Four

- a) Marketing planning is the process of developing and implementing a plan to identify, anticipate and satisfy consumer demand, in such a way as to make a profit. Explain the importance of marketing planning. (5 marks)
- b) Of all the steps in formulating strategy, no one step is as important as the ability to assess the “environmental” factors in international marketing. Explain the various environmental factors that should be considered. (5 marks)

Question Five

Demonstrate the role played by marketing in enhancing Kenya’s Vision 2030 towards the social and economic growth.

(10 marks)