KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

BBA 845: STRATEGIC MARKETING MANAGEMENT

DATE: THURSDAY 28TH MARCH, 2019 **TIME: 5.30 P.M. - 8.30 P.M.**

INSTRUCTIONS

Attempt question ONE plus any other THREE from below

1. **The Lens Shop (Case) (30 marks)**

The Lens Shop Ltd (TLS) is a camera retailer based in the UK. It currently has 15 outlets based in the major centres of population.

There are two types of retailers selling cameras in the UK. On the one hand stores that sell a limited range of cameras amongst a range of other electrical and domestic appliances. These are mainly large department stores and electrical retailers that sell computers, hi-fis, televisions and cameras, then there are specialist camera stores that only sell photographic products. TLS is one of the major retailers in this more specialist camera sector.

TLS sells the majority of the leading brands, it also is the largest and most well established outlet for discontinued produces, used by all the distributors to clear their shelves of 'old' product lines. These products are discounted heavily by TLS are able to buy in bulk and as a result can negotiate extra discounts.

All TLS stores are small and are located on less expensive secondary sites in the city centre but away form the main,, high rent shopping centre locations. The outlets are small they need less stock for display purposes and have very limited stock room space. Management feel that small stores have a better atmosphere, are less formal, hectic, yet friendly.

TLS's main promotional vehicle is a colour catalogue, which is described as '16 great pages of bargains'. This is very much seen as a 'fun' brochure promoting products in a positive light-hearted way by mixing illustrations, technical details and humour. The catalogue is distributed in a number of ways: to people coming into the stores, from racks outside the store, by free phone' telephone hotline and via a database of past customers. Media advertising is also used. Typically camera magazines will carry a five-page advertisement which highlights current bargains and often contains a promotional voucher for discounts or free accessories.

Prices are highly competitive, often discounted below recommended retail levels. The customer is provided with a price guarantee that TLS will beat any current local price by $10 for a similar brand of camera. TLS also offer a three year warranty at an extremely low price. Additionally, their warranty offers a unique guaranteed buy-back service for customers whishing to upgrade their photographic equipment. Management sees this as a genuine customer service which will hopefully encourage customer loyalty. All goods are subject to a 14 day exchange.

The company also aims to give high levels of customer service. Members of staff have a high degree of product knowledge. Sales assistants are particularly helpful, advising on the best purchases for any given budget. Staff are also happy to demonstrate the equipment. Selections of recent reviews from camera magazines are also available in the store to provide further information to customers.

To maintain required levels of customer service all customers are given a short questionnaire and asked to return them to the Managing Directors of TLS by freepost. The Managing Director reviews all comments relating to customer service and response where appropriate.

As the new Marketing Manager for 'TLS' you have been asked to:

(a) Identify and explain the sources of the organizations competitive advantage and whether their current position is sustainable. (15 marks)

(b) The Managing Directors of 'TLS' has heard that internal marketing might be a useful approach to adopt in her business. You have been asked to write a report illustrating how an internal marketing programme could be implemented. This report should also highlight the benefits of such a programme and the potential problems.

(15 marks)

2. (a) Discuss the importance of marketing planning to an organization that has invested its resources in marketing. (5 marks)

(b) Outline the major stages in the development of a marketing plan. (5 marks)

3. Your company's markets are becoming increasingly competitive. Explain how you would develop an effective competitive information system in these circumstances, the nature of the inputs that the system would require and how the inputs from the system might be used to improve the strategic marketing process. (10 marks)

4. Several models have been developed to provide a more flexible approach to portfolio analysis than that developed by the Boston consultancy Group matrix (BCG). What are the weaknesses of the BCG approach? Using an alternative model of your choice show how it tries to overcome the limitations of BCG. (10 marks)

5. Illustrate the essential differences between an organization's mission policies, aims and objectives. (10 marks)