

2903/205

2924/202

2925/205

**PRINCIPLES AND PRACTICE OF  
MARKETING**

**July 2017**

**Time: 3 hours**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**DIPLOMA IN SUPPLY CHAIN MANAGEMENT  
DIPLOMA IN INVESTMENT MANAGEMENT  
DIPLOMA IN MARITIME TRANSPORT LOGISTICS**

**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.*

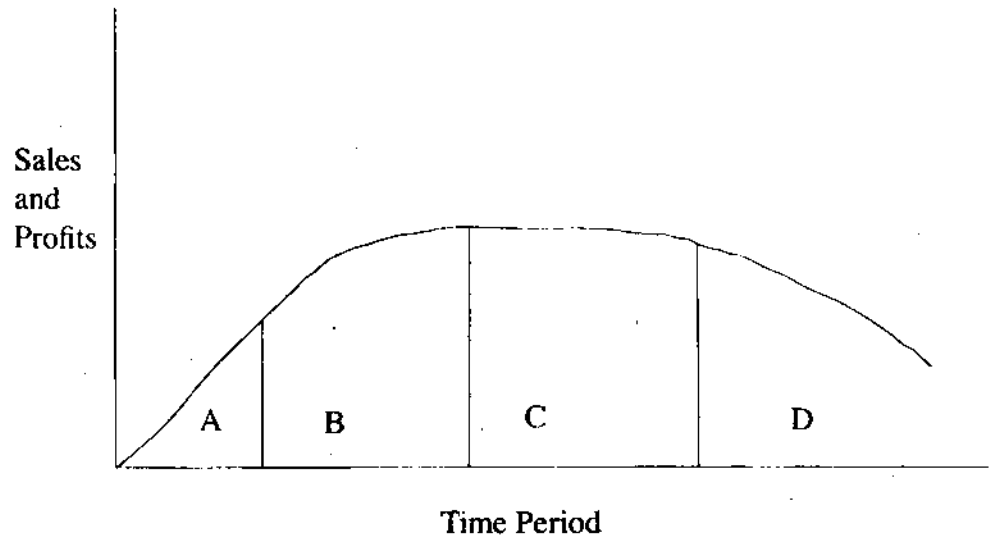
*All questions carry equal marks.*

*Candidates should answer the questions in English.*

**This paper consists of 3 printed pages.**

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

1. (a) Wote Limited has one of its products in the stage marked "B" of a product life cycle.



Explain **five** marketing strategies which the firm should adopt for the product.

(10 marks)

- (b) Explain **five** ways in which application of marketing concepts guides a firm's efforts in achieving its marketing goals. (10 marks)

2. (a) Stem Limited recently rebranded one of its products. Explain **six** reasons which could have made the firm to take such an action. (12 marks)

- (b) Peter Limited deals with motorcycles. Describe **four** types of advertisements which the firm may use to promote the motorcycles. (8 marks)

3. (a) Explain **five** ways in which a firm's marketing activities are affected by an unstable political environment. (10 marks)

- (b) Organizations are increasingly using vending machines to dispense products such as milk. Outline **five** advantages of using these machines. (10 marks)

4. (a) Shirika Limited prefers using direct marketing to distribute its products. Explain **six** reasons for this preference. (12 marks)

- (b) Describe **four** economic factors which influence consumer buying behaviour. (8 marks)

Marketing

5. (a) Suppliers are a very crucial component of a firm's micro environment. Explain **five** measures which firms may take to maintain a good relationship with them. (10 marks)
- (b) Explain **five** factors which may make a marketing firm to modify its channel arrangement. (10 marks)  
*value of product*  
*Technicality of product*  
*market concentration*
6. (a) Describe **five** variables which may be used in behavioural segmentation. (10 marks)  
*interest*  
*consumption rate*
- (b) Explain **five** factors that may enhance customers satisfaction in a service business. (10 marks)
7. (a) Explain **five** instances when a marketing firm may maintain constant prices for its products. (10 marks)
- (b) Explain **five** reasons why some firms segment their market geographically. (10 marks)

*Job equal drive*  
*Status*

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