

KASNEB

DCM LEVEL III

MARKETING AND CUSTOMER RELATIONS

MONDAY: 22 May 2017.

Time Allowed: 3 hours.

Answer any FIVE questions.

ALL questions carry equal marks.

QUESTION ONE

- (a) Explain the effectiveness of the following marketing tools:
- (i) Email marketing. (2 marks)
 - (ii) Permission marketing. (2 marks)
 - (iii) Direct mail marketing. (2 marks)
- (b) Summarise six symptoms likely to be exhibited by a company with a weak marketing planning system. (6 marks)
- (c) Explain four limitations of personal selling. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Summarise six demerits of using secondary data while carrying out market research. (6 marks)
- (b) Discuss four types of selective pricing strategies. (8 marks)
- (c) (i) Describe the term "brand equity". (2 marks)
- (ii) Outline four competitive advantages likely to be experienced in a company due to high brand equity. (4 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) The gathering of relevant and up to date marketing information is a key business process.
- In the context of the above statement, summarise six reasons why a financial institution could gather marketing information. (6 marks)
- (b) Analyse five approaches to closing a sale. (10 marks)
- (c) With the use of relevant examples, explain the following market segmentation terms:
- (i) Gender segmentation. (2 marks)
 - (ii) Age and life cycle segmentation. (2 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Describe five customer follow up methods used to strengthen buyer-seller relationship. (10 marks)
- (b) Summarise five forces that might threaten the long run attractiveness of a market segment. (10 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Define the term "relationship strategy". (2 marks)
- (b) Explain four intrinsic characteristics of services which influence their marketing. (8 marks)
- (c) Explain the term "direct marketing". (2 marks)

(d) For each case below, highlight four benefits of direct marketing to:

(i) Buyers. (4 marks)

(ii) Sellers. (4 marks)

(Total: 20 marks)

QUESTION SIX

(a) Effective customer relationship greatly depends on the level of trust between the customer and the organisation.

With reference to the above statement, discuss three types of trust. (8 marks)

(b) Explain four reasons why an organisation might not prefer long term customer relationship. (8 marks)

(c) Suggest four reasons why dissatisfied customers might not forward their complaints to the organisation. (4 marks)

(Total: 20 marks)

QUESTION SEVEN

(a) Cite four circumstances which might lead to termination of relationship with a customer. (4 marks)

(b) Discuss three challenges likely to be faced by new organisations while establishing customer relationship networks. (6 marks)

(c) Explain five customer service areas which could be automated in order to deliver excellent services to customers. (10 marks)

(Total: 20 marks)

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