



MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

FACULTY OF AGRIBUSINESS AND COMMERCE

DEPARTMENT: BUSINESS MANAGEMENT

MODULE: PRINCIPLES OF MARKETING

CODE: MARK 101

SESSIONAL EXAMINATIONS

MARCH 2022

DURATION: 3 HOURS

EXAMINER: MR F. MAKUDZA

INSTRUCTIONS

1. Answer *All* questions in Section A
2. Answer *any three* questions in Section B.
3. Start a new question on a fresh page
4. Total marks 100
5. Credit will be given for appropriate use of examples

Additional material(s): None.

SECTION A: COMPULSORY

(Answer all questions in this section. Section A carries 40 marks)

Question 1.

CASE ANALYSIS: The worrisome state of CBZ Bank

The Commercial Bank of Zimbabwe (CBZ), arguably, is the largest bank in Zimbabwe in terms of account holders. CBZ is a wholly owned subsidiary of the diversified and listed financial services group called CBZ Holdings. CBZ offers a wide range of banking services to the Zimbabwean market. Some of the banking services that it offers include retail banking, corporate banking, agribusiness wealth management and custodial services.

The bank made considerable number of strides as it aims to satisfy its customers. According to the CBZ Annual Report (2017), the bank runs the CBZ Rewardz Promotion to reward their loyal clients who were actively connected with the bank using the digital platforms. The bank even launched the CBZ Youth Entrepreneurs programme (YEP) to offer an augmented service above customer expectations. The CBZ touch mobile application was also enhanced with 390 439 registrations in 2017 against only 37 396 new registrations in 2016. The bank has also engaged its clients on the social platforms.

However, as the economic situation in Zimbabwe continued to plunge, the extent to which the customers of CBZ were perceiving the service of CBZ as quality left a lot to be desired. The cash crisis in Zimbabwe has seen long winding queues at CBZ banks with some customers spending several nights in queues, yet they go home without making the much-desired cash withdrawal (Pariwa, 2018). At a time when other banks like Standard Chartered Bank stopped the opening of new accounts, so as to

satisfy the existing clients with the few resources they have, CBZ has left its doors wide open, thereby allowing needy clients to overburden already over stretched few resources. According to Mulilima (2017) some CBZ branches may be overcrowded by clients making the environment so unpopular and stuffy for well to do clients.

The employees of the bank seem to be inconsiderate of the customers' challenges. In some instances, impolite comments by CBZ staff members were recorded on camera and made rounds negative word-of-mouth marketing on social media. On another occasion a security personnel made a scene when he pushed-over an old customer who was seeking older citizenry privileges of not standing in a long queue. On another case, another security detail manning CBZ bank told complaining customers that he does not belong to CBZ, but to his private security company, therefore he could not help with CBZ complaints.

Banking services are not made but performed. A customer cannot take the service offered by a bank teller home to show his family. Rather, banks use employee service, service ambiance and the physical evidence as a yard stick to measure quality of the service. It is against such a backdrop that some industry commentators worry about the extent to which CBZ bank offers a quality service to their customers and its impact on market share.

Source: *Adapted from Chiwakata (2018)*

Required;

(a) In relation to the case study, write brief notes on the following terms:

- i. Physical evidence (3 Marks)
- ii. Negative word-of-mouth marketing (3 Marks)
- iii. Market share (3 Marks)
- iv Customer satisfaction (3 Marks)

(b) Discuss any two physical evidence attributes, in the case study, which are more likely to affect customer satisfaction. (4 Marks)

(c) Using information in the case study, discuss the effectiveness of the CBZ's people strategy. (6 marks)

(d) Advise CBZ on how they can improve their people strategy so as to enhance customer satisfaction. (8 Marks)

(e) Suggest physical evidence strategies that CBZ bank may implement towards the development of a quality service. (10 Marks)

[Total 40 Marks]

SECTION B

(Answer any 3 questions from this section. Each question carries 20 marks)

Question 2

(a) Discuss the production philosophy as a stage in the evolution of the marketing concept. (8 Marks)

(b) With the aid of examples, discuss the benefits of customer satisfaction from a company's point of view. (12 Marks)

[Total 20 Marks]

Question 3

With the aid of practical and real-life examples, demonstrate your understanding of the consumer decision making cycle. **[20 Marks]**

Question 4

You are the marketing manager for a beer brewery company. Your year-end financial results have just been presented by the finance department. The major highlight was high operational costs which have affected the overall profitability of the organisation. The finance department has therefore suggested, among other suggestions, to stop packaging beer in quality bottled and plastic containers. They argued that packaging was too expensive for the company. Therefore, they were suggesting selling beer in bulk and customers bring their own containers which will be filled-in from a bulk beer dispenser.

Challenge the finance department's idea by justifying the strategic role of product packaging to beer products. **[20 Marks]**

Question 5

Manicaland State University of Applied Sciences (MSUAS) is a recently instigated university which operates in a business environment with well-established universities. Competition in the industry is tough and student attraction is a challenge. As a new marketing officer for the institution, you noticed that the university targets the whole country with its programme offering, without adaptation. To avoid head-on competition with the market leaders, you suggested a niche marketing strategy of targeting mainly Manicaland Province. Your boss calls you to make a presentation of your proposal before a panel of university management.

(a) Make a presentation on what you mean by the niche marketing strategy for MSUAS. (8 Marks)

(b) Further to that, justify the importance of niche marketing to MSUAS in a business environment dominated by market leaders. (12 Marks)

[Total Marks 20]

Question 6

Marketing research process is like street robots, it happens sequentially from the first stage up to the last stage without modifications, all the time. Discuss. **[20 Marks]**

END OF EXAMINATION