



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

.....YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BBA 921: BEHAVIORAL APPLICATION IN MARKETING

DATE:

TIME:

INSTRUCTIONS:

1. There are 5 questions in total, from which you MUST answer only 3
2. Question 1 is compulsory and carries 30 marks,
3. All other questions besides Qn. 1, carry equal marks and you can choose any 2 from the 4 provided,

QUESTION ONE (30 MARKS)

“The Kenya’s super rich class has grown exponentially and today, contribute a sizeable proportion of the national consumer budget of foreign goods and services. Foreign eateries like Piza Hat, KFC...etc, are all over town. They buy and eat exotic food, drive the latest range of high end SUVs imported from Japan and Europe, consume little if any of local produce and products, do their holidays abroad, educate their children abroad and where possible invest abroad. It may well be argued that the conventional consumer behaviour theories of the 19th Century don’t seem to apply in their context and therefore may not be a predictor of their consumer behaviour”.

- a) Discuss the above statement in light of whether or not yester year consumer theories are still relevant in the 21st Century. Why/Why not? (20 marks)
- b) How my local producers say in the food industry apply the consumer theories to target and change the consumer behaviour of these super rich Kenyans to begin liking Kenya food and therefore using their resources to grow the Kenyan economy? (10 marks)

QUESTION TWO (15 MARKS)

“It has been argued that in Kenya the young people and youth mainly high school to fresh graduates (*who are mostly dependants*) consume well over Kshs. 40 Billion in new clothing and wear per year, whereas their parents who provide this resources use a paltry Kshs. 500M in new clothing and wear per year”. Use two to three the consumer behaviour theories to explain this puzzle. What is the implication then for traders dealing with goods/services for the two categories?

QUESTION THREE (15 MARKS)

“A parent and a daughter living in Ongata Rongai, ride on public transport coming to work and studies respectively each morning and evening. The parent boards a Matatu without music and wifi and pays Kshs. 50/= one way, but pays 4 times his fare for her daughter who uses a Matatu with a Wifi and Music for Kshs. 200/= one way. Conventional wisdom holds that the parent who has the resources should ride on the most comfortable and comfy Matatu than the daughter, but clearly that is now happening”.

- a) Using consumer behaviour theories explain what is happening in the above scenario.(10 marks)
- b) To what extent then are the consumer behaviour theories today explaining the millennials consumer behaviour? (5 marks)

QUESTION FOUR (15 MARKS)

“Back in the 1980s to 1990s, Asian city centre shops/Dukas and kioks around city estates were the dominant features and/or units of convenience serving the Nairobi city’s population. Today, nearly all those shops are dead and buried and the kiosks are no more. Convenience shops and malls have sprung up and provide a one stop service for the city dwellers”.

- a) Use 3 consumer behaviour theories to explain what has happened in Nairobi. (10 marks)
- b) Drawing from your consumer behaviour theories, map out a pattern of consumer behaviour in the city of Nairobi by 2030. (5 marks)

QUESTION FIVE (15 MARKS)

From 2000s Kenyas universities then competed on parallel university programmes; otherwise called module 2 programmes, which saw campuses sprung up in nearly all major town and village centres. Today, these don’t exist and universities seem to have “shrunk considerably”. Using 3 theories

demonstrate how consumer behaviour theories may be applied by universities like Machakos today to attract more student numbers and create sustainable module 2 programmes.