



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE

BBA 409: INDUSTRIAL MARKETING

DATE: 26/10/2020

TIME: 8:30 – 10:30 AM

INSTRUCTIONS:

Answer Question one and any other two Questions.

FUNKIDZ COMPANY

Wanjiru Waweru, a UK-trained interior architect and product designer, came up with the idea of starting a company dedicated to making kids furniture when she was pregnant with her first child. “I walked around and couldn’t see anything I thought was suitable. There was a huge gap in quality, affordable products for children,” she remembers. FunKidz, which today employs 30 people, started with just two employees and two machines at a small production space in Nairobi. “Manufacturing is not for the faint-hearted,” says Wanjiru. “In the early days we couldn’t afford an industrial generator. There were times we would go for days without working because we did not have power. We couldn’t afford clamps, either, so we would use ropes to tie our products to glue them together. It has been a really long journey.” Last year FunKidz moved to a bigger facility outside Nairobi and acquired more machines and equipment. The company currently produces furniture for children up to 16 years old, including baby cots, changing tables, junior beds, study desks, wardrobes and bunk beds.

Knowing your customer

FunKidz operates a retail store in Nairobi, and intends to expand by stocking at independent outlets. The company also works with distributors who handle sales in neighbouring Rwanda and Uganda. “We want as many people who can afford furniture to buy from us. We believe we should be a

household brand,” says Wanjiru. She explains that many of her customers are moving into an apartment or buying a home for the first time. “They often say that they want to give their children what they did not have growing up. I remember that as kids we slept in beds that were made for adults. They were always brown mahogany or the dangerous metallic double-decker beds that we used in boarding school.” Although adults make the purchases and will often be concerned about safety and functionality, Wanjiru says her products must appeal to children aesthetically, which is why they are colourful and interactive. Besides furniture, FunKidz also offers programmes during the school holidays that teach kids about product design, robotics and other engineering concepts. Next month will see the launch of a new range of school furniture to be sold mostly to privately-owned schools, and the business is also set to start a bedding line. With Africa’s population growth, Wanjiru notes, the future presents endless opportunities for FunKidz. “Our business is all about kids. Anything that we think is innovative and for children, we’ll do,” says Wanjiru. “In Africa we have many children, so we know that this business has its life cut out for it.”

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) FunKidz Company has established independent outlets to enable it reach to as many customers as possible. Discuss the basis on which FunKidz company’s distributors will evaluate it. (10 marks)
- b) Advise Wanjiru Waweru on the characteristics that she should consider when hiring sales representatives to help in marketing her products (10 marks)
- c) Discuss how Maslow’s hierarchy of human needs Theory can be used by Wanjiru Waweru in motivating her employees. (10 marks)

QUESTION TWO (20 MARKS)

- a) Like consumer products, business to business goods and services are also classified. Discuss any five classification of business to business products. (10 marks)
- b) Industrial markets are distinguished from Consumer market on various dimensions. Discuss any five general differences. (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the five forces that determine the intensive long-run attractiveness a market segment. (10 marks)
- b) Discuss the participants in the interface level of a firm’s industrial marketing environment. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Organizations go through a series of stages before finally buying an item of their need. Discuss. (12 marks)
- b) Discuss any four components of a firm's Decision Making Unit (DMU) (8 marks)

QUESTION FIVE (20 MARKS)

- a) "Market segmentations is a liability to business organizations". Discuss your argument against this statement. (10 marks)
- b) Briefly explain any five importance of product knowledge to the sales force. (10 marks)