MACHAKOS UNIVERSITY

University Examinations for 2022/2023 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM MANAGEMENT

DEPARTMENT OF BUSINESS ADMINISTRATION AND FINANCE

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE (FINANCE OPTION)

BAC 413: MARKETING OF FINANCIAL SERVICES

DATE: **TIME:**

INSTRUCTIONS

Answer Question One and Any Other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

a) With the aid of a diagram explain the Servuction Model of interaction in a financial facility developed by Langeard and Eiglier in 1981. (8 marks)

b) Highlight the benefits of planning of marketing of financial services. (8 marks)

c) Explain four challenges faced with Inseparability of financial services. (4 marks)

d) Pricing decisions of financial services are faced with challenges . Explain any six. (6 marks)

e) Explain any four sales promotion strategies you can apply to a financial services . (4 marks)

QUESTION TWO (20 MARKS)

a) With the aid of a chart explain the four categories of a consumer for financial services according to Tina Harrison. (10 marks)

b) Explain ten components of market-oriented pricing advanced by David Jobber 2004. (10 marks)

QUESTION THREE (20 MARKS)

a) As a marketing manager explain how you can apply the 8 Ps' to market financial services for Mortgage firm. (8 marks)

b) When customers decide to buy a service to meet an unfilled need they go through a complex purchase process. Explain. (12 marks)

QUESTION FOUR (20 MARKS)

a) Explain how you can segment a market for financial services based on demographic variables . (8 marks)

b) Highlight any 8 characteristics of direct marketing of financial services. (8 marks)

c) Explain the criteria for effective market segmentation. (4 marks)

QUESTION FIVE (20 MARKS)

a) Explain how financial institutions can respond to technology. (10 marks)

b) Application of technology can facilitate the success of financial services .Explain. (6 marks)

c) Explain the following terms:

i) Cognitive Dissonance (2 marks)

ii) Impulse buying (2 marks)