



MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR
BACHELOR OF COMMERCE**

BBA 305: MARKETING OF SERVICES

DATE: 8/8/2017

TIME: 2:00 – 4:00 PM

INSTRUCTIONS

Answer question ONE and any other TWO questions

Read the following case carefully and answer Question One that follows.

ROYAL GATES SCHOOL

Mid March, 2010, Kenneth Ruttoh, the Director of Royal Gates School, a private primary school located in Sotik, Bomet County was not contented with the position of his school that was barely 3 months old. He had to 'think big' so that he could position his school and its services distinctively to start enjoying the patronage from the customers both within and outside Sotik in the so competitive environment he was operating in.

Royal Gates School's Service Offer

The core service of Royal Gates School was to offer primary education to pupils within Bomet County. In the early stages of the inception of the school, the director thought of introducing computer classes in the school so that the pupils in the school could be exposed to technology early enough which he implemented within no time. This was a feature that would set Royal Gates School apart from other schools in the rural setting. At the inception stage, Mr. Ruttoh had put plans that the pupils should be taking porridge

and tea during break time, that is at 10.00 a. m. Porridge was served for the nursery school children while tea was for the pupils in other classes. In addition, all the pupils were privileged to have lunch in school between 1.00 p. m and 2.00 p. m. something that all the parents were pleased with.

The pupils were exposed to infotainment where they were offered Television lessons which was a rare occurrence in most of the local primary schools in rural areas.

The Director set a standard price for all the customers therefore each pupil was required to pay Ksh. 4,000 every term. He anticipated that the price would be warmly appreciated by the customers compared to the value he was offering the pupils. Since the school was very new, a lot of awareness had to be created within the locality of the school and surrounding areas. The major media that was used to promote the school was use of posters. The director also encouraged the employees to create awareness by Word of Mouth (W.O. M).

The school was established in permanent structures made of bricks and all the buildings are fitted with steel doors for security purposes. The furniture used at the school were finely finished and the offices were furnished and installed with computers and printers to facilitate the running of the school.

The director ensured that the general environment within the school was very accommodating and conducive for learning. In support of this, he saw to it that there was barbed wire fence all round the school and a well maintained compound.

Mr. Ruttoh was very particular on the process of admitting the pupils in his school. He therefore employed the interview method so as to be fair in the event that the number of pupils who turned up for admission was overwhelming. Vacancies available in the school in various classes were advertised through posters and also by word of mouth towards the beginning of a term. The headmaster was directed to be conducting interviews within two days while admitting the qualified pupils within those two days.

It was a requirement by the Director that all the teaching staff should be P1 trained teachers while other employees should have at least completed form four and have worked in a similar capacity before. This requirement was arrived at from the evaluation of the survey that Mr. Ruttoh had carried before starting the school. This had since been observed whenever there was a need to hire additional staff. The director also believed that well motivated staff would always give what they do their best; hence he developed a remuneration plan that would serve that purpose.

QUESTION ONE (COMPULSORY) (30 MARKS)

- (a) Discuss any five marketing mix variables and show how they are being applied in the case study. (10 marks)
- (b) Discuss any five secondary service level elements and indicate how they have been used in the case study. (10 marks)
- (c) Discuss the key characteristics that make it difficult for Mr. Ruto to market the service in his school. (10 marks)

QUESTION TWO (20 MARKS)

- (a) Gamar is interested to start a business in a service industry. She approaches you to prepare a report of the service mix categories that she is likely to base her business on. Discuss the elements that you will include in your report. (10 marks)
- (b) At the purchase decision stage, the decisions are made by an individual but not in total isolation of other people since they play various roles. Briefly discuss the roles played by various people at this stage. (10 marks)

QUESTION THREE (20 MARKS)

- (a) ABC Company CEO approaches you seeking to know what to consider when developing a positioning strategy of a service. Give him your advice. (10 marks)
- (b) Discuss any five factors that affect the pricing policy of any firm. (10 marks)

QUESTION FOUR (20 MARKS)

- (a) Discuss why internal marketing is important in marketing organisations. (10 marks)
- (b) Discuss the appeals that are used to present a promotional message. (10 marks)

QUESTION FIVE (20 MARKS)

- (a) Madam Golder has started a baby day care business and she is trying to do aggressive marketing for her new business since there are other similar businesses in the area. Assuming you are in her target market, discuss the stages you would go through before you finally decide to go for her services (10 marks)
- (b) You have been appointed by the Advertising Manager to come up with a promotional message. Discuss the aims that you will have in mind while designing the message. (10 marks)