

# KASNEB

## DCM LEVEL III

### MARKETING AND CUSTOMER RELATIONS

MONDAY: 22 May 2017.

Time Allowed: 3 hours.

Answer any FIVE questions.

ALL questions carry equal marks.

#### QUESTION ONE

- (a) Explain the effectiveness of the following marketing tools:
- (i) Email marketing. (2 marks)
  - (ii) Permission marketing. (2 marks)
  - (iii) Direct mail marketing. (2 marks)
- (b) Summarise six symptoms likely to be exhibited by a company with a weak marketing planning system. (6 marks)
- (c) Explain four limitations of personal selling. (8 marks)
- (Total: 20 marks)**

#### QUESTION TWO

- (a) Summarise six demerits of using secondary data while carrying out market research. (6 marks)
- (b) Discuss four types of selective pricing strategies. (8 marks)
- (c) (i) Describe the term "brand equity". (2 marks)
- (ii) Outline four competitive advantages likely to be experienced in a company due to high brand equity. (4 marks)
- (Total: 20 marks)**

#### QUESTION THREE

- (a) The gathering of relevant and up to date marketing information is a key business process.
- In the context of the above statement, summarise six reasons why a financial institution could gather marketing information. (6 marks)
- (b) Analyse five approaches to closing a sale. (10 marks)
- (c) With the use of relevant examples, explain the following market segmentation terms:
- (i) Gender segmentation. (2 marks)
  - (ii) Age and life cycle segmentation. (2 marks)
- (Total: 20 marks)**

#### QUESTION FOUR

- (a) Describe five customer follow up methods used to strengthen buyer-seller relationship. (10 marks)
- (b) Summarise five forces that might threaten the long run attractiveness of a market segment. (10 marks)
- (Total: 20 marks)**

#### QUESTION FIVE

- (a) Define the term "relationship strategy". (2 marks)
- (b) Explain four intrinsic characteristics of services which influence their marketing. (8 marks)
- (c) Explain the term "direct marketing". (2 marks)

- (d) For each case below, highlight four benefits of direct marketing to:
- (i) Buyers. (4 marks)
  - (ii) Sellers. (4 marks)
- (Total: 20 marks)**

**QUESTION SIX**

- (a) Effective customer relationship greatly depends on the level of trust between the customer and the organisation.  
With reference to the above statement, discuss three types of trust. (8 marks)
- (b) Explain four reasons why an organisation might not prefer long term customer relationship. (8 marks)
- (c) Suggest four reasons why dissatisfied customers might not forward their complaints to the organisation. (4 marks)
- (Total: 20 marks)**

**QUESTION SEVEN**

- (a) Cite four circumstances which might lead to termination of relationship with a customer. (4 marks)
- (b) Discuss three challenges likely to be faced by new organisations while establishing customer relationship networks. (6 marks)
- (c) Explain five customer service areas which could be automated in order to deliver excellent services to customers. (10 marks)
- (Total: 20 marks)**
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