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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE DEGREE OF BACHELOR OF SCIENCE**  
**(HOSPITALITY MANAGEMENT)**

Date: 8<sup>th</sup> August, 2024  
Time: 2.30pm – 4.30pm

**KHM 2108 PRINCIPLES OF HOSPITALITY MARKETING**

**INSTRUCTIONS TO CANDIDATES**

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**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE (30 MARKS)**

**CASE STUDY: MCDONALD'S CORPORATION**

McDonald's Corporation was founded in 1940 by Richard and Maurice McDonald. The company originated in the United States, specifically in San Bernardino, California. MacDonald's, a leading fast-food chain, has been continuously evolving its marketing strategies to attract and retain customers worldwide. MacDonald's emphasizes various strategies to retain its customers. It includes providing consistent quality products and services, personalized offerings through loyalty programs, and ensuring a seamless customer experience across all touchpoints. Additionally, MacDonald's leverages data analytics to understand customer preferences and tailor offerings accordingly. To thrive in international markets, MacDonald's adopts localization strategies by adapting its menu to suit local tastes and preferences while maintaining its core offerings. It also invests in market research to understand cultural nuances, regulatory requirements, and competition dynamics in each market. Strategic partnerships with local suppliers and franchisees help MacDonald's establish a strong foothold in diverse markets.

MacDonald's utilizes various techniques to influence consumer buying behaviour. It employs persuasive advertising campaigns, promotes limited-time offers and discounts, and enhances the dining experience through store ambience and customer service. Moreover, MacDonald's actively engages with consumers on social media platforms to build brand loyalty and gather feedback for continuous improvement. MacDonald's positions itself as a convenient, affordable, and family-friendly dining option. It emphasizes value for money, quick service, and consistency in product quality across its global network of outlets. Additionally, MacDonald's promotes itself as a socially responsible brand, highlighting initiatives related to sustainability, community welfare, and healthy eating choices. Innovative product development is integral to MacDonald's marketing strategy. It continually introduces new menu items and limited-time offerings to cater to evolving consumer preferences and trends. MacDonald's conducts market research, product testing, and pilot launches to gauge the potential success of new products before nationwide rollouts. MacDonald's leverages digital marketing channels to enhance brand visibility, engage with customers, and drive sales. It utilizes social media platforms, mobile apps, and online advertising to reach target audiences effectively. However, challenges such as managing online reputation, addressing negative reviews, and maintaining data privacy pose significant hurdles in MacDonald's digital marketing endeavors.

Required;

Regarding the above case study;

- a) Identify MacDonald's customer retention strategies (5 Marks)
- b) Point out the various marketing strategies adopted by MacDonald's to survive in international markets (5 Marks)
- c) Describe the various strategies adopted by MacDonald's to influence consumer buying behaviour (5 Marks)
- d) Explain positioning strategies adopted by MacDonald's in order to enhance customer loyalty (5 Marks)
- e) Examine the advantages of digital marketing to MacDonald's (5 Marks)
- f) Suggest the advantages of new product development to MacDonald's (5 Marks)

### **QUESTION TWO (20 MARKS)**

- a) Outline differences between modern marketing and traditional marketing (4 Marks)
- b) Companies can prolong the lifespan of a brand in the market using intelligent methods  
Discuss strategies companies embrace to prolong the lifespan of brands in the market (8 Marks)
- c) Use the SWOT model to explain the competitive advantage of the company in the market (8 Marks)

### **QUESTION THREE (20 MARKS)**

- a) Highlight differences between commercial marketing and social marketing. (4 Marks)
- b) Price is regarded as the cost of the product. Discuss factors that influence the price of the product in the market. (8 Marks)
- c) Customers are driven to buy products and services to fulfil various needs. Describe these needs with reference to Abraham Maslow Hierarchy of Needs Theory (8 Marks)

### **QUESTION FOUR (20 MARKS)**

- a) Outline features of services as opposed to products. (4 Marks)
- b) Market intermediaries are individuals or companies that link producers and consumers. Discuss functions of market intermediaries in the chain of distribution (8 Marks)
- c) Market intelligence is a practice of competitive companies. Examine the various sources of marketing intelligence to modern marketing managers (8 Marks)

### **QUESTION FIVE (20 MARKS)**

- a) Point out differences between domestic marketing and international marketing (4 Marks)
- b) Marketing philosophies are regarded as perspectives held by companies with regard to consumer needs and wants. Explain four marketing philosophies that guide marketing decisions in competitive organizations (8 Marks)
- c) Modern companies can inform, persuade and remind customers about new and existing products through advertising. Examine four benefits of sales promotion to companies (8 Marks)