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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
(BUSINESS ADMINISTRATION)

Date: 13th December, 2024

Time: 2.30pm – 4.30pm

KBA 2105 - PRINCIPLES OF MARKETING

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

CASE STUDY: ROLLS-ROYCE MILESTONES

Rolls-Royce, an iconic name in luxury and engineering, was established in 1904 when Charles Rolls, a car dealer, met Henry Royce, an engineer, marking the beginning of one of the most respected brands in both the automotive and aerospace industries. Originally known for its high-end automobiles, Rolls-Royce expanded its expertise into aircraft engines, making it a symbol of precision engineering and luxury worldwide. Today, Rolls-Royce operates primarily through two divisions: Rolls-Royce Motor Cars, which is under the BMW Group and continues to produce luxury cars, and Rolls-Royce Holdings, focusing on aerospace, defense, and energy sectors. Rolls-Royce's core businesses include the luxury automotive sector and advanced engineering for aerospace and defense. In automotive, Rolls-Royce Motor Cars is synonymous with prestige and exclusivity, producing ultra-luxurious cars like the Phantom, Ghost, and Cullinan. In aerospace and defense, Rolls-Royce Holdings specializes in creating powerful and efficient engines for aircraft and naval ships. The company is also a leader in power systems, providing advanced solutions for energy production and marine applications.

This dual focus allows Rolls-Royce to leverage its precision engineering and design capabilities across vastly different industries, setting it apart as a leader in both luxury and high-performance technology. Rolls-Royce uses a multi-faceted segmentation approach based on geography, income level, and lifestyle. In automotive, Rolls-Royce targets high-net-worth individuals who value luxury, craftsmanship, and exclusivity, with additional emphasis on regions such as the Middle East, North America, and Asia where luxury car demand is high. For its aerospace and defense divisions, Rolls-Royce segments based on government contracts and commercial airline companies. It focuses on businesses and governments with high demand for reliable, efficient, and technologically advanced engines. This segmentation helps Rolls-Royce maintain its reputation for quality and allows it to cater to the unique requirements of both high-end automotive and aerospace customers. Rolls-Royce has embraced digital marketing, recognizing the opportunity to enhance brand visibility and engage with a global audience more effectively.

Through social media platforms, content marketing, and virtual reality experiences, Rolls-Royce showcases its craftsmanship and innovation, reaching audiences beyond traditional luxury car buyers. Digital marketing enables Rolls-Royce to offer a more personalized experience, allowing potential customers to interact with the brand and explore products in a more accessible way. For instance, the use of augmented reality in virtual car showrooms offers customers a way to customize and visualize their cars online. Over its history, Rolls-Royce has been known for innovation and engineering excellence. Significant milestones include the release of the Rolls-Royce Silver Ghost in 1907, which was hailed as “the best car in the world,” and the development of the Merlin engine during World War II, which powered iconic aircraft like the Spitfire. More recently, the launch of the Phantom VIII and the introduction of the Cullinan SUV demonstrated the brand’s commitment to evolving with customer expectations in the luxury market. In the aerospace sector, Rolls-Royce has faced challenges, such as balancing environmental demands with the need for powerful engines. With growing global concerns over carbon emissions, Rolls-Royce has made strides in sustainable innovation, such as developing hybrid-electric propulsion systems. However, the high costs of research and development and intense competition from other aerospace giants like General Electric and Pratt and Whitney pose ongoing challenges.

Despite the advantages, digital marketing presents challenges for Rolls-Royce, a brand known for exclusivity. Maintaining a balance between accessibility and luxury is crucial, as Rolls-Royce must appeal to potential customers without diluting its prestigious brand image. Additionally, navigating the rapidly changing digital landscape can be costly and complex, requiring ongoing investments in technology and data analytics. Rolls-Royce’s positioning strategy is centered around luxury, exclusivity, and exceptional engineering. In the automotive industry, Rolls-Royce positions itself as the pinnacle of luxury, focusing on meticulous craftsmanship, customization, and legacy. Its branding emphasizes that owning a Rolls-Royce is not just purchasing a car but acquiring a symbol of status and success. This strategy is reinforced through selective distribution, with Rolls-Royce dealerships located only in high-income regions and cities known for affluence. In the aerospace sector, Rolls-Royce is positioned as a leader in innovative and reliable engine solutions, focusing on performance, fuel efficiency, and technological advancement. This positioning aligns with its commitment to quality and trustworthiness, essential in the high-stakes aerospace and defence sectors. Rolls-Royce’s dual positioning strategy allows it to maintain distinct images in both industries while leveraging its overarching reputation for quality and innovation.

Required:

Regarding the above case study;

- a) Identify challenges Rolls-Royce is experiencing in the industry (5 Marks)
- b) Examine benefits attributed to Rolls-Royce for embracing digital marketing (5 Marks)
- c) Discuss factors marketing managers at Rolls-Royce need to consider before segmenting markets. (5 Marks)
- d) Suggest positioning strategies embraced by Rolls Royce. (5 Marks)
- e) Describe the macro-environmental factors which you think can influence the marketing strategies of Rolls-Royce (5 Marks)
- f) Explain the various factors which may influence the price of Rolls Royce products in the market. (5 Marks)

QUESTION TWO (20 MARKS)

- a) Products are categorized into consumer and industrial products. List four types of consumer products
(4 Marks)
- b) Market intermediaries are individuals or firms that link manufacturers and consumers. Discuss five functions of market intermediaries in the chain of distribution.
(8 Marks)
- c) Competitive companies are embracing modern marketing. Examine four differences between traditional marketing and modern marketing
(8 Marks)

QUESTION THREE (20 MARKS)

- a) According to Philip Kotler, marketing mix elements guide marketing strategies. Describe the 4 Ps of marketing
(4 Marks)
- b) Marketing philosophies are regarded as perspectives held by companies about consumer needs and wants. Explain four marketing philosophies that guide marketing decisions in competitive organizations.
(8 Marks)
- c) Companies can inform, persuade and remind customers about new and existing products through advertising. Examine four benefits attributed to companies embracing advertising
(8 Marks)

QUESTION FOUR (20 MARKS)

- a) Outline four features of marketing philosophy.
(4 Marks)
- b) Products are regarded as tangible items that can be presented to a market for consumption. Suggest four distinctions between products and services.
(8 Marks)
- c) Examine the various factors that influence consumer buying behaviour.
(8 Marks)

QUESTION FIVE(20 MARKS)

- a) Describe the various strategies companies can adopt to extend the Product Life Cycle
(4 Marks)
- b) Explain four differences between domestic marketing and international marketing
(8 Marks)
- c) Describe four scenarios where social marketing can be applied.
(8 Marks)