



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P. O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
FOURTH YEAR, FIRST SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 1st August, 2022
Time: 11.30am –1.30pm

KBA 420 - PRODUCT MANAGEMENT

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

In 1983, 18-year-old Michael Dell left college to work full-time for the company he founded as a freshman, providing hard-drive upgrades to corporate customers. In a year's time, Dell's venture had \$6 million in annual sales. In 1985, Dell changed his strategy to begin offering built-to-order computers. That year, the company generated \$70 million in sales. Five years later, revenues had climbed to \$500 million, and by the end of 2000, Dell's revenues had topped an astounding \$25 billion. The meteoric rise of Dell Computers was largely due to innovations in supply chain and manufacturing, but also due to the implementation of a novel [distribution](#) strategy. By carefully analyzing and making strategic changes in the personal computer value chain, and by seizing on emerging market trends, Dell Inc. grew to dominate the PC market in less time than it takes many companies to launch their first product.

No more middleman: Dell started out as a direct seller, first using a mail-order system, and then taking advantage of the Internet to develop an online [sales](#) platform. Well before use of the Internet went mainstream, Dell had begun integrating online order status updates and technical support into their customer-facing operations. By 1997, Dell's Internet sales had reached an average of \$4 million *per day*. While most other PCs were sold preconfigured and pre-assembled in retail stores, Dell offered superior customer choice in system configuration at a deeply discounted price, due to the cost-savings associated with cutting out the retail middleman. This move away from the traditional distribution model for PC sales played a large role in Dell's formidable early growth. Additionally, an important side-benefit of the Internet-based direct sales model was that it generated a wealth of [market data](#) the company used to efficiently [forecast demand trends](#) and carry out effective [segmentation](#) strategies. This data drove the company's [product development](#) efforts and allowed Dell to profit from information on the value drivers in each of its key customer segments.

- a) The world of products has many important concepts related to it that are very popularly prevalent in the industries world over. Discuss the concepts related to product that Dell should consider as they undertake their distribution strategy. (6 Marks)

- b) Highlight the goals of product management that should guide Dell policy makers. (6 Marks)
- c) Product marketing encompasses various activities that are necessary for any business organization. Explain these activities. (6 Marks)
- d) Name the possible combination of type of marketing organization adapted by Dell and support your answer with the advantages of each. (6 Marks)
- e) Differentiate Product Positioning and Product Differentiation. (6 Marks)

QUESTION TWO (20 MARKS)

- a) State the methods that Dell Computers can use to determine its competitors. (10 Marks)
- b) Product Planning is the ongoing process of identifying and articulating market requirements that define a product's feature set. Discuss the major tasks of product planning. (10 Marks)

QUESTION THREE (20 MARKS)

- a) Pwani Oil Ltd has just hired you as a product manager for their detergents line of products. Examine the scope of a product management. (10 Marks)
- b) Explain the characteristics of a Good Marketing Organisation. (10 Marks)

QUESTION FOUR (20 MARKS)

- a) The bargaining power of customers determines how much customers can impose pressure on margins and volumes. Explain when the customers bargaining power is likely to be high. (10 Marks)
- b) Discuss the components of marketing plan. (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Explain the factors determining competition. (10 Marks)
- b) Examine the activities involved in defining a competitive set. (10 Marks)