

CHUKA



UNIVERSITY

## UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE**

**BCOM 348: INSURANCE MARKETING**

**STREAMS: Y3S2**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 17/04/2018**

**2.30 P.M – 4.30 P.M**

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**INSTRUCTION:**

- **Answer question one and any other two questions**
- **Do not write on the question paper**

1. You are the marketing manager of PQR insurance which was launched five years ago. The gross premium for PQR has grown quickly during this time to ksh 120M. The objectives of PQR is to increase the premium to ksh 250 M over the next five years. PQR underwrites motor and home insurance. PQR markets and sells its products directly over the telephone and online through their own website. As the marketing manager, you have realized that competition has increased.

**Required :**

- (a) Identify appropriate opportunities for growth of PQR by retaining more customers increasing product sales and premium incomes. [10marks]
  - (b) Demonstrate how you would widen the companies product range beyond its current specialization. [5marks]
  - (c) Show five ways you would brand the insurance products of PQR. [5marks]
  - (d) Describe the main requirements for effective customer service. [5marks]
  - (e) Describe five ways how insurance business communicate their marketing messages. [5marks]
2. (a) Giving relevant examples differentiate between the following terms;
- (i) Error free service and relationship marketing. [2marks]

- (ii) Branding and marketing segmentation. [2marks]
- (b) What is the role of marketing in the insurance industry. [8marks]
- (c) Explain how a marketing strategy is created for insurance products. [8marks]
3. You have recently joined the marketing team for an insurance company which provides specialist insurance products. The organization intends to widen its product range. You have been asked to gather information relating to developing new products that could be attractive to customers and extend customer base.
- (i) Discuss the life cycle of an insurance product/ service. [10marks]
- (ii) Explain using examples how you would communicate about the advantages of this new product to potential customers. [5marks]
- (iii) Describe the emerging marketing channels that you would use to distribute insurance services / products. [5marks]
4. (i) Describe how insurance products fit into various market types. [5marks]
- (ii) As the marketing manager of a Kenyan based insurance organization. You have been presented with a marketing plan regarding the future growth and direction for the business. The directors have agreed to the performance targets for each of their departments and they believe they can be achieved with the existing resources.
- (a) Explain the external factors that could affect the marketing plan for the business and evaluate any actions that may be taken to minimize the impact on the plan. [10marks]
- (b) Explain the features of selling over the internet. Describe how e-commerce affects traditional sales channels. [5marks]
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