

CHUKA



UNIVERSITY

**UNIVERSITY EXAMINATIONS**

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF  
PROCUREMENT AND LOGISTICS MANAGEMENT**

**BCOM 221: PRINCIPLES OF MARKETING**

**STREAMS: Y2S1**

**TIME: 2 HOURS**

**DAY/DATE: TUESDAY 30/03/2021**

**11.30 A.M – 1.30 P.M**

---

**INSTRUCTIONS:**

- **SECTION A-QUESTION ONE (1)- IS COMPULSORY**
- **SECTION B-ANSWER ANY OTHER TWO QUESTIONS**

**SECTION- A**

**QUESTION ONE (1)- IS COMPULSORY (30 MARKS)**

**Telkom to scale up 4G network as balloon-powered Internet deal ends**

Telkom Kenya plans to scale up its 4G network as its balloon-powered Internet partnership with Google's affiliate company Loon comes to an end on March 1.

Alphabet, Google's parent firm, announced on Thursday that it was shutting down its Loon programme because it was not commercially viable.

"Telkom believes in taking bold decisions. It was very exciting, therefore, to partner with like-minded pioneers in the adoption and usage of innovative technologies such as Loon, with the aim of filling in the Internet access gaps in areas that were difficult to service," its chief executive Mugo Kibati said in a statement on Friday.

"We continue with our long-term terrestrial network expansion plan that is informed by our overall company strategy, which will see us scale up to 80 percent to 4G, increase our network footprint across the country and get more Kenyans online," he said.

Telkom had partnered with Alphabet to offer the world's first commercial high-speed Internet using balloons in remote regions of Kenya. The project aimed at providing affordable 4G Internet to under-covered or uncovered rural communities.

“While we are sad to share that Loon’s journey is coming to an end, we are grateful to the Telkom team for their vision and partnership,” said Loon’s CEO, Alastair Westgarth.

Loon’s technology targeted people living in rural areas without sufficient ground stations or fibre Internet connections. The technology beams Internet connectivity from ground stations to overhead balloons. The signal is then sent across a network of other floating cell towers before delivering connectivity directly to a user’s mobile phone below.

Loon, which had established ground stations in Nairobi, Nakuru and Nyeri counties to transmit Internet signal to balloons overhead, said it will terminate its service on March 1.

Mr Westgarth said they failed to find a cost-effective strategy to lower investment costs “low enough to build a long-term, sustainable business”.

**REQUIRED.**

**QUESTION ONE**

1/A.) As a marketing manager, explain how Telkom will register more new customers in Kenya. (10 Marks)

1/B.) As the marketing director for Telkom, advise how the company will keep existing customers. (10 Marks)

1/C.) Discuss the issues/ challenges Telkom faces in marketing activities. (10 Marks)

**SECTION B-ANSWER ANY OTHER TWO QUESTIONS**

**QUESTION TWO**

2/A.) Explain Product Mix and Product line and factors that may influence an organization to lengthen its product lines through stretching and filling. Illustrate your answer using an industry of your choice. (10 Marks)

2/B.) Compare and contrast any ten different pricing strategies available to businesses. (10 Marks)

**QUESTION THREE**

3/A.) The main focus of marketing is to deliver value and customer satisfaction. Discuss the concept of customer satisfaction and value in marketing. (5 Marks)

3/A.) Discuss marketing management philosophies giving examples of companies guided by each philosophy. (5 Marks)

3/B.) Understanding consumer behavior is crucial in developing the right marketing mix. You are required to prepare a presentation to management regarding influence of consumer behavior on companies. (10 Marks).

**QUESTION FOUR**

4/A.) Compare and contrast the different channels of distribution available to marketers. (10 Marks)

4/B.) Explain the concept of Promotion mix in terms of the characteristics of each method of promotion using relevant examples. (10 Marks)

---