



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

MAIN CAMPUS

ORDINARY UNIVERSITY EXAMINATIONS

2015/2016 ACADEMIC YEAR

THIRD YEAR FIRST SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

BACHELOR OF PURCHASING AND SUPPLIES MANAGEMENT

COURSE CODE: HPS 2301

COURSE TITLE: STRATEGIC MARKETING MANAGEMENT

DATE: 10TH DECEMBER, 2015

TIME: 2 Hours

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer TWO (2) questions

MRUC observes ZERO tolerance to examination irregularities

QUESTION ONE

Coca-Cola is the most ubiquitous brand in history. Each day, people in 200 countries around the world drink some 1.3 billion 8-ounce servings of the cola. Marketing for the twenty-first century means leveraging the long time marketing principles that work, while inventing new ways to stay relevant. Coca-Cola, which got its start in 1883, has successfully kept its brand relevant for over 100 years. Revenues in 2003 topped \$21 billion. Coca-cola also expanded overseas. During World War II, when the army shipped Cokes to soldiers in Europe and Asia, Coke cemented its image as the “All-American beverage.” But over time, Coke realized it would need a more local feel in each country. So, although it uses its signature red-and white wave and lettering worldwide, the company uses different ad agencies in different countries in order to make the brand feel local. For example, the local versions of the “obey your thirst” ad used sports figures famous in those regions, such as sports stars. Similarly, ads for Coca-Cola in Spain show it as a mixer with wine, reflecting how consumers use the product in that country.

Coke also sells a wide range of different-flavored sodas in different countries. Visitors to the company’s museum in Atlanta can try these beverages- everything from cool watermelon (China), to an intensely bitter herbal soda (Italy), to a zingy ginger soda (South Africa). In 2004, Coke launched a beer-flavored carbonated beverage in Japan.

Coca- Cola now gets two-thirds of its revenues from outside the United States. It’s easier to name the countries where Coke is not: Myanmar, Cuba, and Syria. Everywhere else-including such tricky markets as Pakistan, Cambodia, Liberia, Zimbabwe, and Colombia – Coke are a beloved consumer staple. In fact, the brand is so strong and so entrenched that even anti-American sentiments of 9/11 and after have not hurt sales. The results of Coke’s latest marketing shift aren’t known yet, but in 2003 it’s then Chairman, Douglas Daft, told investors that Coca-Cola Company has “arguably the strongest and most pervasive marketing and distribution system in the world.” And with Coke being the first soda drunk in outer space, even the sky may not be the limit.

- i) What have been the key success factors for Coca-Cola? (8 Marks)
- ii) Where is Coca-Cola vulnerable - What should they watch out for? (3 Marks)
- iii) Discuss any three orientations likely to be adopted by coca-cola company (6 Marks)
- iv) Porter outlines three conditions for sustainability of competitive advantage. How would coca-cola company attain competitive advantage (8 Marks)
- v) Craft a good vision statement for Coca-cola company (2 marks)
- vi) highlight any three Miles and Snow’s adaptive strategies likely to be adopted by Coca-cola (3 marks)

QUESTION TWO

- a) Peter Drucker points out that a mission statement cannot have a lifespan of more than 15 years. Therefore to formulate a mission statement is a difficult task, but top managers can apply the components of a mission statement as guidelines to achieve effectiveness. Discuss the components of an effective mission statement. (8mks)
- b) Evaluate Henry Mintzberg's definition of the meaning of the word Strategy. (4 mks)
- c) "Porter describes three choices of strategic position that influence the configuration of a firm's activities"- elucidate the statement using relevant examples (8 mks)

QUESTION THREE

Strategic market management is often frustrating because the environment is so difficult to understand and predict. Analyze an Industry of your choice by applying Michael Porter's five forces Model (20 mks)

QUESTION FOUR.

A situation analysis is often referred to as a 3C analysis but when extended to a 5C analysis it allows business to gain more information about the internal, macro and micro-environmental factors within the environment. Discuss the 5cs (15 mks)

The communication and choices required within the organization can create strain and internal resistance, despite the shortcomings strategic market management has a lot of potential to business success. Elucidate the above statement bringing out the 5 key strategic makers clearly stating their role and relevance in strategic market management (5 mks)

QUESTION FIVE

External analysis involves an examination of the relevant elements external to an organization. The analysis should be purposeful focusing on the identification of opportunities, threats, trends, strategic uncertainties and strategic choices. Write brief explanatory notes on the following concepts stating how they influence strategic marketing management. Cite practical and relevant examples where appropriate

- i. Technology (6 Marks)
- ii. Political-legal (8 marks)
- iii. Socio-cultural (6 Marks)