

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

**SUBJECT: PRINCIPLES OF MARKETING (IOBM-D205)**

**Date: Monday, 30th March 2012**

**Time Allocated: 3 hours (08:00 – 11:00 am)**

**INSTRUCTIONS TO CANDIDATES**

1. This paper consists of **TWO** Sections, A and B.

2. Section A consists of 4 questions, each question carries 15 marks.

Answer **ALL** questions.

3. Section B consists of 4 questions, each question carries 20 marks.

Answer **ANY TWO** questions.

4. You will be allowed **10 minutes** to go through the paper before the start of the examination, when you may write on this paper but not in the answer book.

5. Begin each answer on a new page.

6. **Please write your examination number on each answer book used. Answer books without examination numbers will not be marked.**

7. DO NOT open this question paper until instructed to do so.

**SECTION A (60 Marks)**

Answer **ALL** questions from this section.

**QUESTION 1**

1. Define the following terms:
2. Competitive Strategy
3. Competitive Advantage
4. Cost Leadership. *(3 marks)*
5. List **six** cost leadership strategies a bank can use to get ahead of competition.

*(12 marks)*

**(Total 15 marks)**

**QUESTION 2**

In a banking environment that is increasingly global and highly competitive, benchmarking is a vital marketing tool in banking.

1. Define a benchmark and list **two** types of benchmarks. *(5 marks)*
2. Briefly describe **two** advantages of benchmarking in your bank. *(5 marks)*
3. Briefly describe **two** disadvantages of benchmarking in your bank. *(5 marks)*

**(Total 15 marks)**

**QUESTION 3**

New Product Development [NPD] has been attributed as a major contributing factor why some banks are going global while others remain local and struggling financially.

**Required:**

Discuss **four** major factors responsible for NPD International successes; especially in the banking environment. **(Total 15 marks)**

**QUESTION 4**

You are a Marketing Executive who sees worrying signs that your bank is NOT a ‘Learning Organization’ and thus headed for disaster. Rather than tender in your letter of resignation, instead submit, to your Marketing Director, an unsolicited report outlining the **six** characteristics of what you consider the ‘Learning Organization’ you would like your bank to become?

**(Total 15 marks)**

**SECTION B (40 Marks)**

Answer **ANY TWO** questions from this section.

**QUESTION 5**

As a Business Development Manager for Small to Medium Enterprises (SMEs’), you have been tasked to define a strategic planning methodology. Define **six** steps you would use to migrate towards a formal planning approach?

**(Total 20 marks)**

**QUESTION 6**

Logistics Management is a key ‘Place’ element of marketing that is increasingly important as banks in Malawi seek to spread outside urban and built-up areas. With this, demonstrate your understanding by:

1. Defining ‘Logistics Management’. *(2marks)*
2. Listing **three** factors that have made Logistics Management a prominent element of business management in this century. *(9 marks)*
3. Listing **three** benefits of logistics management to the consumer. *(9 marks)*

**(Total 20 marks)**

**QUESTION 7**

List and briefly discuss **five** factors affecting how a new product is quickly adopted by the market.

**(Total 20 marks)**

**QUESTION 8**

1. What is ‘brand building’? *(2 marks)*
2. Briefly discuss, using a diagram, the **seven** stages in designing a banking brand? *(18 marks)*

**(Total 20 marks)**

**END OF THE EXAMINATION PAPER**