

**INSTITUTE OF BANKERS IN MALAWI**

**DIPLOMA IN BANKING EXAMINATION**

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

**Date: Sunday, 13th May 2018**

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

**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, 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 All persons writing examinations without payment will risk expulsion from the Institute.

8 If you are caught cheating, you will be automatically disqualified in all subjects seated this semester.

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

**SECTION A (60 MARKS)**

Answer **ALL** questions from this section

**QUESTION 1**

A leading commercial bank in Malawi has requested you as a Marketing consultant, to assist it in changing its orientation from selling concept to marketing concept. Produce a report to the senior management of the bank that:

1. Defines the marketing orientation or concept. *(3 marks)*
2. Identifies and explains **four** key differences between the selling orientation and the marketing orientation for any organization. *(12 marks)*

**(Total 15 marks)**

**QUESTION 2**

*“Failing to plan is planning to fail”*. As a Marketing Manager for a commercial bank in Malawi:

1. Define strategic planning. *(3 marks)*
2. Critically evaluate the key steps in strategic planning. *(12 marks)*

**(Total 15 marks)**

**QUESTION 3**

A micro-finance institution in Malawi would like to introduce a highly innovative mobile banking product. However, its Board of Directors would like to understand how diffusion of innovation works. Using relevant examples, discuss the **five** adopter categories

**(Total 15 marks)**

**QUESTION 4**

1. Explain with examples any **three** criteria of effective market segmentation. *(6 marks)*
2. Evaluate the **three** targeting strategies that an organization can adopt. *(9 marks)*

**(Total 15 marks)**

**SECTION B (40 MARKS)**

**QUESTION 5**

Marketing to banking is as important as it is for any business. As a Marketing Manager for a specialist bank in Malawi, write a report to the senior management of the bank that:

1. Defines and explains the extended marketing mix for services and how it is used preferably in a bank to effectively meet customer requirements. *(15 marks).*
2. Briefly explains with examples the two broad pricing strategies for a new product:
3. Market skimming pricing *(2.5 marks)*
4. Market penetration pricing *(2.5 marks)*

**(Total 20 marks)**

**QUESTION 6**

Most consumers in Malawi see financial products as “commodities,” meaning all financial services on offer are pretty much interchangeable in terms of features, benefits and costs. As a Brand Manager for Abwenzi Bank, you are interested to influence your top management to invest in its brands.

**Required:**

Write a report to senior management that:

1. Discusses the **five-stage** branding process as provided for by Arnold (1992).

*(10 marks)*

1. Evaluates the **five** brand strategies that the bank can adopt. *(10 marks)*

**(Total 20 marks)**

**QUESTION 7**

With the rising competition in the financial market in Malawi, your bank is considering to enter into an international market as a strategy for growth. You have been asked to submit a report to the Board of Directors that evaluates any **four** potential market entry strategies the bank can adopt to grow its market. **(Total 20 marks)**

**QUESTION 8**

You are the Marketing Manager for a leading commercial bank in Malawi. The bank is about to launch a savings product targeting student in colleges and universities in Malawi. Develop an Integrated marketing communication mix to successfully launch and grow the product.  **(Total** **20 marks)**

**END OF EXAMINATION PAPER**