

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING

STRATEGIC MARKETING MANAGEMENT

MMKT501

PROGRAMME: MARKETING

TIME: 3 HOURS 15 MINS

INSTRUCTIONS TO CANDIDATES

NOV 2023

1. Answer Question 1 from Section A and any three questions from Section B.
 2. Credit will be given for use of appropriate examples.
 3. Start each question on a fresh page.
 4. No cell phones are allowed in the Examination room.
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SECTION A (Compulsory)

King County: A case study model for strategic marketing planning for airport managers

Marketing planning case studies help airport managers prepare for real-world problems, situations and crises by providing an approximation of various marketing environments. Thus, through the examination of specific marketing cases, airport managers are given the opportunity to work issues through the trials, tribulations, experiences, and research findings of other marketing professionals. An obvious advantage to this mode of marketing planning is that it allows airport managers the exposure to settings and contexts that they might not otherwise experience. One way to study airport marketing issues is through the use of strategic marketing planning case studies. Strategic marketing planning is a process of developing a map or route an airport will follow which identifies what products are to be provided to which customers, where they will be provided, and at what price. Based on the vision and mission statements, an airport strategic marketing planning summarizes the basic operational tasks, goals, objectives, strategies, and tactics for the airport organization (Quilty, 1999).

The mission need not be measurable, but it is something the airport employees can work toward regardless of intermediate achievements. Compared to mission, objectives imply a shorter, measurable time period with an accomplishment that can be measured in numerical terms. For example, an objective might be to achieve 90% hangar utilization within 2 years (Quilty, 1999). A strategy is a major course of action and implies a relatively longer time span than tactics. A strategy is what one is going to do and not how the airport is going to do it. A tactic, on the other hand is how the airport is going to achieve the strategy and the ultimate goal. It is a series of shorter action items that are part of the strategy. "Michael Porter, a management scholar, has identified three classes of competitive advantage strategies. The classes are known as low-cost producer, differentiation, and focus" (Quilty, 1999, p. 21).

The low-cost producer attempts to hold prices low by minimizing costs. These efforts may take the form of efficient scale of production facilities, product design, distribution channels, raw materials procurement, etc. Part of this strategy can involve selling in volume so that low profits per unit may be offset. This strategy is observed in air carriers such as Southwest™ Airlines, but it is also practiced in general aviation fuel marketing, at airports attempting to buy large amounts of chemicals or sand for winter use, and in the air cargo industry (Quilty, 1999).

Differentiation strategy involves creating a unique image of the organization's product or service so that customers may be charged for that uniqueness. Companies that employ this strategy stress high quality, image, or technological leadership, among other possibilities. "Milwaukee International Airport has long stressed its airport as an alternative to Chicago's O'Hare International Airport, while many general aviation airports stress their ease of use and access to important business and commercial centers or recreation areas" (Quilty, 1999, pp. 21-22). Differentiation strategy can be viewed between Federal Express and United Parcel Service, and between United Airlines and American Airlines.

A focus strategy typically targets a segment of a larger market and specializes in a particular geographic location or customer group. The focused approach attempts to serve the targeted needs so well that competitors are left with no opening to gain market share. An example is a fixed base operator (FBO) that specializes in specialized maintenance to the point where other FBOs in the area would not find it feasible to establish such a service (Pearce and Robinson, 2005).

The concept of competitive advantage causes airport managers to focus on meeting and anticipating the expectations of airport customers by comparing their airport's performance to other airports or to other transportation modes. It requires an understanding of the competition's strengths and weaknesses through and benchmark analysis. It can also be used to assess how related businesses located on the airport may respond or pursue their business activity (Quilty, 1999; Pearce and Robinson, 2005).

In addition to pursuing competitive advantage, an airport may attempt to occupy a special niche in the environment that is unique to its capabilities, or which offers an opportunity overlooked by competitors. The strategy in this case is to occupy the niche and then erect barriers that prevent other organizations from challenging the unique position. Airlines and airport service companies often attempt to use this strategy (Quilty, 1999; Pearce and Robinson, 2005).

Source: Rankin W. 2009. King County: A case study model for strategic marketing planning for airport managers.

Questions

- a. Compare and contrast a vision and mission statement. (5)
- b. State and explain 5 sources of differentiation in the case. (10)
- c. Describe 5 benefits of having measurable objectives. (10)
- d. Show the difference between Focused Low Cost Strategy and Focused Differentiation Strategy. (15)

SECTION B (CHOOSE THREE)

QUESTION TWO

Pick n Pay a leading supermarket has opened a new outlet in your town. As a consultant they have engaged to carry an industry analysis for them. Specifically they have asked you prepare a report that shows the drivers of rivalry among competing supermarkets as enunciated in Porter's five forces framework. [20 marks]

QUESTION THREE

In a marketing warfare, a firm must be able to outwit, outflank or overpower its competitors. Critically examine this statement. [20 marks]

QUESTION FOUR

Critically evaluate Keller's consumer based brand equity model showing its usefulness in building brand equity. [20 marks]

QUESTION FIVE

With examples, show how local industry has taken advantage of the covid-19 situation to improve on its distribution so as to satisfy its customers. [20 marks]

QUESTION SIX

Theodore Levitt asserts that customers do not buy ¼ inch drills, instead they buy ¼ inch holes. Discuss the relevance of this statement. [20 marks]

END OF PAPER