NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF INSURANCE AND ACTUARIAL SCIENCE

B.COMM (HONS) DEGREE IN RISK MANAGEMENT AND INSURANCE

STRATEGIC MARKETING OF INSURANCE [CIN 4204]

SECOND SEMESTER FINAL EXAMINATION– AUGUST 2009

Duration   **3 hours**

Instructions to Candidates

1. Answer all questions in SECTION A.

2. Answer one question ONLY from SECTION B.

3. Answer two questions ONLY from SECTION C

4. For multiple choice in SECTION A, write the letter on your answer sheet against the question e.g. (i) h ;   (iv) j etc. etc.

Section A Carries	42 marks
Section B carries	8 marks
Section C carries	50 marks
Total	**100 marks**

Question 1   **[compulsory]**

i)   Age, income, sex, family size, occupation and social class are all examples of which basis for segmentation

    a) geographical;
    b) psychographic;
    c) life style;
    d) demographic;
    e) topographical.   {2}

ii)   Market segmentation is a strategy of ………………… and ………………enabling better planning, more rational selling operations and setting of precise and measurable marketing objectives.

    a)   selection, integration;

b)   collection, differentiation;

c)   divide, rule;

d)   gathering, collating;

e)   surveying, promoting.   {2}

iii)   Decisions regarding advertising in the media are an important aspect of promotion policy. Which of the following should be the underlying criterion for these decisions?

      a)   cost of the advertising;

      b)   how the client can best be reached;

      c)   size of the advertising budget;

      d)   where the clients are located;

      e)   what the service being promoted requires.   {2}

iv)   Promotion policy involves which of the following?

      a)   publicity, sales promotion; distribution, personal selling

      b)   sales promotion; distribution; advertising; publicity;

      c)   advertising; publicity; discounts; personal selling;

      d)   personal selling; discounts; sales promotion;

      e)   none of the above.   {2}

v)   A policy of service diversification could best be described as:

      a)   modification of existing services;

      b)   addition of services to existing range;

      c)   development of new unrelated services;

      d)   all of the above;

      e)   none of the above.   {2}

vi)   Branding is the most generally used tool of which service policy?

      a)   service leadership;

      b)   service differentiation;

      c)   service diversification;

      d)   service elimination;

e)   service obsolescence.   {2}

vii)   Over which aspects of the environment does the marketer have most control?

    a)   the market;

    b)   the client;

    c)   the economy;

    d)   the legislators;

    e)   the enterprise.   {2}

viii)   Which of the following is not a determinant of client behaviour?

    a)   ability;

    b)   attitudes;

    c)   adoption process;

    d)   economic factors;

    e)   reference groups.   {2}

ix)   Market research differs from marketing research in that it

    a)   is concerned with conducting surveys;

    b)   is concerned with the total market;

    c)   is concerned with a specific market;

    d)   is concerned with satisfying consumers;

    e)   does not require a primary investigation.   {2}

x)   The generic strategies identified in Porter's competitive model of strategic planning include:

    1. vertical integration;

    2. cost leadership;

    3. joint venturing.

    a)   1;

    b)   2;

    c)   3;

    d)   2 and 3;

e) 1, 2 and 3. {2}

xi) The focus strategy of Porter's competitive approach emphasises organizational resources and expertise on a particular customer group, service and

a) technology;

b) location;

c) cost;

d) competition;

e) all of these. {2}

Section A continued (Short response questions)

xii) Briefly define the four grand strategies an organisation may pursue to gain a specific sense of overall direction. {8}

xiii) Demonstrate two related tasks in developing a marketing strategy. [6}

xiv) Devise marketing strategies to solve problems caused by the following unique insurance features:

a) post ponability; {2}

b) fluctuation; {2}

c) essentiality. {2}

SECTION B

Answer one question only from Section B.

Question 1

What are the four possibilities in the BCG matrix and what is the recommended strategy for each possibility? {8}

Question 2

How would you as a marketing manager perform a SWOT analysis? Explain how such an analysis contributes to the strategic marketing process. {8}

Question 3

Choose a region of the world (Europe, America, Africa, Asia) and describe its significance and ramifications in the global economy insurance wise. {8}

SECTION C

Answer two questions ONLY from Section C.

Question 1

You have been asked to give advice on the "most effective approach to developing a marketing strategy". What do you suggest? Give reasons. {25}

Question 2

How does the product's life-cycle stage influence the product range determination of an insurance company's products? {25}

Question 3

Discuss the elements of the marketing mix for insurance companies. [25]

Question 4

As a new marketing manager, you wish to determine the proper sales force size. The average salesperson puts in forty hours a week during the year except for a two week vacation period. During a typical work day, a salesperson will spend thirty percent of the time doing direct selling.

There are currently twelve hundred accounts. Industrial, government and commercial customers represent sixty, ten, and twenty-five percent of the accounts, respectively. An industrial account requires about twenty calls per year, a government account about twenty-five, and a commercial account about fifteen. The typical visits to industrial, government, and commercial customers last sixty, forty-five, and thirty minutes, respectively. What is an appropriate sales force?

{25}

END OF EXAMINATION