



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF ECONOMICS AND BUSINESS SCIENCES

EXAMINATION PAPER

COURSE CODE : CMA 406
COURSE TITLE : RELATIONSHIP MARKETING
SPECIAL REQUIREMENTS :
DURATION : 3 Hours
LEVEL : 4.2
DATE : 12 NOV 2019

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. This paper comprises **two (2)** sections A and B
3. Answer **FOUR (4)** questions. **Question 1 is compulsory**. Choose any **three (3)** questions from **section B**
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []
6. Be practical in your answers. Give examples where appropriate.

SECTION A: Compulsory Question [40 marks]

QUESTION 1

Read the summary case below and answer the questions which follow. Demonstrate a practical appreciation of Relationship Marketing concepts, theory and practice.

Trad Foods (Pvt) Ltd sustains competitive advantage since 2017

Background

Several firms including Trad Foods (Pvt) Ltd, Pandari Foods, Tips Foods and Tipperary all have interests in the production and retail of traditional small grain foods such as porridge, mahewu and sadza from soghurm (mapfunde), pearl millet (mhunga), and finger millet (zviyo, rapoko or njera). Trad Foods (Pvt) Ltd commenced operations in this industry in 2012 in order to improve general niutrition and health of Zimbabweans.

Strategic Fit

In 2013 Trad Foods (Pvt) Ltd put in place a network of relationships in order to profitably support its strategic vision as well as its to realize its mandate. The firm's vision is 'To become a traditional foods producer and retailer of reputable choice'. The relationships are further bolstered by meaningful collaboration, communication and customization, among an array of strategies linked to the several marketing Ps. All the necessary factors that are critical in supporting Relationship Marketing are well taken care of following a continuous environmental scan due to the rapidly changing and increasingly complex Relationship Marketing environment.

The average annual profit for all the firms in this business of marketing traditional small grain foods from 2017 to 2018 was USD5m. In 2017, Trad Foods (Pvt) Ltd realized a profit of USD5.1m. In 2018, the company had a profit of USD5.2m. The firm projects to continue in that trajectory by end of 2019 trading year.

Drafted by Mr Stewart Mwandivanza (2019)

- a) What is your practical understanding of Relationship Marketing in relation to highlights given in the case. [7 marks]
- b) (i) What do you understand by the phrase 'sustainable competitive advantage' in the context of the case. [5 marks]
(ii) Relationship Marketing strategies assisted Trad Foods (Pvt) Ltd to realize sustainable competitive advantage over the other competitors in the traditional foods industry. Do you agree or disagree? Adequately justify your answer. [15 marks]
- c) Demonstrate how Trad Foods (Pvt) Ltd could have shaped its Relationship Marketing strategy through environmental scan. [13 marks]

SECTION B

Answer any 3 questions from this section

- 2 (a) Outline the important activities in the process of relationship marketing (8)
- (b) i. Collaboration [4 marks]
- ii. Loyalty [4 marks]
- iii. Trust [4 marks]
- 3 (a) What are the advantages of relationship marketing to business? [15 marks]
- (b) List and briefly explain the pitfalls of relationship marketing. [5 marks]
- 4 (a) List and explain the stages in the relationship ladder of customer loyalty. [8 marks]
- (b) i. Define customer retention [4 marks]
- ii. What considerations are involved in customer retention efforts [8 marks]
- 5 (a) Contrast consumer and business markets. [8 marks]
- (b) List the six essential steps for fostering good relationship with consumers and key partners. [12 marks]

END OF EXAM PAPER