INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

# FACULTY OF BUSINESS MANAGEMENT

## END OF SEMESTER EXAMINATIONS - DECEMBER 2025

**PROGRAMME: BBA**
**YEAR/SEM: YEAR 3/SEMESTER 1**
**COURSE CODE: FIN 3102**
**NAME: BANK MARKETING**

**DATE:**
**TIME:**

**INSTRUCTIONS TO CANDIDATES:**

## SECTION A

*ATTEMPT ALL QUESTIONS IN THIS SECTION*

**Question 1:**

A Ugandan entrepreneur is planning to launch a financial institution that primarily serves small urban businesses in Kampala, Entebbe, and Jinja. Before making the investment, he wants to understand the banking landscape to determine the best type of institution to establish and how it can meet the needs of these small enterprises.

Required: Critically analyse the different types of banks operating in Uganda. For each type:

a) Explain their primary roles and functions. **(20 marks)**

b) Discuss the advantages and limitations of each in serving small urban businesses. **(15 marks)**

c) Recommend which type(s) of bank would be most suitable for the entrepreneur's investment, justifying your choice based on the Ugandan context, including regulatory, market, and customer considerations. **(5 marks)**

**Question 2:**

A leading commercial bank in Uganda has reported a sharp decline in the usage of its youth-focused savings account, especially among urban customers aged 18–30. Internal reports show that most young users now prefer mobile money wallets (such as MTN MoMo and Airtel Money), digital savings apps, and investment-based platforms. The bank's branches in Kampala, Mbarara, Gulu, and Jinja have all recorded significant drops in monthly deposits, reduced account activity, and rising account dormancy rates.

Market research further reveals that urban youth feel traditional

savings accounts offer low returns, have rigid withdrawal rules, and lack digital convenience. Competitors including fintechs and telcos are attracting youth with instant digital onboarding, rewards, micro-savings options, and gamified financial literacy tools. Management is concerned that unless intervention is taken, the youth segment may be permanently lost to digital-first competitors.

As a bank marketing analyst, you have been asked to advise senior management on the future of this declining product and on broader innovation pathways for the youth market.

Required:

a) Identify the stage of the product life cycle (PLC) in which this youth savings account is currently positioned. Justify your answer using details from the scenario. **(4 marks)**

b) Critically analyse this stage of the PLC and propose practical strategies to either extend the product's life or manage its decline strategically. **(20 marks)**

c) Outline the key stages of the new product development (NPD) process, explaining how the bank can reduce risk at every stage and ensure successful adoption among urban youth in Uganda. **(16 marks)**

## SECTION B

*ATTEMPT ANY THREE QUESTIONS IN THIS SECTION*

**Question 1:**

Ugandan banks often struggle to differentiate their services. Analyse how the intangible, inseparable, heterogeneous, and perishable nature of banking services affects marketing strategy, with examples from the local market. **(20 marks)**

**Question 2:**

A regional bank in Uganda is losing customers to mobile money platforms.

a) Examine the relevance of marketing in the banking sector, particularly in the context of a regional bank facing competition from mobile money platforms in Uganda. **(10 marks)**

b) Propose strategies the bank could adopt to retain existing customers and attract new ones in the face of competition from mobile money platforms. **(10 marks)**

**Question 3:**

A Ugandan commercial bank wants to expand into rural areas. Analyse how political, economic, social, technological, legal, and competitive factors (PESTLE) in Uganda affect bank marketing activities and decision-making. **(20 marks)**

**Question 4:**

A bank in Kampala is facing intense competition from mobile banking operators. Critically analyse the key pricing strategies available to banks and recommend an approach suitable for the Ugandan market. **(20 marks)**

**Question 5:**

Ugandan banks often struggle to communicate new products effectively. Critically evaluate how the promotional element of the marketing mix can be used to educate, attract, and retain customers

in Uganda. **(20 marks)**

**Question 6:**

A bank wants to launch a campaign promoting its SME loan products.

a) Analyse the role of advertising in bank marketing in Uganda, focusing on how it can influence SME customers' awareness, perception, and decision-making. **(10 marks)**

b) Propose a media strategy for the bank's SME loan campaign that maximises reach and engagement, explaining your choice of media channels and methods. **(10 marks)**

**Question 7:**

A Ugandan bank is introducing corporate banking services for large businesses. Discuss how personal selling and relationship marketing can be used to build trust and long-term loyalty in this segment. **(20 marks)**

**Question 8:**

Ugandan banks occasionally face public backlash due to service failures. Discuss the role of public relations in managing reputation and promoting positive brand image. Provide examples of effective PR strategies. **(20 marks)**

**Question 9:**

A bank is offering short-term incentives to attract new accounts in Kampala. Evaluate the effectiveness of sales promotions in Ugandan banks, and discuss potential risks of over-reliance on promotions. **(20 marks)**

**Question 10:**

A major commercial bank in Uganda has reported a rapid loss of young customers aged 18–30 to mobile money platforms such as MTN MoMo and Airtel Money. Internal analytics show that urban youth prefer digital financial services that are fast, low-cost, and accessible

on mobile phones. The bank's existing products are viewed as complicated, slow, and not tailored to the lifestyle of young customers. Management has asked the marketing department to redesign its youth strategy. Basing on the knowledge obtained from this course;

a) Explain why market segmentation is critical for banks operating in a competitive and dynamic environment like Uganda, particularly when trying to win back young customers. **(10 marks)**

b) Discuss the criteria for effective market segmentation, applying them to the bank's challenge of attracting and retaining the youth segment. **(10 marks)**

**Question 11:**

a) Using Ugandan banking examples, critically analyse the demographic, geographic, psychographic, and behavioural bases for segmentation. **(12 marks)**

b) Critically examine the relevance of studying Bank Marketing for a BBA student. **(8 marks)**

**Question 12:**

A Ugandan bank offers deposits, loans, and insurance products and is introducing a premium credit card.

a) Explain the levels of a product and propose features at each level to create value for customers. **(10 marks)**

b) Critically analyse the bank's product mix and explain how it can be managed to increase cross-selling opportunities and customer loyalty. **(10 marks)**