



higher education & training

Department:
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REPUBLIC OF SOUTH AFRICA

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NATIONAL CERTIFICATE
MARKETING MANAGEMENT N4

(4030054)

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09:00–12:00

This question paper consists of 13 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
MARKETING MANAGEMENT N4
TIME: 3 HOURS
MARKS: 200

NOTE: If you answer more than the required number of questions, only the required number will be marked. Clearly cross out ALL work you do not want to be marked.

INSTRUCTIONS AND INFORMATION

1. SECTION A is COMPULSORY and must be answered by ALL candidates in the ANSWER BOOK.
 2. Answer any THREE questions in SECTION B.
 3. Read ALL the questions carefully.
 4. Number answers according to the numbering system used in this question paper.
 5. Neatness, style and a systematic exposition of facts are required. Where possible, answer questions by point, but always in full sentences.
 6. Write neatly and legibly.
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SECTION A (COMPULSORY)**QUESTION 1**

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the number (1.1–1.10) in the ANSWER BOOK.

- 1.1 Most organisations' objective is to generate a profit.
- 1.2 Wholesalers and retailers do not play a major role in the distribution of products.
- 1.3 The internal micro environment is also called the task environment.
- 1.4 With product differentiation, the company tries to distinguish the product from competitive products.
- 1.5 The marketing information system (MIS) consists of two facets.
- 1.6 Primary data is data that has never been collected before.
- 1.7 Observations are the most widely used method to gather primary data.
- 1.8 Locating/tracing the consumer is the most important marketing management function.
- 1.9 The buying power of a consumer can be increased by supplying credit facilities and lease or hire agreements.
- 1.10 The early majority are respected people in the community.

(10 × 1) [10]

QUESTION 2

Various options are given as a possible answer to the following questions. Choose the answer and write only the letter (A–D) next to the question number (2.1–2.10) in the ANSWER BOOK.

- 2.1 The management task of marketing involves planning. Which ONE of the following is not part of planning?
- A Identify market opportunities and threats, internal weak and strong points (SWOT analysis).
 - B Set standards and determine the measurement of performance.
 - C Decide on marketing instruments to be used.
 - D Set marketing objectives according to business objectives.

- 2.2 The following can be seen as research contact methods.
- A Questionnaires, mechanical/electronic equipment
 - B Telephone, mail or fax, personal contact, internet
 - C Observation, experimenting, surveys, focus groups
 - D Questionnaires, telephone, survey
- 2.3 A market segmentation strategy is followed when a company identifies a single segment in the total market.
- A Undifferentiated
 - B Differentiated
 - C Mass
 - D Concentrated
- 2.4 A/An ... business practice is seen as any business practice which has the effect of harming relations between businesses and consumers.
- A profitable
 - B normal
 - C unfair
 - D reasonable
- 2.5 The ... tends to accept a new product just before an average acceptor or social group accepts it.
- A first buyers/acceptors
 - B early buyers/acceptors
 - C early majority
 - D late majority
- 2.6 Decisions that seem to be taken without any planning.
- A Impulsive
 - B Routine
 - C Extended
 - D Limited
- 2.7 The ... can be seen as the family member who gives specifications about the product.
- A user
 - B initiator
 - C decision maker
 - D influencer

- 2.8 ... provides order to a community through common expectations.
- A Personality
 - B Attitudes
 - C Family
 - D Culture
- 2.9 The environment which is the most difficult external variable that marketing has to integrate into their plan.
- A Political and legal
 - B Social
 - C Economic
 - D Market
- 2.10 What is the role of promotion?
- A Inform, persuade and sell
 - B Advertise, promote and sell
 - C Inform, persuade and remind
 - D Inform, remind and sell

(10 × 1) [10]

QUESTION 3

Choose a word from COLUMN B to match the description in COLUMN A. Write only the letter (A–K) next to the question number (3.1–3.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1	Consumers	A	it is done to gain information about the size, location and characteristics of the market
3.2	Market environment	B	it involves determining what the consumer expects of a product and providing specifications to the production department
3.3	Marketing environment	C	it is the most important marketing function
3.4	Marketing mix	D	it stabilises the demand for the product
3.5	Product development	E	theft of stock, dishonest staff, change in consumer preferences
3.6	Top management	F	internal micro environment, market environment, macro environment
3.7	Human risk	G	consumers, intermediaries, suppliers, competitors
3.8	Storing	H	determines the mission and objectives of the organisation
3.9	Market research	I	product, price, place, promotion
3.10	Locating the consumer	J	sales promotion, advertising, personal sales, publicity
		K	most important component at the market environment

(10 × 2)

[20]

QUESTION 4

Complete the following sentences by filling in the missing word(s). Write only the word(s) next to the question number (4.1–4.5) in the ANSWER BOOK.

- 4.1 Locating the consumer is also called ...
- 4.2 ... bridge the gap between producers and consumers.
- 4.3 ... is the internal driving force behind the actions of a person when he purposefully tries to satisfy a need or want.
- 4.4 ... is the first phase in the acceptance process.
- 4.5 ... data is data that already exists and was collected for another purpose. (5 × 2) [10]
- TOTAL SECTION A: 50**

SECTION B**QUESTION 5**

- 5.1 5.1.1 List the FOUR principles of the marketing concept. (4 × 2) (8)
- 5.1.2 Briefly describe the FOUR principles of the marketing concept and give ONE example in each concept. (4 × 3) (12)
- 5.2 List the FOUR marketing management philosophies. (4)
- 5.3 Identify the consumer market in each of the following examples:
- 5.3.1 Thaba buys stock for his spaza shop at Makro and Shoprite.
- 5.3.2 The weakening of the rand against foreign currencies, caused a price increase in imported products.
- 5.3.3 Albany bakeries consists of a chain of 13 regional production sites that supply supermarkets across South Africa with bread.
- 5.3.4 Arthur buys bread from Shoprite to prepare lunch.
- 5.3.5 The City of Cape Town advertises its tenders in Cape Town newspapers in their classified section and on Fridays on www.westerncape.gov.za. (5 × 2) (10)

- 5.4 Identify the individual determinants in each of the following cases:
- 5.4.1 On his way to work, James stopped at the KFC Drive Thru to buy an early bird breakfast because he didn't eat at home.
- 5.4.2 Zola had a positive experience with his Apple cell phone when he decided to buy a new cell phone, he insisted on the latest Apple cell phone.
- 5.4.3 John is very outspoken about education, takes care of his family and loves his job.
- 5.4.4 Eugene shocked himself while changing a light bulb many years ago. Whenever the light bulbs need to be changed, he always remembers to switch off the main electricity, before he does anything.
- 5.4.5 Many people do not buy at Pep Stores because they associate low prices with poor quality.
- (5 × 2) (10)
- 5.5 Identify the market segmentation approach in each of the following cases:
- 5.5.1 Samsung offers an extensive range of TV sets ranging from 37 cm screens at affordable prices to huge curved, flat screen models aimed at the top end of the market.
- 5.5.2 Watches are only sold to a few who can afford it and is regarded as a status symbol.
- 5.5.3 Coca-Cola was introduced as Coke in 1886 with one beverage flavour into the general market.
- (3 × 2) (6)
[50]

QUESTION 6

- 6.1 Briefly discuss the THREE elements of the supply side of the market. (3 × 5) (15)
- 6.2 With reference to the cover page of *Personal Finance Third Quarter 2014* answer the questions that follow:

New PF magazine is on sale

PERSONAL FINANCE / 22 July 2014, 3:55pm
Staff Reporter

What to read in volume 60 (third quarter 2014 issue) of Personal Finance magazine, on sale for only R29.95 in retailers and bookshops nationwide

Savvy shoppers do it online



E-commerce is poised for more rapid growth in South Africa as internet connectivity increases and shoppers gain confidence in the security and efficiency of online retail sites. For the wary, we explore the systems that are offered to secure payments, delivery, returns and refunds.

A case for the small claims court

The small claims court system has been dispensing effective, cheap and sometimes colourful justice for 30 years and now caters for claims up to R15 000. A journalist who knows court procedure inside out takes us on a guided tour.

- 6.2.1 Which TWO macro environmental variables can be identified from this cover page? (2 × 2) (4)

- 6.2.2 Briefly describe the TWO macro environmental variables which are mentioned in QUESTION 6.2.1. (2 × 8) (16)
- 6.2.3 Give any ONE other macro environmental variable. (1)
- 6.3 Briefly discuss the FOUR economic determinants of consumer behavior. (4 × 3) (12)
- 6.4 List any TWO external marketing sources of information. (2)
[50]

QUESTION 7

- 7.1 What type of decision is made in each of the following cases?
- 7.1.1 After work, Sally stopped at Shoprite to buy bread and milk.
- 7.1.2 Since it was close to the end of the month, she also decided to purchase deodorant and toothpaste.
- 7.1.3 While standing in the queue, she realised she was quite hungry and also decided to buy a Bar One.
- 7.1.4 On her way out, an advertisement of the latest cell phone caught her attention. She decided to get more information about this cell phone because she was due for an upgrade on her cell phone contract. (4 × 2) (8)
- 7.2 Identify the marketing management functions in the following cases:
- 7.2.1 The survival of the company is dependent on the consumer.
- 7.2.2 It is determined by two factors, the nature of the product and the distance between the buyer and seller.
- 7.2.3 Consumers normally buy in small quantities.
- 7.2.4 The product is manufactured according to predetermined specifications.
- 7.2.5 The raising of capital for the development of new products is usually the most important factor. (5 × 2) (10)

- 7.3 Identify the role division of family members in each of the following cases:
- 7.3.1 The family sat down for a home cooked dinner.
- 7.3.2 Sally's mother pays with her husband's credit card.
- 7.3.3 Sally realised she is hungry.
- 7.3.4 Sally's mom compiled a shopping list.
- 7.3.5 On her way back from work, Sally's mother stopped at Shoprite to buy meat and vegetables on her shopping list. (5 × 2) (10)
- 7.4 Briefly discuss the FIVE phases of the acceptance process. (5 × 3) (15)
- 7.5 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (7.5.1–7.5.7) in the ANSWER BOOK.
- 7.5.1 (Surveys/Questionnaires) are the most widely used method to gather primary data.
- 7.5.2 (Surveys/Questionnaires) are the most frequently used instrument for the collection of primary data.
- 7.5.3 Benefits of (multi/single) segmentation strategy includes higher income, a larger market share and scale benefits on production and market.
- 7.5.4 (Selective exposure/Attention) occurs when consumers listen to stimuli selectively and only respond to what they are interested in.
- 7.5.5 (Language/Education level) can give an indication of a consumers spending pattern, purchasing habits and cultural relations.
- 7.5.6 (Culture/Demography) can be seen as a study of the human population and includes aspects such as population composition, age, language, education level, income and purchasing habits.
- 7.5.7 (Micro/Macro) marketing entails the study of the global marketing systems that exists. (7 × 1) (7)
- [50]**

QUESTION 8

8.1 Read the case study below and answer the questions:

Coca-Cola Company is the world's leading manufacturer, marketer and distributor of soft beverages. It develops a marketing mix for each of the segments. Coca-Cola has more than 400 different product lines and a product mix of 3 500.

Coca-Cola has drinks that targets different age groups, ethnic groups, sexes, lifestyles, etcetera. It's mostly popular in Britain and Ireland Oasis Juice is made for the younger working adults, between the ages of 20–30.

Coca-Cola is the most popular soft drink so far that is being sold in most countries in the world. The trend towards healthier lifestyles influenced Coca-Cola to produce healthier products such as Coca-Cola Zero and Diet Coca-Cola.

Coca-Cola Zero targets teens that do not want calories but want the taste.

Diet Coca-Cola targets adults, between 30–50, who are health conscious.

Powerade – this sport drink targets athletes between the age of 13–27 years.

Minute Maid – targets kids and adults from 1 year to 10 and 40 plus.

Climate: Coca-Cola's consumption in the summer is 60% and 40% in the winter. It also focuses on hot areas in the world.

Age – 15–25 years old and 40 plus.

Gender – targets both genders with a wide variety of drinks.

Income – segments different income levels, for example, by packaging: for low level income the company is selling returnable glass bottles, for high-level income, the company is selling coke in tins.

People who are brand conscious will try to show their status by drinking Coca-Cola. The level of education is another factor that the company is paying attention to. Because Coca-Cola is a recognised world brand, people will drink it without hesitation.

Coca-Cola is designed to satisfy the consumer's needs. The company is able to provide drinks for many different target markets. The products are sold to a diverse population all around the world. Coca-Cola products are purchased by different classes, but mainly by the middle to high level class. Many people today make their purchases based on the company's ethics and or social responsibility. Coca-Cola gains the trust of its consumers by contributing to the environment *in various ways*.

[Adapted from: <http://elbaz-cola-cola.blogspot.co.za>]

- 8.1.1 What type of market segmentation strategy is used in this scenario? (2)
- 8.1.2 Motivate your answer by providing an example from the case study. (2)

- 8.1.3 List THREE benefits of this strategy. (3)
- 8.1.4 Explain SIX examples of higher costs generated by this strategy. (6 × 3) (18)
- 8.1.5 Name THREE market segmentation principles used in this scenario. (3)
- 8.1.6 Give ONE variable from the case study for each principle mentioned in QUESTION 8.1.5. (3 × 2) (6)
- 8.2 Read the case study and answer the questions.

The market for Rolex is pretty specific: people with purchasing power that are willing to invest a good amount of money in a watch. Not only a watch but a luxury accessory.

Rolex consumers are part of a market segment which is usually filled with collectors, artists and athletes. They all share one characteristic that includes them in this segment: purchasing power.

[<http://rolexmarloo.blogspot.co.za>]

- 8.2.1 Which approach to market segmentation does Rolex use? (2)
- 8.2.2 Motivate your answer by giving an example from the case study. (2)
- 8.2.3 Briefly explain this segmentation strategy. (5 × 2) (10)
- 8.2.4 Name TWO disadvantages of this strategy. (2)
- [50]**

TOTAL SECTION B: 150
GRAND TOTAL: 200