higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

CONSUMER BEHAVIOUR
NQF LEVEL 3

(3041033)

9 March 2018 (X-Paper)
09:00–12:00

This question paper consists of 11 pages.

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TIME: 3 HOURS
MARKS: 150

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. Read ALL the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Use a black or blue pen.
5. Start each question on a NEW page.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.15) in the ANSWER BOOK.

1.1.1 They buy things from other businesses so that they can make new products.

A Individual consumers
B Group consumers
C Personal consumers
D Business consumers

1.1.2 Which ONE of the following is NOT a similarity between consumers?

A The buyers (staff members) do the buying.
B They buy products and services.
C They buy to satisfy their needs.
D They buy from businesses.

1.1.3 The … is a stage in the consumer decision-making process.

A influence of society
B production stage
C process stage
D influence of the business

1.1.4 … is when the organisation simply buys the same product again and again because they like it.

A New task buying
B Straight re-buy
C Brand familiarity
D Modified re-buy

1.1.5 Which ONE of the following is NOT a characteristic of a centralised buying centre?

A There is a group of staff members who work in a central purchasing office.
B They are responsible for buying all products needed by all the branches.
C Only the people in this buying centre deal with suppliers.
D Each branch does its own purchasing.

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1.1.6 … is the combination of circumstances or the environment in which the market operates and the consumers who buy and sell in that market.

A Personal context
B Organisational context
C Socio-economic context
D Market context

1.1.7 ONE of the differences between a customer market and a consumer market is that the consumer market …

A buys to use the product.
B buys to deliver a service.
C buys to sell to other customers.
D buys for any other reason.

1.1.8 Which ONE is NOT one of the role players on the supply side of the market?

A Wholesalers
B Competitors
C Consumers
D Retailers

1.1.9 Which ONE is an example of internal environmental factors?

A Legal factors
B Human resources
C Political factors
D Economic factors

1.1.10 Consumers who buy and use a product very often are called … users.

A heavy
B medium
C former
D irregular

1.1.11 People who are conservative and believe in traditional old-fashioned things are known as …

A makers.
B strivers.
C believers.
D achievers.

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1.1.12 This is a disadvantage of mass marketing.

A Manufacturing savings
B Satisfying products
C No risk of competitors taking over
D Boring products

1.1.13 This stage of the product life cycle is characterised by heavy promotion.

A Growth stage
B Introduction stage
C Decline stage
D Maturity stage

1.1.14 In quantitative research, the organisation can collect information in this way.

A Observation
B Focus groups
C Projective techniques
D Metaphor analysis

1.1.15 Security procedures are important in this area.

A Ergonomic dangers
B Access control
C Natural dangers
D Physical dangers

(15 × 1) (15)

1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (1.2.1–1.2.15) in the ANSWER BOOK

1.2.1 There are two types of business consumers, namely manufacturing business and service business.

1.2.2 A society is a small group of people who generally share ideas and habits.

1.2.3 Brand name is one of the factors used to evaluate alternatives.

1.2.4 Motivation is the driving force that makes people do something.

1.2.5 Influencers, buyers and decision makers are role players in the buying process of consumers.

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1.2.6 A consumer market is a subset of the customer market.

1.2.7 An evacuation coordinator is responsible for organising fire fighting.

1.28 Primary data is data that has been collected before.

1.2.9 In the growth stage of the product life cycle, the costs associated with the product decline.

1.210 Umbrella positioning refers to an image of separate products sold by an organisation.

1.2.11 Raw data is original data as it is received from the interviewer or the observer.

1.2.12 A security procedure is a process that an organisation follows to ensure the safety of its people and possessions.

1.2.13 Data is in collated format if it has been organised and arranged in similar groups.

1.2.14 Aggregation is similar to concentrated marketing.

1.2.15 The demand side of the market consists of consumers who require, or demand, products and services from the market.

(15 × 1) (15)
[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

2.1 Organisational and household consumers go through several processes before, during and after buying.

Discuss FOUR important differences between the buying behaviour of *organisational consumers* and *household consumers*. (4 × 2) (8)

2.2 Read the following paragraph and answer the questions.

MARKET SEGMENTATION: SELL MORE BY SELLING TO FEWER

Nowadays, companies are demonstrating an understanding of the specific needs of their prospects. Individual buyers are convinced that their circumstances and challenges are unique, and unless you can prove to them that your solution has been crafted with their situation in mind, you may lose the deal. On the other hand, you can't be all things to all buyers. You can, however, be the right solution to a large enough group of buyers to successfully grow your business, if you can implement a smart segmentation strategy.

Briefly explain the following types of target markets:

2.2.1 Single-segment market

2.2.2 Multi-segment market

2.2.3 Mass market

(3 × 2) (6)

2.3 Give THREE reasons why market segmentation is important for marketers. (3 × 2) (6)

2.4 Identify the segmentation bases or methods represented by the following statements:

2.4.1 The potential buyers are divided into segments according to the way they behave with regard to the product.

2.4.2 This takes place when an enterprise segments markets according to the region or area in which the market is found.

2.4.3 Markets are divided according to how much money consumers earn, their age groups and their gender.

2.4.4 Consumers are grouped according to their activities, interests and opinions.

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2.4.5 Consumers are divided by how well they know the brand they are using, to the point that they would not want to change it.

(5 × 2) (10)
[30]

QUESTION 3

3.1 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–E) next to the question number (3.1.1–3.1.3) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1.1	Ergonomic dangers	A	dirty air conditioners
3.1.2	Physical dangers	B	working with gas and glue
3.1.3	Natural dangers	C	strikes and protests
		D	sitting in an uncomfortable position
		E	heavy work-load and many deadlines

(3 × 2) (6)

3.2 Read the following scenario and answer the questions.

John has just completed L4 Hospitality Services at your college.

He wants to open a restaurant in his area. There are legal factors relating to the external environment that may affect his business activities. John has approached you to assist him with the relevant information.

Explain to John what you understand by the following laws:

3.2.1 The Labour Relations Act

3.2.2 The Income Tax Act

3.2.3 The Occupational Health and Safety Act

(3 × 2) (6)

3.3 Name THREE main factors that are used to evaluate alternatives. (3)

3.4 Positioning is a process by which an organisation positions its products in the minds of consumers compared to the products of its competitors.

3.4.1 Define the term *positioning map.* (2)

3.4.2 Give THREE reasons why it is important for organisations to monitor their positioning strategies. (3 × 2) (6)

3.4.3 Name THREE positioning strategies that businesses use. (3)

3.5 A customer market is a place where all the buyers meet all the sellers.

Explain the following customer markets:

3.5.1 Reseller market

3.5.2 International market

(2 × 2) (4)
[30]

QUESTION 4

4.1 State any FOUR strategies that you can adopt in the growth stage of the product life cycle. (4 × 2) (8)

4.2 Distinguish between *primary data* and *secondary data*. (2 × 2) (4)

4.3 List THREE sources of secondary data. (3)

4.4 One of the ways of gathering primary data is through survey research.

Explain the following methods of survey research:

4.4.1 Personal interviews

4.4.2 Shopping mall intercept interviews

(2 × 2) (4)

4.5 State the responsibilities of the following members of the workplace committee:

4.5.1 Fire coordinator

4.5.2 First aider

4.5.3 Evacuation coordinator

(3 × 2) (6)

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4.6 Name the business buying decisions represented by the following statements:

4.6.1 Fair Price Furnishers buys the same types of products, but with little changes every now and then.

4.6.2 Macro buys new trailers that it has never bought before.

4.6.3 Checkers buys the same type of cash registers because they work well.

(3 × 1) (3)

4.7 Define the term *consumer market.* (2)
[30]

QUESTION 5

5.1 Give THREE reasons why business consumers buy goods and services. (3)

5.2 Identify the type of context of the market in each of the following sentences:

5.2.1 Mother buys a manual microwave oven because that is what she can afford.

5.2.2 A ten-year-old boy wanted to buy alcohol but was not allowed to do so.

5.2.3 Different organisations trade in different products and sell to different customers.

(3 × 2) (6)

5.3 The reseller market is made up of wholesalers and retailers.

Name THREE types of retail shops. (3)

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5.4 Rearrange the following steps in the market segmentation process in the correct order. Write the correct step next to the question number (5.4.1–5.4.7) in the ANSWER BOOK.

5.4.1 List the potential needs.

5.4.2 Select the descriptors.

5.4.3 Select the product category or market.

5.4.4 Profile the segments.

5.4.5 Name and select the target market.

5.4.6 Identify the determining dimension.

5.4.7 Choose the segmentation basis.

(7 × 1) (7)

5.5 Explain the FOUR basic elements of mass marketing. (4 × 2) (8)

5.6 Name THREE different types of consumers that are found in a marketing context. (3)

[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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