higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MUSIC BUSINESS AND STYLES N6

1 JUNE 2018

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1 C
1.2 B
1.3 C
1.4 A
1.5 C
1.6 D
1.7 B
1.8 A
1.9 C
1.10 A
1.11 C
1.12 B
1.13 D
1.14 A
1.15 C
1.16 B
1.17 C
1.18 D
1.19 D
1.20 A
1.21 C
1.22 C
1.23 C
1.24 C
1.25 B

(25 × 2) **[50]**

QUESTION 2

2.1 False
2.2 False
2.3 True
2.4 False
2.5 True
2.6 True
2.7 False
2.8 True
2.9 True
2.10 False
2.11 False
2.12 False
2.13 True
2.14 False

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2.15 True
2.16 False
2.17 True
2.18 False
2.19 True
2.20 True
2.21 False
2.22 True
2.23 True
2.24 False
2.25 False

(25 × 2) **[50]**

TOTAL SECTION A: 100

SECTION B

QUESTION 3

3.1 I
3.2 J
3.3 N
3.4 L
3.5 O
3.6 R
3.7 D
3.8 S
3.9 B
3.10 P
3.11 E
3.12 Q
3.13 F
3.14 T
3.15 A
3.16 M
3.17 H
3.18 K
3.19 G
3.20 C

(20 × 2) **[40]**

QUESTION 4

4.1 The distribution channel is the process of moving the product from distributor to retailer to sell it.

4.2 A purchase point is an identified place where a product is sold.

4.3 A multi-album set is new music released in a set of two discs.

4.4 The selective distribution strategy is a strategy that targets a specific audience which might be based on age or geographical location.

4.5 Promotion is the process of informing the world about a product, persuading potential buyers of its value and continually reinforcing public awareness of the artist and product.

(5 × 2) **[10]**

QUESTION 5

- Is the price within the customer's expectation?✓✓ If the price is within the range of the customer's expectation, he/she will not be price sensitive.✓✓
- Is the product valuable at any set price?✓✓ Some products are unique✓✓ and would therefore be valuable at any cost.✓✓ The customer will not be price sensitive.
- Is the product desperately needed?✓✓ When the customer is desperately in need✓✓ they will not mind the cost of the product.✓✓ They buy the product because they need it✓✓ – the customer will not mind how much the price is.✓✓ A practical example is that when a car break down in the middle of nowhere at night✓✓ the customer will pay any amount to get it fixed.✓✓
- Are there substitute products?✓✓ When the product you are selling does not have substitutes customers have no alternative but to buy what is available.✓✓ In that way there will be no competitor and therefore the customer will not mind the price.✓✓
- Is the customer aware of substitutes available?✓✓ If not then the customer will not be price sensitive.✓✓
- Are company options of the product difficult for the customers?✓✓ If customers find it hard to compare prices, they will not be price sensitive. That is why most customers prefer to do shopping in a mall where it is easy to compare prices.✓✓ If customers find the product cheap there will be no need to compare, therefore customers will not be price sensitive.✓✓ **[40]**

QUESTION 6

Introduction phase

This is the phase where the new artist is introduced to the market. Because a new product takes time to gain momentum and as a new artist in the market, people obviously do not know you (as a recording artist) and your music (your new CD).✓✓ Your record company faces a challenge to create awareness using advertising (paid-for media coverage) and publicity (free media coverage).✓✓ You must make sure your music gets radio and television airplay to draw the attention of entertainment journalists✓✓ and you must make sure that they write positive articles and reviews about you and your music.✓✓ Your record company must organise a lot of interviews, appearances, and performances (of which some might just be for free in exchange for free publicity). During this phase, gigs are very scarce.✓✓ Your agent and manager are begging promoters to book you, but promoters are reluctant seeing that you are unknown.✓✓

Even if they finally agree to book you, they pay you next to nothing. When you finally make it to the stage, you perform as an opening performer. Do expect that people will be busy talking and laughing while you blast your favourite tunes (unless you have real stoppers). At worse, they might shout that you get off stage so that their favourite artist can start.✓✓ You must also expect to perform to chairs in empty auditoriums and local venues should you try to be smart and embark on staging your own concerts, because no one wants to spend his/her hard-earned cash on a nobody.✓✓ On the distribution side, retailers are also reluctant to purchase your record, let alone give you shelve-space in their stores.✓✓ All this happens during the introduction phase and the challenge is to educate consumers about the benefits of this new product and make them see its value.✓✓ (20)

Growth phase

After a while, when 10 to 20 percent of the potential market is reached, the new artist gains momentum.✓✓ The product life cycle enters its growth stage. Consumers accept the new artist and begin to adopt the artist in greater numbers.✓✓ Growth rates shoot upwards as many consumers begin to purchase your records and attend your shows in numbers.✓✓ Most radio and television stations begin to play your music.✓✓ Retailers begin to realise that they did not make a mistake by purchasing your records as your records begin to fly off the shelves.✓✓ Media also begin to have interest in your affairs.✓✓ Newspaper and magazines build interest in writing articles and reviews that read something like 'A new R&B sensation is born!'✓✓ (14)

Maturity phase

After a while the new artist kicks in when the entire potential target market has been reached.✓✓ Everybody knows about you and your music and they continue to buy your records. Your bank balance swells and bursts with money.✓✓ Promoters who were reluctant to book you are now chasing you for bookings.✓✓ Your agent and manager's telephone lines are jammed due to the flood of promoter's calls who all want to book you. Your agent and manager now tell them you are unavailable, because you are fully booked for the entire year.✓✓ Those who are lucky to get your services pay a fat cheque and you smile all the way to the bank. Gone are the days of being paid next to nothing. You are in demand.✓✓

Retailers are no longer begged for shelve space and to purchase more records. They voluntarily order your records in bulk and gladly display them on the most visible racks for customers to see and buy. They have no choice, they do all this because your music is in demand – it is a matter of demand-and-supply. Copies of your CD are flying off the shelves. Customers push each other to get themselves a copy.✓✓ You are the 'in-artist' and you got the hits, hence everybody wants a piece of you.

The media cannot get enough of taking pictures and writing everything they hear about you – even a minor flu makes headlines. Your record sales have sky rocketed. You have won numerous awards for the best-selling album, best male or female artist and best newcomer artist. With superstar status come invitations. You are invited to every prominent function or event. You arrive in style: limousines and red carpets are part of your daily routines. Even if you are not there to perform, people just love your presence. You are doing well for yourself and indeed you have reached superstar stardom. You are a celebrity. You have made it.✓✓ (14)

Decline or dying phase

Finally, the product life cycle model says what goes around comes around and everything comes to an end. People stop buying your records, because something even better has come along.✓✓ There is this new artist they are now crazy about. In fact, they now think your music is outdated and old-fashioned.✓✓

Retailers begin to put your records in clearance-sales baskets (and this is if you are lucky, otherwise the 100% return privilege will have some retailers pack all your unsold records and return them to your distributing company for a full refund).✓✓ Promoters are once again running away from your agent or manager, because they are no longer keen to book you. They literally duck and hide each time they see your agent or manager (of course, it looks as if you are back to square one where you started).✓✓ No media is interested in you anymore.✓✓ They are all chasing the new sensation, the one that kicked you out of the market. The records sales drop, the profits fall, the recording artist bows out and the curtain closes.✓✓ (12)
[60]

TOTAL SECTION B: 150

SECTION C

QUESTION 7

7.1

- The advert must have intrinsic drama that appeals to everyone:✓✓ It simply means the advert is capable of attracting many people outside of the target audience✓✓ If kids like an advert aimed at adults or vice versa, there is intrinsic drama in that advert.✓✓
- The advert must demand participation from the audience:✓✓ That means the advert draws people into some action, whether it be calling a number, going to a store, laughing out loud or just thinking about something.✓✓ But the advert should not permit the audience to play a passive role.✓✓
- The advert forces an emotional response:✓✓ This principle should hold true even if the appeal is rational in approach.✓✓ Some basic human need must still be the heart of the advert, something about which people feel passionate.✓✓
- The advert should surprise its audience:✓✓ A startling headline, an unexpected visual image, an unusual opening gambit in a sales presentation or a weird display window in a store, all have the power to stop people by surprising them.✓✓
- The advert must communicate the expected information, in an unexpected way:✓✓ A creative twist or a fresh way of saying or looking at something makes the expected the unexpected.✓✓ You have to get the obvious information: what the brand is, who it benefits and how.✓✓ But don't do so in an obvious way because communication will not reach out and grab attention.✓✓
- The advert must stimulate curiosity: The audience should want to know more.✓✓ This desire gets them to stop and study the advert and follow up with further information searches afterwards.✓✓
- The advert must violate the rules and personality of the product category:✓✓ This step is necessary to make the product stand out. People notice things that violate expected patterns and patterns certainly exist in marketing.✓✓ If your advert is distinctly different from what consumers have come to expect in your category, they will stop for it.✓✓ (40)

7.2

- The internet has created a seismic shift in the music industry.
- Traditional physical marketing has been augmented by a variety of online-based marketing, sales and distribution.
- These all require marketing approaches and strategies.
- Online marketing looks at ways through which artists can make profit.
- Technology works on tools to arouse interest and acquire new fans in the music industry.
- An artist should develop his/her own website where fans can search and find them using search engines.
- Once the website is set, ways to optimise visibility and acquire new fans using social media are developed. (Any relevant 5 × 2) (10)

OR

QUESTION 8

Intensive distribution strategy

This strategy attempts to put every customer within reach of your products✓✓ by using as many intermediaries and layers as needed to create maximum coverage.✓✓ It is a good strategy in mature markets where your competitors are trying to do the same thing✓✓ or in markets where the customer makes a convenience purchase,✓✓ because intensive distribution makes your product convenient.✓✓ In music, this means that a marketer will make sure that all major music retail chain stores such as *Look and Listen*, *Musica*, *Reliable* and all other mom-and-pop stores have your music records.✓✓ He/She will also make sure that the music is available online.✓✓ Basically, using every form of music distribution available online✓✓ and offline to maximise market coverage.✓✓ This strategy is costly and may not be needed in other circumstances.✓✓ (20)

Selective distribution strategy

In this strategy you target the most desirable areas and members of your market.✓✓ For example, the business-to-business marketer may decide to target a geographic region where many users of their product are headquartered.✓✓ The consumer products marketer may decide to market to zip code areas or countries where heavy users of their product are found.✓✓ In music, a marketer may decide to sell your records in a province that has more people who appreciate and like the kind of music you make,✓✓ e.g. maskandi groups such as Shwi NoMnthekhala (one of the bestselling traditional music groups in South Africa) may not leave out KwaZulu-Natal, because that is where the majority of people who like maskandi are based.✓✓ (10)

Exclusive distribution strategy

In this strategy you cherry-pick to find the best intermediaries and customers.✓✓ This strategy is appropriate where you do not have any really serious competition✓✓ and where you have a specialty product that you want to keep providing at the same profitable level.✓✓ This method will not grow your market or boost shares significantly✓✓ but will maximise profit margins, and that is not bad.✓✓

This strategy is also appropriate as you introduce an innovative new product, whether goods or services.✓✓ You find a limited number of early adopters in any market, so a massive effort to mass-market a new innovative product usually fails.✓✓ Start with exclusive distribution as competition to those most interested in trying new ideas✓✓ and then work up to selective distribution to those most interested in trying new ideas to go main-stream.✓✓ Finally, push towards intensive distribution as the market matures and your emphasis shifts from finding first-time users to fighting over repeat business.✓✓ (20)

[50]

TOTAL SECTION C: 50
GRAND TOTAL: 300

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