higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

21 JUNE 2018

This marking guideline consists of 7 pages.

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SECTION A (COMPULSORY)

QUESTION 1

1.1 B
1.2 C
1.3 C
1.4 D
1.5 A
1.6 C
1.7 C
1.8 A
1.9 B
1.10 A
1.11 D
1.12 C
1.13 A
1.14 A
1.15 A

(15 × 2) **[30]**

QUESTION 2

2.1 market testing
2.2 heterogeneous shopping products
2.3 core product
2.4 freight-equalising strategy
2.5 freight-absorption price
2.6 augmented product
2.7 free-on-board strategy
2.8 test marketing
2.9 formal product
2.10 chain stores

(10 × 2) **[20]**

TOTAL SECTION A: 50

SECTION B

QUESTION 3

3.1 Aquafresh, Close-up, Pepsodent (Any relevant 2 × 1) (2)

3.2
- Product:✓ various products relating to oral-hygiene care, Colgate toothpowder and mouthwash✓✓
- Place (distribution):✓ quick delivery and easy availability means the products are accessible at every part of the country including rural, semi-urban and urban market✓✓✓
- Price:✓ prices are in a similar or slightly higher range than other products✓✓
- Promotion:✓ use of innovative schemes and attractive packing strategies; deals with dental associations✓✓ (Any 3 × 3) (9)

3.3
- Convenience product
- Consumers have comprehensive knowledge of products
- Products are relatively cheap OR require little time and effort (3 × 2) (6)

3.4
- Enclosure and protection
- Market development
- Increase profitability
- Plays an important role in marketing communication
- Facilitates market segmentation
- Product differentiation
- Necessary for effective transportation, handling and storage (Any 5 × 2) (10)

3.5
- Nature of demand
- Competition
- Consumer behaviour
- Actions by suppliers
- Actions by authorities
- Economy
- Social considerations (Any 5 × 2) (10)

3.6
- Intensive distribution
- Objective is to have the product available everywhere
- Mainly used for distributing convenience products with a low unit value
- Producer responsible for marketing communication and promotion and improvement of the product
- Examples of products that are distributed intensively: fast-moving consumer goods (FMCG) like sweets, soap, cigarettes and staple products like bread, sugar and milk (5 × 2) (10)

3.7 product items –✓✓ 13 variants make up the toothpaste product line✓ (3)
[50]

QUESTION 4

4.1 4.1.1
- A number of retailers who are situated in the same centre
- Consumers can execute a wide range of shopping in one place

4.1.2
- A limited product range, few product lines and a wide variety of products in every line
- E.g. stores specialising in socks, ties, baby clothing

4.1.3
- Relatively large, consists of a number of departments offering a variety of product lines

OR

- Each department is a separate buying centre to achieve economies in promotion, buying, service and control
- Carry a wide variety of shopping and speciality goods, including apparel, cosmetics, housewares, electronics and furniture

(3 × 4) (12)

4.2
- Diversified presentation of products
- Impersonal retail sales increase largely
- Disappearance of traditional classifications
- Increased productivity
- Developing of polarisation
- Growth in sales directly to the public by manufacturers
- Use of own brands by retailers
- Growth in direct marketing
- Growth in informal traders

(Any 5 × 2) (10)

4.3
- Availability of funds
- Nature of the market
- Nature of the product
- Phase of the product life cycle
- Push or pull strategies

(Any 4 × 2) (8)

4.4
- Consumer resistance
- Production troubles, minor product modifications
- Difficulties in physical distribution
- Difficulties with shelf space
- Slow growth in sales
- Minor direct competition
- High production cost and limited number of models
- High marketing expenses
- Lack of profit

(Any 4 × 2) (8)

4.5
- Ordering of product materials and equipment
- Starting production
- Building inventories
- Shipping the product to field distribution points
- Training the sales force
- Announcing the new product to field distribution points
- Announcing the new product to the trade
- Advertising to potential customers (Any 6 × 2) (12)

[50]

QUESTION 5

5.1 Implicit communication is a form of nonverbal communication which includes the use of facial expressions, attitudes and signals, while explicit communication is communication where language is used by parties to create common understandings. (2 + 2) (4)

5.2
- Business planning starts with the product.
- New products are needed for retention of profit margins.
- New products are essential for business growth.
- Certain environmental variables lead to new products.
- The battle for retail shelf space is a reality. (5 × 2) (10)

5.3
- The opportunity to act as an independent business person
- Specialised management assistance by franchisor
- Access to a brand with a positive image
- Cheaper purchases due to bulk buying by franchisor
- Gaining exclusive sales rights (5 × 2) (10)

5.4
- If a product does not meet the requirements, it serves as a warning against repeat buys.
- The consumer has greater freedom of choice as to where to buy his/her product.
- If the consumer knows the brand, it speeds up the purchase process.
- Competition between brands leads to continuous product differentiation and improved products.
- Parts are more easily obtained if the brand is known.
- The brand usually identifies a manufacturer/supplier.
- A brand ensures the consumer of a consequent quality standard.
- It helps in the distinction/identification of the product. (Any 4 × 2) (8)

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5.5
- Providing point-of-sales advertising for intermediaries
- Assisting with the planning of activities intermediaries undertake, such as forecasting
- Researching and stock control
- Manufacturers giving intermediaries management assistance in terms of purchases
- Production, marketing and other aspects of management
- Giving training in conflict handling to personnel
- Eliminating intermediaries who are refusing to cooperate
- Using service representatives to identify problems in the distribution channel, to investigate and solve these problems
- Organising competitions for intermediaries
- Presenting samples to intermediaries that can be transferred to clients

(Any 5 × 2) (10)

5.6
- Benefit of time:✓ created during the transfer of products from the producer to the consumer✓
- Benefit of possession:✓ product made available at the right price✓
- Benefit of form:✓ product made available in a processed form for consumers to buy and use it✓
- Benefit of place:✓ gained when producers collect, rearrange and distribute products to the consumer✓ (4 × 2) (8)

[50]

QUESTION 6

6.1
- Analyse the internal and external factors that influence price.
- Formulate the price objectives.
- Determine the basic price.
- Make adjustments to the basic price.
- Determine the final price. (5 × 2) (10)

6.2
- Truck jobber (wholesale hawkers)
- Self-service wholesalers
- Rack jobbers
- Drop shippers (desk jobbers)
- Office wholesalers
- Cash-and-carry wholesalers
- Mail-order wholesalers (Any 4 × 2) (8)

6.3
- The product is unique and new to the market.
- The potential customers know relatively little about the product.
- When there are relatively few or no competitors in the market rapid recovery of an investment is needed.
- The organisation is a leader in the industry.
- The differential advantage of the product is legally patent-protected.
- The price is used to segment the market.
- The demand for the product is inelastic in terms of price.
- The business deliberately keeps demand low because it is not operating at full capacity yet.
- The cost and demand for the product are not yet known. (Any 4 × 2) (8)

6.4 Trade agents are independent people who earn commission while acting on behalf of a specific company. Sometimes they store products and supply credit. Examples include agents and sales agents.

Brokers' main task is to connect buyers and sellers. They ensure that all negotiations between buyers and sellers run fluently. Brokers usually specialise in one specific area. Examples include coffee, cotton, real-estate, insurance or share brokers. (2 + 2) (4)

6.5
- Standard product item numbers
- Acceptance by retailers
- Feedback about sales of the new product
- Feedback about the achievements of the new product
- Identification of market inclinations (5 × 2) (10)

6.6
- Warehousing
- Material handling
- Stock control
- Order processing
- Transport (5 × 2) (10)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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