higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

13 JUNE 2019

This marking guideline consists of 7 pages.

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SECTION A (COMPULSORY)

QUESTION 1

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

(15 × 2) **[30]**

QUESTION 2

2.1 publicity
2.2 perception
2.3 mature phase
2.4 vertical backward integration
2.5 facilitating functions
2.6 persuasion
2.7 horizontal integration
2.8 logistical functions
2.9 growth phase
2.10 sales promotion

(10 × 2) **[20]**

TOTAL SECTION A: 50

SECTION B

QUESTION 3

3.1 Repositioning
- Changing the image of a brand to hold a new place in consumers' minds✓✓ relative to its competitors in the marketplace✓✓ (2 × 2)

Differentiation
- When an enterprise strives to differentiate its products from almost identical competitive products✓✓ (1 × 2) (6)

3.2 'Have a Break, Have a KitKat' slogan (2)

3.3
- Differentiated itself based on its finger-shaped wafer bar
- Used advertising to promote a ritual for eating a KitKat (2 × 2) (4)

3.4
- Price:✓ competitive, affordable ✓✓
- Place (distribution):✓ Strong coverage in urban areas (grocery stores to hypermarkets)✓✓
- Promotion (communication):✓ advertising,✓✓ co-branding with Google✓✓ (3 × 3) (9)

3.5
- Manufacturers can use brands to control their market share.
- Brands simplify and make product diversification easier.
- Brands are the cornerstone of marketing communication decisions.
- Successful brands add value to the product.
- It is difficult to compare prices of products where the brands differ. (5× 2) (10)

3.6 Opportunities:
- KitKat can introduce more health-based products for the health-conscious society, e.g. a low-fat chocolate bar.
- KitKat can introduce new packaging.
- It could expand to small towns, rural areas and villages. (Any 2 × 2)

Weaknesses:
- Health-conscious people avoid eating chocolates.
- KitKat has not changed its packaging style for some time.
- It can still expand its distribution. (Any 2 × 2) (8)

3.7
- Convenience products✓ – Consumers have comprehensive knowledge of these products.✓
- Products are relatively cheap✓ and buying them requires little time or exercise.✓
- Impulse products:✓ Products bought without planning, e.g., newspapers, magazines, sweets✓ (6)

3.8
- Google drew the attention of chocolate fans to their Android system.
- Android users were made aware of KitKat as Google's favourite chocolate. (4)

3.9 Cadbury's Time Out

[50]

QUESTION 4

4.1
- Describe the target market.
- Develop the product.
- Create image and promotional strategy.
- Select the correct store location.
- Determine price levels.
- Control the retail mix. (Any 5 × 2) (10)

4.2
- They create awareness of a new product among consumers.
- They convey information.
- They convince the consumer to purchase the product or service.
- They convince channel members to stock certain products.
- They increase turnover.
- They promote the image of the enterprise.
- They promote specific, important activities.
- They expand the product image.
- They inform consumers about the price of products or services. (10)

4.3
- Advertising
- Direct marketing
- Personal sales
- Publicity/public relations (Any 4 × 2) (8)

4.4
- The product is unique and new to the market.
- The potential customers know relatively little about the product.
- 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.
- 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 5 × 2) (10)

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4.5
- 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)

[50]

QUESTION 5

5.1 5.1.1
- Products are advertised at a price lower than the usual profit margins or at cost price.
- The strategy is to attract more customers, hoping they would also buy other products at the normal price. (Any 1 × 2)

5.1.2
- Prices that are kept at a fixed level for an extended period of time.
- When the cost of the product increases, the company does not increase the price. (Any 1 × 2)

5.1.3
- Consumer uses the price as a measure to evaluate the quality of the product.
- If the price is high, consumers assume that the product is of high quality and vice versa. (Any 1 × 2)

(3 × 2) (6)

5.2
- New uses of the product can be developed with existing consumers
- Use promotions to increase sales
- Gain new customers to broaden the market (3 × 2) (6)

5.3
- It is used for enclosure and protection.
- It is used for market development.
- It is used to increase profitability.
- Packaging plays an important role in marketing communication.
- Packaging facilitates market segmentation.
- Packaging can be used to differentiate products.
- Packaging is necessary for effective transportation, handling and storage.

(Any 4 × 2) (8)

5.4
- Better utilisation of shelf space
- Accurate price recovery and indication
- Improved stock control of every product item possible
- Improved cash register productivity
- Application of prices unnecessary – easy price changes
- Eliminating purposeful price reduction by cashiers
- Improved control over shoplifting (Any 5 × 2) (10)

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5.5
- Inflation
- Interest rates (2 × 2) (4)

5.6
- Economy
- Geographical concentration of buyers
- Competition
- Buying habits of the market
- Existing distribution structures
- Quantitative and qualitative events (6 × 2) (12)

5.7 Brand
- A mark, name, symbol or design that identifies a seller's products and differentiates and distinguishes them from similar competitive products.

Trademark
- It refers to those words, symbols or marks allowed by law to be used on a product.

(2 × 2) (4)
[50]

QUESTION 6

6.1
- 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 consumers know 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 consistent quality standard.
- A brand helps immensely in the distinction/identification of the product.

(Any 5 × 2) (10)

6.2
- Improved client service is ensured.
- Out-of-stock situations and loss of sales are prevented.
- The competitive position of the company is improved.
- Transportation of large quantities is possible.
- It defends the business against uncertainties in the demand for specific products.
- It could help with the elimination of negative effects due to strikes.(Any 5 × 2) (10)

6.3
- The contract is for a limited period and must be renewed by the franchisor.
- Little freedom due to prescribed work schedule.
- Control by franchisor.
- High start-up money required.
- Failure of one outlet may negatively affect other franchisees. (5 × 2) (10)

6.4
- Organisation for product development
- Development of ideas
- Screening ideas
- Product concept development
- Profitability analysis
- Physical product development
- Test marketing
- Commercialisation (Any 4 × 2) (8)

6.5
- The availability of substitute products
- The price in relation to the consumer's buying power
- The durability of the product
- The various uses of the product (Any 3 × 2) (6)

6.6
- More equal occupation of production capacity
- Improvement of the cash flow position of the business
- Lowering stock-keeping costs
- Higher sales quantities in off seasons (Any 3 × 2) (6)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 180

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