higher education & training

Department:
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REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

(4030065)

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MARKETING MANAGEMENT N5
TIME: 3 HOURS
MARKS: 200

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

INSTRUCTIONS AND INFORMATION

1. Answer all the questions in SECTION A.

2. Answer any THREE of the four questions in SECTION B.

3. Read all the questions carefully.

4. Number the answers according to the numbering system used in this question paper.

5. Use only a black or blue pen.

6. Write neatly and legibly.

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SECTION A

Answer all the questions in SECTION A.

QUESTION 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 (1.1–1.15) in the ANSWER BOOK.

1.1 Toothpaste is an example of a ... product

A durable
B non-durable
C emergency
D speciality

1.2 'Distribution decisions' is an integral marketing strategy of the ... phase of a product life cycle.

A introduction
B growth
C maturity
D declining

1.3 The … product is the actual benefit that the user expects from a product.

A formal
B core
C augmented
D durable

1.4 Products with the right brand name for social acceptance satisfy consumers on a … level.

A functional
B psychological
C profound
D physiological

1.5 When an enterprise widens its product mix it is called ...

A standardisation.
B differentiation.
C diversification.
D specialisation.

1.6 For the purpose of marketing management, products are divided into ... groups using certain criteria.

A heterogeneous
B different
C homogeneous
D several

1.7 Intermediaries reduce the …

A number of risks involved in distribution.
B number of transactions.
C total effort required in the distribution channel.
D length of the distribution channel.

1.8 A benefit of the vertical marketing system is ...

A improved sales figures.
B better negotiation.
C improved return on investments.
D discouragement of competitors.

1.9 Standardised products need little after-sales service and … channels are used for their distribution.

A long direct
B longer indirect
C short direct
D shorter direct

1.10 The ... policy must be considered by manufacturers when choosing intermediaries.

A product
B price
C promotion
D distribution

1.11 A … offers a diverse range of products mainly in rural towns.

A convenience store
B general dealer
C superstore
D family store

1.12 … is/are NOT an external factor that might influence the price strategy.

A The economy
B Nature of demand
C Costs
D Competition

1.13 Average cost per unit can be calculated by dividing the … costs by the number of units produced.

A marginal
B total fixed
C total variable
D total

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1.14 Operating supplies are sometimes said to be the … goods of the industrial sector.

A speciality
B convenience
C capital
D maintenance

1.15 Conflict between two retailers is an example of ... conflict.

A peer
B verticle
C horizontal
D trader

(15 × 2) **[30]**

QUESTION 2

Choose the correct term from those given in brackets. Write only the answer next to the question number (2.1–2.10) in the ANSWER BOOK.

2.1 (Quantitative/Qualitative) information is about the age, income and lifestyle of the consumers interested in the product idea.

2.2 When making use of (electronic scanning/barcoding), it is unnecessary for the retailer to place prices on every product.

2.3 According to (test marketing/market testing) the product is marketed in a limited area of the market.

2.4 The (structure/size) of the consumer market may influence the length of the distribution channel.

2.5 The (horizontal/vertical) distribution channel consists of different levels from which mediators can act.

2.6 (Self-service/Full-service) wholesalers stock a wide range of products.

2.7 (Buyers/Consumers) mainly perceive prices as an indicator of quality.

2.8 The (final/basic) price is calculated after certain price differentials have been made.

2.9 Demand is (elastic/inelastic) when the change in demand is more than the change in price.

2.10 The (product/price) strategy is usually seen as the essence of the marketing mix.

(10 × 2) **[20]**

TOTAL SECTION A: 50

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SECTION B

Answer any THREE of the four questions in SECTION B.

QUESTION 3

Read the case study and answer the questions.

Value for Money

'Our mission is to deliver low prices in a world-class shopping environment to customers across the African continent. We bring choice, quality products and job creation to communities in all the countries we serve. Our low-cost promise has been the foundation of our business for close to 40 years and we are relentless in our efforts to keep our business efficient and our prices low,' according to Shoprite.

Essentials, one of a few Shoprite brands, offers small appliances to customers which promise to be great value for money. Manufactured and imported exclusively for Shoprite, the range boasts a wide selection of kitchen and home appliances to fit every pocket. It boasts a large range of essential items such as kettles, irons, toasters, microwave ovens and mini-ovens, as well as luxury appliances which include lines such as coffee makers and sandwich makers – all with a 1-year warranty.

[Adapted from: *www.shoprite.co.za*]

3.1	3.1.1	What type of brand is Essentials?	(1 × 2)	(2)
	3.1.2	State FOUR disadvantages of this type of brand.	(4 × 2)	(8)
3.2		Name TWO types of consumer products with which the Essentials products are associated and motivate each type by explaining how these types of products apply to Essentials products such as microwave ovens.	(5 × 2)	(10)
3.3	3.3.1	What type of distribution strategy is typically associated with the types of consumer products mentioned in QUESTION 3.2?	(1 × 2)	(2)
	3.3.2	State FOUR characteristics of the distribution strategy you mentioned in QUESTION 3.3.1.	(4 × 2)	(8)
3.4		Give FIVE reasons why new products should be developed continuously.	(5 × 2)	(10)
3.5		Branding sets a product apart from the rest.		
		State FIVE advantages of brands for consumers.	(5 × 2)	(10)
				[50]

QUESTION 4

4.1 A shorter product life cycle is mainly caused by rapid changes in the marketing environment.

State THREE main causes of a shorter product life cycle. (3 × 2) (6)

4.2 Briefly explain the following terms:

4.2.1 Industrial products (2)

4.2.2 Commercial services (4)

4.2.3 Speciality products (4)

4.3 State FOUR advantages of vertical marketing systems. (4 × 2) (8)

4.4 Name FIVE functions of wholesalers. (5 × 2) (10)

4.5 Name the following psychological prices:

4.5.1 R40,95

4.5.2 Prices of designer clothes

4.5.3 Prices are kept at a fixed level

(3 × 2) (6)

4.6 A promotion mix varies from product to product.

State FIVE factors that might influence the choice of a promotion mix. (5 × 2) (10)
[50]

QUESTION 5

5.1 State SIX possible sources of conflict in a distribution channel. (6 × 2) (12)

5.2 In which category of industrial products would you place the following products:

5.2.1 Pencils

5.2.2 Crude oil

5.2.3 Cleaning services

5.2.4 Computers

5.2.5 Roadwork vehicles

(5 × 2) (10)

5.3 A price strategy enables a company to determine a basic price.

State FIVE steps to determine the final price. (5 × 2) (10)

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5.4 Distinguish between the following terms:

5.4.1 Brand

5.4.2 Brand name

5.4.3 Trademark

5.4.4 Masterbrand

(4 × 2) (8)

5.5 Discounts are often offered to traders.

Name THREE types of discount generally granted to intermediaries. (3 × 2) (6)

5.6 Distinguish between *implicit communication* and *explicit communication*.

(2 + 2) (4)

[50]

QUESTION 6

6.1 Constant product development is imperative for the growth of a business.

State SIX valuable sources of product ideas. (6 × 2) (12)

6.2 Briefly explain the following terms:

6.2.1 Speciality stores

6.2.2 Department stores

6.2.3 Wholesale hawkers

(3 × 2) (6)

6.3 Give FIVE reasons why stock-keeping is necessary. (5 × 2) (10)

6.4 Name TWO internal factors that might influence the price strategy. (2 × 2) (4)

6.5 Name FOUR elements that the promotion mix of a company consists of.

(4 × 2) (8)

6.6 State FIVE types of products that require short, direct channels. (5 × 2) (10)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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