201306H179

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1000**(E)**(M28)H
**JUNE EXAMINATION**

**NATIONAL CERTIFICATE**

# MARKETING MANAGEMENT N5

(4030065)

**28 May 2013 (Y-Paper)**
**13:00–16:00**

**This question paper consists of 9 pages.**

Copyright reserved

# 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. All work you do not want to be marked, must be clearly crossed out.

**INSTRUCTIONS AND INFORMATION**

1. Answer ALL the questions in SECTION A and only THREE questions in SECTION B.
2. Read ALL the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Write neatly and legibly.

---

Copyright reserved

## SECTION A (COMPULSORY)

## 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 The actual benefit or need satisfaction that the user expects from the product is known as a ...

A formal product.
B total product.
C product image.
D core product.

1.2 A group of closely related products offered by an organisation is called a ...

A product range.
B product item.
C product mix.
D product line.

1.3 The value expressed in terms of rand and cent is known as the ...

A place.
B price.
C replacement value.
D return value.

1.4 When coding a message, a marketer should NOT do the following:

A Know what level of language the target market can understand
B Avoid signs that have several meanings
C Include all possible product information
D Attempt to minimise noise

1.5 The stage in the adoption process in which buyers are motivated to find more information about a product is the ... stage.

A awareness
B interest
C adoption
D evaluation

Copyright reserved

1.6 Merchant wholesalers tend to fall into two broad categories. These categories are ...

A full-price and off-price.
B full-service and limited-service.
C full-service and no-service.
D technical and non-technical.

1.7 Ngwato Mmatalane is thinking about purchasing a Nando's franchise. ONE of the major advantages of franchises for her to consider is the ...

A lower start-up costs.
B greater freedom it provides.
C individuality it offers.
D higher success rate for franchises.

1.8 Convenience products can best be described as ...

A those items that are somewhat expensive but easy to purchase.
B those items that make life easier and save time.
C those items that require some purchase planning and for which the buyer often will not accept substitutes.
D relatively inexpensive, frequently purchased items for which buyers only exert minimal purchasing effort.

1.9 A new product is more likely to move quickly through the early stages of the product life cycle when the ...

A product can be given a trial.
B advantages of the product are easy to communicate.
C product is easy to use.
D All the above-mentioned

1.10 Which ONE of the following is NOT an example of sales promotion?

A Point of purchase displays
B Free samples
C A '20 cents off' coupon
D A banner ad on the internet

1.11 The idea that people pay extra for quality and status is the idea behind ... pricing

A penetrating
B bait
C demand-backward
D prestige

Copyright reserved

1.12 Which ONE of the following statements refers to product simplification?

A A group of firms or authorities decide to set acceptable specific dimensions, norms or standards to evaluate their goods
B The firm purposefully limits the variety of dimensions, shapes, quality and other attributes of the product
C Elimination of product items or product lines from the existing product mix in order to narrow the mix
D A strategy used to expand the product mix by adding new (more) product items or product lines to the existing mix

1.13 A product positioning chart:

A shows where the product must be placed on the retailer's shelf
B compares different brands
C shows the position of a product in comparison to that of competitive products
D indicates market features and product features

1.14 The length of the distribution channel is founded on the following factors:

A The channels used by competitors
B Whether management would like to keep full control over the activities in the channel or not
C Whether the product is perishable or not
D All the above-mentioned

1.15 Which ONE of the following terms refers to the prevention of a product from completely disappearing from the market?

A Repositioning
B Break-even analysis
C Diversification
D Decentralisation (15 × 2) **[30]**

Copyright reserved 

## QUESTION 2

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number (2.1–2.10) in the ANSWER BOOK.

2.1 A product item is a single object, one particular version of a product with a name peculiar to it.

2.2 The term 'marketing communication mix' is used as a collective to describe the product, price, distribution and promotion.

2.3 Packaging is essential for the protection, storing and physical handling of products.

2.4 Products have, just like human beings, specific life cycles.

2.5 Products need not be supported by all other elements of the marketing mix if they are to survive pressures from competitors.

2.6 With the one-price policy, the firm charges the same price to all customers who seek to purchase products under similar conditions.

2.7 Flexible price strategy does not allow the marketer to adjust prices based on the consumer's ability to negotiate.

2.8 The addition of a new product (brand) means immediate costs for middlemen while possible advantages are uncertain.

2.9 Conflicts in a channel occur when a member of the channel tries to extend his/her position by means of, for instance changing the inventory level or not honouring conditions of sales.

2.10 The creation of an advertisement has three mutually dependent dimensions, namely copy writing, visualisation and copy-layout. (10 × 2) **[20]**

**TOTAL SECTION A: 50**

Copyright reserved 

## SECTION B

Answer any THREE questions in this section.

## QUESTION 3

## CASE STUDY: CLOVER SA

CLOVER SA is a new name in the South African corporate world as CLOVER was the original name. The purpose of the name change to CLOVER SA was to identify the company more closely with its best-known brand and the wholesome country products it processes and distributes. CLOVER SA products will display the red and blue corporate emblem which guarantees superior quality, innovation and great taste. CLOVER SA's trading motto – 'best tasting dairy' reflects the fact that it has the most technologically advanced, innovative and consumer orientated products in the industry.

[Govender L. (et. al), *Pathways to Marketing*, NCV Level 2, 2007, p. 64]

| | | | |
|---|---|---|---|
| 3.1 | What is the original name of Clover SA? | (1 × 2) | (2) |
| 3.2 | Give ONE reason why the organisation changed its original name. | (1 × 2) | (2) |
| 3.3 | Name any TWO products produced by Clover SA. | (2 × 2) | (4) |
| 3.4 | What is the slogan of this company? | (1 × 2) | (2) |
| 3.5 | Identify any competitor of Clover SA. | (1 × 2) | (2) |
| 3.6 | List EIGHT steps that the organisation can use in constructing its distribution channel. | (8 × 2) | (16) |
| 3.7 | Organising for the development of new products is the first step in the product development process. State FIVE ways in which Clover SA can organise itself for a new product development process. | (5 × 2) | (10) |
| 3.8 | Briefly explain the following price strategies to the manager of this company: | | |
| 3.8.1 | Bait or lure pricing | | |
| 3.8.2 | Leader pricing | | |
| 3.8.3 | Unit price strategy | | |
| 3.8.4 | Adjustable price strategy | (4 × 3) | (12) |
| | | | **[50]** |

Copyright reserved

## QUESTION 4

4.1 Explain the following terms:

4.1.1 Product specialisation (1 × 3) (3)

4.1.2 Product diversification (1 × 3) (3)

4.2 The development of a radio with a hand-operated rechargeable battery has passed the screening, concept development and concept testing stages. It is now time for physical product development and physical product testing before commercialisation can take place.

Describe the aspects that must be covered and which decisions have to be taken during the physical product development and testing stages. (7 × 2) (14)

4.3 Conflict between manufacturers and retailers usually occurs when there is insufficient co-operation and co-ordination. In light of this statement, state FIVE measures you could take to prevent conflict and thereby obtain co-operation. (5 × 2) (10)

4.4 When determining a price, a logistical and systematic process of pricing is required. Name the steps in the formulation of a price strategy. (5 × 2) (10)

4.5 Why are trademarks so important to consumers? (5 × 2) (10)
**[50]**

## QUESTION 5

5.1 What do you understand by *elasticity of demand*? (1 × 2) (2)

5.2 A warehouse is a specialised facility, which serves as a subsection of a physical distribution system. It has been elected to achieve a certain service level at the lowest possible cost.

Which factors play a role in the choice of a warehouse? (6 × 2) (12)

5.3 Labelling plays a major role in packaging and branding. Its main objective is to present information to the client/consumer.

5.3.1 Name TWO types of labels. (2 × 2) (4)

5.3.2 State FIVE advantages of labelling. (5 × 2) (10)

Copyright reserved 

5.4 You are a manufacturer of sports shoes. You are determined to enter the competitive leisure shoe market by means of a market penetration price strategy.

Explain this strategy and the circumstances under which it would be a success. (7 × 2) (14)

5.5 List EIGHT steps in the advertising campaign. (8 × 1) (8)
**[50]**

## QUESTION 6

6.1 Explain the following pricing methods:

6.1.1 Break-even analysis

6.1.2 Cost plus method (2 × 2) (4)

6.2 Which product factors influence the length of the distribution channel? (5 × 2) (10)

6.3 State SIX advantages of bar cording and electronic scanning for the consumer. (6 × 2) (12)

6.4 Name THREE objectives of promotion. (3 × 2) (6)

6.5 List EIGHT steps in the new product development process. (8 × 1) (8)

6.6 What are the requirements of a good trademark? (5 × 2) (10)
**[50]**

**TOTAL SECTION B: 150**
**GRAND TOTAL: 200**

Copyright reserved