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NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

(4030065)

13 November 2013 (X-Paper)
09:00–12:00

This question paper consists of 9 pages.

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

INSTRUCTIONS AND INFORMATION

1. SECTION A is COMPULSORY.
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. Write neatly and legibly.

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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 Batteries, umbrellas and medicines are good examples of …

A impulse products.
B emergency products.
C staple products.
D unsought products.

1.2 During the … phase, profits peak and then begin to decline.

A maturity
B introduction
C decline
D growth

1.3 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.

1.4 Mokgaga is thinking about purchasing a Nando's franchise.

ONE of the major advantages of franchises that he may consider is the …

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

1.5 Costs that are always constant irrespective the fact that the company produces or not are known as …

A average costs.
B variable costs.
C fixed costs.
D marginal costs.

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1.6 Relative to intensive and exclusive distribution, selective distribution …

A has fewer intermediaries.
B has more middlemen than exclusive distribution and fewer than intensive distribution.
C has more intermediaries.
D is generally considered to give the channel leader less control.

1.7 Ngoato is looking for a special pair of socks and goes to The Sock Spot, a shop that sells only socks, stockings, ties and scarves. This type of business is called a …

A specialty store.
B family store.
C convenience store.
D department store.

1.8 Which ONE of the following does NOT form part of the communication channel?

A Receiver
B Sender
C Message
D None of the abovementioned

1.9 … means the seller pays for delivering goods to the buyer.

A Free on board
B Freight equalising
C Multiple regional prices
D Freight absorption strategy

1.10 If the employees of Cadbury's meet to discuss and identify the types of snacks that today's young people want, they are engaging in the … phase of new product development.

A idea generation
B screening
C product development
D test marketing

1.11 A … is a single object, one particular version of a product with a name particular to it.

A product line
B product range
C product item
D All the abovementioned

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1.12 A wholesale business is a firm that primarily …

A sells goods or services to end users for nonbusiness use.
B produces a product and sells it to a distributor.
C sells goods or services to other firms for resale or business use.
D produces a product and sells it through its own sales force.

1.13 … means that an increase or a decrease in price will not significantly affect the demand for the product.

A Elastic demand
B Replacement value
C Yield or return value
D Inelastic demand

1.14 Which ONE of the following is NOT characteristic of the product line?

A Satisfy similar needs
B They can be used together
C The products are bought by the same consumer group
D None of the abovementioned

1.15 … buy products from the wholesaler or sometimes from the producer and then sells this to the public in smaller volumes.

A Brokers
B Agents
C Wholesalers
D Retailers

(15 × 2) **[30]**

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QUESTION 2

Give ONE word/term for each of the following descriptions by choosing a word/term from the list below. Write only the word/term next to the question number (2.1–2.10) in the ANSWER BOOK.

horizontal channel system; vertical channel system; market price; product specialisation; bar coding; cost-plus pricing, product diversification; promotional discount; positioning map; repositioning; patent; product image

2.1 An effort to lengthen the product life cycle

2.2 Special numbering of product items in order to make them readable by electronic devices

2.3 The elimination of product items, product lines or product ranges in order to narrow the product mix

2.4 The price which the consumer is willing to pay for the product that satisfies a need

2.5 Middlemen consist of a hierarchy of levels of manufacturers, wholesalers and retailers

2.6 A payment to a dealer for promoting the manufacturer's products

2.7 A system consisting of middlemen on the same level

2.8 The cost of buying a product from the producer plus amounts for profit and expenses not otherwise accounted for

2.9 A chart to compare a certain product attribute with other competing products

2.10 Registering a product or parts of a product to prevent other manufacturers from copying it

(10 × 2) **[20]**

TOTAL SECTION A: 50

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SECTION B

Answer any THREE questions from this section.

QUESTION 3

Study the following case study and then answer the questions.

SMS-PURE

SMS-Pure is a new product that a cellphone operator wants to launch in South Africa. SMS-Pure will allow subscribers to send and receive an unlimited number of SMSs from their cellphones. But they will not be able to make or receive voice calls on their cellphones. The marketing objective is to sell this product to people who feel that ordinary cellphone contracts or airtime is too expensive. The cellphone company's intention is that SMS-Pure will be much cheaper than other cellphone usage.

[Source: *Marketing NCV4, 2009, p.24, Barret J. et.al*]

3.1	What does the abbreviation SMS stand for?		(2)
3.2	Name THREE well-known cellphone companies in South Africa.	(3 × 2)	(6)
3.3	As a marketing student analysing the market of SMS-Pure, what do you think would be its strengths and weaknesses?	(2 × 2)	(4)
3.4	What is the marketing purpose of SMS-Pure?		(2)
3.5	New products are categorised in terms of how they are perceived by businesses and the market place.		
	Name FOUR categories of new products according to this viewpoint.	(4 × 2)	(8)
3.6	Which market factors will influence the length of the distribution channel of SMS-Pure?	(5 × 2)	(10)
3.7	Mention FOUR marketing communication mix-elements that can be used by this organisation to market its product.	(4 × 2)	(8)
3.8	Test marketing of the new product is one of the steps in the product development process. Five decisions should seriously be dealt with by marketing management during test marketing.		
	Name those FIVE decisions.	(5 × 2)	(10)
			[50]

AND/OR

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QUESTION 4

4.1	Define the following:			
	4.1.1	Distribution		
	4.1.2	Promotion		
	4.1.3	Industrial goods		
	4.1.4	Discounts	(4 × 3)	(12)
4.2	Give THREE forms of direct marketing.		(3 × 2)	(6)
4.3	Which media factors must be considered when choosing advertising media?		(4 × 2)	(8)
4.4	What are the advantages of electronic scanning for the producer?		(5 × 2)	(10)
4.5	Clearly distinguish between *durable products* and *nondurable products.*		(2 × 2)	(4)
4.6	Name FOUR supply-orientated methods for determining a target price.			(4)
4.7	Indicate THREE activities of physical distribution.		(3 × 2)	(6)
				[50]

AND/OR

QUESTION 5

5.1	What is *product guarantee*?		(2)
5.2	Distinguish in detail between a *push strategy* and a *pull strategy.*	(6 × 2)	(12)
5.3	State FIVE trends in retailing.	(5 × 2)	(10)
5.4	The product life cycle consists of four phases. Each of these phases shows unique characteristics in terms of consumer requirements and buying behaviour, competitive intensity and levels of profitability.		
	State FIVE characteristics of the introductory phase.	(5 × 2)	(10)
5.5	List FIVE external factors influencing the price strategy.	(5 × 2)	(10)

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5.6 Briefly explain the following:

5.6.1 Physical obsolescence

5.6.2 Planned obsolescence (2 × 3) (6)
[50]

AND/OR

QUESTION 6

6.1 What is the difference between *brand name* and *brand mark*? (2 × 2) (4)

6.2 The nature of the packaging plays a major role in certain marketing activities like the handling, protection, storing and transportation from the producer to the consumer.

Why is packaging important for any organisation? (4 × 2) (8)

6.3 Name FOUR bases that can be used by a company to distinguish/differentiate its product or service physically and/or psychologically from other competitive products. (4 × 1) (4)

6.4 Give a detailed explanation of a *skimming price strategy*. (7 × 2) (14)

6.5 Discuss hypermarkets as a retail method. (5 × 2) (10)

6.6 What are the key tasks in retail management and planning? (5 × 2) (10)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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