higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

MARKETING MANAGEMENT N5

13 NOVEMBER 2014

This marking guideline consists of 7 pages.

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SECTION A (COMPULSORY)

QUESTION 1

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

(15 × 2) **[30]**

QUESTION 2

2.1 Logistics
2.2 Depth of the product range
2.3 Counter service
2.4 Freight equalising strategy
2.5 Freight absorption price
2.6 Self-service
2.7 Free-on-board strategy
2.8 Width of the product range
2.9 Formal product
2.10 Agent

(10 × 2) **[20]**

TOTAL SECTION A: 50

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SECTION B

QUESTION 3

3.1 New packaging is difficult to open and tends to spill the contents (3 × 1) (3)

3.2
- Conduct a research
- Test marketing
- Evaluation by SABS (3 × 1) (3)

3.3
- Is test marketing necessary?
- Management must have clarity about the objectives of the test marketing
- Decisions should be taken as to who will do the test marketing
- Marketing management should know which procedure and method will be used during test marketing
- With test marketing results available, management must take decisions about mass productions and marketing of new products (5 × 2) (10)

3.4
- Market development of new products
- Product differentiation
- Increase the profitability of products
- Marketing communication of the product
- Market segmentation/market products to different market segments

(5 × 2) (10)

3.5
- Costs
- Organisational factors
- Marketing mix (3 × 2) (6)

3.6
- Advertising – any form of non-personal conveyance of a message
- Personal sales – the oral and personal offerings of any product or service to a potential client
- Sales promotion – methods applied to persuade the potential client to buy the product or service. Examples: demonstrations, exhibitions, road shows, et cetera
- Publicity – personal or non-personal stimulation of demand for a product or service. It contains the use of press, radio and television (4 × 3) (12)

3.7 3.7.1 Quantity discounts – granted to intermediates because they buy in large volumes

3.7.2 Trade discounts – granted to wholesalers and retailers for the distribution task which they execute in the channel

3.7.3 Promotional allowances – thus a payment to a dealer for promoting manufacturer's products

(3 × 2) (6)

[50]

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QUESTION 4

4.1 4.1.1 Diversification – expansion of the product mix by adding additional product lines and product items to the product range

4.1.2 Specialisation – elimination of product items, product lines or product range in order to narrow the product mix

4.1.3 Simplification – applied where a company limits the forms, quality ,dimensions and other features of a specific product on purpose

4.1.4 Market price – price which the consumer is willing to pay for the need-satisfying product

(4 × 3) (12)

4.2
4.2.1 Franchiser
4.2.2 Product/Service
4.2.3 Franchiser
4.2.4 Franchisee
4.2.5 Franchiser
4.2.6 Franchisee
4.2.7 Franchiser

(7 × 2) (14)

4.3
- Ownership limited for a certain period
- Prescribe work schedule
- Control by franchiser
- High start-up money
- Negative publicity of one franchisee affects all franchise holders

(Any 4 × 2) (8)

4.4
- Flattening of the sales growth rate
- Production differentiation, product line extension and improved service
- Profit margins of retailers decrease
- More intensive competition
- Management challenges (Any 4 × 2) (8)

4.5
- Control their market share
- Make product diversification easier
- Form basis for marketing communications
- Helps in comparing the price of products
- Seller of product is protected against other brands
- Successful brands add value to the products (Any 4 × 2) (8)

[50]

QUESTION 5

5.1 5.1.1 Planned – occurs when products are developed in such a way that the lifetime of a product can be predetermined

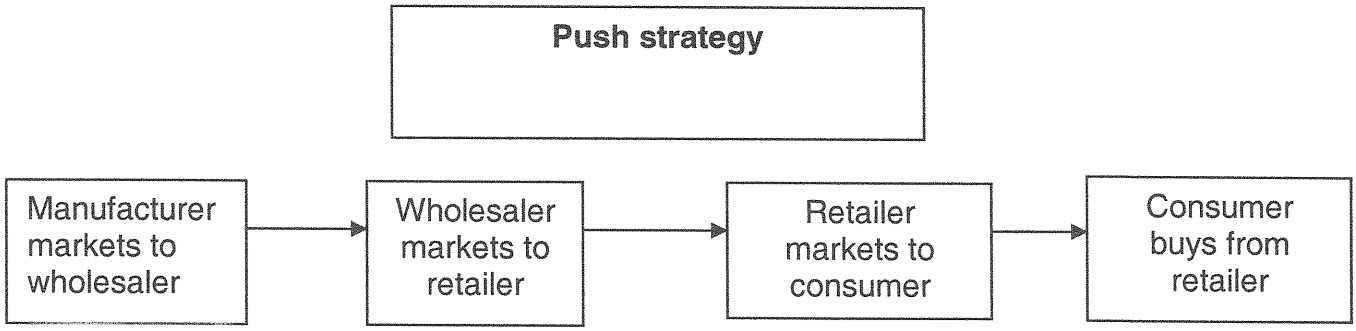
5.1.2 Physical – takes place because of handling and repeated use when the product wears out and becomes technically unfit for use

5.1.3 Psychological – occurs when competitive products give consumer greater real/imaginary need-satisfaction, even if the old product might be physically fit for the intended use

(3 × 3) (9)

5.2
- Diversified presentation of products
- Impersonal retail sales
- Disappearance of traditional classification
- Increase of productivity
- Developing of polarisation
- Purchase of goods by making use of telephone orders and internet
- The use of own brands by retailers
- Growth in direct marketing
- Growth in sales directly to the public by manufacturers (Any 5 × 2) (10)

5.3 Push strategy – manufacturer makes use of aggressive personal sales and advertising to persuade the wholesalers and retailers to buy his product and to keep it available
Pull strategy – manufacturer concentrates mainly on the consumer (by using aggressive persuasive advertising)



(6 × 2) (12)

5.4
- Consumer and his needs
- Sales force and retailers
- Competitors
- Top management
- Employees
- Overseas markets
- Road shows
- Internet (Any 4 × 2) (8)

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5.5
- Organisation for product development
- Development of ideas
- Screening ideas
- Product concept development
- Profitability analysis
- Physical product development
- Test marketing
- Commercialisation (8 × 1) (8)

5.6 Elasticity of demand – is the consumers' responsiveness to price (i.e the degree to which quantity demanded fluctuates with changes in price) (3)
[50]

QUESTION 6

6.1
- Impulse – products bought without any planning
- Emergency – products bought when the need arises
- Staple – products bought on frequent (9)

6.2
- Risk
- Storing
- Financing
- Sales and promotion
- Transporting
- Buying in bulk
- Anticipating consumer needs and buying patterns (Any 5 × 2) (10)

6.3
- Availability of substitute products
- Price in relation to the consumer' s buying power
- Durability of the product
- Other or various uses of the product (Any 3 × 2) (6)

6.4
- Nature of the demand
- Consumer behaviour
- Competition
- Actions by suppliers
- Actions by authorities
- Economic conditions (6 × 2) (12)

6.5
- Should be easily pronounced
- Should be versatile
- Should be original and distinguishable
- Should point to a high quality
- Should create a unique image of exclusivity
- Should tell something about the product
- Should be legally protected
- Should also be easy to remember (Any 5 × 2) (10)

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6.6
- Inform
- Persuade (Convince)
- Remind

(3 × 1) (3)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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