higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

(4030065)

13 November 2014 (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 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 ... products are products a consumer needs but is not willing to spend much time and effort shopping for.

A Speciality
B Homogeneous shopping
C Convenience
D Heterogeneous shopping

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

A interest
B awareness
C adoption
D evaluation

1.3 Which ONE of the following factors is NOT considered in the choice of warehouses/stores?

A Nature of packaging
B The availability of labour
C Centralisation or decentralisation
D The location of the warehouse

1.4 Exclusive distribution means selling through ...

A fewer retail points.
B all responsible and suitable retailers or wholesalers.
C only one middleman in a particular geographic area.
D all retail outlets.

1.5 Noise in the communication process refers to ...

A messages which are too loud.
B radio advertising interference only.
C the encoded message before it is decoded.
D any distraction that lessens the effectiveness of the communication process.

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1.6 Shoes are normally regarded as ...

A non-durable goods.
B durable goods.
C service.
D speciality goods.

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

A Elastic demand
B Replacement value
C Consumer surplus
D Inelastic demand

1.8 SE Baroka Apple Co. buys fresh apples in truckload quantities, regroups the heterogeneous lots according to grade and then sells them to retailers. This activity is called ...

A sorting.
B breaking.
C elevating.
D accumulating.

1.9 Fridges, stoves and washing machines refer to ...

A consumable supplies.
B impulse products.
C heterogeneous shopping products.
D homogeneous shopping products.

1.10 Which ONE of the following gives the correct order of the steps in the new-product development process?

A Idea generation, screening, product concept development, profitability analysis, physical product development, test marketing, commercialisation
B Idea generation, idea evaluation, development, screening, profitability analysis, commercialisation, test marketing
C Product development, idea generation, screening, commercialisation,
D Idea evaluation, test marketing, profitability analysis order is of no importance, as long as all the steps are followed

1.11 Manufacturers' brands are also called ... brands.

A generic
B resellers
C national
D family

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1.12 ... is the initiator of the message which is sent to the receiver or audience.

A Formulation
B Source
C Interpreter
D Conveyer

1.13 Which ONE of the following is NOT a key task in retail management and planning?

A Develop the product
B Select the correct store location
C Determine price levels
D Buying in bulk

1.14 Assume that you have invented something new.

How would you protect your new invention?

A Secrecy
B Copyright
C Patent
D Trademark

1.15 ... labels identify the quality of a product with a letter, a number or a word.

A Brand
B Grading
C Descriptive
D Competitive

(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.

product item; core product; width of the product range; counter service; freight absorption price; freight equalising strategy; self-service; depth of the product range; free-on-board strategy; logistics; formal product; agent; product image

2.1 Another name for physical distribution

2.2 Number of product items existing in a product line

2.3 Take place where products are placed out of reach of the customer and the consumer must make use of sales personnel to be served

2.4 All the buyers pay the same transport costs whatever their geographical location

2.5 The seller pays for delivery of products to the buyer

2.6 The consumer himself/herself can choose his/her products and then pays at a cash register

2.7 A price tactic that requires the buyer to absorb the freight costs from the shipping point

2.8 Number of product lines an organisation offers

2.9 Simply the physical object or service offered to a specific market

2.10 An independent entity that represents one or more companies and introduces their products and/or services and sell them at a commission

(10 × 2) **[20]**

TOTAL SECTION A: 50

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SECTION B

Answer any THREE questions in this section.

QUESTION 3

Read the case study below and answer the questions.

YUMMY FOODS

Abdul is the marketing manager of Yummy Foods, which makes food products for babies. Six months ago the company introduced new packaging for its products, but sales figures have since dropped.

In a half-yearly report Abdul discovers that consumers have been complaining to the customer service department about the new packaging from the beginning, because it is difficult to open and tends to spill the contents.

[Barrett J. et.al, *Marketing Level* 4, 2009, pp.41–42]

3.1 What is the main complain by consumers regarding packaging of Yummy Foods? (3 × 1) (3)

3.2 Suggest what was supposed to be done by this company before it can introduce this new packaging on the market? (3 × 1) (3)

3.3 State FIVE decisions that should be dealt with by marketing management of Yummy Foods in test marketing of their new products. (5 × 2) (10)

3.4 Packaging is also part of the new product decisions in a company. It is essential for the protection, storing and physical handling.

Why is packaging important for this organisation? (5 × 2) (10)

3.5 Name THREE internal factors that might influence the price strategy for Yummy Foods. (3 × 2) (6)

3.6 Name and briefly explain FOUR promotional mix elements that this company can use to market their products. (4 × 3) (12)

3.7 Distinguish between the following:

3.7.1 Quantity discount

3.7.2 Trade discount

3.7.3 Promotional allowances

(3 × 2) (6)

[50]

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QUESTION 4

4.1 Explain the following terms:

4.1.1 Diversification

4.1.2 Specialisation

4.1.3 Simplification

4.1.4 Market price

(4 × 3) (12)

4.2 Complete the following paragraph by filling in the missing word(s). Write only the word(s) next to the question number (4.2.1–4.2.7) in the ANSWER BOOK.

FRANCHISING AGREEMENTS

In this company the supplier (4.2.1 ...) gives the franchisee the exclusive right to market his (4.2.2 ...) in a specific geographic market. The (4.2.3 ...) originates the trade name, product, methods of operation, and so on. The (4.2.4 ...) in return, pays the (4.2.5 ...) supplier for the right to use its name, product, or business methods. The (4.2.6 ...) also pays a monthly fee which is calculated as a percentage of the turnover to the (4.2.7 ...).

(7 × 2) (14)

4.3 State FOUR disadvantages of franchising. (4 × 2) (8)

4.4 During the product life cycle, a product moves out of the growth phase and gets into the maturity phase.

State FOUR characteristics of the adult phase. (4 × 2) (8)

4.5 What are the benefits of brands for the marketer? (4 × 2) (8)

[50]

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QUESTION 5

5.1 Explain the following types of obsolescence:

5.1.1 Planned

5.1.2 Physical

5.1.3 Psychological

(3 × 3) (9)

5.2 State FIVE trends in retailing. (5 × 2) (10)

5.3 Clearly distinguish between *push strategies* and *pull strategy.*

Illustrate your answer. (6 × 2) (12)

5.4 You are the manufacturer of sport shoes. If you want to stay ahead in the sport shoes market you must constantly develop new styles and improve products.

Name FOUR possible sources of product ideas. (4 × 2) (8)

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

5.6 Explain what is meant by *elasticity of demand.* (3)
[50]

QUESTION 6

6.1 Name and explain THREE types of convenience products. (3 × 3) (9)

6.2 Give FIVE functions of wholesalers. (5 × 2) (10)

6.3 State THREE factors that influence consumers' reaction to price. (3 × 2) (6)

6.4 State SIX external factors that might influence the price strategy. (6 × 2) (12)

6.5 A good trade name can be chosen according to a certain criteria.

Name FIVE of them. (5 × 2) (10)

6.6 What are the general objectives of marketing communication? (3 × 1) (3)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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