higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1040**(E)**(D2)H
NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

(4030065)

2 December 2016 (X-Paper)
09:00–12:00

This question paper consists of 8 pages.

GENERAL STUDIES

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

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

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
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.

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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 (1.1–1.10) in the ANSWER BOOK.

1.1 Which ONE is a factor of production?

A Salaries
B Demand
C Consumer
D None of the above

1.2 Which ONE of the following promotional mix elements is non-personal?

A Personal selling
B Publicity
C Advertising
D B and C

1.3 When a company sets an objective of getting a minimum profit of 20%.

A Satisfactory profit
B Maximum profit
C Target profit
D Return profit

1.4 Natural products are processed to manufacture …

A raw materials.
B accessory equipment.
C partly fabricated materials and parts.
D None of the above

1.5 Buying a product without planning for it can be classified as a … product.

A staple
B impulse
C emergency
D speciality

1.6 Identify an example of a full-service wholesaler.

A Self-service wholesalers
B Cash and carry wholesalers
C Shelf wholesalers
D Mail order wholesalers

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1.7 A factor that influences the promotional mix.

A Nature of the product
B Availability of funds
C Product lifecycle
D All of the above

1.8 All the buyers pay the same transport whatever the geographic location.

A Base-point price
B Freight equalising
C Free-on board
D Leader pricing

1.9 Boardman's is an example of this type of retailer.

A Discount store
B Speciality store
C Factory store
D None of the above

1.10 Which of the following does NOT happen during the adult phase?

A Lower prices
B Rush for retailers
C A and B
D None of the above

1.11 An example of an impulse product.

A Coffee
B Sugar
C Newspaper
D Milk

1.12 When interest rates increase it will have a direct impact on the length of a distribution channel.

The above scenario is a prime example of which factor?

A Market factor
B Product factor
C Business factor
D Government factor

1.13 The easiest method to determine the total advertising budget.

A Units sold method
B Percentage of sales method
C What-is-affordable method
D Follow-up of competitors method

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1.14 Seasonal discount can only be granted when …

A advertising tasks are performed.
B buying R 4 000 worth of products.
C purchasing out of season.
D paying for products within two months.

1.15 During which phase of brand acceptance does the consumer makes use of earlier experiences with a particular product?

A Awareness
B Recognition
C Insistence
D Preference

(15 × 2) **[30]**

QUESTION 2

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

2.1 If the price of the product is high the consumer will think that the product is of (high/low) quality.

2.2 (Elastic/Inelastic) demand means the increase or decrease in price will not significantly affect the demand for the product.

2.3 A newspaper article about the business can be seen as (advertising/ public relations).

2.4 An advertising objective must have a (timespan/budget).

2.5 (Standardisation/Simplification) is involved with product lines and items.

2.6 A company can be classified as a (wholesaler/retailer) when it earns more than 50% from sales to other institutions.

2.7 An opportunity is part of the (internal/external) environment.

2.8 The most popular method wholesalers use to establish a selling price is (cost plus/marginal analysis).

2.9 (Physical/Psychological) obsolescence takes place because of handling and repeated use when the product wears out.

2.10 When the quality of the product appears on the label it is called a/an (informative/grading) label.

(10 × 2) **[20]**

TOTAL SECTION A: 50

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SECTION B

QUESTION 3

Read through the case study below and answer the questions that follow.

BMW i3 and i8 Price Announced for South Africa

BMW has announced pricing for both the i3 and i8 models due to arrive in SA next year.

Update: The four dealerships that will service and sell the BMW i3 and BMW i8 are:
Supertech, Durban
SMG, Cape Town
Sandton Auto, Johannesburg
Club Motors Fountains, Pretoria

BMW i3 and i8 prices in South Africa:
It's said that BMW will sell both the full electric i3 for R 525 000 together with the i3 range extender at R 595 000, while the i8 will be priced from R 1 755 000.

Please note that you will have to install the BMW i-WallBox home charging station at an additional cost of R 25 000.

Both the BMW i3 and i8 first made their South African debut at the 2013 Johannesburg International Motor Show where they showed up with fresh and modern looks that reinterpret the meaning of modern luxury.

The passenger cell of the i3 is made of carbon fibre while sustainable yet high quality materials are used throughout making it a serious green runner for urban environments. The i8 stands low and wide and has the undeniable look of a sports car while its proportions serve to deliver optimal performance. Out of the two cars we're most excited by the i3 which will be a direct rival to the Nissan Leaf.

[Source: www.*cars.co.za*]

3.1	Identify and describe the type of consumer product that BMW sells.	(3 × 2)	(6)
3.2	Which marketing considerations would you apply for the consumer product mentioned in QUESTION 3.1?	(3 × 2)	(6)
3.3	Describe the marketing mix from the case study above.	(4 × 2)	(8)
3.4	Name and explain the intensity of distribution you would use for the above product.	(5 × 2)	(10)
3.5	If a dealer uses franchising to sell the BMW what advantages would the dealer gain?	(5 × 2)	(10)
3.6	Name FIVE competitors of BMW.		(10)
			[50]

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QUESTION 4

Read through the case study below and answer the questions that follow.

Gateway moves to 100% indirect distribution

Gateway started its business by using the direct sales model which enticed customers to buy computers, laptops and other peripherals directly from the company without having to deal with markups when buying from retail locations. Gateway expanded its business model to soon include Gateway retail stores which stuck to the direct sales model but put Gateway in control of offering their products directly to customers in the retail setting. Well the Gateway retail stores soon closed and now it looks like Gateway will be moving away from the direct sales business model altogether.

According to the company's press release, Gateway moved to a 100% indirect sales model effective on Sunday. The company stated that any orders already received through the website and phone number will still be processed but no further orders will be taken. Those with a Gateway gift card will still be able to redeem their card for its full value and can simply call 800-369-1409 for more information. The company will also still honor any saved quotes for a period of 30 days.
Gateway will now offer its products through retailers including Best Buy, Circuit City, CompUSA, Costco, HSN, Newegg, Tiger Direct, Office Depot, OfficeMax and Wal-Mart, in addition to others.

The move comes as a result of Gateway's acquisition by Acer back in August of last year. Gateway's press release stated that the shift in Gateway's distribution method was done, 'to better align with Acer's successful global strategy which was built upon an indirect model.'

[Source: www.*geek.com*]

4.1 Why did Gateway change its distribution strategy? (2)

4.2 Discuss the difference between a *direct distribution channel* and an *indirect distribution channel.* (2 × 2) (4)

4.3 Name FIVE intermediaries from the case study. (5)

4.4 Design a distribution channel which Gateway will now use. (3 × 2) (6)

4.5 Name the NINE steps in the composition of a distribution channel to Gateway in the correct order. (9)

4.6 Explain FIVE ways in which Gateway can prevent conflict in the distributional channel and gain cooperation from the intermediaries. (10)

4.7 Gateway is going to use the buying response method to determine their market price.

State SEVEN benefits of this method. (14)
[50]

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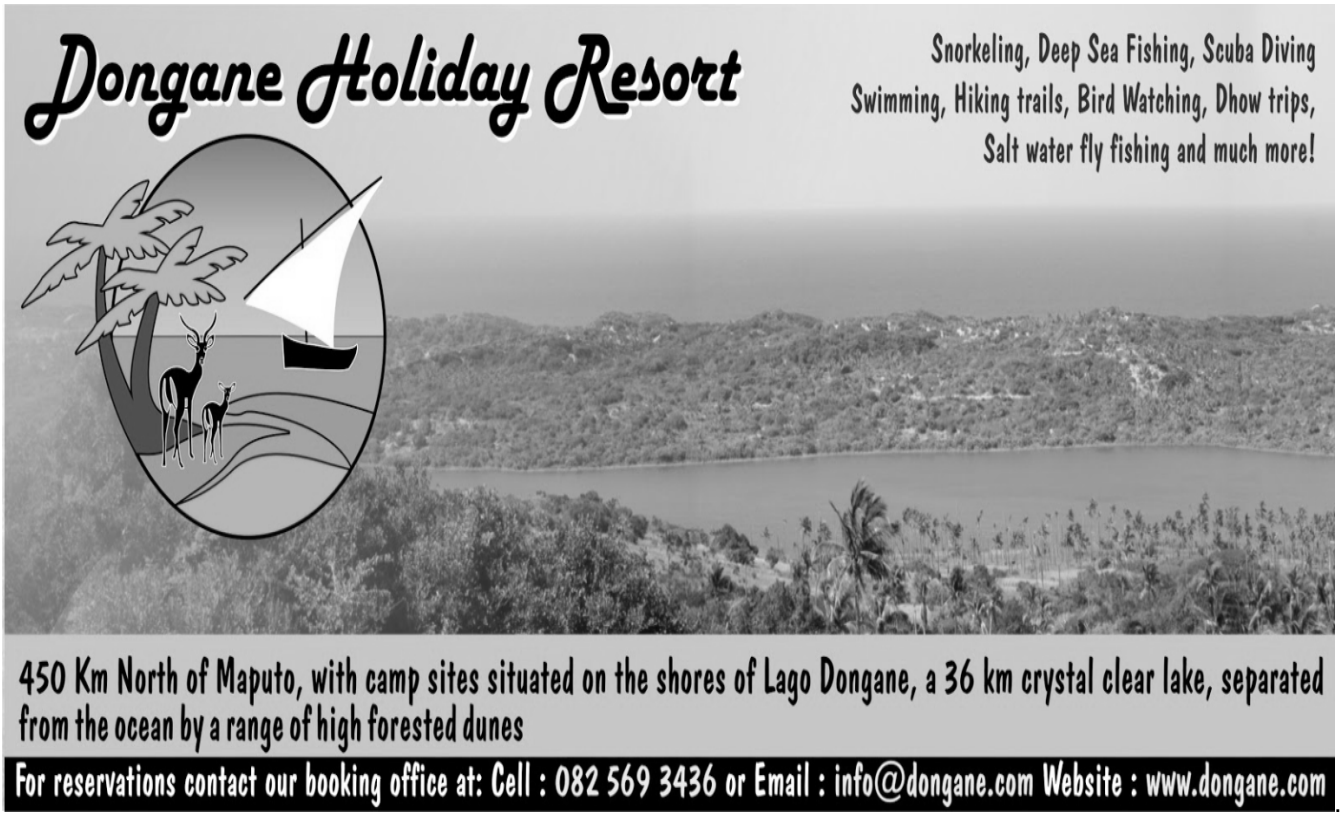
QUESTION 5

Study the advertisement below and answer the questions that follow.



[Source: www.*blogspot.com*]

5.1	5.1.1	Name and explain the fine-tune technique used in the advertisement.	(3 × 2)	(6)
	5.1.2	State FOUR advantages of the technique mentioned in QUESTION 5.1.1.		(8)
5.2		Analyse the advertisement using the AIDA principle.	(4 × 2)	(8)
5.3		Using the promotional mix and indicate how you would promote the service in the advertisement.	(4 × 2)	(8)
5.4		Name FOUR features of the service offered in the advertisement.		(8)
5.5		When selecting a media to use, the business must consider certain factors. One of these factors is media factors.		
		State SIX media factors.		(12)
				[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

GENERAL

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