higher education & training

Department:
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REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

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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. SECTION A is COMPULSORY and must be answered by all candidates in the ANSWER BOOK.

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 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 trail.
B advantages of the product are easy to communicate.
C product is easy to use.
D all of the above-mentioned.

1.2 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 and product features.

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

A maturity
B introduction
C decline
D growth

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

A Products satisfy similar needs
B Products can be used together
C Products are bought by the same consumer group
D None of the above-mentioned

1.5 Medicines, coffee and sugar are good examples of …

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

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1.6 An assurance to the client of performance, quality of a product or service by a manufacturer is known as ...

A product obsolescence.
B product testing.
C product positioning.
D product guarantee.

1.7 ... is an effective source of ideas at the idea generation stage of the new product's development process.

A Products found in international markets
B Products of competitors
C Complaints by customers
D All of the above-mentioned

1.8 ... 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

1.9 Sometimes the term national brand is used as a synonym for … brands.

A collective
B individual
C retailers'
D manufacturers'

1.10 These shops have a limited product range, few product lines (narrow product range) and a wide variety of products in every line (deep product range):

A Department stores
B Family stores
C Discount stores
D Speciality stores

1.11 Relative to intensive and exclusive distribution, selective distribution …

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

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1.12 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

1.13 Costs that are always constant irrespective of whether the company produces or not are known as ...

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

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

A bait
B prestige
C leaders
D demand-backward

1.15 Possession utility entails …

A making products available to consumers at the right price.
B transferring products from producers to consumers.
C rearranging of products by producers.
D making the product available in a processed form.

(15 × 2) **[30]**

QUESTION 2

Choose the correct word or words in brackets. Write only the chosen word or words next to the question number (2.1–2.10) in the ANSWER BOOK.

2.1 The (conveyer/source) is the initiator of the message that is sent to the audience.

2.2 (Encoding/Decoding) is the process by which the source's ideas are put into a specific message.

2.3 (Perception/Learning) is a process through which stimuli are selected from the environment and are organised and interpreted.

2.4 The message stimulates the consumer to action and leads to sales during the (affective/conative) phase.

2.5 Demand is (elastic/inelastic) when the change in demand is less than the change in price.

2.6 Packaging costs is an example of (fixed/variable) costs.

2.7 (Bait/Leader) pricing is used when the trader markets products at a price lower than cost.

2.8 (Truck jobbers/Desk jobbers) only make use of telephonic transactions.

2.9 (Discount stores/Factory shops) have reasonably low overhead costs and low prices.

2.10 The (transaction/physical) flow in distribution concerns decisions about market coverage and channel members.

(10 × 2) **[20]**

TOTAL SECTION A: 50

SECTION B

Answer any THREE questions in this section.

QUESTION 3

Read the case study below and answer the questions.

NIVEA

Present in over 160 countries, Nivea is the world's largest skincare brand. Nivea's name is synonymous with quality skin care on a global level.

Driven by technological advances and changes in consumer demand Nivea became a trusted brand with a comprehensive range of skin care products, e.g. Nivea Crème, Nivea Visage, Nivea Sun, Nivea Body, Nivea Hand and Nivea for Men.

The strategy of educating the consumer through promotion has helped Nivea build new markets. Its long-term investment in skincare consolidated Nivea's position as a leading skincare manufacturer.

Besides TV and press advertising, advertorials and public relations sampling is instrumental in Nivea's strategy for introducing new products, e.g. the launch of Nivea Visage Anti-Shadow Eye Crème.

'Nivea Cares for Your Skin' encapsulates Nivea's brand values. These values are communicated via clean, fresh, healthy and positive imagery in all Nivea's promotional material and advertisements.

Knowledge from using market research to target key market segments helps Nivea in the development of new products such as the launch of Nivea Visage Young skin care range in 2005. The latter targets girls who want a regime for their normal skin as opposed to medicated products offered by competitors handing Nivea a competitive edge.

Its corporate responsibility approach aims to reduce packaging and waste by using larger pack sizes, using more natural products and increasing opportunities for recycling by using recyclable plastic in its containers.

[Adapted from: *www.campaignlive.co.uk*]

3.1 Evaluate the width of the Nivea product mix according to the case study. (8)

3.2 What type of brand is Nivea? When would this type of brand be most preferable? (4 × 2) (8)

3.3 Demonstrate EIGHT steps a company would follow in the product development process. (8)

3.4 Show how Nivea Visage Young established a competitive advantage for Nivea. (2)

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3.5 What slogan does Nivea use to promote itself in a campaign? (2)

3.6 How does Nivea contribute toward a greener environment? (3 × 2) (6)

3.7 Recommend SIX steps in the planning of the organisation's advertising campaign. (6 × 2) (12)

3.8 From the case study, state TWO elements for Nivea's success as a market leader. (2)

3.9 How does Nivea manage to create new products for consumers? (2)
[50]

QUESTION 4

4.1 Evaluate FIVE reasons for constantly developing new products. (5 × 2) (10)

4.2 Explain the following packaging strategies:

4.2.1 Multiple packaging

4.2.2 Kaleidoscopic packaging

4.2.3 Unit packaging

(3 × 2) (6)

4.3 Recommend FIVE steps that can be taken in the choice of a distribution channel. (5 × 2) (10)

4.4 Name FIVE activities of physical distribution. (5 × 2) (10)

4.5 Formulate THREE internal factors that may influence the price strategy. (3 × 2) (6)

4.6 Discuss FOUR disadvantages of a dealer's brand. (4 × 2) (8)
[50]

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QUESTION 5

5.1 Explain the following terms:

5.1.1 Diversification

5.1.2 Specialisation

5.1.3 Simplification

(3 × 2) (6)

5.2 List FIVE advantages of bar coding and electronic scanning for consumers. (5 × 2) (10)

5.3 Discuss THREE types of franchise agreements. (3 × 2) (6)

5.4 Name FOUR factors to consider when choosing warehouses. (4 × 2) (8)

5.5 Name the FIVE steps to follow in order to determine a final price. (5 × 2) (10)

5.6 Name FIVE functions of wholesalers. (5 × 2) (10)

[50]

QUESTION 6

6.1 Formulate EIGHT advantages of brands for the consumer. (8 × 2) (16)

6.2 Explain the conditions for applying a market penetration strategy. (7 × 2) (14)

6.3 List the FOUR factors that influence price elasticity. (4 × 2) (8)

6.4 Demonstrate the THREE disadvantages of labels. (3 × 2) (6)

6.5 Describe THREE main causes of shorter life cycles. (6 × 2) (6)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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