higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

2 October 2020

This marking guideline consists of 7 pages.

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SECTION A

Mark all the questions in SECTION A.

QUESTION 1

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

(15 × 2) **[30]**

QUESTION 2

2.1 Kaleidoscopic
2.2 Place
2.3 Power
2.4 Centralised
2.5 Price
2.6 Reference
2.7 Absorption
2.8 Introduction
2.9 Market
2.10 Demand

(10 × 2) **[20]**

TOTAL SECTION A: 50

SECTION B

Mark THREE of the four questions in SECTION B.

QUESTION 3

3.1 Convenience consumer product (2)

3.2 3.2.1 Intensive distribution (2)

3.2.2
- The company makes use of all possible, useful and available intermediaries to gain maximum exposure for its product.
- Intensive distribution is mainly used for distributing convenience products with a low unit value.
- The producer is responsible for marketing communication and the promotion and improvement of the product.
- Other examples are fast-moving consumer goods such as sweets, soap, cigarettes and staple products such as bread, sugar and milk. (Any 3 × 2) (6)

3.3 Master brand refers to a brand so dominant (like Coke) in consumers' minds that they think of it immediately when a product category, situation, product attribute or consumer benefit is mentioned. (2)

3.4 Maturity phase (2)

3.5
- Flattening of sales growth rate
- Product differentiation, product line extension and improved service
- Profit and profit margins of retailers decrease
- More intensive competition
- Management challenges (Any 4 × 2) (8)

3.6 3.6.1 Recyclable packaging (2)

3.6.2
- For enclosure and protection
- It is used for market development
- To increase profitability
- Packaging plays an important role in marketing communication
- Packaging facilitates market segmentation
- Packaging is necessary for effective transportation, handling and storage (Any 5 × 2) (10)

3.7 3.7.1 Price lines (2)

3.7.2 The retailer uses a limited number of prices for each product line. (2)

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3.8
- Great distribution
- Brand recognition
- Popularity
- Coke's position in consumers' minds (master brand) (4)

3.9 Brand awareness✓
- The product is the same as any other to the consumer.✓

Brand recognition✓
- The consumer has seen the brand and remembers it and recognises it between competitive products.✓

Brand preference✓
- The consumer uses his earlier experiences with the particular product as a basis when he decides to choose a particular brand.✓

Brand insistence✓
- The consumer is not prepared to accept a substitute brand.

OR
- The consumer is prepared to launch a special purchasing effort until the required brand is found.✓ (8)

[50]

QUESTION 4

4.1
- Competitors may feel the competition is too strong/may be warded off to some extent.
- Purchases can be simplified.
- The label usually presents the price of an article and this is important to the consumer.
- An information label can help the consumer satisfy his/her need in the search for a specific product or object.
- Labelling increases the psychological satisfaction of the consumer when the product is used.
- Some consumers only buy products of a certain brand and the label can be used to present the brand. (Any 5 × 2) (10)

4.2 4.2.1 Product mix
- The set of all the product lines and individual product items that a firm sells. (1 × 2) (2)

4.2.2 Product line
- A group of products that share similar product characteristics. (1 × 2) (2)

4.2.3 Product image
- Points to the way in which the consumer observes the product. (1 × 2) (2)

4.2.4 Product differentiation
- Takes place when an enterprise strives to differentiate its products from almost identical competitive products.
- Differentiation can be physical and/or psychological. (2 × 2) (4)

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4.3
- Nature of demand
- Competition
- Consumer behaviour
- Actions by suppliers
- Actions by authorities
- Economy
- Social considerations (Any 5 × 2) (10)

4.4
- The target market that has to be served
- Choice between existing storage facilities and the development of own storage facility
- The location of the warehouse
- Centralisation or decentralisation
- The number of warehouses requested
- The availability of transportation facilities to the warehouse location
- Possible expansion of warehouse facilities
- The availability of labour
- Taxes
- Purchase patterns of buyers (Any 6 × 2) (12)

4.5 Trade agents
- Independent people who earn commission and act on behalf of a specific company.✓✓
- Examples are manufacturers, agents and sales agents.✓✓

Resellers
- They connect channel members with each other and take ownership of products.✓✓
- Examples are wholesalers and retailers.✓✓ (2 × 4) (8)

[50]

QUESTION 5

5.1
- Warehousing
- Handling of materials
- Stock control
- Processing of orders
- Transport (5 × 2) (10)

5.2 It should:
- Be easy to pronounce and spell
- Be versatile and applicable to a product line or even a total product mix
- Be original and distinguishable
- Be suggestive of the products' benefits or uses
- Point to high quality
- Create a unique image of exclusivity (Any 5 × 2) (10)

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5.3
- Products should be truly original and unique OR innovations.
- Products should differ totally from present and existing products.
- Products could be new to the business but not necessarily new to the target market.
- Products could be new to the target market, but not necessarily new to the enterprise. (4 × 2) (8)

5.4 5.4.1 Simplification
A specific producer determines the features of products to be manufactured in his firm.

5.4.2 Standardisation
A group of manufacturers decide together about the dimensions and features of the product that is to be manufactured.

5.4.3 Repositioning
Attempt to prevent the total disappearance of the product from the market by giving it a new life cycle.

(3 × 2) (6)

5.5
- More equal occupation of production capacity
- Improvement of the cash flow position of the business
- Lowering stock-keeping costs
- Higher sales quantities in off-seasons (Any 3 × 2) (6)

5.6
- Make consumers aware of a new product
- Convey information
- Convince the consumer to purchase the product or service
- Convince channel members to stock certain products
- Increase turnover
- Promote the image of the enterprise
- Make consumers aware of specific important activities
- Expand the product image
- Inform consumers about the price of products or services (Any 5 × 2) (10)

[50]

QUESTION 6

6.1
- Organisation for product development
- Development of ideas
- Screening ideas
- Product concept development
- Profitability analysis
- Physical product development
- Test marketing
- Commercialisation (Any 6 × 2) (12)

6.2 6.2.1 Interpersonal communication
Direct, face-to-face communication between two or more people.

6.2.2 Implicit communication
- Non-verbal communication

OR

- Characterised by the use of facial expressions, attitudes, signals

6.2.3 Explicit communication
Language is used by parties to create common understanding.
(3 × 2) (6)

6.3
- The product is unique and new to the market.
- The potential customers know relatively little about the product.
- There are relatively few or no competitors in the market.
- Rapid recovery of an investment is needed.
- The organisation is a leader in the industry.
- The differential advantage of the product is legally patent-protected.
- Price is used to segment the market.
- The demand for the product is inelastic in terms of price.
- The business deliberately keeps demand low.
- The cost and demand for the product are not yet known. (Any 5 × 2) (10)

6.4
1. Identify the target market
2. Determine their buying habits
3. Determine the geographic distribution of the target market
4. Formulate the channel objectives
5. Evaluate the channel alternatives (5 × 2) (10)

6.5
- Inform
- Persuade
- Remind (Any 2 × 2) (4)

6.6
- Providing point-of-sales advertising for intermediaries.
- Assisting with the planning of activities intermediaries undertake, such as forecasting.
- Manufacturers should be giving intermediaries management assistance in terms of purchases, production, marketing and other aspects of management.
- Giving personnel training in conflict handling.
- Eliminating intermediaries who are refusing to cooperate.
- Using service representatives to identify problems in the distribution channel and to investigate and solve these problems.
- Organising competitions for intermediaries.
- Presenting free samples to intermediaries that can be transferred to clients. (Any 4 × 2) (8)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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