higher education & training

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NATIONAL CERTIFICATE

MARKETING MANAGEMENT N5

(4030065)

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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 will be marked. Clearly cross out all work you do not want to be marked.

INSTRUCTIONS AND INFORMATION

1. Answer all the questions in SECTION A.
2. Answer any THREE of the four 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

Answer all the questions in 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 (1.1–1.15) in the ANSWER BOOK.

1.1 The daily newspaper is an example of a ... product.

A shopping
B impulse
C staple
D speciality

1.2 When an enterprise makes its product mix deeper it is called ...

A standardisation.
B differentiation.
C diversification.
D specialisation.

1.3 A jacket worn for warmth is a product that satisfies customers in a … way.

A functional
B psychological
C physiological
D social

1.4 'Revise the present marketing strategy' is a strategy that can be applied in the ... phase of the product life cycle.

A introduction
B growth
C maturity
D declining

1.5 The … product is the physical object offered to the market.

A core
B formal
C augmented
D durable

1.6 A product ... is a group of products that share similar product characteristics.

A mix
B line
C group
D brand

1.7 Possession utility entails …

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

1.8 … is/are NOT an advantage of the horizontal cooperation during distribution.

A Better prices
B Financial protection
C Increase in sales figures
D Improved return on investments

1.9 Consumer products with high unit value have … distribution channels.

A long direct
B longer indirect
C short direct
D short indirect

1.10 ... transport and sell perishable products such as milk.

A Drop shippers
B Truck jobbers
C Cash and carry wholesalers
D Speciality wholesalers

1.11 … stores have a limited product range, a few product lines and a wide variety of product items.

A Chain
B Convenience
C Speciality
D Super-

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1.12 … is/are an example of external factors that might influence the formulation of the price policy.

A The economy
B The nature of demand
C Costs
D Other elements of the marketing mix

1.13 The … costs are the costs that are calculated in the manufacturing and selling of the last units that were manufactured.

A average
B marginal
C variable
D fixed

1.14 The quantity of a product that people will buy depends on its ...

A quality.
B price.
C demand.
D usefulness.

1.15 … do/does NOT form part of the communication channel.

A The receiver
B Encoding
C Persuading
D All of the above

(15 × 2) **[30]**

QUESTION 2

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

2.1 The main purpose of (multiple/kaleidoscopic) packaging is to create consumer demand.

2.2 (Time/Place) utility is gained when producers collect products on time and distribute them to consumers.

2.3 (Leadership/Power) is a prerequisite for control of a distribution channel.

2.4 A benefit of (centralised/decentralised) warehousing is that stock control can be better applied.

2.5 The (product/price) strategy is usually seen as the essence of the marketing mix.

2.6 A (standard/reference) price is perceived by most buyers to be fair.

2.7 The freight (absorption/equalising) strategy is when the seller pays for the delivery of products to the buyer.

2.8 The skimming price strategy is mainly used in the (introduction/growth) phase of the product.

2.9 The (market/target) price is set according to information gained from market research.

2.10 (Demand/Supply) is the quantity of a product that will be sold in the market at various prices for a specific period.

(10 × 2) **[20]**

TOTAL SECTION A: 50

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SECTION B

Answer any THREE of the four questions in SECTION B.

QUESTION 3

Read the case study below and answer the questions.

DISTRIBUTION EXCELLENCE

Coke's distribution system is very impressive compared to all the other drinks in their category. It has such an impact on consumers and is so successful that even wholesalers and distributors use the product to improve the success of their businesses. Coke's position in consumers' minds makes it essential to retailers, wholesalers and the away-from-home market. They have achieved their goal thanks to high visibility and to the availability of the products all over the world, even in remote places. Coke is everywhere! Coke is in supermarkets, gas stations and even clothing stores.

Different quantities of Coke are available at different price levels, for example you can buy a bottle of Coke or a 12-pack or even a 24-pack. There are also different options at the different price levels, for example, you can buy a 12-pack of Coke, Coke Zero, or Diet Coke. Coke has such great brand recognition and popularity that all they have to do is charge what the competition is charging and they will outsell them.

Coca-Cola is undoubtedly still the world's leading manufacturer and distributor of soft beverages.

[Adapted from: *www.coursehero.com*]

3.1		What type of consumer product is a soft drink?		(2)
3.2	3.2.1	What type of distribution strategy does Coca-Cola use?		(2)
	3.2.2	Motivate your answer to QUESTION 3.2.1 by providing THREE characteristics of the applicable distribution strategy.	(3 × 2)	(6)
3.3		Why is Coke regarded as a master brand?		(2)
3.4		In what phase of its product life cycle is Coke?		(2)
3.5		State FOUR characteristics of the phase mentioned in QUESTION 3.4.		(8)
3.6	3.6.1	What type of packaging is most applicable to Coke?		(2)
	3.6.2	Name FIVE functions of packaging.	(5 × 2)	(10)
3.7	3.7.1	What type of price strategy is most applicable to Coke?		(2)
	3.7.2	Motivate your answer to QUESTION 3.7.1.		(2)

3.8 Name FOUR factors from the extract that contribute to Coke's outstanding success. (4)

3.9 Name and briefly explain the FOUR phases of brand acceptance. (8)
[50]

QUESTION 4

4.1 Labelling plays a major role in packaging.

State FIVE benefits of labelling. (5 × 2) (10)

4.2 Distinguish clearly between the following:

4.2.1 Product mix (1 × 2) (2)

4.2.2 Product line (1 × 2) (2)

4.2.3 Product image (1 × 2) (2)

4.2.4 Product proposition (2 × 2) (4)

4.3 All factors that influence the price strategy must be evaluated.

State these external factors. (5 × 2) (10)

4.4 What factors play a role in the choice of a warehouse? (6 × 2) (12)

4.5 Distinquish between *trade agents* and *resellers*. (2 × 4) (8)
[50]

QUESTION 5

5.1 Physical distribution aims to get goods delivered to the final consumer.

What activities take place in the physical distribution channel? (5 × 2) (10)

5.2 State FIVE criteria that are generally used to determine a good trade name that is distinguishable. (5 × 2) (10)

5.3 State FOUR characteristics that new products should have. (4 × 2) (8)

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5.4 Explain each of the following terms:

5.4.1 Simplification

5.4.2 Standardisation

5.4.3 Repositioning

(3 × 2) (6)

5.5 Describe THREE advantages of seasonal discounts. (3 × 2) (6)

5.6 State FIVE purposes of promotional methods. (5 × 2) (10)
[50]

QUESTION 6

6.1 State SIX steps in the product development process. (6 × 2) (12)

6.2 Explain the following types of communication:

6.2.1 Interpersonal communication

6.2.2 Implicit communication

6.2.3 Explicit communication

(3 × 2) (6)

6.3 State FIVE conditions in which the skimming price strategy would be applied.
(5 × 2) (10)

6.4 State the first FIVE steps in the correct order in the process of choosing a distribution channel. (5 × 2) (10)

6.5 What objectives are being pursued by the promotion mix? (2 × 2) (4)

6.6 How can manufacturers prevent the conflict that sometimes inevitably occurs in a distribution channel? (4 × 2) (8)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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