higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

MARKETING MANAGEMENT N5

13 NOVEMBER 2013

This marking guideline consists of 8 pages.

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SECTION A (COMPULSORY)

QUESTION 1

1.1 B

1.2 A

1.3 D

1.4 D

1.5 C

1.6 A

1.7 A

1.8 D

1.9 D

1.10 A

1.11 C

1.12 C

1.13 D

1.14 D

1.15 D

(15 × 2) **[30]**

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QUESTION 2

2.1 Repositioning

2.2 Bar coding

2.3 Product specialisation

2.4 Market price

2.5 Vertical channel system

2.6 Promotional discount

2.7 Horizontal channel system

2.8 Cost plus pricing

2.9 Positioning map

2.10 Patent

(10 × 2) **[20]**

TOTAL SECTION A: 50

SECTION B

Candidates must answer any THREE questions.

QUESTION 3

3.1 Short Message Service (2)

3.2 MTN
Vodacom
Cell C (3 × 2) (6)

3.3 Strength – allow subscribers to send and receive an unlimited number of SMSs from their cellphones

Weakness – unable to make or receive voice calls on their cellphones
(2 × 2) (4)

3.4 Purpose – to sell this product to people who feel that ordinary cellphone contracts or airtime is too expensive (2)

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3.5
- Products which are truly original and unique
- Products which differ totally from present and existing products
- Products which are new to the business, but not necessarily new to the target market
- Products which are new to the target market, but not necessarily new to the company

(4 × 2) (8)

3.6
- Cheaper, but efficient channels are used when the economy of the country is at its low.
- Geographically concentrated consumers – short channel (i.e. short distribution)
- Widely spread consumers – long channel
- Competitors can also play an important role
- Existing and expected sales patterns
- Quantitative and qualitative events in the consumer market
- Existing distribution structures can serve as guideline (Any 5 × 2) (10)

3.7
- Personal selling
- Advertising
- Sales promotion
- Publicity

(4 × 2) (8)

3.8
- Is test marketing necessary?
- What are the objectives of the test marketing?
- Who will do the test marketing?
- Which procedure and method will be used during test marketing?
- With the test marketing results available the marketing management must take decisions about mass production and mass marketing of the new product

(5 × 2) (10)
[50]

QUESTION 4

4.1

4.1.1 Distribution – is the flow of goods from the stage where the manufacturing process is finished until it reaches the final consumer

4.1.2 Promotion – any form of communication that can be used to inform, persuade and remind the consumer to buy the product or service sold by a certain company

4.1.3 Industrial goods – are products used in the production process of other products and services

4.1.4 Discounts – are reduction in the sales price that is granted to the buyer

(4 × 3) (12)

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4.2	• Mail order companies • Door-to-door sales • Direct telephone sales	(3 × 2)	(6)
4.3	• The accessibility and availability • The degree of versatility • Price decisions • Cost of the medium • Cost per thousand target audience • The coverage, frequency and continuity which is derived	(Any 4 × 2)	(8)
4.4	• Standard product item numbers • Acceptance by retailers • Feedback on sales of the new product • Feedback concerning achievements of the new products • Identification of market inclinations	(5 × 2)	(10)
4.5	Durable products – are used over a relatively long period of time Non-durable – are products with a relatively short lifespan.	(2 × 2)	(4)
4.6	• Cost-plus (mark-up) • Marginal analysis • Breakeven analysis • Variable cost per product (contribution approach) • Business profitability	(Any 4 × 1)	(4)
4.7	• Warehousing (storage) • Stock control • Material handling • Order processing • Transport	(Any 3 × 2)	(6) **[50]**

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QUESTION 5

5.1 Product guarantee - is an assurance to the client of the performance, quality of a product or service by a manufacturer. (2)

5.2 Push strategy – the manufacturer makes use of aggressive personal sales and advertising to persuade the wholesalers and retailers to buy his product and to keep it available.

Pull strategy – manufacturer concentrates mainly on the consumer by using aggressive persuasive advertising (2 × 6) (12)

5.3
- Diversified presentation of products
- Impersonal retail sales
- Disappearance of traditional classification
- Increase of productivity
- Developing of polarisation
- Purchase of goods by making use of telephone orders and internet
- The use of own brands by retailers
- Growth in direct marketing
- Growth in sales directly to the public by manufacturers (Any 5 × 2) (10)

5.4
- Consumer resistance
- Production troubles, minor product modifications
- Difficulties in physical distribution
- Difficulties with shelf-space
- Slow growth in sales
- Minor direct resistance
- High production costs and limited number of models
- High marketing expenses
- Lack of profile (Any 5 × 2) (10)

5.5
- Nature of the demand
- Consumer behaviour
- Competition
- Actions of suppliers
- Actions by authorities
- Economical conditions (Any 5 × 2) (10)

5.6 5.6.1 Physical obsolescence - takes place because of handling and repeated use when the product wears out and becomes technically unfit for use

5.6.2 Planned obsolescence - occurs when products are developed in such a way that the lifetime of a product can be predetermined (2 × 3) (6)

[50]

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QUESTION 6

6.1 Brand name – is that part of a brand that can be spoken, including letters, words and numbers

Brand mark – elements that cannot be spoken (2 × 2) (4)

6.2
- Market development of new products
- Method of product differentiation
- Increase the profitability of the products
- Marketing communication of the products
- Helps in market segmentation (Any 4 × 2) (8)

6.3
- Colour
- Size
- Quality
- Packaging
- Status
- Form
- Image
- Dimensions
- Brands (Any 4 × 1) (4)

6.4
- Skimming price strategy is used in the introduction phase
- Setting a high price
- Short-term profit maximisation
- To recover capital quickly
- To make large profits before competitors enter the market
- Usually coupled with heavy promotion

Used when the following conditions exist:
- Consumer knows relatively little about the product
- Business is a leader in the industry
- Prices are used to segment the market
- Product is the only of its kind
- Product has a price inelastic demand
- Product is protected by legal methods (patents)
- There are relatively few potential consumers
- Costs and demand of the product are unknown
- Rapid recovery of the investment is wanted (Any 7 × 2) (14)

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6.5
- Serve large geographic target markets
- Wide and deep product mix
- One-stop shopping - everything under one roof
- Sufficient parking
- Administration and control is centralised
- A large recognisable building
- National advertising on television
- Supply is directly from the manufacturer
- Geared on high turnover
- Dealer brands

(Any 5 × 2) (10)

6.6
- Describe the target market
- Develop the product
- Create image and promotional strategy
- Select the correct store location
- Determine price levels
- Control the retail mix

(Any 5 × 2) (10)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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