higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N6

15 JUNE 2018

This marking guideline consists of 9 pages.

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QUESTION 1

1.1 Wholly owned subsidiary✓ is direct ownership of foreign based assembly or management. The foreign company can buy part or full interest in the local company or build its own facilities.✓✓ (3)

Joint venture✓ foreign investors my join with local investors to create a joint venture in which they share ownership and control.✓✓ (3)

1.2
- Tiriyaki burger in Japan
- Rice dishes in Indonesia
- Noodles in Manila
- Mclox salmon in Norway (8)

1.3
- To keep abreast of change
- To determine which factors in the environment present opportunities for the effective attainment of the goals of the enterprise.
- To determine which factors in the environment pose a threat to the enterprise's present goal.
- Enterprise that scan the environment is systematically are more successful than those that do not. (3 × 2) (6)

1.4
- Extend product life cycle.
- Risk reduction
- Assess to foreign finance
- Economies of scale
- Lower unit cost
- Reduction in fluctuation of seasonal sales.
- Higher profit
- Higher product quality and improved efficiency
- Get rid of excess stock
- Fewer competitors domesticdomestic
- Lucrative government incentives
- The company's customer might be going abroad and require international servicing.
- The company's market might be attacked by global firms offering better product or lower prices. (Any 5 × 2) (10)

1.5 1.5.1
- Market development or growth through expansion in the market.
- New market; current product.
- Geographic and even international expansion is a growth possibility that can make very big demand interms of resources and expertise. (Any 2 × 2) (4)

1.5.2
- Growth in existing market✓✓ buy one get one free, special promotion and giant size packaging
- Growth through product development✓✓ nice and reusable packaging can be used✓✓
- Integration✓✓ company can buy their supplier or buy their competitors.✓✓
- Diversification✓✓ company can diversified into related or unrelated field.✓✓ (Any relevant and applicable examples) (16)

[50]

TOTAL SECTION A: 50

SECTION B

QUESTION 2

2.1 2.1.1 Purchasing function product must meet quality standards as determined by new the product development function in the marketing department.

2.1.2 Production function these products must meet design requirement as set out by the new product development function in the marketing department.

2.1.3 Financial department all marketing activities need proper financing to function effectively.

2.1.4 Information department the marketing function constantly needs information on the latest consumer trends, changing needs/attributes, economic and international affairs and the impacts thereof on marketing efforts.

2.1.5 Public relation function if consumer get negative perception from the advertisements done by the marketing department, it is the duty of public relations to put those perceptions into the correct perspective.

2.1.6 Human relation function if marketing management does not perform the management task properly, human resource management will not know how many people to employ.

(6 × 2) (12)

2.2 Advantages of customer structure

- The emphasis is on customer than on productor service
- Customer's need are highly important
- Knowledge of customer need increases
- Market specialisation in sales organization structures is increased.

Disadvantages of customer structure

- It causes overlap in terriririal coverage and therefore costly.
- Product specialisation decrease in some industries. (8)

2.3
- Market segment
- Market growth rate
- Profit margin
- Competitor
- Economic conditions
- Technological changes
- Socio-cultural changes
- Action by authority (Any 5 × 2) (10)

2.4
- Description✓ product attributes are specified in terms of quality, size, grade, colour or weight.✓✓
- Inspection✓ expensive product such as vehicles, buildings, and other asset are often inspected before they are bought.✓✓
- Sampling✓ is an example of or the small portion of homogenous group of product.✓✓
- Negotiation✓ the seller and the buyer negotiate the base price from which they operate and by adding additional costs and fees for additional attributes the final price can be determined.✓✓ (4 × 3) (12)

2.5
- Revenue orientated pricing
- Operations orientated pricing
- Patronage orientated pricing
- Cost plus pricing
- Differential pricing by means of discount (Any 4 × 2) (8)

[50]

QUESTION 3

3.1 3.1.1 Intangibility

- Visualization✓ show picture of student during graduation ceremony as part of advertisement.✓✓
- Association associate the college with tangible item, graduation cap as part of college logo.
- Physical representation issue T-shirts with college name.
- Documentation cites facts and figures in the advertisement. Show college's previous year's results as evidence of good service quality in advertisement.

3.1.2 Inseparability

- The college lecturer can learn to work with more students.✓✓
- College staff can learn to work faster.✓
- The college can train more service providers.

3.1.3 Perishability.

- Differential pricing✓ cheap registration amount if students enrol on line.✓✓
- Reservation system students can register six months before the commencement of academic year.
- Complementary services can be provided during peak period to provide alternative for waiting customers.

3.1.4 Fluctuating demand

- Part time employees✓ can be hired to help with invigilation and registration.✓✓
- Increase consumer participation. Students can do their registration online.
- Shared services College can buy one bus that can be shared by all campuses.
- Facility for future expansion. College can buy land for later expansion.
- Peak time efficiency routine can be introduced. Employees perform essential task during peak periods.

3.1.5 Heterogeneity

Training of staff✓ can help reduce variations in performance.✓✓
Use of technology can offer standardise service quality.

3.1.6 Ownership

Other private college can be used as co-producer✓ of the service.✓✓

(Any other relevant example can be used)
(6 × 3) (18)

3.2 3.2.1 New task
The company is buying the product for the first time and is also facing the problem for the first time.
Many people are involved and is time consuming.
Evaluate a wide range of possible problem solutions or suppliers.

3.2.2 Straight rebuy
Repeat purchases of products or services, many of which triggered automatically when existing stocks reach certain level, as in the case of office supplies.✓✓ The buyer has little involvement in the purchase and make no evaluation of competing brands before simply repeating the purchase of the same brand as the last time.✓✓

3.2.3 Modified Rebuy
Purchases in which the is re-evaluating a product or service that has been bought before.✓✓ Some alterations to the product may be required.✓✓ There will be less evaluation than when the buyer has no experience or skill in the purchase, as in a new task situation but much more than in a straight rebuy.

(3 × 4) (12)

3.3 Consmer orientation
The survival of the company is dependent on the consumer and therefore consumer orientation is seen as the first and core concept of the marketing concept.✓✓ A consumer orientated company will attempt to supply a product or service which will satisfy the need of the consmer in the most effective way.
Bank to determine needs of different consumer groups and structure them accordingly, e.g. special interest for students.✓✓

Profit orientation
For a profit-directed company this means to strive for the highest attainable profit within a certain time span.✓✓
Profit margins are toilored according to services offered.✓✓

System orientation
Various departments must work together for common organizational goal.✓✓
Bank must make sure that ATM machines are working at all times.✓✓

Social organisation
The organization must work towards the promotion of the interest of individual and that of member of society.✓✓
Bank can sponsor community programmes like sports training camps.✓✓ (16)

3.4
- Demography
- Economic conditions
- Competitions
- Social and cultural forces
- Political and legal forces
- Technology (Any 4 × 1) (4)

[50]

QUESTION 4

4.1 Components of service quality

- Reliability the ability to perform the service dependably, accurately and consistently.✓✓ Performing service right the first time.
- Responsiveness ability to provide prompt service.✓✓
- Assurance the knowledge and courtesy of employees and their ability to convey trust. Skill employees who treat customer with respect exemplify assurance.✓✓
- Empathy caring, individualised attention to customer firms whose employees recognise customers, call the by name and learn their customer's specific requirements are providing empathy.✓✓
- Tangibles the physical evidence of the service. The appearance of personnel and the equipments that are good working conditions exemplify tangibles.✓✓ (5 × 2) (10)

4.2 Step 1: Determine product demand or determine the basic need serve by the product
Step 2: Determine how need are currently satisfied
Step 3: Determine or Estimation of market potential
Step 4: Elimination
Step 5: Ranking the remaining countries
Step 6: Geographical clusters
Step 7: Eliminate countries with barriers
Step 8: Choose countries with easy entry strategy (8 × 2) (16)

4.3 4.3.1

- Business marketing when the enterprise markets their service or product not to final consumers but to other businesses.
- Industrial market includes buyers of raw materials and finished products used to produce other products.
- Institutional market organizations with charitable, educational, community and non-business goals constitute institutional market.
- Reseller or intermediate market consists of wholesalers and retailers, who buy finished products and resell them for profit.
- Government market includes local, provincial and national government who spend millions of rands annually for variety of goods and services to support internal operations and provide citizens with products.
- Trade barrier are measures that governments or public authorities introduce to make imported goods or services less competitive than locally produced goods and services.

(5 × 2) (10)

4.4 Trade barriers

- Tariffs
- Quotas
- Export restrain agreements
- Buy national law
- Agreement in which the multinational company agrees to transfer majority ownership to a local investors.
- Agreement whereby the international company agrees to employ a certain percentage of local labour and management.
- Subsidies for local enterprise. (Any 2 + 4 × 2) (10)

4.5 Differentiation methods

- Differentiation by price
- Differentiation by marketing communication
- Differentiation by service or product quality
- Differentiation by product or service characteristics
- Differentiation by brand
- Differentiation by distribution
- Differentiation by consumer orientation (Any 4 × 1) (4)

[50]

QUESTION 5

5.1 Three integration strategies

- Horizontal integration✓✓ company take over competitors, reinforcing its position.✓✓
- Vertical forward integration✓✓ the manufacture buys or creates their own retail outlet.✓ ✓
- Vertical backward✓✓ integration the retailer buys or create their own manufacturer.✓✓ (3 × 4) (12)

5.2 5.2.1 Description of the product attributes are specified and described in terms of quality, size, colour or weight.
e.g. 10 ton bread flour and 200kg white sugar.

5.2.2 Inspection expensive product such as vehicle, buildings, equipment and other assets are inspected before they are bought.
e.g. Delivery trucks inspected before they are bought

5.2.3 Sampling a sample is an example or a small portion of a homogenous group of products.✓✓
e.g. Sample of wheat can be requested before they can purchase.✓✓

5.2.4 Negotiation in the case negotiation contract the buyer negotiation with the seller regarding price, quality, delivery and other aspects.✓✓
e.g. Bakery can negotiate delivery times and terms of payments.✓✓

(4 × 4) (16)

5.3
- Maintenance strategy✓✓ maintain investment levels as in the mature phase. With this strategy funds that are sufficient only to retain production facilities, product quality and consumer loyalty are judiciously spent.✓✓
- Harvest strategy✓✓ maximise cash flow in short term by reducing investment and cost. All further investment in the product is stopped.✓✓
- Divest✓✓ quit the industry by selling off interest when organisation start showing losses.✓✓ (3 × 4) (12)

5.4
- What business are we in?
- Who are the consumers?
- What are their needs?
- What are the capabilities of the organisation?
- What environmental factors have to be taken in consideration?
- What is the ethical mind-sets of the organisation?
- What does the enterprise want to be?
- What should the enterprise be? (Any 5 × 2) (10)

TOTAL SECTION B: 150
GRAND TOTAL: 200

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