higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NATIONAL CERTIFICATE

MARKETING MANAGEMENT N6

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MARKETING MANAGEMENT N6
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. SECTION A is compulsory.
2. Answer any THREE questions from SECTION B.
3. Read ALL the questions carefully.
4. Number the answers according to the numbering system used in this question paper.
5. Start each question on a NEW page.
6. Write neatly and legibly.

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SECTION A (COMPULSORY)

QUESTION 1

BEEFING UP THE BEEFLESS MAC: MCDONALD'S EXPANSION STRATEGIES IN INDIA

In March 2001, the McDonals's Corporation's Indian operation was at a critical juncture in its evolution. The company had expanded its retail base from Mumbai and Delhi to Bangalore, Pune, Jaipur and the Delhi-Agra highway. During 2001, McDonald had plans to open 15 more outlets with one each in Ludhiana and Ahmedabad. McDonald's has had a long history in Asia. It entered the Japanese market in 1971, which was followed by entry into other newly industrializing economies (such as Singapore and Hong Kong. McDonald's entered India in 1996.

India is a vast subcontinent and a population almost four times that of the US, at about 950 million. There are more than 20 major spoken languages and over 200 dialects. About 50 per cent of the population is considered to be illiterate, and advertising reaches them via billboards and audiovisual means. For national launches, at least eight languages are used.

In terms of political system, India is a democracy. Since independence from the British in 1947, the government strictly controls the entry and exit of domestic as well as multinational corporations (MNCs) into different sectors. MNCs also face a variety of other restrictions.

MacDonald's India was incorporated as a wholly owned subsidiary in 1983. In April 1995, the wholly owned subsidiary entered into two 50:50 joint ventures: with Connaught Plaza Restaurants (Vikram Bakshi) to own and operate the Delhi Restaurants; and Hardcastle Restaurants (Amit Jatia) to own and operate the Mumbai outlets.

Although McDonald's had done product adaptation to suit local tastes and cultures in several previous ventures, such as the Teriyaki Burger in Japan, rice dishes in Indonesia, noodles in Manila and McLox Salmon sandwiches Norway, the degree of adaptation required in India was significantly greater. McDonald's replaced its core product, the Big Mac, with the Maharaja Mac. The latter had a mutton patty (instead of the beef patty in the Big Mag), to avoid offending the sensibilities of Hindus (80 per cent of population), who consider killing cows as sacrilegious, and Muslims (12 per cent of population), for whom pork is taboo.

MacDonald's pricing strategies, as well as special promotions, were influenced by rivals. In February 1999, several competitors were running special promotions, with KFC offering a meal inclusive of chicken, rice and gravy for Rs 39. For Rs 350, Pizza Hut was offering a whole family meal, including two medium pizzas, bread and Pepsi. Wimpy's was offering mega meals at Rs 35.

Some elements of the promotional strategy remained the same as in order parts of the world. One instance of this included the emphasis on attracting children. A Happy Meal film was consistently show on the Cartoon Network and the Zee (a local channel) Disney Hour.

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A dedicated distribution system was contracted out to AFL Logistics. AFL logistics was responsible for the temperature-controlled movement of all products (by rail, road or air, as appropriate).

During its first 12 months of operations, McDonald's served 350,000 Maharaja Macs. Customers thought that McDonald's food had a unique taste.

Source: (2011, 07). Case Studies. StudyMode.com. Retrieved 07, 2011, from http://www.studymode.com/essay s/Case-studies-737294.html, Case study 8: Beefing up the beefless Mac: McDonald's expansion strategies in India, pp.120-127

1.1 Name and explain two entry strategies that Mcdonald's used to enter India in 1995 and 1983. (6)

1.2 Product adaptation involves altering the product to meet foreign conditions or preferences.

List FOUR scenarios from the case study which indicate product adaptation by Mcdonald's. (8)

1.3 The environment in which McDonald's operate is continuously changing indicate by THREE facts why McDonald's must continuously do environmental analysis. (6)

1.4 Give FIVE advantages of trading internationally by McDonald's. (10)

1.5 McDonald's has expanded its retail base from Mumbai and Delhi to Bangalore, Pune, Jaipur and the Delhi-Agra highway.

1.5.1 Name and explain the growth strategy used above. (4)

1.5.2 Briefly explain and show by means of examples, how McDonald's can use other FOUR growth strategies to grow their business. (16)

[50]

TOTAL SECTION A: 50

SECTION B

Answer only THREE questions from this section.

QUESTION 2

2.1 Show by means of examples, how the marketing function relate to the following functions.

2.1.1 Purchasing function

2.1.2 Production function

2.1.3 Financial function

2.1.4 Information function

2.1.5 Public relations function

2.1.6 Human resources function

(6 × 2) (12)

2.2 State TWO advantages and TWO disadvantages of the customer structure. (8)

2.3 List FIVE variables of market attractiveness based Market Attractiveness and Organizational strength model. (10)

2.4 Describe FOUR buying methods that industrial marketers can use to purchase their products. (12)

2.5 Identify FOUR pricing methods that can be used by service marketers. (8)
[50]

QUESTION 3

3.1 How would your College overcome the constraints pose by the following characteristics of service?

3.1.1 Intangibility

3.1.2 Inseparability

3.1.3 Perishability

3.1.4 Fluctuating demand

3.1.5 Heterogeneity

3.1.6 Ownership

(6 × 3) (18)

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3.2 Briefly discuss the following buying situations:

3.2.1 New Task

3.2.2 Straight-Rebuy

3.2.3 Modified Rebuy

(3 × 4) (12)

3.3 The four principles of the marketing concept, which should form the foundation for all marketing decisions are consumer orientation, profit orientation, systems orientation and social orientation.

Explain the FOUR marketing concept and show how can the bank apply these elements. (16)

3.4 List the FOUR macro environmental forces that have considerable effect on any organisation's marketing system. (4)

[50]

QUESTION 4

4.1 Briefly explain FIVE components that the customer can use to evaluate service quality. (10)

4.2 Name the EIGHT steps of the foreign markets screening process in the correct sequence. (16)

4.3 List FIVE environmental factor that can affect behavior of industrial buyer. (10)

4.4 Explain what trade barriers are and list FOUR forms of trade barriers that be experienced by business wishing trade overseas. (10)

4.5 List FOUR differentiation methods that the business can use to differentiate their product from that of their competitors. (4)

[50]

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QUESTION 5

5.1 Integration is one of the growth strategies that can be used by Businesses that want to expand.

Name and explain the THREE types of integration strategies. (12)

5.2 Show how any bakery can use the following buying methods to buy their product.

Briefly explain and show practical example using bakery as industrial buyer.

5.2.1 Description

5.2.2 Inspection

5.2.3 Sampling

5.2.4 Sampling

(4 × 4) (16)

5.3 Explain THREE strategies for mature and decline markets. (12)

5.4 When one is writing the mission statement of the enterprise, the mission statement need to answer FIVE questions.

Name those FIVE questions to be answered by mission statement. (10)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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