higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NATIONAL CERTIFICATE

MARKETING MANAGEMENT N6

(4030076)

7 June 2019 (X-Paper)
09:00–12:00

This question paper consists of 7 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
MARKETING MANAGEMENT N6
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. This question paper consists of TWO sections.

   SECTION A: 50
   SECTION B: 150

2. SECTION A is COMPULSORY.

3. SECTION B: Answer only THREE questions in this section.

4. Number the answers according to the numbering system used in this question paper.

5. Read ALL the questions carefully.

6. ALL questions are to be answered in the ANSWER BOOK.

7. Draw a line after each question.

8. Write neatly and legibly.

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QUESTION 1

SCENARIO: LANSERIA AIRPORT EYES MASSIVE GROWTH

Lanseria International Airport, in the north of Johannesburg, is aiming to double its passenger numbers to more than 4 million within the next six years, said its CEO, Rampa Rammopo. Lanseria, which is South Africa's fourth largest airport by passenger numbers among 21 significant local airports, moved just over 1,9 million passengers last year, and by 2022 that is forecast to grow to just over four million passengers.

This would likely see Lanseria surpass King Shaka International in Durban as the third-largest airport behind Cape Town and OR Tambo airport. To achieve the envisaged growth, the Lanseria terminal building and parking space will have to be expanded, the airport's fuel farm and technical facilities will have to be relocated, and its general infrastructure will have to be upgraded.

Rammopo said the airport currently caters only for domestic routes. The commercial flights that depart from Lanseria, which was established in 1974, are mainly those bound for either Cape Town or Durban but also George, he added.

Three budget airlines operate flights from Lanseria: Mango, Kulula and FlySafair commercial airlines have been flying from Lanseria since 2006 when Kulula set up its operations there, Mango followed in 2010 and FlySafair in 2016.

"Our vision is regional airport catering, mainly for the SA Development Community and the sub-Saharan region. Lanseria is in talk with Air Namibia, Kenya Airways, Air Mauritius and Air Botswana to fly to and from the airport."

The latest Gautrain feasibility study sees the rapid rail facility expand to include a stop at Lanseria airport, but this might not happen for the next 10 years at least. "Our selling points, to the airlines, are the ease of access and convenience. There is a short time between the aircraft and your car and we have a minimal retail offering." Another opportunity that Lanseria is looking at is dedicated cargo facilities.

The airport is privately owned by the Public Investment Corporation, the Pan African Infrastructure Development Fund and Nozala Investment Holdings.

[Source: *City Press (Business)* 27 August 2017]

1.1 List THREE Lanseria Airport competitors as mentioned in the scenario. (3 × 2) (6)

1.2 List THREE airlines operating at Lanseria Airport. (3 × 2) (6)

1.3 Who is Lanseria Airport's target market? Support your answer by quoting from the scenario. (2 × 2) (4)

1.4 According to the main classification of service, under which category falls Lanseria Airport? (2)

1.5 Name and give examples of FIVE other classifications of service. (5 × 2) (10)

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1.6 Show how an airline like Mango can use the following sales promotion tools to promote their service:

1.6.1 Free visit, consultation or samples

1.6.2 Money-off price incentives

1.6.3 Coupon/voucher

1.6.4 Free gift

1.6.5 Competitions

(5 × 2) (10)

1.7 Show how Lanseria Airport can differentiate itself from its competitors using differentiation methods. (4 × 3) (12)

[50]

TOTAL SECTION A: 50

SECTION B

Answer only THREE questions from this section.

QUESTION 2

2.1 Name and explain FIVE components that customers can use to evaluate service quality offered by Lanseria Airport. (5 × 3) (15)

2.2 Fully explain the Enterprise Strength/Market Attractiveness matrix developed by McKinsey, a consultant for General Electric, according to the following format:

2.2.1 Draw the structure of the Market Attractiveness/Enterprise Strength matrix. (10)

2.2.2 List FIVE factors that belong to each dimension. (5 × 2) (10)

2.2.3 One of the strategies that can be used for this matrix is invest to hold.

Name and briefly explain the other FIVE strategies that are applicable to the Enterprise Strength/Market Attractiveness matrix.

(5 × 3) (15)

[50]

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QUESTION 3

3.1 Briefly explain and show by means of examples how Toyota car manufacturer can use the following growth strategies:

3.1.1 Growth in existing market

3.1.2 Growth through product development

3.1.3 Growth through market development

3.1.4 Integration

(4 × 4) (16)

3.2 Lanseria Airport is a business buyer. Show the first EIGHT steps that they can follow when buying industrial products. (8 × 2) (16)

3.3 Lanseria is in talk with Air Namibia, Kenya Airways, Air Mauritius and Air Botswana to fly to and from the airport. How can these airways adapt to South Africa in terms of the following marketing strategies:

3.3.1 Product adaptation

3.3.2 Price adaptation

3.3.3 Promotion adaptation

(3 × 6) (18)
[50]

QUESTION 4

4.1 Briefly explain and show by means of practical examples how Mango Airways can use the following buying methods when purchasing their industrial products:

4.1.1 Description

4.1.2 Inspection

4.1.3 Sampling

4.1.4 Negotiation

(4 × 4) (16)

4.2 Mango Airways can decide to venture into the funeral cover business as part of a diversification strategy.

4.2.1 Explain the term *diversification.* (2)

4.2.2 Is this related or unrelated diversification? Why? (2 × 2) (4)

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4.2.3 List FOUR management tasks that Mango Airways' marketing manager must perform. (4 × 2) (8)

4.3 Give advice to the Lanseria Airport management regarding the benefits or advantages they will gain by doing international trading. (6 × 2) (12)

4.4 List FOUR price strategies that Mango Airways can use to price their services. (4 × 2) (8)

[50]

QUESTION 5

5.1 Explain the following characteristics of industrial demand:

5.1.1 Derived demand

5.1.2 Elasticity of demand

5.1.3 Knowledgeable buyers

5.1.4 Relatively small number of geographically concentrated buyers (4 × 2) (8)

5.2 If Lanseria Airport wants to open another airport in any other country, one alternative entry strategy to use is foreign licensing.

5.2.1 Explain the term *foreign licensing*. (4)

5.2.2 List FOUR advantages of using foreign licensing as entry strategy. (4 × 2) (8)

5.3 Briefly explain the following bases of segmenting the market:

5.3.1 Types of buying situations

5.3.2 Purchasing approaches

5.3.3 Operational variables

5.3.4 Types of markets

5.3.5 Size of customer (5 × 2) (10)

5.4 List FIVE benefits that Lanseria Airport can gain by continuously scanning or analysing the environment. (5 × 2) (10)

5.5 Name and explain FIVE characteristics of services. (5 × 2) (10)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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