higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N6

7 June 2021

This marking guideline consists of 9 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	B
	1.1.2	C
	1.1.3	D
	1.1.4	B
	1.1.5	A
	1.1.6	C
	1.1.7	C
	1.1.8	C
	1.1.9	B
	1.1.10	D

(10 × 1) (10)

1.2	1.2.1	True
	1.2.2	True
	1.2.3	False
	1.2.4	True
	1.2.5	False
	1.2.6	False
	1.2.7	False
	1.1.8	True
	1.2.9	False
	1.2.10	False

(10 × 1) (10)

1.3	1.3.1	F
	1.3.2	J
	1.3.3	B
	1.3.4	C
	1.3.5	A
	1.3.6	E
	1.3.7	D
	1.3.8	H
	1.3.9	G
	1.3.10	I

(10 × 1) (10)

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1.4 1.4.1 Subsidiary
1.4.2 Heterogeneous qualities
1.4.3 Buyer
1.4.4 Market development
1.4.5 Leadership
1.4.6 Joint venture
1.4.7 Buying patterns
1.4.8 Direct export
1.4.9 Sales analyst
1.4.10 Promotion

(10 × 1) (10)
[40]

TOTAL SECTION A: 40

SECTION B

QUESTION 2

2.1
- Internal environment✓ – 'Everyone else must fail'✓ can include employees within the organisation or competitors outside the organisation.✓ 'I just wish it wasn't everyone else at my company'✓ displays the level of concern within the company.✓ (5)
- External environment✓ – 'Everyone else must fail'✓ can include employees within the organisation or competitors outside the organisation.✓ (3)

2.2
- Planning
- Organising
- Leading
- Coordination
- Control (5)

2.3
- Weak points
- Strong points (2)

2.4 Mission – is a word describing a company's function,✓ markets and competitive advantage.✓ It is a short written statement of business goals and philosophy,✓ in other words, it defines what an organisation is✓ and states the reasons for its existence. (Accept any relevant answers) (4)

2.5
- Establish standards
- Measure performance
- Compare actual performance with standards and identify any deviations.
- Determine the reasons for deviations
- Take corrective action if needed (5)

[24]

QUESTION 3

3.1 Derived demand – is a demand for commodities✓ and services✓ as a consequence of the demand for something else.✓ (3)

3.2
- Animal hides✓ are purchased because consumers want to buy shoes,✓ wallets✓ and other leather goods.✓ (4)
- The demand for houses✓ leads to the demand for steel✓ and cement.✓ The latter does not exist by itself and is derived from the former. (3)

3.3 Industrial marketing is all the activities involved in the marketing of products and services✓ to organise institutions that use products and services✓ in the production of consumer or industrial goods and services✓ and facilitate the operation of their enterprises.✓ (4)

3.4
- Agriculture
- Forestry
- Fisheries
- Mining
- Manufacturing
- Construction
- Transportation
- Communication
- Public utilities
- Banking
- Finance
- Insurance
- Services (Any 5 × 1) (5)

3.5
- Installation✓ of, for example, machinery✓
- Accessories✓ such as power generators✓
- Raw materials✓ such as cotton or timber✓
- Manufactured parts✓ such as radiators or batteries✓
- Supplies or consumables✓ such as lubricants✓ or oils (5 × 2) (10)

3.6 Product planning is the process of creating and executing a product idea✓ and introducing the product to the market.✓ (2)

3.7
- Price
- Distribution
- Promotion (3)

[34]

QUESTION 4

4.1 4.1.1 Licensing – is a relatively flexible work agreement that can be customised✓ to fit the needs and interests of both the licensor and the licensee.✓

4.1.2 Foreign trade policies – policies by a government regarding its domestic economy to discourage imports from✓ and to encourage exports to foreign countries.✓

4.1.3 Direct export – a producer or supplier sells its product directly to the international market,✓ either through intermediaries such as sales representatives, distributors or foreign retailers, or to the end user.✓

4.1.4 Indirect export – a producer or supplier sells goods and services to an intermediary who later sells them✓ directly to importing wholesalers or customers. ✓

4.1.5 Price determination – the interaction between demand and supply in the free market✓ that is used to determine the cost of goods and services.✓

(5 × 2) (10)

4.2
- Bilateral trade✓ – a trade agreement in terms of which two countries exchange goods and services.✓✓
- Multilateral trade✓ – a type of international trade when a country trades with two or more other countries.✓✓ (6)

4.3
- Direct export✓– selling directly to the market you have chosen by using you own resources.✓ Agents and distributors who work closely with you, promote your interests and become the face of your company.✓
- Licensing✓ – a firm transfers the rights to the use of a product or service to another firm.✓ It is a useful strategy if the purchaser of the licence has a relatively large share in the market you want to enter.✓
- Franchising✓ – It works well in firms that have a repeatable business model that can be easily transferred to another market, e.g. food outlets.✓ Your business model should either be quite unique or have a strong brand recognition that can be utilised internationally.✓
- Partnerships✓ – are indispensable when companies wish to enter foreign markets. In some parts of the world, e.g. Asia, a partnership is a prerequisite.✓ It can take a variety of forms, from a simple co-marketing alliance to a sophisticated strategic alliance for manufacturing.✓
- Joint venture✓ – is a type of partnership that involves the creation of a third independently managed company.✓ Two companies agree to work together in a particular market, either a geographical or a product market, and create a third company in order to do this.✓

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- Buying company✓ – In some markets, buying an existing local company may be the most appropriate entry strategy.✓ The reason may be that a company has a substantial market share, is in direct competition with you or, because of regulations, that this is the only option for your firm to enter a market.✓ Since it is the most costly method and determines the true value of a firm in a foreign market, it requires a substantial due diligence.
- Piggybacking – is one of the ways of entering the international arena. If you have an interesting and unique product or service that you sell to large domestic firms that are involved in a foreign market, you request them to include your product or service in their inventory for international markets.
- Turnkey projects – are particular to companies that provide services such as environmental counselling, architecture, construction and engineering. A facility is built from the ground up and turned over to the client who is ready to go. This is a very effective way to enter a foreign market because the client is normally a government and the project is often financed by an international financial agency such as the World Bank, so the risk of not being paid is eliminated. (18)

4.4 Trade barriers are government restrictions✓on international trade.✓

- Voluntary export restriction
- Regulatory barriers
- Anti-dumping duties
- Subsidies
- Tariffs
- Quotas (8)

[42]

TOTAL SECTION B: 100

SECTION C

QUESTION 5

5.1

- Ask for referrals. ✓
  Don't wait for your current customers to refer their friends and family members to you✓ because you could be waiting far too long.✓ Take action by implementing a system for actively soliciting referrals from your satisfied customers✓ and building referral generating activity in the sales process by, e.g., collecting information about customers from sales people.✓
- Network. ✓
  Generate good, old-fashioned word of mouth by participating in networking organisations and events relevant to your industry and customers.✓ Be sure to approach your networking with the correct attitude.✓ Ask yourself 'How can I help others?' instead of 'What is in it for me?' By being of use to others, you build relationships that will lead to new customers.✓

- Offer discounts and incentives to new customers only.✓
  Introductory offers such as a two-week course at your karate studio for only R100,✓ can lure curious customers to your door. It is a low-risk way to try your product or services.✓ Track the customers who take up the special offer and target them with a marketing message that encourages them to keep buying from you.✓
- Reconnect with old customers.✓
  Everything old can be new again, including old customers who haven't done business with you for some time.✓ Go through your customer contacts on a regular basis and reach out to dormant customers who haven't bought anything from you for six months or a year with a special offer via e-mail, direct mail or phone.✓ They will be glad that you still remember them and want to win them back.✓
- Improve your website.✓
  These days customers and business-to-business buyers find new business primarily by searching online.✓ Therefore, your website has to do some heavy lifting to attract new customers.✓ Give your website a once-over to make sure that the design, content, graphics and SEO are up to date.✓ If website improvement is not your strong suit, enlist the services of a website design company.
- Partner with complementary businesses.
  Team up with businesses that have the same customers base as you, but are not directly competitive. Think of ways to target each other's customers to drive new business to each other. For example, a maternity clothing website and a baby product website could pair up to offer discounts and deals to each other's customers.
- Promote your expertise.
  Generate interest and new customers by publicising your expertise in your industry. Impress potential customers with your expertise by participating in industry panel discussions or webinars, by speaking at industry events or to groups that your target customers belong to or by holding educational sessions or workshops.
- Use online reviews to your advantage.
  Cultivate your reviews and make the most of them. Link to reviews on your website and post signage in your location by urging customers to check you out on where the reviews are. Social proof is powerful and new customers are likely to give your business a try if others praise it.
- Participate in community events.
  Most people like to support independent business in their communities. Raise your profile in your community by participating in charity events and organisations. Sponsor a local fun run, organise holidays, donate 'toys for kids', or equip a little league team in your city. It gets your name out there and brings in new customers.

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- Bring a friend.
  Offer buy-one-get-one-free or bring-a-friend deals to convince your regulars to introduce new customers to your business or offer a special such as 'buy one entrée, get a second for free' to attract more customers. You can even get specific: invite a friend to try your new happy-hour specials so that customers know that you want a wider customer base. (6 × 4) (24)

5.2
- Do customer surveys.
- Research your competitors and find out who their customers are.
- Target ads.
- Smart social media.
- Respond to every e-mail, tweet, Facebook comment and phone call.
- Affiliate marketing.
- Establish trust in your community. (6)

[30]

QUESTION 6

6.1 Marketing planning – improve a marketing plan by incorporating overall marketing objectives✓ and goals✓ and designing the strategies✓ and programme of action✓ (Accept relevant answers) (4)

6.2
- Goal – a description of a destination.✓
- Objective – a measure of the progress✓ that is needed to get to the destination.✓ (3)

6.3
- Promotional strategies
- Distribution channels
- Budget allocation (3)

6.4 Situational analysis
Taking into account the internal and external factors that might impact the marketing plan.✓ Any company has strengths✓ and weaknesses✓ that will influence its marketing plan such as product,✓ workforce,✓ market perceptions✓ and other characteristics that give it certain advantages or disadvantages in the market.✓ Outside the organisation, a range of opportunities✓ and threats✓ such as competitors,✓ economic forces, government regulations✓ and other political factors present themselves.✓

By doing a situational analysis, a company refines its goals and sets marketing objectives for itself.✓ At a corporate level, objectives include profitability, cost savings, growth, market share improvement, risk containment and reputation.✓ Corporate objectives can be translated into specific,✓ measurable marketing objectives, ✓e.g., 'introduce three products' might cause marketers to support the corporate goal and 'increase profit margins' might dictate marketing objectives such as product innovation, quality of material and price. (Accept relevant answers) (15)

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6.5
- Increase efficiency
- Reduce business-related risks
- Facilitate proper coordination
- Aid organising
- Give right direction
- Keep good control
- Help to achieve objectives
- Motivate personnel
- Encourage creativity and innovation
- Help in decision-making

(Accept any relevant answers) (5)
[30]

TOTAL SECTION C: 60
GRAND TOTAL: 200

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