higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N4

26 NOVEMBER 2018

This marking guideline consists of 9 pages.

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SECTION A

QUESTION 1

1.1 1.1.1 Invest to hold
1.1.2 Invest to rebuild
1.1.3 Low investment/harvest
1.1.4 Invest to penetrate
1.1.5 Selective investment
1.1.6 Divest
1.1.7 Build strategy
1.1.8 Differentiation strategy
1.1.9 Focus strategy
1.1.10 Low cost strategy

(10 × 2) (20)

1.2 1.2.1 Growth can be achieved by encouraging existing users of a product to buy or use more of the same product or to test new uses for an existing product.✓✓ Capitec Bank can do reminder advertising or special discount.✓✓

1.2.2 Growth can also be achieved by making small changes and improvement to existing products.✓✓ Capitec bank use fingerprint identification as part of safety improvement.✓✓

1.2.3 Geographic and even international expansion is a growth possibility that can make very big demands on an enterprise in terms of resources and expertise.✓✓ Capitec Bank can open branches in the rural areas and outside the South African boarders.✓✓

1.2.4 Diversification involves the development or acquisition of products and services new to the enterprise and introduction of the products to market not previously serve by enterprise.✓✓ Capitec Bank offers insurance policy related diversification or unrelated diversification by his transportation service.✓✓

1.2.5 Horizontal intergration the enterprise take over a competitors.✓✓ Capitec Bank took over Standard Bank.✓✓

(5 × 4) (20)

1.3 1.3.1 First car wash is free

1.3.2 30 percent discount by washing your car from Monday to Thursday

1.3.3 Issued R200 vouchers to first time user to spend at Checkers Hyper.

1.3.4 Visit business to do presentation, those customers who attend will get free car key holders with company name.

1.3.5 Any customers who use our car wash will put their name in monthly draw where they got chance of winning different gifts.

Any appropriate answers (5 × 2) (10)
[50]

TOTAL SECTION A: 50

SECTION B

QUESTION 2

2.1 2.1.1 True
2.1.2 True
2.1.3 False
2.1.4 True
2.1.5 False
2.1.6 True
2.1.7 True
2.1.8 True
2.1.9 False
2.1.10 True

(10 × 2) (20)

2.2 2.2.1 Description of the product in terms of grade, size, colour, quality and weight.

2.2.2 Inspection: inspect the expiry date on product and inspect quality before signing any purchasing of product. Inspect the production to ascertain if specific quality and health standards are adhered to.

2.2.3 Sampling: check the sample of product before making any purchasing decision. It is based on the method of taking a sample from a homogenous group of products and then by studying the product the organisational buyer bases his decision on the sample.

2.2.4 Negotiation between sellers and the buyer. They negotiate a base price from which they operate and add additional costs and fees for additional attributes. The final price can be determined.

(4 × 2) (8)

2.3 2.3.1 User organisational members who actually use the product. Iniate purchase process and generate purchase specifications.

2.3.2 Initiators are people who recognise that the company has a problem and requirement. The initiator is not always someone inside the buying company.

2.3.3 Influences are often technical people such as engineers who help develop the specification and evaluate alternative products.

2.3.4 Deciders actually choose the products.

2.3.5 Buyers select a supplier and arrange terms of payment.

2.3.6 Gatekeeper control flow of information.

Any appropriate answers (6 × 2) (12)

2.4
- Licensor gain entry into foreigner market with little risks.
- Source of additional earning with a few financial risks.
- It can give a firm a marketing advantage in meeting the needs of foreign customers, overcoming trade barriers, building goodwill or protecting patents and trademarks by having the licensee use the and keep them effective.
- Reciprocal licensing agreement may allow a licensor to gain from the research activities of the foreign country.
- Licencing allows a firm to penetrate to penetrate a foreign market with minimal investment. (5 × 2) (10)

[50]

QUESTION 3

3.1 3.1.1 Differential pricing will shift some demand from peak to off peak period. Charging lower price during offpeak period.

3.1.2 Reservation system is used to presell service. Do car wash by means of appointment or pay in advance to book a car wash service in cheaper rate.

3.1.3 Mini restaurant established to serve fast food and soft drink.

3.1.4 Complementary service can developed during peak time to provide alternative to waiting customers. Play station be installed at my car.

3.1.5 Hiring part time employees during peak period.

(5 × 2) (10)

3.2
- Includes tangible items as part of brand name.
- Tie in a slogan with a brand.
- Use distinctive colour. (3 × 2) (6)

3.3 **Step 1**
Determine the basic needs serve by the product and the characteristics of the potential customer.✓

Often the needs are similar to those in the home market, but sometimes a product may serve different functions abroad, under conditions of rising incomes or industrial development, the needs of potential buyers may be changing rapidly.✓✓

Potential consumers may be identified by age, income, taste, style and quality preferences and life style. Industrial customers are characterised by the type of product produced, the production process, technological levels and cost structure.

Step 2
Established the manner in which these needs are currently being met.✓✓
The analyst can consult published government and trade data determine whether the basic product is available in the market from local source or as import from other countries. An essential concept is to find out whether the company's own products and marketing strategies have advantages from the consumer's viewpoint from existing products.✓✓

Steps 3
Estimation of market potential.✓
Select market indicators to reflect the market potential for the product.✓✓
Estimation of present market potential.
Estimation of future market potential.
Estimation of sales potential.
Estimation of cost and profit.
Estimation of return on investment.

Step 4
Elimination.✓
Eliminate the countries that does not meet the firm's minimum requirement for market potential, economic growth, political risk and available labour or national resource.✓✓

Step 5
Ranking.✓
Rank remaining countries by market potential.✓✓

Step 6
Geographical cluster.✓
Check for geographical clusters that would facilitate expansion. The company is interested in determining the base for regional market penetration.✓✓

Steps 7
Eliminate countries where trade or investment barriers prohibit profitability market entry.✓
The barriers would include tarriffs, quotas, currency regulations, investment restrictions, or other laws establishing operating conditions that are not acceptable to the firm.✓✓

Steps 8
Select the most suitable countries for future analysis, the development of the entry strategy, and the formulation of a marketing plan.✓
Generally the firm will want to select relatively few countries for initial entry. A successful penetration in these countries will facilitate expansion later. ✓✓

(8 × 3) (24)

3.4
- Setting of performance standard
- Observation of actual performance
- Study deviation
- Corrective action
- Marketing cost analysis
- Sales analysis
- Consumer survey
- Qualitative survey

(Any 5 × 2) (10)
[50]

QUESTION 4

4.1
- Because service is intangible it is impossible for customers to sample, to taste, feel, see, hear the service before they buy the service.
- Inseparability services are typically produced and consume simultaneously.
- Heterogeneity it is impossible for service or industry or even individual seller of services to standardise output.
- Ownership the inability to own service relate to it's in tangability and perishability. When service is performed no ownership is transfer from the seller to the buyer.

(4 × 2) (8)

4.2 4.2.1 Types of markets major divisions in which customers are segmented are government market, reseller market, producer market and institutional market.

4.2.2 Customer size any demographic dimension such as customer size as reflecting in the sales volume, number of employees or other criteria, geographical area, number of outlets or scope of operation can be used to determine customer size.

4.2.3 Operational variables companies can be classified according to technology, user types, product types or frequency of which they require they require delivery.

4.2.4 Purchasing approaches important variables used are the degree of centralisation/decentralisation of the purchasing function.

4.2.5 Types buying situations delivery requirements of customers, the product application order size can be used for segmentation. Also organisational buying situations namely new task modified and straight rebuy.

4.2.6 Personal characteristics marketers can also segment on the basis of organisational values, risk profile or loyalty towards suppliers.

(6 × 2) (12)

4.3
4.3.1 D
4.3.2 D
4.3.3 B
4.3.4 D
4.3.5 D
4.3.6 B
4.3.7 B
4.3.8 C
4.3.9 D
4.3.10 C

(10 × 2) (20)

4.4 4.4.1 Purchasing function product must meet quality standards as determine by new product development function in marketing department.

4.4.2 Production function the firm must meet design requirements as set by new product development function in marketing department.

4.4.3 Financial function all marketing activities need proper financing to function effectively.

4.4.3 Information department marketing function get accurate and timeous information regarding international affairs, economic affairs, changing attitude/needs and latest consumer trends.

4.4.5 Public relation function if consumer get negative perceptions from advertisement done by the marketing function it is the duty of public relations to put that those perceptions into the correct perspective.

(5 × 2) (10)
[50]

QUESTION 5

5.1 Personal selling

- The close relationship between the buyer and the seller in service marketing can be achieved through personal selling.✓✓ This relationship is based on service encounter eg. Bank cashier serving client fast.✓✓

Publicity

- The main reason for using public relation is to create or improve the image of the company in the public eyes.✓✓ The press, radio and television may be used to create a favourable broadcast about service company and its service.✓✓

Sales promotion

- Methods can be used free sample✓✓ opening free account for students✓✓
- Money off price incentives these method is used to stimulate demand during slack periods where is consider to be key element in customer's purchasing decision. Lower internet banking charges if service is used between 8 pm – 5 am.
- Coupon/Voucher these are used to encourage non clients and first time user to use out the service. Grocery voucher for opening new bank account.
- Free gift, customer are promised a free gift when they are lured to attend a presentation. Free water dairies for student who attend bank presentation.
- Competition the inclusion of a competition adds to the value of the total offer. Students who open account with the bank they got chance of winning a bursary.

Advertising

- Is use to help the customer to understand and evaluate the service benefit.✓✓
- Advertise the bank on social media.✓✓ (4 × 4) (16)

5.2 5.2.1

- Straight extention:✓✓ McDonald's introducing the product in foreign market without change.✓✓
- Product adaptation: involve altering the product to meet foreign preference.
- Product invention: consists of creating something completely new.

5.2.2

- Setting uniform price everywhere:✓✓ the company charge same price everywhere in the world on differ in currencies.✓✓
- Setting market base price in each country: McDonald's would charge what each country can affort.
- Setting cost based price in each country: McDonald's could use standard mark-up of its cost everywhere.

5.2.3
- McDonald's can use one message everywhere, only varying the language, colour and name.
- Use the same theme globally but adapt the copy of each local market.
- Some companies encourage the use of foreign advertising agencies or allow their own advertising department to adapt the theme to each local market.

(Any 3 × 4) (12)

5.3
- The structure can cause confusion to subordinate regarding who has authority and who not.
- Numerous stipulation and manuals make the task of the divisional heads very difficult.
- Interference from other divisional managers in other divisions can cause dissatisfaction under divisional heads.
- A complex structure of authority exits
- The unity of demand and management can suffer (5 × 2) (10)

5.4

MARKET ATTRACTIVE VARIABLES	**ENTRERPRISE STRENGTH VARIABLE**
• Market segment • Market growth rate • Profit margin • Competitors • Economic conditions • Technological changes • Socio cultural changes • Action by authority (Any 6 × 1)	• Market share • Profitability • Technology • Product quality • Resources • Knowledge of the market (6 × 1)

(6 × 2) (12)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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