higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1080**(E)**(N26)H

NATIONAL CERTIFICATE

MARKETING MANAGEMENT N6

(4030076)

26 November 2018 (X-Paper)
09:00–12:00

This question paper consists of 10 pages.

Copyright reserved

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 in 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.

Copyright reserved

SECTION A

QUESTION 1

1.1 Name the strategic marketing term for each of the following description.

1.1.1 Attempt to stop erosion in position by investing enough to compensate for environmental and competitive forces.

1.1.2 A company is trying to regain a position previously held.

1.1.3 Investment must be cut to a minimum.

1.1.4 Aggressive attempt to move a position up, even at the sacrifice of earning.

1.1.5 Attempt to strengthen position in some segments and let position weaken in other segments.

1.1.6 Sell or liquidate the business.

1.1.7 Aiming at improving market position with the willingness to forego short-term earnings.

1.1.8 The strategy use various methods to distinguish essentially identical products, so that they will regarded and accepted as separate products by the target market.

1.1.9 The strategy is used when a company decide to occupy only one specific niche in the market with a limited product range.

1.1.10 The strategy is implying that the enterprises will supply the product or service more cost effectively than competitors.

(10 × 2) (20)

1.2 Capitec bank is a South African commercial bank. It is a locally controlled bank licensed by the Reserve Bank of South Africa and the National Banking Regulator. Capitec Bank offers different and better products in an already established market. These products are priced well below those of other banks and tap into a largely unbanked population of low-income customers.

Explain and show by means of an example, how Capitec Bank can use the following growth strategies:

1.2.1 Growth in an existing market

1.2.2 Growth through product development

1.2.3 Growth through expansion in the market

1.2.4 Diversification

1.2.5 Intergration

(5 × 4) (20)

1.3 Show how can CarWash business use the following sales promotion methods to promote their service:

1.3.1 Free sample/Visit/Consultation

1.3.2 Money off price incentive

1.3.3 Coupons/Vouchers

1.3.4 Free gift

1.3.5 Competition

(5 × 2) (10)
[50]

TOTAL SECTION A: 50

Copyright reserved

SECTION B

QUESTION 2

2.1 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (2.1.1–2.1.10) in the ANSWER BOOK.

2.1.1 Supplier selection is one of the steps in the industrial buying decision process.

2.1.2 In industrial marketing, one of the factors affecting the purchasing behaviour of industrial buyers is interpersonal factors.

2.1.3 In the classification of business/industrial products, installations do not have significant influence on the scale of operations to include readily movable items such as welders, drill and so forth

2.1.4 Industrial markets are firms that buy and manufacture goods and services to resell to other businesses or to consumers or to conduct the firm operations.

2.1.5 Franchising is an industrial buying situation.

2.1.6 Business buyers have more personal contact with suppliers, buy infrequently but in large quantities and tend to be objective, well trained and professional in buying.

2.1.7 In the industrial market, there is much greater emphasis on personal selling.

2.1.8 Service is the most decisive factor in the purchasing of industrial products.

2.1.9 Industrial markets are usually dispersed all over South Africa.

2.1.10 Markhams is an example of an industrial business.

(10 × 2) (20)

Copyright reserved

2.2 The first McDonald's restaurant was run by brothers Dick and Mac McDonald's in San Bernardino in California. In 1954 Ray Kroc visited the restaurant and was so impressed by the efficiency of their operation that he pitched his vision of creating McDonald's restaurants across the USA. 69 million customers are served every day. There are now 36,258 McDonald's restaurants in 119 countries, of which 29 544 are franchised.

Explain how McDonald's can use the following methods to buy their food ingredients from their suppliers:

2.2.1 Description

2.2.2 Inspection

2.2.3 Sampling

2.2.4 Negotiation

(4 × 2) (8)

2.3 Name and explain the SIX roles to be played by members of buying centre at McDonald's. (6 × 2) (12)

2.4 Name FIVE advantages for McDonald's when using foreign licensing. (5 × 2) (10)
[50]

QUESTION 3

3.1 Show how a car wash service business can overcome the challenges posed by perishability and fluctuating demand using the following strategies:

3.1.1 Differential pricing

3.1.2 Reservation services

3.1.3 Nonpeak demand can be cultivated

3.1.4 Complementary service

3.1.5 Part-time employees

(5 × 2) (10)

3.2 Because service is intangible many service companies rely on branding to market their business.

Explain by means of examples, the tactics and/or strategies that a service company can use to create an effective and useful brand. (3 × 2) (6)

Copyright reserved

3.3 When initially screening potential foreign markets, the objective is to isolate the potential markets for further study.

Give a step-by-step discussion of the process that you would follow to perform an international marketing screening process. (8 × 3) (24)

3.4 Name the FIVE steps of the control process and give any TWO control methods. (5 × 2) (10)
[50]

QUESTION 4

4.1 Name and briefly explain FOUR characteristics of service, exclude perishability and fluctuating demand. (4 × 2) (8)

4. Briefly explain the following segmentation bases of industrial market.

4.2 4.2.1 Types of market

4.2.2 Size of customer segment

4.2.3 Operational variables

4.2.4 Purchasing approaches

4.2.5 Types of buying situations

4.2.6 Personal characteristics

(6 × 2) (12)

4.3 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (4.3.1–4.3.10) in the ANSWER BOOK.

4.3.1 Which ONE function is responsible for the development and planning of all processes that relate to the manufacturing of products?

A Sales function
B Purchasing function
C Marketing function
D Production function

4.3.2 The task of marketing management essential to marketing productivity with the purpose of aligning actual performance with marketing plans as set out during the planning process:

A Planning
B Implementation
C Organising
D Control

4.3.3 This organisational structure is the simplest structure that exists and is found in large companies with varied product lines.

A Structure according to product
B Functional organisational structure
C Structure according to customer
D Structure according geographical area

4.3.4 This structure ensures better coverage of the entire market.

A Structure according to product
B Functional organisational structure
C Structure according to customer
D Structure according to geographical area

4.3.5 Which ONE can be classified in the decline phase of the product lifecycle?

A Stars
B Problem child
C Cash cow
D Dogs

4.3.6 Which strategy implies that the enterprise will supply the product or service more cost effectively than competitors?

A Sales management
B Low cost strategy
C Differentiation strategy
D Focus strategy

4.3.7 Which growth can be achieved by making small changes and improvements to existing products?

A Growth in existing market
B Growth through product development
C Diversification
D Growth through expansion in the market

Copyright reserved

4.3.8 The buying method is signified by the specification and description of certain attributes to the product.

A Modified rebuy
B Build
C Description
D Production

4.3.9 The marketing control method entails a careful and comprehensive investigation into composition of the enterprise sale as they appear in the income statement.

A Consumer survey
B Marketing cost analysis
C Qualitative observation
D Sales analysis

4.3.10 … refer to a culture's ideas concerning beauty and good taste as expressed in the fine art – music, art, drama, dancing and particular appreciation of colour and form.

A Infrastructure
B Material culture
C Aesthetics
D Social culture

(10 × 2) (20)

4.4 Show by means of an example how marketing function relates to the following functions:

4.4.1 The purchasing function

4.4.2 Production function

4.4.3 Financial function

4.4.3 Information function

4.4.5 Public relations function

(5 × 2) (10)
[50]

QUESTION 5

5.1 Draft a brief promotional strategy for Capitec Bank. Make sure that you name ALL promotional elements. (4 × 4) (16)

5.2 How can McDonald's restaurant adapt the following marketing mix to suit the environment in international countries?

5.2.1 Product adaptation

5.2.2 Price adaptation

5.2.3 Promotion adaptation

(3 × 4) (12)

5.3 Name FIVE disadvantages that McDonald's can experience if they decide to use the functional organisational structure. (5 × 2) (10)

5.4 The enterprise strength/market attractiveness model consists of a market grid bounded by two variables, market attractiveness on the vertical axis and enterprise strength on the horizontal axis.

Name SIX characteristics of each axis. (6 × 2) (12)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

Copyright reserved