higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

MARKETING MANAGEMENT

(4030076)

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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 question, only the required will be marked. ALL work you do NOT want to be marked must be clearly crossed out.

INSTRUCTIONS AND INFORMATION

This question paper consists of TWO sections.

SECTION A is COMPULSORY.

1.

SECTION A: 50 marks
SECTION B: 150 marks

SECTION B: Answer only THREE questions in this section.

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

3. Read ALL the questions carefully.

4. Draw a line after each question.

5. Write neatly and legibly.

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BACKGROUND

GM Pull out of South Africa (SA) sells plant to Isuzu

General motors announced on Thursday it was disinvesting from SA.

The US (United State) company, whose vehicles have been built in SA since 1926, said it was selling its Struandale vehicle assembly plant in Port Elizabeth to Japanese commercial vehicles company Isuzu. The price of the buyout was not revealed.

From 2018, Isuzu Motors SA will build and distribute only its brand. Chevrolet vehicles will not be sold in SA after 2017.

National Union of Metalworkers of SA (Numsa) general secretary Irvin Jim said he was shocked by decision and said the union would take legal advice on how to proceed.

He said General Motors of SA (GMSA) 'has already shut down plant,' but company said it was not the case and that it continued to build vehicles.

Trade and Industry Minister Rob Davies, while regretting the disinvestment, said it was not surprising, given that GMSA had been on downwards sales path for some years. He said the annual Struandale vehicles production was well short of the 50,000 required to gain full access of government's automotive production and development programme.

In 2016, GMSA built 34,000 vehicles and figure was not expected to rise 2017. The plant has capacity to build at least 100,000 vehicles.

All three vehicles ranges produced at Struandale- the Chevrolet Spark car, Chevrolet Utility and Isuzu bakkie- are built in uneconomically small numbers and it has been apparent for some time that drastic rationalisation.

GMSA executives have hinted previously that Isuzu would be the beneficiary. The Japanese company is particularly anxious to rival other bakkie producers, which have found rich export picking in Africa. Ford Southern Africa has turned around its fortunes since concentrating its resources on building the Ranger bakkie and Toyota SA's main products is the Hilux.

Production of the Chevrolet spark and utility end in 2017. Assembly of heavy Isuzu trucks at GMSA's Kempston Road facility in Port Elizabeth, will be transferred to Struandale.

Isuzu sees considerable immediate potential for African sales. GMSA exports of Isuzu into Africa have so far been fraction of those achieved by other SA made bakkie brand

Isuzu executive Haruyasu Tanshige said his company aimed for major growth across the region.

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Nicholls said the current 132 GM dealers in SA would be cut to 90 by Isuzu. These will continue to service Isuzu for the duration of their warranties and would also look after Opel until a new distribution network was established.

Schaafsma said components exports programs agreed by GMSA, most notably for catalytic converters, would run to their contracted conclusion. Some of these are due to continue to 2024.

GMSA is one of the seven vehicles manufacturers in SA, alongside, Toyota, Volkswagen, Ford, Nissan, BMW, Mercedes-Benz, Chinese Manufacturer BAIC a R11bn investment plan in 2016.

[SOURCE: *BUSSINESSLIVE 2017-05-18*]

QUESTION 1

1.1 Name FOUR Isuzu competitors as mentioned in the case study. (4 × 2) (8)

1.2 Explain the term disinvestment and give the motive behind GMSA disinvestment. (2 × 2) (4)

1.3 GMSA said it was selling its Struandale vehicle assembly in Port Elizabeth to Japanese commercial vehicles company Isuzu.

Name and explain the integration strategy used. (2 × 2) (4)

1.4 Name and explain another TWO integration strategies. (2 × 4) (8)

1.5 Isuzu executive Haruyasho Tanshige said his company is aimed at growth across the region.

Give EIGHT steps in the correct order he should take in screening the foreign regional market. (8 × 2) (16)

1.6 Give examples of the following industrial products used in car manufacturing:

1.6.1 Installation

1.6.2 Accessory equipment

1.6.3 Parts

1.6.4 Operation supplies

1.6.5 Business services

(5 × 2) (10)
[50]

TOTAL SECTION A: 50

QUESTION 2

2.1 2.1 .1 GMSA product range Chevrolet Captiva 2014, Chevrolet Spark 2015, Chevrolet Cruze 2016 and Chevrolet utility bakkie 2017. According to Boston Consulting Group matrix different products can be classified based on their market share and their relative market share.

Draw the BCG matrix and put the FOUR car models given above in each product category. (18)

2.1.2 Name and explain the THREE basic strategies that can be used in BCG Matrix. (3 × 4) (12)

2.2 Show how any service company of your choice, can use the FOUR promotional mix instruments to promote their service. (4 × 3) (12)

2.3 Show FOUR benefits Isuzu can gain by trading internationally. (4 × 2) (8)

[40]

QUESTION 3

3.1 GMSA manufacture three vehicles ranges, the Chevrolet Spark, Chevrolet utility vehicle and Isuzu bakkie.

Show by means of a diagram how GMSA can organise its marketing department according to product. (16)

3.2 One of the marketing functions in the enterprise is to identify opportunity and threat in the marketing environment.

Give FIVE other marketing functions. (5 × 2) (10)

3.3 Show how Isuzu can use THREE buying situations or classes to buy their industrial products. (3 × 4) (12)

3.4 All companies that are providing services must overcome constraints caused by the characteristics stated below.

Make suggestions as to how a service company like a bank can overcome these constraints.

3.4.1 Intangibility (3 × 2) (6)

3.4.2 Perishability (3 × 2) (6)

[50]

QUESTION 4

4. Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (4.1.1–4.1.10) in the ANSWER BOOK.

4.1.1 Revenue orientated pricing places the focus on maximising the surplus of income over cost.

4.1.2 Cost and pricing by the strategy management tries to maximise the number of customers who are using the service, by varying prices to different market segments.

4.1.3 Differential pricing by means of discount is often use by a bus service when charging a lower price if one uses their services more regularly.

4.1.4 The patronage orientated pricing method is used for repair service where the main ingredient is direct labour and a customer is charged on hourly basis.

4.1.5 With operation orientated pricing the management seek to match supply and demand by varying prices.

4.1.6 To extend the service line involves the actual changing features of the product already on offer to an established market.

4.1.7 Service improvement may involve revising the design on a telephone kiosk which may include logo or décor.

4.1.8 Style changes are additions to the existing service product range.

4.1.9 Major innovations are entirely new service for a new market.

4.1.10 New services are offered by organisation to its existing customers.

(10 × 2) (20)

4.2 Shortly discuss the role of the members of the 'Buying Centre' in the industrial buying process. (6 × 3) (18)

4.3 Excluding integration name and explain THREE growth strategies that Isuzu can use to expand their market share. (3 × 4) (12)

[50]

QUESTION 5

5.1 Discuss the FOUR steps in the control process marketing management can use, to ensure that planned results correspond with actual results. (4 × 4) (16)

5.2 List FIVE environmental factors that can affect selling Isuzu cars in South Africa. (5 × 2) (10)

5.3 Name FOUR marketing principles and briefly explain how these principles apply to colleges. (4 × 4) (16)

5.4 List FOUR forms of trade barriers that Isuzu may face if they want to expand to other countries. (4 × 2) (8)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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