MNM2602   (489077)   May/June 2018

Essentials of Marketing

Duration   2 Hours   70   Marks

EXAMINERS
FIRST   MS LE FOURIE
SECOND   MS M GOPAUL

Closed book examination

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue

This paper consists of eleven (11) pages plus instructions for the completion of a mark-reading sheet

> You may not consult notes of any kind, or any person except the invigilator, during the examination session

This paper consists of two (2) sections, SECTION A and SECTION B   Section A is compulsory and should be answered on the mark-reading sheet provided   Answer ANY TWO (2) of the questions in section B in the examination answer book provided

This paper counts a total of 70 marks   The marks obtained (out of 70) will be converted to a percentage (100)

> **PLEASE NOTE·** Write the numbers of the questions that you have answered on the cover page of the examination answer book, in the "Question No" column, in the order that you have answered them
>
> **HAND IN THE MARK-READING SHEET TOGETHER WITH YOUR EXAMINATION ANSWER BOOK.**

INSTRUCTIONS TO CANDIDATES:

1   Number your answers clearly
2   Read the questions carefully before answering them
3   Answers must be set out in a systematic and logical way using appropriate headings and subheadings
4   Answer the questions in detail

SECTION A

Answer all the questions in this section on the mark-reading sheet AND write down the answers in your answer book In your answer book, write down the correct option number (1, 2, 3 or 4) next to the question number for each of the multiple-choice questions below For example, question 16 4, question 17 3, etcetera Make sure that the options indicated on the mark-reading sheet correspond with those in your answer book Each multiple-choice question counts one (1) mark. **SECTION A COUNTS 30 MARKS.**

QUESTION 1

Canned food competes in which **ONE** of the following market structures?

1   a monopoly
2   perfect competition
3   monopolistic competition
4   an oligopoly

[1]

QUESTION 2

Which **ONE** of the following is an example of habitual decision making?

1   Adri buys a Fanta Grape while standing in the queue at Pick n Pay to pay her monthly groceries
2   Mr Mkhize is buying a Toyota Yaris for his eldest son
3   Dennis takes All Gold tomato sauce without looking at the other brands or prices of tomato sauce
4   Sibongile is buying a real leather couch for her home

[1]

QUESTION 3

Colin wants everyone he targets for his research to have a known chance of being included to voice their opinion This is an example of

1   a web-based survey
2   a probability sampling method
3   secondary data
4   primary data

[1]

QUESTION 4

The number of consumers that have already bought food from a Chesa Nyama store is referred to as the   market

1   total
2   available
3   target
4   penetrated

[1]

QUESTION 5

Opportunities and threats are considered to be part of the   environment

1   micro-
2   controllable
3   consumer
4   macro-

[1]

QUESTION 6

Which **ONE** of the following targeting strategies does Apple iPhone make use of?

1   the undifferentiated targeting strategy
2   the concentrated targeting strategy
3   the mover targeting strategy
4   the competitive targeting strategy

[1]

QUESTION 7

What is an advantage of the target market strategy that Apple iPhone uses?

1   It results in increased profits
2   The market is narrow and constantly shifting
3   Production and marketing outputs may increase
4   Resources are spent on a single, defined market

[1]

QUESTION 8

Pete's Chilli positions their chilli sauce as "the hottest chilli sauce in the world" but it does not contain any of the hottest chillies in the world Pete's Chilli is guilty of   positioning

1   doubtful
2   over-
3   confused
4   under-

[1]

QUESTION 9

An advertising slogan can be interpreted differently in different countries so marketers should make sure that the slogan means the same when using it in a different country This is an example of how   can influence marketing

1   a group factor
2   an individual factor
3   impulse decision making
4   cognitive dissonance

[1]

QUESTION 10

Which **ONE** of the following illustrates the space gap?

1   Game stores heaters in a warehouse during summer for when they are needed in winter
2   South Africa exports maize to other international countries that cannot grow enough of their own
3   Themba feels that R1000 for a rare pair of Converse sneakers is acceptable
4   A sales representative explains the different types of alternative heating sources to a client

[1]

QUESTION 11

Riley's Tyres is struggling to find staff with experience in the tyre industry The staff they currently have lacks in-depth knowledge and practical experience Riley's Tyres' staff can thus be considered to be a/an   the company

1   strength in
2   weakness in
3   opportunity for
4   threat to

[1]

QUESTION 12

The process of putting marketing strategies into action is called

1   planning
2   implementation
3   control
4   sales

[1]

QUESTION 13

Karen enters past sales records, costs and cash flows from the accounting department into an organisational database which forms part of the marketing information system This is an example of information that is captured in the   subsystem

1   statistical
2   internal reporting
3   external research
4   financial intelligence

[1]

QUESTION 14

Solar Select sells alternative power solutions like solar power for industrial and residential clients When Eskom increases electricity prices and starts with load shedding where power is cut during certain times, this is considered to be a/an   for Solar Select

1   strength
2   weakness
3   opportunity
4   threat

[1]

QUESTION 15

KFC's staff is part of the   environment for KFC

1   market
2   macro-
3   micro-
4   external

[1]

QUESTION 16

Which **ONE** of the following contains the first and the last steps of the consumer decision-making process?

1   search for information and post-purchase evaluation
2   evaluation and purchase decision
3   post-purchase evaluation and need recognition
4   need recognition and search for information

[1]

QUESTION 17

Which **ONE** of the following is an example of a social need in Maslow's hierarchy of needs?

1   Mary bought a Mercedes Benz to reflect her success in her business
2   Brian only buys Castle Lite when visiting with friends as they all drink Castle Lite
3   Lebogang made the decision to leave her high paying job and become a painter, a lifelong dream
4   Tshepo buys a sandwich from the cafeteria at his workplace because he forgot his lunch at home

[1]

QUESTION 18

TLC Warranties uses a call centre to sell extended vehicle warranties to consumers Their telesales representatives have very high targets to reach Which orientation is TLC Warranties using in this example?

1   societal orientation
2   product orientation
3   production orientation
4   sales orientation

[1]

QUESTION 19

Which **ONE** of the following is an example of a product decision?

1   Yuppie Chef decides to add a brick and mortar shop to reach a wider target market
2   TD Beverages conducts research into the demand for different flavour juices and decides to sell orange juice for R8,99 a bottle and strawberry juice for R9,99 per bottle
3   Nicole's Jewellery has grown immensely using only a Facebook page as marketing method Nicole decides to spend R20 000 on an advertisement in *Glamour* magazine
4   All Gold redesigned the packaging of their jam and now offers some jam flavours in a squeeze bottle instead of a tin

[1]

QUESTION 20

Which **ONE** of the following is an individual factor that influences consumer behaviour?

1   John has always had a dream to live in India He decides to sell everything and move to India to discover himself
2   In John's culture, it is considered rude when you do not look into someone's eyes when they speak to you
3   John buys Adidas clothing as Kanye West wears it regularly
4   John is married with two children, John is usually the initiator in his family

[1]

QUESTION 21

Gourmet Soups sells 16 million ready-to-eat soup sachets a year Unfortunately it recently had to recall all butternut-flavoured soup due to the wrong sell-by date that was printed on the packaging Gourmet Soups had to act swiftly to keep the damage to its reputation to the minimum The swift reaction is known as   planning

1   strategic
2   tactical
3   reputation
4   operational

[1]

QUESTION 22

Which **ONE** of the following components is **NOT** a component of attitude?

1   the conative component
2   the cognitive component
3   the affective component
4   the attentive component

[1]

QUESTION 23

Which **ONE** of the following is an example of an individual factor in the form of learning?

1   Patricia goes shopping for groceries and pays for it Her husband has no say in what she buys
2   The paraffin price increases by eight cents per litre
3   A mechanic only makes use of a certain brand of motor oil, based on experience
4   Kgomotso puts the television on mute during a commercial break to catch up with her son

[1]

QUESTION 24

Paul wants to buy a tablet computer for the first time but is not knowledgeable about this type of product This is an example of the   gap

1   space
2   information
3   ownership
4   value

[1]

QUESTION 25

Lily's Bakery has been receiving increasingly more requests from younger customers lately for savoury wedding cakes that consists of different types of cheeses, nuts and biltong, which is different to the traditional sweet cakes they sell for weddings Lily's Bakery decided to add this to their product mix as enough customers are asking for it Which prerequisite for market segmentation is this an example of?

1   It must be accessible
2   It must be innovative
3   It must be large enough
4   It must be measurable

[1]

QUESTION 26

Tebogo baked 100 cupcakes for market day at school She made sure that all the cupcakes are exactly the same size by measuring the batter she poured into the cupcake tins so that everyone gets the same size cupcake for R10 Which universal marketing function is this an example of?

1   the value management marketing function
2   the standardising/grading marketing function
3   the securing marketing information function
4   the risk taking marketing function

[1]

QUESTION 27

Rebecca owns a company that makes active wear for plus size ladies Which **ONE** of the following refers to positioning?

1   Rebecca decides to compete on the basis of quality active wear for larger sizes
2   Rebecca has identified ladies between the ages of 18 and 40 years who have a larger frame as the most probable customer
3   Rebecca advertises her active wear on weight loss groups on Facebook to reach her market
4   Rebecca sees a gap in the market for plus size active wear

[1]

QUESTION 28

Discovery rewards their customers for making healthy choices with Vitality The more healthy choices you make the higher status you achieve and the more rewards you receive This is an example of segmentation

1   psychographic
2   demographic
3   geographic
4   behavioural

[1]

QUESTION 29

Which **ONE** of the following statements about the types of survey research is **TRUE**?

1   The respondent cooperation in postal surveys is excellent
2   The possibility for respondent misunderstanding is the lowest with door-to-door interviews
3   Web-based surveys are more expensive than personal interviews
4   Data can be collected faster with door-to-door interviews than with web-based surveys

[1]

QUESTION 30

Tom, a tailor, decides that he wants to move away from only targeting brides and the tailoring of wedding dresses He starts to do overall general tailoring on all types of clothes The targeting strategy Tom is following is an example of the   targeting strategy

1   undifferentiated
2   multi-segmented
3   attractive
4   concentrated

[1]

SUBTOTAL FOR SECTION A [30]

[TURNOVER]

SECTION B

Read the short case study below and answer **ANY TWO (2) OF THE FOLLOWING THREE (3) QUESTIONS** If you answer more than two questions, only the first two questions will be marked in the order in which they appear in the answer book For example, if you answer all the questions in the order 1, 2 and 3, only the answers to questions 1 and 2 will be marked If you answer all the questions in the order 3, 1 and 2, only the answers to questions 3 and 1 will be marked **SECTION B COUNTS 40 MARKS** Structure your answers by using appropriate headings and subheadings

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CASE STUDY
MZANSI CLOTHING*

Mzansi Clothing is situated in Soweto, they design and manufacture proudly South African clothing for the younger generation They make use of high quality standards and fabric to manufacture shirts, pants, dresses and caps at average prices Mzansi Clothing also allow customers to take clothing on layby, where Mzansi Clothing holds the items until the customer has paid it off They mainly advertise on social media platforms as this is where their target market spends most of their time They also have stalls at youth festivals and parties

Mzansi Clothing are constantly conducting research on what the younger generation likes and analyse this information to adapt their product mix to the latest trends When they identify a seasonal trend they usually manufacture at least 500 units of that clothing piece and safely store it in a warehouse to make sure they have enough in stock, although it might not sell This makes it easier to dispatch the stock quickly to the customer, they do not have to wait for it to be made Customers have two options for delivery of products, they can either collect from the factory in Soweto or Mzansi Clothing can send the package to them via courier

Recently Mzansi Clothing bought a new embroidery machine that speeds up embroidery work Where it usually takes a week to do embroidery on one item, the machine now finishes the embroidery on one item within a day Mzansi clothing gets their material from Cape Town and with increasing petrol and diesel prices their manufacturer needed to increase their material price per square meter This means that Mzansi Clothing is considering a price increase on their products to make up the cost of their new embroidery machine and the transport cost increase

*Mzansi Clothing is a fictitious brand

ANSWER ANY TWO (2) OF THE FOLLOWING THREE (3) QUESTIONS.

QUESTION 1

Discuss the six macro-environmental variables that can influence a product or company and give any two examples of macro-environmental variables that have an influence on Mzansi Clothing in the case study (18 marks will be awarded for the theory and 2 marks for the practical application to Mzansi Clothing)

[20]

QUESTION 2

a)   There are four family types that are usually classified according to the leading member Discuss these four types of families and motivate what type of family will most likely buy Mzansi Clothing products (4 marks will be awarded for the theory and 2 marks for the practical application to Mzansi Clothing)

(6)

b)   Discuss the steps in the positioning process that you would follow to position Mzansi Clothing (7 marks will be awarded for the theory only) Then draw a positioning map for Mzansi Clothing's products and motivate why you placed Mzansi Clothing's products in a specific quadrant (5 marks will be awarded for the illustration and the naming of the positioning map and 2 marks for the motivation)

(14)

[20]

QUESTION 3

Discuss the eight universal functions or activities of marketing and provide an example of any four by referring to the Mzansi Clothing case study (16 marks for the theory and 4 marks for the practical application)

[20]

SUBTOTAL FOR SECTION B. [40]

TOTAL: [70]

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EXAMINATION MARK READING SHEET EKSAMEN-MERKLEESBLAD

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PART 1 (GENERAL/ALGEMEEN) DEEL 1

STUDY UNIT e g PSY100 X
STUDIE EENHEID bv PSY100 X

①

INITIALS AND SURNAME
VOORLETTERS EN VAN

③

PAPER NUMBER
VRAESTELNOMMER

②

DATE OF EXAMINATION
DATUM VAN EKSAMEN

④

EXAMINATION CENTRE (E G PRETORIA)
EKSAMENSENTRUM (BV PRETORIA)

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[9] [9] [9] [9] [9] [9]

For use by examination invigilator

Vir gebruik deur eksamenopsiener

◆

IMPORTANT

1 USE ONLY AN HB PENCIL TO COMPLETE THIS SHEET
2 MARK LIKE THIS ▬
3 CHECK THAT YOUR INITIALS AND SURNAME HAS BEEN FILLED IN CORRECTLY
4 ENTER YOUR STUDENT NUMBER FROM LEFT TO RIGHT
5 CHECK THAT YOUR STUDENT NUMBER HAS BEEN FILLED IN CORRECTLY
6 CHECK THAT THE UNIQUE NUMBER HAS BEEN FILLED IN CORRECTLY
7 CHECK THAT ONLY ONE ANSWER PER QUESTION HAS BEEN MARKED
8 DO NOT FOLD

BELANGRIK

1 GEBRUIK SLEGS N HB POTLOOD OM HIERDIE BLAD TE VOLTOOI
2 MERK AS VOLG ▬
3 KONTROLEER DAT U VOORLETTERS EN VAN REG INGEVUL IS
4 VUL U STUDENTENOMMER VAN LINKS NA REGS IN
5 KONTROLEER DAT U DIE KORREKTE STUDENTENOMMER VERSTREK HET
6 KONTROLEER DAT DIE UNIEKE NOMMER REG INGEVUL IS
7 MAAK SEKER DAT NET EEN ALTERNATIEF PER VRAAG GEMERK IS
8 MOENIE VOU NIE

PART 2 (ANSWERS/ANTWOORDE) DEEL 2

⑩

Specimen only

1	[1] [2] [3] [4] [5]	36	[1] [2] [3] [4] [5]	71	[1] [2] [3] [4] [5]	106	[1] [2] [3] [4] [5]
2	[1] [2] [3] [4] [5]	37	[1] [2] [3] [4] [5]	72	[1] [2] [3] [4] [5]	107	[1] [2] [3] [4] [5]
3	[1] [2] [3] [4] [5]	38	[1] [2] [3] [4] [5]	73	[1] [2] [3] [4] [5]	108	[1] [2] [3] [4] [5]
4	[1] [2] [3] [4] [5]	39	[1] [2] [3] [4] [5]	74	[1] [2] [3] [4] [5]	109	[1] [2] [3] [4] [5]
5	[1] [2] [3] [4] [5]	40	[1] [2] [3] [4] [5]	75	[1] [2] [3] [4] [5]	110	[1] [2] [3] [4] [5]
6	[1] [2] [3] [4] [5]	41	[1] [2] [3] [4] [5]	76	[1] [2] [3] [4] [5]	111	[1] [2] [3] [4] [5]
7	[1] [2] [3] [4] [5]	42	[1] [2] [3] [4] [5]	77	[1] [2] [3] [4] [5]	112	[1] [2] [3] [4] [5]
8	[1] [2] [3] [4] [5]	43	[1] [2] [3] [4] [5]	78	[1] [2] [3] [4] [5]	113	[1] [2] [3] [4] [5]
9	[1] [2] [3] [4] [5]	44	[1] [2] [3] [4] [5]	79	[1] [2] [3] [4] [5]	114	[1] [2] [3] [4] [5]
10	[1] [2] [3] [4] [5]	45	[1] [2] [3] [4] [5]	80	[1] [2] [3] [4] [5]	115	[1] [2] [3] [4] [5]
11	[1] [2] [3] [4] [5]	46	[1] [2] [3] [4] [5]	81	[1] [2] [3] [4] [5]	116	[1] [2] [3] [4] [5]
12	[1] [2] [3] [4] [5]	47	[1] [2] [3] [4] [5]	82	[1] [2] [3] [4] [5]	117	[1] [2] [3] [4] [5]
13	[1] [2] [3] [4] [5]	48	[1] [2] [3] [4] [5]	83	[1] [2] [3] [4] [5]	118	[1] [2] [3] [4] [5]
14	[1] [2] [3] [4] [5]	49	[1] [2] [3] [4] [5]	84	[1] [2] [3] [4] [5]	119	[1] [2] [3] [4] [5]
15	[1] [2] [3] [4] [5]	50	[1] [2] [3] [4] [5]	85	[1] [2] [3] [4] [5]	120	[1] [2] [3] [4] [5]
16	[1] [2] [3] [4] [5]	51	[1] [2] [3] [4] [5]	86	[1] [2] [3] [4] [5]	121	[1] [2] [3] [4] [5]
17	[1] [2] [3] [4] [5]	52	[1] [2] [3] [4] [5]	87	[1] [2] [3] [4] [5]	122	[1] [2] [3] [4] [5]
18	[1] [2] [3] [4] [5]	53	[1] [2] [3] [4] [5]	88	[1] [2] [3] [4] [5]	123	[1] [2] [3] [4] [5]
19	[1] [2] [3] [4] [5]	54	[1] [2] [3] [4] [5]	89	[1] [2] [3] [4] [5]	124	[1] [2] [3] [4] [5]
20	[1] [2] [3] [4] [5]	55	[1] [2] [3] [4] [5]	90	[1] [2] [3] [4] [5]	125	[1] [2] [3] [4] [5]
21	[1] [2] [3] [4] [5]	56	[1] [2] [3] [4] [5]	91	[1] [2] [3] [4] [5]	126	[1] [2] [3] [4] [5]
22	[1] [2] [3] [4] [5]	57	[1] [2] [3] [4] [5]	92	[1] [2] [3] [4] [5]	127	[1] [2] [3] [4] [5]
23	[1] [2] [3] [4] [5]	58	[1] [2] [3] [4] [5]	93	[1] [2] [3] [4] [5]	128	[1] [2] [3] [4] [5]
24	[1] [2] [3] [4] [5]	59	[1] [2] [3] [4] [5]	94	[1] [2] [3] [4] [5]	129	[1] [2] [3] [4] [5]
25	[1] [2] [3] [4] [5]	60	[1] [2] [3] [4] [5]	95	[1] [2] [3] [4] [5]	130	[1] [2] [3] [4] [5]
26	[1] [2] [3] [4] [5]	61	[1] [2] [3] [4] [5]	96	[1] [2] [3] [4] [5]	131	[1] [2] [3] [4] [5]
27	[1] [2] [3] [4] [5]	62	[1] [2] [3] [4] [5]	97	[1] [2] [3] [4] [5]	132	[1] [2] [3] [4] [5]
28	[1] [2] [3] [4] [5]	63	[1] [2] [3] [4] [5]	98	[1] [2] [3] [4] [5]	133	[1] [2] [3] [4] [5]
29	[1] [2] [3] [4] [5]	64	[1] [2] [3] [4] [5]	99	[1] [2] [3] [4] [5]	134	[1] [2] [3] [4] [5]
30	[1] [2] [3] [4] [5]	65	[1] [2] [3] [4] [5]	100	[1] [2] [3] [4] [5]	135	[1] [2] [3] [4] [5]
31	[1] [2] [3] [4] [5]	66	[1] [2] [3] [4] [5]	101	[1] [2] [3] [4] [5]	136	[1] [2] [3] [4] [5]
32	[1] [2] [3] [4] [5]	67	[1] [2] [3] [4] [5]	102	[1] [2] [3] [4] [5]	137	[1] [2] [3] [4] [5]
33	[1] [2] [3] [4] [5]	68	[1] [2] [3] [4] [5]	103	[1] [2] [3] [4] [5]	138	[1] [2] [3] [4] [5]
34	[1] [2] [3] [4] [5]	69	[1] [2] [3] [4] [5]	104	[1] [2] [3] [4] [5]	139	[1] [2] [3] [4] [5]
35	[1] [2] [3] [4] [5]	70	[1] [2] [3] [4] [5]	105	[1] [2] [3] [4] [5]	140	[1] [2] [3] [4] [5]

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MARK READING SHEET INSTRUCTIONS

Your mark reading sheet is marked by computer and should therefore be filled in thoroughly and correctly

USE ONLY AN HB PENCIL TO COMPLETE YOUR MARK READING SHEET

PLEASE DO NOT FOLD OR DAMAGE YOUR MARK READING SHEET

Consult the illustration of a mark reading sheet on the reverse of this page and follow the instructions step by step when working on your sheet

Instruction numbers ❶ to ❿ refer to spaces on your mark reading sheet which you should fill in as follows

❶ Write your paper code in these eight squares, for instance

P	S	Y	1	0	0	-	X

❷ The paper number pertains only to first-level courses consisting of two papers

WRITE | 0 | 1 | for the first paper and | 0 | 2 | for the second If only one paper, then leave blank

❸ Fill in your initials and surname

❹ Fill in the date of the examination

❺ Fill in the name of the examination centre

❻ WRITE the digits of your student number HORIZONTALLY (from left to right) Begin by filling in the first digit of your student number in the first square on the left, then fill in the other digits, each one in a separate square

❼ In each vertical column mark the digit that corresponds to the digit in your student number as follows
[-]

❽ WRITE your unique paper number HORIZONTALLY
NB Your unique paper number appears at the top of your examination paper and consists only of digits (e g 403326)

❾ In each vertical column mark the digit that corresponds to the digit number in your unique paper number as follows [-]

❿ Question numbers 1 to 140 indicate corresponding question numbers in your examination paper The five spaces with digits 1 to 5 next to each question number indicate an alternative answer to each question The spaces of which the number correspond to the answer you have chosen for each question and should be marked as follows [-]

◆ For official use by the invigilator Do not fill in any information here