



PROGRAM : NATIONAL DIPLOMA
*PUBLIC RELATIONS AND COMMUNICATION
MANAGEMENT*

SUBJECT : **PUBLIC RELATIONS 3**

CODE : **SKW3A11**

DATE : WINTER EXAMINATION
JUNE 2014

DURATION : (THEORY-PAPER) 08:30 - 10:30

WEIGHT : 50:50

TOTAL MARKS : 80

EXAMINER : MRS D R BENECKE Sanso Number

MODERATOR : MR C COCHRAN File Number

NUMBER OF PAGES : 2 PAGES

INSTRUCTIONS : QUESTION PAPERS MUST BE HANDED IN.

REQUIREMENTS : 2 SHEETS OF ANSWERING PAPER.

2/...

INSTRUCTIONS TO CANDIDATES:

PLEASE ANSWER ALL THE QUESTIONS.

QUESTION 1

Describing public relations as an art and a science many scholars have contributed to the current knowledge available to public relations practitioners.

Discuss how public relations is defined and practiced from the various paradigmatic approaches.

[20]

QUESTION 2

Critically discuss how organisations in South Africa should use the relationship theories in public relations to build and cultivate relationships between the organization and their stakeholders.

[20]

QUESTION 3

Discuss the various principles of stakeholder management as they apply to social capital development.

[20]

QUESTION 4

“A key function of public relations is to assist a company to tell their story – if they don’t the market will” (Lattimore, 2013:363). Discuss this statement by looking at:

4.1 How reputation is earned . (10)

4.2 How reputation can be restored - discuss any 5 (five) proposed actions. (10)

[20]

TOTAL = 80

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UNIVERSITY
OF
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SUBJECT : PUBLIC RELATIONS 3

CODE : SKW3A11

DATE : WINTER EXAMINATION
JUNE 2014

DURATION : (PRACTICAL-PAPER) 14:00-16:00

WEIGHT : 50:50

TOTAL MARKS : 80

EXAMINER : MRS D R BENECKE

Sanso Number

MODERATOR : MR C COCHRAN

File Number

NUMBER OF PAGES : 4 PAGES

INSTRUCTIONS : QUESTION PAPERS MUST BE HANDED IN.

REQUIREMENTS : 2 SHEETS OF ANSWERING PAPER.

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INSTRUCTIONS TO CANDIDATES:

PLEASE ANSWER ALL THE QUESTIONS.
READ THE MAIL AND GUARDIAN ARTICLE INCLUDED IN
ANNEXURE TO ANSWER YOUR QUESTIONS.

QUESTION 1

Based on the information about KFC expansion into the Nigerian market, discuss how you (as the public relations manager of KFC Africa) will research proposed developments in other African countries.

Your research plan needs to include:

- Research opportunity opposed to a research problem
- Research objectives you will use in your research plan
- Research methods you will use to collect your data

[40]

QUESTION 2

As the public relations manager of KFC Africa design a brand strategy based on the core elements as stated by MacLeod (2011) which suggests that a "reputation is like ABC":

- Advocacy
- Behaviour
- Coherence

[40]

TOTAL = 80

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Global fast food retailers are moving into the underserved African market and following in the footsteps of a successful local entrepreneur.

Mail and Guardian – 24 March 2014 downloaded on 11 April 2014

When investment banker Ebele Enunwa moved to Nigeria's oil industry hub more than a decade ago, he was distraught by a lack of places he wanted to eat. To tackle the problem, he raised \$1-million from banks and friends to open a chain of fast-food outlets called Kilimanjaro—named for Africa's highest peak—in 2004.

Now, competitors including Yum! Brands, Domino's Pizza and Johnny Rockets International are following suit and opening outlets, while McDonald's says it's eyeing opportunities in Africa's most populous country.

The chains are staking claim to an industry that has grown more than 10% annually this decade despite operating in a nation where chicken imports are banned, power supply is unreliable and a meal costs more than most people make in a day.

Outside of the Nigerian business hub of Lagos, "the fast-food industry is seriously underserved," Enunwa said in an interview. "There is so much more to bite out of."

Global expansion has been key for Yum. The KFC owner generates about a quarter of its revenue from its international business unit and posted system sales growth from the division that was twice as fast as the whole last quarter.

Fish burgers

KFC, which sells Nigerians fish burgers and vegetable fried rice in addition to the chicken that made it famous, is currently the biggest international rival, having opened 25 restaurants since first entering in 2009. Domino's and Cold Stone Creamery followed in 2012 and now plan to add about five outlets a year across the country and Lagos.

Nigeria "presents opportunities in the form of substantially less penetration than developed markets and the ability to establish a dominant brand and market share," said Sara Senatore, a New York-based analyst at Sanford C. Bernstein & Co.

The fast-food chains are building on the industry that Enunwa helped pioneer with Kilimanjaro, which he used to evoke images of the "top of Africa." Since quitting IBTC to sell beans and dodo, a local fried plantains dish, he's turned Kilimanjaro into a chain of 13 outlets and plans another four this year. The Cornell University hospitality school graduate says he aims to capture a "significant" share of the market, despite the foreign competition, and may sell shares to the public one day. First, he's got to sell more food.

These days, a meal at Kilimanjaro is still a luxury for most Nigerians. While oil wealth in Africa's top producer tripled Nigerian gross domestic product per capita over the past decade, most Nigerians live on less than \$1.25 a day, or about 206 Naira, World Bank estimates show. A typical customer spends about four times that much each time they visit Kilimanjaro, Enunwa said.

Pounded yam

"Overall, low poverty still restricts the number of international chains that can enter, since modern fast-food prices are quite expensive and beyond the reach of most," said Euromonitor analyst Victor-Serge Ajibola. That means only a lucky few are tucking into Kilimanjaro's pounded yam, edikaikong—a local soup—and catfish combo meal, which goes for 1 170 Naira, about \$7, and can be ordered online for in-store pickup or delivery. At KFC, a three-piece chicken meal with fries or rice and a drink costs 1 800 naira, or nearly \$11.

"We are definitely not affordable to the majority of the population, but we hope in time to be able to reduce our cost base so we can pass on a reduced price," said Bruce Layzell, Yum's general manager for new African markets.

Import ban

Part of the reason for the relatively high prices in Nigeria is that the country bans chicken imports—to help support its nascent poultry industry—and packaging. That means all of KFC's wings have to be sourced locally in a country that lacks an industrialised farm system of scale and the infrastructure to reliably get meat to restaurants before rotting. Another cost is one of the greatest attractions to customers: generators to keep the lights on and the free WiFi humming at the chains' air-conditioned eateries in a nation fraught with chronic blackouts.

Layzell said it costs twice as much to open a Nigerian KFC than a South African one, but that exponential growth on the continent is going to come from outside of South Africa, which is already KFC's fifth-biggest market.

Every corner

The challenges of Nigeria aren't deterring Domino's and Cold Stone, which have a combined 15 shops currently dotted around Lagos, said Jean-Claude Meyer, who runs the local franchises in Nigeria. "In 20 years' time, we expect to be in every corner of the country," Meyer said, though currently they are focused on Lagos. He called the current expansion plan "pretty conservative" for a country with a population that is more than half the United States.

For now, Enunwa thinks his competitors' focus on Lagos means he sees more opportunity for Kilimanjaro expanding to regions away from the heaving metropolis of Lagos. "People say they're a threat," said Enunwa. "I say let them come. I think everybody will find space." – Bloomberg