

FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	DFC/SWC
MODULE NAME	Business Management 3A (Marketing)
MODULE CODE	BEM33A3/BMA03A3
SEMESTER	First
ASSESSMENT OPPORTUNITY,	Final Supplementary Summative
MONTH AND YEAR	Assessment
	July 2019

ASSESSMENT DATE	July 2019	SESSION	1
ASSESSOR	Dr T Mngomezulu/Dr V Kalitanyi		
MODERATOR	Dr RJ Tobias-Mamina (Wits)		
DURATION	180 Minutes	TOTAL MARKS	150

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	22
, , ,	

INFORMATION/INSTRUCTIONS:

- This is a closed-book assessment.
- Question papers must be handed in together with your answer books.
- Read the questions carefully and answer only what is asked.
- Answer all the questions:
 - Answer Section A on the multiple choice sheet provided. Indicate the correct answer as per the instructions on the multiple choice sheet.
 - o Answer **Section B** in the answer book.
- Number your answers clearly.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
- Structure your answers by using appropriate headings and subheadings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

SECTION A [50 MARKS]

QUESTION 1

Which one of the following statements is true?

- A The marketing concept is focused on the support of the sales function.
- B The marketing concept is concerned with mainly the achievement of corporate goals through excellent product design, value pricing strategies and excellent promotional strategies.
- The marketing concept is focused on the development of value-for-money products/services that are high in quality and that beat the competition.
- D The marketing concept is the achievement of corporate goals by meeting and exceeding customer needs better than the competition.

QUESTION 2

Which one of the following is an example of a "Must Be" characteristic of the Kano model of customer satisfaction?

- A In a hotel, customers expect extra towels
- B In a hotel, customers expect service at reception and a clean room
- C In a hotel, customers expect free room service
- D In a hotel, customers expect satellite television and a bath

QUESTION 3

Doyle proposes the concept of	, where the objective of marketing is seen
as contributing to the maximisation of share	holder value.

- A marketing mix
- B. value-based marketing
- C chain of marketing
- D promotional mix

QUESTION 4

Vodacom got ahead of its competitors in the cell phone industry primarily ______.

- A through superior product design
- B through highly innovative advertising
- C through cost-based pricing
- D by using multiple distribution channels

Which of the following is a set of decisions traditionally described as the marketing mix, comprising of the 4P's?

- (i) Price
- (ii) Planning
- (iii) Promotion
- (iv) Place
- (v) Product

Choose the correct answer:

- A (i), (ii), (iv) and (v)
- B (i), (iii), (iv) and (v)
- C (i), (ii), (iii) and (iv)

QUESTION 6

Which of the following is controlled by the promotional mix?

- (i) Sales promotions
- (ii) Trade prices
- (iii) Direct marketing
- (iv) Internet marketing

Choose the correct answer:

- A (i), (ii) and (iii)
- B (i), (iii) and (iv)
- C (ii) and (iv)
- D (ii) and (iii)

QUESTION 7

Implementing the marketing mix can lead to ______.

- A less customer complaints
- B better value products
- C lower costs
- D better business performance

_____ need to monitor the rapid changes taking place in these variables in order to exploit potential opportunities and to minimise potential threats.

- A Markets
- B Firms
- C Customers
- D Suppliers

QUESTION 9

The micro-environment consists of which of the following actors in the firm's immediate environment or business system, that affect its capabilities to operate effectively in its chosen markets?

- A Social, customers, distributors and competitors
- B Suppliers, customers, economic and competitors
- C Political, customers, distributors and competitors
- D Suppliers, customers, distributors and competitor

QUESTION 10

Which of the following groups need to pay particular attention to the possible impact of culture?

- A International marketers
- B Key account managers
- C Marketers
- D Top management

QUESTION 11

The "consumer movement" presents which of the following to marketing managers?

- A A threat
- B An opportunity
- C An annoyance
- D Weakness

Which of the following are parts of a complete environment scanning system?

- (i) Keep information on the business environment for top management use only.
- (ii) Provide a focal point for the interpretation and analysis of environmental information.
- (iii) Monitor trends, issues and events and study their implications.
- (iv) Keep information on the business environment for middle management use only.

Choose the correct answer:

	/··	/···		/···
Α ((1)	/ 11 \	and	/ 111 \
$\overline{}$	\ I / .	1 II <i>1</i>	and	1 III <i>1</i>

- B (i), (iii) and (iv)
- C (ii) and (iv)
- D (ii) and (iii)

QUESTION 13

"Gradual Strategic Repositioning" involves a gradual	
Oladadi Olialogio Nopooliloliliig ilivolvoo a gladadi	

- A and ad hoc adaptation to the changing marketing environment
- B and planned changing of a company's promotional strategy
- C planned and continuous adaptation to the changing marketing environment
- D. and planned refocus of a company's target market

QUESTION 14

Companies can respond to environmental change by ______.

- (i) delay
- (ii) retrenchment
- (iii) radical strategic repositioning
- (iv) political deployment

- A (i) and (ii)
- B (i), (ii) and (iv)
- C (i), (iii) and (iv)
- D (i), (ii) and (iii)

QU	EST	ION	15
----	-----	-----	----

social factors

D

~~-	
•	ractice of monitoring and analysing a company's marketing environment is as
A B C D	situational analysis market analysis market scanning environmental scanning
QUES	STION 16
Need	recognition may occur as a result of
(i) (ii) (iii) (iv)	emotional or psychological need routine depletion unexpected event marketing myopia
A B C D	(i), (ii) and (iii) (i), (iii) and (iv) (ii) and (iv) (ii) and (iii)
QUES	STION 17
	arious attributes (and benefits) a customer uses when evaluating products and ses are known as
A B C	choice criteria self-image perceived risk

Why has the use of social class to explain differences in consumer behaviour been criticised?

- A Because it is difficult to categorise individuals into succinct social class categories
- B Social class categories are seen as an antiquated measure and are not an accurate measure of the differences that exist in consumer spending patterns
- C Social class categories do not reflect changes in modern society
- D Social class categories may not relate to differences in disposable income

QUESTION 19

Which of the following is the type where in products may be categorised?

- A Materials and profit
- B Products and prices
- C Plant and equipment
- D Components and prices

QUESTION 20

Organisational buying is characterised by ______.

- (i) the nature and size of the organisation, the level of buying and demand, derived demand, and the use of relationship marketing
- (ii) the nature and size of customers, complexity of buying, derived demand, negotiation and reciprocal buying
- (iii) the type of motivation, beliefs and attitudes, and social influences
- (iv) the type and scale of industry, the importance of purchase, the level of risk associated, derived demand, and relationship marketing.

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

Unilever conducts consumer panel research. These panels are used to assist

- A build a demographic profile of the type of person who buys particular brands
- B track people's attitudes towards certain brands
- C build a demographic profile of the type of person who watches particular television programmes
- D ascertain which adverts are effective

QUESTION 22

UJ wants to conduct a research project on first-year student experience. What information should be provided at the research brief stage?

- A Costings, background information, deadlines for completion and past research carried out
- B Timetable, background information, the scale of the project and sources of information
- C Timetable, costing, past research carried out and background information
- D Costings, timetable, background information and list of competitors

QUESTION 23

What sampling problems arise through the use of Internet surveys as the survey method?

- A Obtaining a cross-sectional sample can be severely restricting, as Internet users tend to be from more younger and affluent groups in society
- B The sample is too broad to be representative; the Internet allows for responses from anywhere in the global sphere, therefore increasing the difficulty in analysis
- C Samples are usually too small to make inferences regarding the general population
- D Samples are too large, making analysis difficult

Which of the following is important in the design stage of a questionnaire?

- (i) The type of respondents to sample
- (ii) The wording and instructions of the questionnaire
- (iii) The ordering of the topics
- (iv) The type of questions to be asked

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 25

What is the prime task of an information system?

- A The prime task of an information system is to avoid information overload, as too much information clouds a manager's judgement
- B The prime task of an information system is to collate as much information, so that managers have all the appropriate information available in order to make informed business decisions
- C The prime task of an information system is to eliminate irrelevant information by tailoring information flows to individual manager's needs
- D The prime task of an information system is to process information in a logical and coherent fashion, helping to facilitate decision making

QUESTION 26

What is the difference between a research brief and a research proposal?

- A There is no essential difference between the documents, although both facilitate the research process
- B A research proposal is a written document stating the proposed sampling process, whereas a research brief is a document summarising the main finding of the research report
- C A research proposal is a written document stating the client's requirements whereas a research brief is a document defining what the marketing research agency promises to do for its client and how much it will cost
- D A research brief is a written document stating the client's requirements whereas a research proposal is a document defining what the marketing research agency promises to do for its client and how much it will cost

Why are individual depth interviews used rather than focus groups in some cases?

- (i) When the presence of other people could inhibit honest answers and viewpoints
- (ii) Where the individual is not an expert in a particular topic
- (iii) When the topic requires individual treatment
- (iv) Where the individual is an expert in a particular topic

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 28

_____ is the technique of dividing a market into distinct groups of buyers who have distinct needs, characteristics or behaviour patterns and who might require separate products or marketing programmes.

- A Positioning
- B Psychographics
- C Market segmentation
- D Targeting

QUESTION 29

Which of the following are criteria used to segment consumer markets?

- (i) Social class
- (ii) Geography
- (iii) Purchasing organisation
- (iv) Usage

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iv)
- D (i), (ii) and (iii)

Which of the following are major reasons why companies segment their markets?

- (i) It allows companies an opportunity to enhance their profits
- (ii) Companies identify which segments they might most effectively compete in and develop strategies suited for that segment
- (iii) It allows companies to change their marketing strategies as consumers' tastes and preferences change
- (iv) Through segmenting markets, companies can examine growth opportunities and expand their product lines

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 31

	Why	is seamentation im	portant for organisational	markets? So that
--	-----	--------------------	----------------------------	------------------

- A a more effective marketing mix can be designed for these segments
- B companies can adopt an effective pricing strategy
- C companies can target the more profitable segments of the marketplace
- D a more effective new product development process can be employed for a company's targeted segments

QUESTION 32

If the South African Post Office develops a single marketing mix for the whole market, which of the following target marketing strategies is it pursuing?

- A Undifferentiated marketing
- B Differentiated marketing
- C Customised marketing
- D Focused marketing

BMW has bee	en using the slogan '	The ultimate	driving machine'	for decades t	o ensure
the	of the brand's	s positioning.	-		

- A clarity
- B consistency
- C credibility
- D competitiveness

QUESTION 34

Which of the following is required when constructing a perceptual map?

- (i) Plot brands on a two-dimensional map(s)
- (ii) Develop scales to determine purchase intention
- (iii) Identify a set of competing brands and identify important attributes that consumers use when choosing between brands using qualitative research (e.g. group discussions)
- (iv) Conduct quantitative marketing research where consumers score each brand on all key attributes

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 35

The following are advantages of branding ______

- (i) increased company value
- (ii) barriers to competition
- (iii) higher profits
- (iv) reduced costs

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

One of the advantages of brand extension is ______.

- A that consumers appear to attribute the quality associations they have of the original brand to the new one
- B the reduction of risk and that it is less costly than alternative launch strategies
- C advertising economies of scale
- D a brand name that can be used for unrelated markets

QUESTION 37

A good brand name should _____.

- (i) evoke positive associations
- (ii) suggest where the product is available
- (iii) be distinctive
- (iv) use numerals when emphasising technology

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 38

Many business commentators regard Ford Bantam as "cash cow" for Ford entry cars. Which one of the following strategies is mostly appropriate for Ford Bantam range?

- A Divest, which allows resources and managerial time to be focused elsewhere
- B Reposition the product into a defendable niche
- C Hold sales and market share
- D Harvest, to generate a positive cash flow for a time

OI	UES ^T	N	30
W ($\mathbf{U} = \mathbf{U}$	 	

The product life cycle is a _____.

- A product portfolio model, useful in determining future market share growth and market share
- B useful tool for conceptualising the changes that may take place during the time that a product is on the market
- C segmentation tool used to segment the marketplace, highlighting viable segments that are suitable for targeting
- D market research tool, which analyses the usage of a product during its lifetime (e.g. length of usage, how many people have used the product)

QUESTION 40

Product replacements focus on ______.

- A deletion of mature products from a company's product mix, and the launch of an entirely new product
- B the addition of new products that add to a company's existing product lines
- C revisions, improvements to existing products, repositioning of existing products and cost reductions
- D new product launches and the creation of entirely new markets

QUESTION 41

Service standardisation is a related method of tracking _____ problem.

- A a conditionality
- B an intangibility
- C an inseparability
- D a variability

Characteristics of a level three bonding retention service relationship strategy include

- (i) price incentive
- (ii) personal treatment
- (iii) tying the customer to the provider by providing solutions to customer problems that are designed into the service delivery system
- (iv) sustainable competitive advantage

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 43

Why is there a need to extend the traditional 4Ps of the marketing mix for services?

- (i) The economies of scales of production
- (ii) The high degree of direct contact between the firm and the customer
- (iii) The highly visible nature of the service assembly process
- (iv) The simultaneity of production and consumption

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

Which of the following is an organisational benefit of strong customer relationships?

- (i) Positive word-of-mouth
- (ii) Higher costs
- (iii) Increased customer purchases
- (iv) Employee job satisfaction

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 45

Which of the following explains why there may be a gap between what the customers want and what management thinks that they want?

- (i) Lack of upward communication
- (ii) Lack of marketing research
- (iii) Customers' ever-changing needs
- (iv) Lack of downward communication

Choose the correct answer:

- A (i) and (iv)
- B (iii) and (iv)
- C (i) and (iii)
- D (i) and (ii)

QUESTION 46

What is the "Delighters" characteristic of the Kano model of customer satisfaction? "Delighters" _____.

- A are highly satisfied customers
- B extra features of a product/service that a customer receives at no extra cost
- C are dedicated customer service personnel who look after the needs of customers and respond to those needs
- D are the unexpected characteristics that surprise the customer. Their absence does not cause dissatisfaction but their presence delights the customer

A combination of high price and high promotion expenditure is called a _____strategy.

- A rapid penetration
- B slow skimming
- C rapid skimming
- D slow penetration

QUESTION 48

Which of the following are consumer promotion tools?

- (i) Premiums
- (ii) Coupons
- (iii) Money off
- (iv) Allowances

Choose the correct answer:

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

QUESTION 49

Department stores are under increasing pressure due to the emergence of

- (i) the move to out-of-town shopping
- (ii) discount houses
- (iii) e-commerce shops
- (iv) specialty stores

- A (i), (iii) and (iv)
- B (ii), (iii) and (iv)
- C (i), (ii) and (iii)
- D (i), (ii) and (iv)

Marketing planning is the process by which businesses ______.

- A select their marketing mix
- B analyse the environment and their capabilities, decide upon courses of marketing action and implement those decisions
- C select their target market, promotional strategy and overall marketing strategy
- D create their business mission, vision and marketing plan

SECTION B [100 MARKS]

QUESTION 1 [35 MARKS]

Read the case study below and answer the questions that follow.

McDonald's

The marketing environment

In 1955, Ray Kroc, a 52-year-old salesman of milkshake mixing machines, discovered a string of seven restaurants owned by Richard and Maurice McDonald. Kroc saw the McDonald brothers' fast-food concept as a perfect fit for America's increasingly on-the-go, time-squeezed, family-oriented lifestyles. Kroc bought the small chain for R2,7 million, and the rest is history.

McDonald's grew quickly to become the world's largest fast-feeder. The Golden Arches are one of the world's most familiar symbols, and, other than Santa Claus, no character in the world is more recognisable than Ronald McDonald. McDonald's opened its first restaurant in South Africa in November 1995. By 2009, McDonald's operated 123 restaurants throughout South Africa.

The changing marketplace has not only provided opportunities for McDonald's, it has also presented challenges. What happened? In this age of obesity lawsuits, McDonald's seemed a bit out of step with the times. Consumers were looking for fresher, better-tasting food and more upscale atmospheres. For busy consumers who'd rather "eat-out-in", even the local supermarket offered a full selection of preprepared, ready-to-serve gourmet meals to go.

Consumers were also seeking healthier eating options. In one lawsuit, the parents of two teenage girls even charged that McDonald's was responsible for their children's obesity and related health problems, including diabetes.

Reacting to these challenges, in early 2003, McDonald's announced a turnaround plan – the "Plan to Win" – to align the firm better with the new marketplace realities. The plan included the following initiatives:

Back to Basics – McDonald's began refocusing on what made it successful: consistent products and reliable service. It began pouring money back into existing stores, speeding up service, training employees and monitoring restaurants to make sure they stay bright and clean. It's also "re-imaging" its restaurants, with clean, simple, more modern interiors and amenities such as wireless Internet access.

If You Can't Lick 'Em, Join 'Em – To find new ways to compete better with the competitors, and to expand its customer base, McDonald's has experimented with new restaurant concepts. For example, it has tested upscale McCafe coffee shops, which offer leather seating, knowledgeable employees and espresso in porcelain cups, along with made-to-order drinks, gourmet sandwiches and Internet access.

"It's what I eat and what I do ...I'm lovin' it" – McDonald's unveiled a major multifaceted education campaign to help consumers better understand the keys to living balanced, active lifestyles. The "it's what I eat and what I do ... I'm lovin' it" theme underscores the important interplay between eating right and staying active. The firm assembled a Global Advisory Council of outside experts in the areas of nutrition, wellness and activity to provide input on its menu choice and variety, education outreach and promoting physical fitness. McDonald's has introduced a trimmer, fitter Ronald McDonald. He has expanded his role as Chief Happiness Officer to be global ambassador of fun, fitness and children's well-being, inspiring and encouraging kids and families around the world to eat well and stay active. McDonald's has also refreshed its GoActive.com website, which offers tips on how to lead a balanced active lifestyle, as well as a Family Fitness Tool Kit.

And the McDonald's Passport to Play in-school programme motivates children to be more active in unique and fun ways during physical education classes at school. Even the harshest McDonald's critics, although still sceptical, applaud these actions. [Go to GoActive.com to read more about the McDonald's fitness drive.]

Improving the Fare – McDonald's has worked to provide more choice and variety on its menu. For example, it introduced a Go Active1 Happy Meal for adults featuring a Premium Salad, a bottle of Dasani water and a Stepometer, which measures physical activity by tracking daily steps. It now offers Chicken McNuggets made with white meat, Chicken Selects whole-breast strips, low-fat "milk jugs:" and a line of Premium Salads, such as its Fruit 5 Walnut Premium Salad, consisting of apple slices and seedless grapes with a side of low-fat vanilla yogurt and candied walnuts. Within only a year of introducing its Premium Salads, McDonald's became the world's largest salad seller – it has sold more than 516 million salads to date.

McDonald's efforts to realign itself with the changing marketing environment appear to be paying off. By almost any measure, the fast-food giant is now back in shape. The firm is posting steady, even startling, sales and profit increases. Since announcing its Plan to Win, McDonald's has increased its sales by 33% and profits have tripled. It looks like customers and stockholders alike are humming the chain's catchy jingle, "I'm lovin' it." A former McDonald's CEO summed it up this way: "Ray Kroc used to say he didn't know what we would be selling in the year 2000, but whatever it was we would be selling the most of it. He recognised early on that consumer needs change and we want to change with them." South Africa is one of

the most successful markets in McDonald's international history. McDonald's has already invested more than R750 million directly into the South African economy and they are committed to the success of the South African market.

McDonald's creates a large number of job opportunities in South Africa. South African crew members receive comprehensive training in restaurants throughout the country. McDonald's has employed and trained more than 6 000 South Africans at various levels, including franchisees, restaurant managers and crew. Currently, more than 97% of all food served in McDonald's restaurants is produced by local South African suppliers to McDonald's highest quality standards. McDonald's is very proud to state that they use 100% real potato and 100% vegetable oil. They also use 100% beef and 100% premium quality chicken breast and no preservatives in their beef or chicken. They also use no fillers or extenders in their chicken.

As part of McDonald's South African social responsibility drive, McDonald's is embarking on an ambitious renovation project to renovate and update the Othandweni Children's Home in Soweto. McDonald's is also proud to be involved with FIFA, the international football association, continuing its tradition of supporting football at both the global and grassroots levels. McDonald's has been a long-time champion of football for more than 25 years and has served as an official partner of the FIFA World Cup since 1994. Here's looking forward to the 2010 FIFA World Cup!

QUESTION 1

- 1.1 Describe any five micro-environmental forces/factors that have an influence on the products McDonald's offer to their customers. (15)
- 1.2 Explain the political and economic environmental impact on McDonald's marketing decisions in South Africa. (10)
- 1.3 Discuss alternative ways in which McDonald's may respond to environmental changes. (10)

QUESTION 2 [25 MARKS]

- 2.1 Briefly explain any seven marketing planning processes and the purpose of each step and relate it to any company of your choice. (15)
- 2.2 Discuss any of the five main difficulties that can be encountered in marketing planning in an organisation. How can these difficulties be overcome? (10)

QUESTION 3 [15 MARKS]

Micro-economic variables have an impact on opportunities and threats facing organisations.

- 3.1 Define the marketing environment. (5)
- 3.2 Explain the four key micro-environmental factors or variables that an organisation of your choice must consider when assessing its opportunities and threats. (10)

QUESTION 4 [15 MARKS]

THE SAMSUNG 700

When it comes to trying to understand customers, organisations can take a variety of different approaches, one of which is marketing research. Samsung is one of the leading cell phone manufacturing companies. Due to the decline in sales of their top-end product – Samsung 700 – the company conducted marketing research to understand the problem. Samsung Galaxy was conceived from the research recommendations to replace Samsung 700.

List and briefly describe five marketing research processes that may have been followed by Samsung before introducing their latest phone, Samsung Galaxy. (15)

QUESTION 5 [10 MARKS]

Describe five criteria for successful and effective segmentation that a company of your choice should consider. (10)

END OF ASSESSMENT