

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION MAY 2014

TITLE OF COURSE: MARKETING RESEARCH (BA 319/ BA 422)

**DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 3
IDE BACHELOR OF COMMERCE YEAR 6**

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. TOTAL NUMER OF QUESTIONS ON THE PAPER IS 5**
- 2. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B**
- 3. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
- 4. MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF YOUR WORK**

SPECIAL REQUIREMENTS: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

INSTRUCTIONS

ANSWER SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B.

SECTION A: (COMPULSORY)

QUESTION 1: CARLSON'S SUPERMARKET

Bud Carlson, owner of a small chain of supermarkets headquartered in Minnesota, was surveying his company's financial statements when he noticed what he considered disturbing information. Dog and cat food sales dropped an additional 8% on top of last year's drop. Carlson pondered his situation and figured he either needed to get out of pet food sales altogether or to expand his offerings considerably. According to a recent article he read in American Demographics Magazine, supermarkets held a 95% share of the market in the early 1980s, while in the mid 90s their share of the market was hovering around 10%. According to the article, three changes in the pet product industry were responsible for the shift. The first involved super premium pet foods which were originally sold through veterinarians and pet stores. The new foods claimed to offer a healthier alternative to traditional pet food. In time, pet owners concerned about their pet's nutrition and health began to buy the super premium food in increasingly greater quantities.

The second challenge was posed by mass marketers such as Target, Wal-Mart, and K Mart. A wide array of pet products, along with discount prices on pet food resulting from volume purchasing, attracted buyers in significant numbers. Pet owners slowly shifted their buying behavior from the supermarkets to the mass merchandisers further eroding market share. The most recent assault has come from pet food superstores. These outlets offer lower prices and a wider variety of pet foods, toys, accessories, clothing, and furniture than even the mass merchandisers. And as an added twist, pets are welcome to join their owners as they peruse store offerings. Two weeks later, a disgruntled Carlson began his senior staff meeting by stating "Carlson Supermarkets has experienced another drop in pet food sales and the problem is we are losing sales to those discount stores, and I want to know what we are going to do about this issue."

QUESTIONS:

1. If Carlson conducts a marketing research project to investigate the decline in pet food sales, the article he mentioned and the financial statements would be considered secondary data and would be reviewed as part of the research plan. What is secondary data and what are the relative advantages and disadvantages of its review as part of the research project? (15)
2. Explain why Carlson was mistaken when he stated that "..... The problem is we are losing sales to those discount stores...." (10)

TOTAL: 25 MARKS

SECTION B**ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION****QUESTION 2**

- a. What potential sources of error might be associated with the following situations and how would you minimize the error? (15)
1. In a survey of frequent executive business flyers, researchers concluded that price does not play a significant role in airline travel. This is because only 25% of the respondents rated price as the most important consideration in determining how they travelled while 35% rated price as unimportant.
 2. A survey of voters found that most respondents do not like negative political adverts, that is, advertising by one political candidate that points out his opponent's dirty past.
 3. Researchers who must conduct a 45 minute personal interview decided that they will offer money to each respondent because the researchers believe that people who will "sell" their opinions are more typical than someone who will talk to a stranger for 45 minutes.
 4. A company's sales people are asked what percentage of their time they spend making presentations, driving on the road, talking on the phone, participating in meetings, working on the computer and engaging in other on-the-job activities.
 5. In a survey conducted by the Swaziland National Library the public was asked: "Have you read a book within the past year?" (10)
- b. Discuss the difference between the following:
1. Validity and reliability
 2. Stratified sampling and quota sampling
 3. Pooled data and syndicated data
 4. Basic research and applied research
 5. Ordinal scale and interval scale

TOTAL: 25 MARKS**QUESTION 3**

- a. The Swazi Bank operates branches in all the four regions of Swaziland. The bank offers a complete range of financial services including credit cards. It has 62 500 people in the country using its credit cards. From the application for the credit card they have information about the clients including: name, address, region, telephone number, cell number, income and education. Swazi Bank is interested in determining if there is a relationship between the volume of purchases charged on the client's credit card and demographic characteristics of the clients. Dr. DG Vilakati the Research Director for Swazi Bank is in the process of developing a research design and she has asked you, as a marketing research expert, to advise her on the following: How should she define the population for the study? What sampling frame should she use for the project? Which sampling method should she choose for the study? Why? (15)

b. Evaluate the following questions taken from different questionnaires: (10)

QUESTIONS	RESPONSES			
1. How often do you use the library?	Infrequently	Occasionally	Frequently	All time
2. Do you understand and like Monarchical democracy?	YES	NO		
3. Assuming 90% of your driving is in town, would you buy a smaller car?	YES	NO		
4. Would you buy an electronic car that meets the BIG 3 standard?	YES	NO		
5. What percent of your time do you use the following forms of transport?	Walk	Bicycle	Public transport	Car
6. Should MTN continue with its generous sponsorships?	YES	NO		
7. Do you think your personal income will go up or down next year?	UP	DOWN		
8. Since agriculture is vital for our economy, how do you feel about the Administration of Farms Policy?	Favor	Neutral	Oppose	
9. Do you think the elderly should own guns to protect themselves?	YES	NO		

10. People were asked a question: "Thinking about yesterday, put an X below for each period of time during which you listened to the radio or watched TV" during the morning hours.

TIME	RADIO	TV
6.00-7.00		
7.00-8.00		
8.00-9.00		
9.00-10.00		

TOTAL: 25 MARKS

QUESTION 4

- a. One of the scales used to measure attitude is called the simple attitude scale. Define attitude. Briefly describe the other types of attitude measurement scales giving one major advantage and disadvantage of each scale. (15)
- b. Briefly describe five types of behavior that can be observed in experimental research giving an example in each case. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Discuss five factors that may influence the internal validity of an experiment giving an example in each case. (15)
- b. You have been assigned the role of hiring fieldworkers. Describe the characteristics you would look for and state the reason in each case. (10)

TOTAL: 25 MARKS