

UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SECOND SEMESTER MAIN EXAMINATION 2020
FULLTIME & IDE

TITLE OF PAPER : MARKETING LOGISTICS

COURSE : BUS428/BA422

DEGREE AND YEAR : BCOM4/BCOM6

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS SIX (6)**

NOTE; MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION

SECTION A (COMPULSORY)**READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW**

Kumnandzi Flour Mills provide high quality bakery flour to commercial bakers as well as to consumers. Commercial buyers have consistent demand and are brand loyal to Kumnandzi Flour, whereas general consumers tend to prefer known name brands over store brands. The demand for flour is seasonal and tends to slack off drastically during the beginning of the year. To offset these phenomena, Kumnandzi Flour Mills and its major super market chain accounts carry out discounts and special sales promotions.

The Production Planning Department of the company is located at Ezulwini, and has the responsibility of controlling inventory levels at the plant warehouse in Matsapha as well as the three distribution centres located at Mbabane, Nhlangano and Piggs Peak. Planning has been routinely based on past experience. No formal forecasting is performed by the company. Distribution centres get their requirements by road from Matsapha. The lead time of replenishment from Matsapha to distribution centres is 7 days. In case there is any emergency demand, special deliveries can be made available within 3 days transit time.

Recently, the company has experienced two major stock-outs for its consumer size 5 kg bags of refined quality white flour. The stock-outs were caused by problems in the milling operations, while the other occurred when the marketing department initiated 'buy-one-get-one-free' coupon promotion. Ever since these events took place, the planning has become excessively cautious and hence, errs on the side having excessive inventories at the distribution centres. Additionally, two other events have affected distribution centre's throughputs (1) implementation of direct factory supply for replenishing the five largest super market chains and (2) price increases making the Kumnandzi Flour Mills more expensive than other national brand competitors.

Mr. Malinga, the distribution manager, is contemplating various approaches to solve the inventory problem. It is clear that the product must be in place at the time a consumer is making a decision to buy, whereas at the same time, the company cannot endure the overstocking and the stress that it is putting on facilities and the cash flow.

QUESTION 1

- a) As a marketing logistics specialist, assist Mr Malinga, the distribution manager to identify and explain the logistics problems at Kumnandzi Flour. **(20 MARKS)**
- b) Discuss the possible solutions which could be considered by Mr. Malinga in solving the logistics problems at Kumnandzi Flour. **(20 MARKS)**

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

Customer service is the overriding logistics supply chain function that creates demand and retain customer loyalty when rendered effectively. Discuss the elements of customer service that are most pertinent to logistics performance. (20 MARKS)

QUESTION 3

Many problems occur in warehouses, especially if they are not well managed. Elaborate with examples, the most common problem areas associated with warehouse management. (20 MARKS)

QUESTION 4

- a. Discuss with examples, the role of packaging in each element of the marketing mix. (10 MARKS)
- b. Refill packages for fabric softener are sometimes packaged in plastic pouches. What benefits do these pouches hold for the manufacturer, retailer and consumer? (10 MARKS)

QUESTIONS 5

The use of mechanical handling equipment is almost indispensable in a modern warehouse. Identify any five types of mechanical handling equipment commonly used in warehouse operations and explain how these equipment enhance storage space utilization and operation efficiency. (20 MARKS)

QUESTIONS 6

Discuss the elements that must be considered by transportation managers when selecting a mode of transportations. (20 MARKS)