



# UNIVERSITY OF ESWATINI

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER

AUGUST 2020

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TITLE OF PAPER	:	MARKETING MANAGEMENT
COURSE CODE	:	BUS 604
TIME ALLOWED	:	THREE (3) HOURS
EXAMINER	:	PROF JJ PRINSLOO

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**INSTRUCTIONS:**

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (9)
3. ANSWER ALL THE INDICATED QUESTIONS
4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED ALONG SIDE THE QUESTION.

SPECIAL REQUIREMENTS: NONE

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY THE INVIGILATOR.

## SECTION A - Case studies (compulsory)

### Question 1

**Fast-growing and recession-resistant over 40s market presents golden opportunity for Southern African based Business.**

#### ***Apply segmentation and targeting***

South African business could be ignoring the moneyed over-40's market at their peril, says director of the University of Cape Town Unilever institute for Strategic Marketing, Professor John Simpson. With a combined income of R300 billion, the 1.9 million South Africans who are older than 40 and classified as being between living standards measures (LSM) 7 and 10 are on economic force to be reckoned with.

One of the factors that contribute to this market prosperity is that many; prime timers' are not as burdened by debt as their younger counterparts, explains Professor Simpson. 'our study reveals that many South Africans over 40 believe that most marketing messages are aimed at those in their 20's and 30's, and feel alienated by marketing communication, overlooked by product developers and dissatisfied with customer service; explains Simpson. 'Traditionally, marketers have focused their marketing communication on the under -40 market. The reality is that the majority of this market has less disposable income than prime timers. 'Older consumers who are financially in their prime feel alienated by advertisers and marketers' obsession with youth. This provides a tremendous opportunity for savvy businesses and marketers.'

An opinion often voiced by prime time respondents was that firms do nothing to reward brand loyalty. This is regrettable, as it leads to the attrition of business' most valuable customer base.' Clothing, in particular, was singled out with regards to both sizing and styling: many participants complained that despite having the money to spend on clothing, they found it increasingly difficult to find clothing that fitted them, but was also fashionable.

### **QUESTIONS**

- Why have so many firms ignored the over-40's market? Motivate. [7]
- Is this market worth pursuing? Motivate your decision. [7]
- Briefly explain the three (3) general strategies for selecting target markets. Use practical examples in your motivation. [6]

(20)

## Question 2

### **3M-from one product to 60 000**

From its start in the early 1900s as a firm that supplied corundum (an abrasive) to makers of grinding wheels, and produced sand paper for commercial use, 3M (Minnesota Mining and Manufacturing) has come a long way. Today, it makes 60000 products in 100 countries. Its annual revenues are \$ 14 billion and the firm is very profitable.

Central to 3M's success, in terms of both sales and profitability, is its aggressive strategy of constantly developing and introducing new products. 3M's objective is to derive 25 per cent of its revenue from products that are new or have been substantially modified in the past five years.

To achieve its objectives 3M has done a superb job of uncovering consumer needs, solving technical problems and marketing new products effectively. 3M stays away from commodity-type products that are sold mainly on the basis of price. There are just a few of 3M's most important new product breakthroughs over its approximate 90 year old history: masking tape; commercial recording tape; duplicating machines; fabric stain protectors; self-adhering notepaper; optical fibre splices; clean air filters; and a computer cartridge that can hold 1,35 gigabytes of data. 3M's popular brands include Scotch Gard fabric protectors, Post-it notes (which now generate \$500 million in annual sales), Fibrelok splices and filtrate air filters.

3M's product development process is due to many factors. Research budgets are twice the US industry average. Technical researchers and marketers work together during the entire product-planning process, rather than researchers joining in after marketers have identified an important market need. Engineers are encouraged to spend 15 per cent of their time on pet projects; this has led to such products as Post-it-notes, the world's first videotape and reflective road signs. Activity on one new product venture often leads to other ideas. For example, the firm's research on copying machines also led 3M to such new products of microfilm, carbonless papers and facsimile machine.

## QUESTIONS

- How would you describe 3M's competitive advantage? Motivate your answer. [7]
- Do you think 3M is a product orientated firm? Motivate your answer. [7]
- Briefly state your opinion regarding the effect of the corona virus pandemic's effect on a company like 3M? [6]

Refer to the following:

- Definition of a competitive advantage
- The marketing management philosophies

(20)

Subtotal

40

## **SECTION B – Answer any four questions of your choice**

### **Question 3**

Illustrate the different product levels (brief explanation and practical examples) by referring to *“the customer value hierarchy”*. [15]

### **Question 4**

Marketing management's philosophies influence a firm's marketing activities directly. These mentioned philosophies still manifest themselves in the marketing thinking and application today. Each one of these was a dominant paradigm during a specific time in the historical development of marketing. Briefly theorise and clarify each of these philosophies. Use practical examples during specific time frames during the development of marketing as a discipline, as seen currently. Also measure these timeline philosophies against the modern day marketing concept elements.

[15]

### **Question 5**

As Marketing Managers we create a unique marketing mix by combining product, distribution, marketing communication and price strategies. This uniquely developed product offering has then to be marketed to a specific target audience within a wider marketing environment. Graphically illustrate and briefly explain the *“market environment”* – located within the External environment of the larger marketing environment. [15]

### **Question 6**

Consumers' product and service preferences and buying patterns are constantly changing. In order to address this dynamic market behaviour, marketers must create a proper marketing mix for a well-defined market, marketing managers must have a thorough knowledge and understanding of consumer behaviour and ultimately the “consumer decision-making” process. Briefly explain the effect “social- and individual's factors” (refer to the model of consumer behaviour) influence consumer buying situations. Thus, reason the consumer – decision making process. [15]

### Question 7

Prepare a consumer positioning map for washing powder vehicles in the eSwatini domestic market.

Use the following data to create the map:

- Extremes: Cleanliness and price
- Competitors: Ariel  
Omo  
Sunlight  
Maq  
Surf  
Vanish  
Skip  
Bio classic

Choose the quadrant you favour for the positioning of ***your own new product (washing powder)***. Discuss and motivate the reason for your quadrant choice in detail. Also refer to the bases for positioning products in your motivation.

[15]

### Question 8

Write a reply for presentation to the following statement: "I own a coffee shop in the centre of town. I see customers every day that I know on a first-name basis. I understand their likes and dislikes. If I put something on the coffee shop menu and it doesn't sell, I know that they didn't like it. I also read the magazine *Modern Coffee Shops*, so I know what the trends are in the industry. ***This is all of the marketing research I need to do.***"

As a marketing research consultant, you are being tasked to give advice to the owner regarding a possible research project. **Refer to the marketing research process in preparation for your presentation.**

[15]

### Question 9

Packaging of products has always served a practical function. Briefly explain the different packing functions. Use practical applicable examples to support your motivation. [15]

Subtotal

60

Total

100