higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

MARKETING RESEARCH N6

8 JUNE 2016

This marking guideline consists of 11 pages.

SECTION A

QUESTION 1

1.1 False
1.2 True
1.3 False
1.4 True
1.5 True
1.6 False
1.7 False
1.8 True
1.9 False
1.10 True (10 × 2) **[20]**

QUESTION 2

2.1 I
2.2 E
2.3 K
2.4 A
2.5 J
2.6 D
2.7 H
2.8 C
2.9 F
2.10 B (10 × 1) **[10]**

QUESTION 3

3.1 C
3.2 B
3.3 C
3.4 C
3.5 A
3.6 D
3.7 A
3.8 D
3.9 C
3.10 A (10 × 2) **[20]**

TOTAL SECTION A: 50

SECTION B

QUESTION 4

4.1 **Step 1: Define the marketing research problem**

- Determine what information is needed and how to collect.
- Describe general problem and specific components.
- Problems offer opportunities beneficial to the company.
- Researchers must understand the influence of environmental factors, including past forecasts, resources and constraints, objectives, buyer behaviour, legal environment, economic environment, marketing and technology skills.
- Distinguish between symptom and problem; problem exists where there is no clear-cut answer.
- Important to gather as much information about the problem as possible.

Step 2: Preliminary research (desk research)

- Additional insights into problem are developed.
- Helps to define the problem more precisely.
- Helps to establish the area of the investigation.
- Information collected from management, staff and others who have knowledge about the problem.
- Case studies and simulation techniques can be used.
- Can also be a situation analysis in the form of a marketing audit.

Step 3: Hypothesis development

- Unproven statement or proposition about a phenomenon of interest.
- Hypothesis indicates a possible answer to the research problem.
- Statements of relationships or propositions rather than questions.
- State different hypothesis for each subproblem.
- Use all available information to test each hypothesis.
- Sources for development of hypothesis include previous research, psychology/marketing discipline, and management experience.

Step 4: Expansion of the information schedule

- What information is needed and sources available.
- Gain more information on the hypotheses.
- Information schedule for each hypothesis should be developed.
- Information schedule must be based on empirical evidence.
- Consider variables that can influence hypotheses.
- Researcher limits scope of the investigation.

Step 5: Identify and choose sources of information

- Researcher should make use of secondary data first.
- Secondary data was collected for another purpose/data that already exist.
- Only after investigating secondary data sources, should primary data be collected.
- Primary data is originated by the researcher for specific purpose of addressing a research problem at hand.

Step 6: Data collection and sample design

- Decision of information that is required must be based directly on problem.
- Obtain all required information, do not include unnecessary information.
- Determine where research will be done, type of design, aims, and underlying aspects of respondents.
- Choose method of collection (survey/experimentation/observation) and train fieldworkers.

Step 7: Data preparation and analysis

- Questionnaire checking, editing, coding, transcribing, data cleaning, tabulation, select data analysis strategy, statistical processing.

Step 8: Report of findings

- Only tangible product of the research.
- Documentary evidence, historical record.
- Guides management decisions.
- Evaluate quality of entire project on quality of report.
- Must be done with precision, neat and presentable.

1 mark for each step = 8
1 mark per fact, maximum of 3 marks per step = 24
Chronological display = 3 (35)

4.2
- Title page
- Letter of transmittal
- Letter of authorisation
- Table of content
- Management summary
- Introduction
- The methodology
- Interpretation and conclusions
- Limitations and shortcomings
- Conclusions and recommendations
- Appendices
- Bibliography (Any 5 x 1) (5)

4.3
- Marketing research will focus on existing competition as well as new competitors.
- The focus will be on the competitors' strong and weak points.

Research must answer questions like:
- How can we make the product more reliable?
- How can we explore new markets?
- How can we find better production methods? (5 x 2) (10)

[50]

SECTION C

ANSWER ANY TWO QUESTIONS

QUESTION 5

5.1 Introduction
Name of the organisation – local supermarket
Contact details is optional (name/address/number)
Introduction statement (purpose) – to measure overall customer satisfaction

Content of questions should cover:
Customer service
Cleanliness of store
Availability of stock
Outlay of the store
Handling of customer complaints

Types of questions
Open-ended questions
Multiple-choice questions (check one or more of the following)
Dichotomous question (yes/no agree/disagree)
Likert scale (scale of 1 to 5)
Measure feedback scale (good/average/poor)
Control list (choose from list of characteristics)
Double barrel

Conclusion
Thank the respondent.

Introduction = 2
Questions (at least 5) 5 x 3 = 15
Conclusion = 2
Format/Neatness = 1 (20)

5.2
- The sample must relate to the problem definition.
- The sample must represent the population for whom the study is conducted.
- A sample tested under the same conditions must produce the same results.
- The sample value must be accurate.
- Sampling errors must be limited as far as possible.
- Sampling frame must be applicable to identification of target population.
- Sampling size must reflect proper ratio in relation to population.
- Sampling method must be applicable to study. (Any 5 x 2) (10)

5.3
- The confidence interval specifies the level of precision.
- The confidence interval is the maximum permissible difference between the sample mean and the population mean.
- The confidence interval specifies the level of confidence.
- The confidence interval determines the standard deviation of the population.
- Information of the standard deviation is available from secondary sources.

(5 x 2) (10)

5.4 5.4.1 Focus group: Interview✓ conducted by trained moderator✓ in non-structured✓and natural manner✓ with small group✓ of respondents.✓ (6 x 1) (6)

5.4.2 Main purpose: Gain insight✓ into issues of interest✓ to the researcher.

Value: Unexpected findings✓ obtained from a free-flow discussion.✓

(2 x 2) (4)

[50]

QUESTION 6

6.1 6.1.1
- Questioning error: When respondents are not sufficiently probed for the necessary information.✓
  - Example: Interviewer changes wording of questions in questionnaire/Any relevant example.✓
  - Minimise: Interviewers must be well trained and experienced.✓
- Recording error: Answers are incorrectly heard, interpreted and recorded.✓
  - Example: Interviewer interprets a neutral response (not sure/undecided) as a positive response (yes)/Any relevant example.✓
  - Minimise: Interviewer must have more or less the same characteristics as the respondent.✓
- Cheating error: Interviewer fabricates responses/answers for parts of the questionnaire.✓
  - Example: Interviewer makes own personal assessment of respondent and answers the questionnaire himself/herself afterwards/Any relevant example.✓
  - Minimise: Recordings of interviews must be scrutinised, follow-up calls or interviews must be done. ✓ (3 x 3) (9)

6.1.2
- Inability error: Respondent is unable to provide accurate information. ✓
  - Example: Respondent cannot give accurate information due to fatigue, boredom, unfamiliarity, etc./Any relevant example.✓
  - Minimise: The time frame in a questionnaire must not be more than 1 to 3 weeks.✓
- Unwillingness error: Respondent intentionally provides false or inaccurate information/answers.✓
  - Example: Respondent misreports/lies about reading a certain magazine in order to avoid embarrassment. ✓
  - Minimise: Sensitive questions must be formulated in such a way that they do not embarrass the respondent.✓ (2 x 3) (6)

6.2
- Convenience sampling: Obtaining a sample of convenience elements. Respondents selected because they are in the right place at the right time.

- Judgement sampling: The population elements are selected based on the judgement of the researcher. The researcher chooses the sample elements that he/she believes are representative of the population.

- Quota sampling: Two-stage restricted judgement sampling. First stage consists of developing control category quotas of population elements. Stage two consists of selecting elements based on convenience of judgement.

- Snowball sampling: An initial group of respondents are selected at random. After the interviews the respondents are asked to identify other respondents who belong to the target population of interest. (4 x 2) (8)

6.3
- Guides managers in decision-making
- Enhances decision-making
- Contributes to formulation of sensible policies
- Removes uncertainty by providing correct information
- Identifies possible problems or opportunities
- Used as a basis to provide evidence (Any 5 x 2) (10)

6.4 6.4.1 Editing

- Editing is the review of the questionnaires for the purpose of accuracy and precision.✓ Screening takes place and unsatisfactory responses can be dealt with in the ways indicated below.✓
- Questionnaires with unsatisfactory responses can be returned to the field✓ where the fieldworker can contact and interview the respondent again. ✓
- If not possible to return the questionnaire to the field✓, the editor may assign missing values to unsatisfactory responses. ✓
- If the previous editing methods are not feasible✓, the unsatisfactory respondents are discarded and simply ignored. ✓

(4 x 2) (8)

6.4.2 Coding

- Coding takes place when a code, usually a number✓ is assigned to each possible response to each question.✓
- Coding techniques include:
  - Coding question✓
  - Code book✓

(2 x 2) (4)

6.5

- Sales analysis
- Marketing segmentation
- Market potential
- The effect of changes to the marketing mix
- Observing the competition

(5 x 1) (5)

[50]

QUESTION 7

7.1
- Reliability: extent to which measuring scale produces consistent results if repeated measurements are made.
- Validity: extent to which differences in observed scale scores reflect true difference among objects on characteristics being measured.
- Sensitivity: the ability of measurement to indicate differences.
- Relevance: measuring scale should be relevant to the problem being solved.
- Versatile: measuring scale should have the ability to interpret statistical information.
- Ease of response: measuring scale should have the ability to assess poor interpretations of questions. (6 x 2) (12)

7.2
- Decisions in marketing are about opportunities, target markets, market segmentation and implementation of marketing programmes.
- The decision-making process is complicated by controllable variables, for example the 4 P's, and uncontrollable variables, for example economy, technology, cultural changes.
- Marketing research helps to remove uncertainty by providing information about the marketing variables.
- Ongoing marketing research provides information on controllable and uncontrollable variables.
- The gathered information enhances the decision-making process and helps marketing managers to make more effective decisions. (5 x 2) (10)

7.3
- Budget: Census is costly since the whole population is involved and it has a huge impact on the budget. Sample is small and therefore not as costly as a census.
- Time: Census covers the whole population and it takes time to complete. Sample is small/smaller and the study can be completed in a much shorter time.
- Size: Census is unrealistic because it includes the whole population for consumer products. Sample is appropriate because it represents the characteristics of the population.
- Sample errors: Because the whole population is involved there are bigger chances for sampling errors. Sample is small and chances of errors are smaller.
- Attention to individual cases: Sample is small and ideal if necessary to focus attention on individual cases, e.g. in-depth interviews. Census would not be feasible if individual cases are relevant.
- Confidentiality: If the study needs to be kept secret, sampling should be favoured over a census. (Any 5 x 2) (10)

7.4
- Time-series method. Establishing trends for past performance and using the information to project future trends e.g. long-term trend, cyclical component, seasonal component, erratic fluctuation.
- Leading series method. Establishing a relationship between two or more variables, the one leading to the other, for example job creation and level of expenditure.
- Income elasticity coefficient. Based on the assumption that income is the only factor that influences the purchase of a product/service, for example a 5% increase in real income will cause a 5% increase in demand.
- Input-output analysis. Reflects the flow of products and services through an economic system which is characterised by a table that is divided into different categories. Tables useful, for example used for sales forecasting. (4 x 2) (8)

7.5
- Field workers must be trained to make initial contact by using appropriate opening remarks that will convince respondents to participate.
- Training must be done regarding the asking of questions, e.g. field worker must be familiar with the questionnaire, ask questions in the right order and in the exact words as on the questionnaire, ask slowly and repeat if necessary.
- Probing skills must be taught so that the field worker can motivate the respondents to expand, clarify or explain their answers.
- Field workers must know how to record responses during the interview, to use the respondent's own words and to include everything that is relevant, as well as all probes and comments.
- The field worker should know how and when to terminate the interview, and to thank the respondent. (5 x 2) (10)

[50]

TOTAL SECTION C: 100
GRAND TOTAL: 200