



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE MARKETING MANAGEMENT N4 18 JUNE 2018

This marking guideline consists of 10 pages.

SECTION A (COMPULSORY)**QUESTION 1**

- 1.1 True
- 1.2 False
- 1.3 False
- 1.4 True
- 1.5 False
- 1.6 True
- 1.7 False
- 1.8 True
- 1.9 True
- 1.10 True

(10 × 1) **[10]**

QUESTION 2

- 2.1 B
- 2.2 B
- 2.3 D
- 2.4 C
- 2.5 C
- 2.6 A
- 2.7 D
- 2.8 D
- 2.9 B
- 2.10 C

(10 × 1) **[10]**

QUESTION 3

- 3.1 K
- 3.2 F
- 3.3 G
- 3.4 I
- 3.5 B
- 3.6 H
- 3.7 G
- 3.8 D
- 3.9 A
- 3.10 C

(10 × 2) **[20]**

QUESTION 4

- 4.1 Prospecting
- 4.2 Intermediaries
- 4.3 Motivation
- 4.4 Awareness
- 4.5 Secondary

(5 × 2) [10]

TOTAL SECTION A: 50**SECTION B****QUESTION 5**

- 5.1 5.1.1
 - Consumer orientation
 - Objective orientation
 - Systems orientation
 - Social (Community) orientation

(4 × 2) (8)

- 5.1.2 Consumer orientation
 - Consumer orientation is seen as the first and core concept of the marketing concept.✓
 - Consumer orientation means an organization will attempt to supply a product or service that will satisfy the needs of the consumer in the most effective way.✓
 - They regard the customer to be king (or queen!)
 - Consumer orientated organisations train their employees to be aware of customer needs.✓
 - In the eyes of the consumer, the employee is the business.✓✓
 - Any person, department or division that is not consumer orientated weakens the positive image of the global business.

Objective orientation

- Objective orientation is also known as profit orientation, as the main objective of the business is to make a profit through customer need satisfaction.✓
- Profit-seeking organisations strive for the highest possible profit within a certain time span.✓
- Non-profit-seeking organisations strive for a better image in the community.✓
- According to the economic principle (another name for the objective orientation), the organisation strives for the greatest difference between expenses/input and income/output.

System orientation

- System orientation is also known as integrated marketing.✓
- In a business, all the different departments form an integrated system that strives for specific objectives, attitudes and ideas.✓
- The various separate departments must strive for common objectives.✓
- The focus lies on teamwork.
- The common goal is to serve the customer's needs.

Social orientation (Community orientation)

- Community orientation after rather referred to as social orientation.✓
- The organisation has a responsibility not only towards the community but also towards the environment, as well as towards their employees.✓

Social responsibility means organisations should not only focus on the satisfaction of consumer needs and reaching business objectives, but should retain part of the profit to promote the interests of the individual and the community.✓

The following can be seen as socially responsible actions towards the community:

- A business sponsors a sports team or a literacy programme.
- A business donates money to certain community projects, for example, soccer jerseys for the local high school or building a park for children
- Business create special projects for job creation.
- Crime prevention initiatives.

Businesses can also act towards the environment.

Promise not to spill any toxic waste.

Contribute to conservation of earth.

Can support recycling initiatives.

Businesses can also be socially responsible towards employees.

Study bursaries for employees and children of employees.✓✓

In-house clinics and flu vaccinations.

Creché for employees children.

(12)

5.2

- Production orientation phase.
- Sales orientation phase.
- Marketing orientation phase.
- Strategic marketing phase.

(4)

5.3	5.3.1	Resale market	(5 × 2)	(10)
	5.3.2	International market		
	5.3.3	Industrial market		
	5.3.4	End user market		
	5.3.5	Government market		
5.4	5.4.1	Motivation	(5 × 2)	(10)
	5.4.2	Attitude		
	5.4.3	Lifestyle		
	5.4.4	Learning		
	5.4.5	Perception		
5.5	5.5.1	Differentiated multi segmentation	(3 × 2)	(6) [50]
	5.5.2	Single concentrated market segmentation.		
	5.5.3	Market aggregation/undifferentiated market segmentation total market concept.		

QUESTION 6

- 6.1 Suppliers✓
- The suppliers help the organisation to obtain raw materials, products, equipment, energy, capital and labour.
 - All companies are dependent upon the constant delivery from suppliers, be it raw materials, finished products, partly finished products, equipment, skills, capital or labour.
 - Suppliers of capital, such as banks and other financial institutions, are also seen as suppliers.✓✓

Intermediaries✓

- Intermediaries bridge the gap of distance between manufacturers and consumers.
- They buy in bulk and sell in smaller quantities to final consumers.
- Examples of intermediaries are retailers, such as supermarkets and spaza shops, wholesalers and agents.✓✓

Competitors✓

- Keeps excessive profits in check.
- Encourages higher productivity
- Encourages technological innovation
- Leads to lower prices
- Improves service

The company not only competes with other organisations in terms of labour, entrepreneurship, capital and materials, but also in terms of the market share for their products.

(Heading 1: Any TWO)

Facts: (2 × 2)

(5 × 3) (15)

6.2	6.2.1	Political and Legal environment Technological environment	(2 × 2)	(4)
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- 6.2.2 Political and legal environment
- Every organisation is influenced in some way or the other by the constantly changing politics in the country.✓
 - These political influences have a major impact on the variables in the market.✓
 - The government can be seen as a creator of order.
 - The laws and regulations of the country represented in the constitution of the country.✓
 - The South African government maintains a free-market economy.✓
 - Private ownership and freedom of choice of profession are encouraged.✓
 - The political views and policies of the government have an influence on the confidence of foreign investors.✓
 - Business legislation acts to protect businesses from each other, to protect consumers from unfair trade practices and to protect the interests of society.✓
 - Sometimes, consumer groups exert pressure on the government to pass laws.✓ The objective of consumerism is aimed at reconciling the rights of buyers and sellers.✓ (4 × 2)

Technological environment

- Technology can be used as a weapon against times of recession and high inflation.✓
- New machinery and equipment, for example, can cut production costs and be very beneficial assets to the enterprise.✓
- Research and development can be seen as a prerequisite for the effective development of technology.✓
- It is the duty of the enterprise to always be aware of the most recent technology being used by competitive enterprises.✓

Technological breakthroughs leads to:

- Totally new industries, such as web-page design, laser surgery, Internet cafés and Twitter.✓
- Radically changed existing industries.
- They offer opportunities to some companies and pose a threat to others.✓
- New markets and industries not related to the new technology.✓

- Marketing management is involved in three ways in the progress of technological change:
 - When it researches consumer needs and then develops new technology to satisfy new unfulfilled needs.
 - When it helps with the acceptance of new technology, usually by means of intensive advertising.
 - When it scans the technological environment for opportunities and threats.
- (Any 4 × 2)
(2 × 8) (16)

- 6.2.3
- Social environment
 - Economic environment
 - International environment
 - Physical environment
- (Any ONE) (1)

- 6.3
- Income of the consumer✓
 - Expendable income: (After all the necessary expenses have been deducted) is used to calculate market potential.
 - Buying power can be increased by supplying credit facilities and lease/hire agreements.✓✓
 - Willingness to spend✓
 - Willingness to spend or save expendable income will depend on economic expectations.✓
 - Evaluation of benefits✓
 - Benefit theory is used to explain consumer behaviour.
 - Consumer orders alternatives according to the relative benefit or used that is gained.✓✓
 - Price of substitute products✓
 - If a product is more expensive than substitute, consumer will purchase substitute product.✓✓
- (4 × 3) (12)

- 6.4
- Advertising
 - Sales Promotion
 - Information from sales people
 - Window display
- (Any 2 × 1) (2)
[50]

QUESTION 7

7.1	7.1.1	Routine		
	7.1.2	Limited decision		
	7.1.3	Impulsive		
	7.1.4	Expanded	(4 × 2)	(8)
7.2	7.2.1	Locating/Tracing the consumer		
	7.2.2	Transport		
	7.2.3	Re arrangement		
	7.2.4	Standardisation		
	7.2.5	Financing	(5 × 2)	(10)
7.3	7.3.1	User		
	7.3.2	Purchaser		
	7.3.3	Initiator		
	7.3.4	Influence		
	7.3.5	Decision maker	(5 × 2)	(10)
7.4	Awareness✓ – The consumer hears of the new product but has no further information about it.✓✓			
	Interest✓ – The consumer gathers information about the product.✓✓			
	Evaluation✓ – The consumer uses the information to mentally consider whether buying the product is a good idea.✓✓			
	Testing✓ – The consumer purchases the product with the purpose of trying it out so that the advantages and disadvantages of it can be compared.✓✓			
	Acceptance✓ – If the test purchase of the product is satisfactory, the consumer will✓✓ decide to purchase the product more often (repetitive purchases).			
			(5 × 3)	(15)
7.5	7.5.1	Surveys		
	7.5.2	Questionnaires		
	7.5.3	Multi		
	7.5.4	Attention		
	7.5.5	Language		
	7.5.6	Demography		
	7.5.7	Macro	(7 × 1)	(7)
[50]				

QUESTION 8

8.1	8.1.1	Multi/Differentiated segmentation✓✓	(2)
	8.1.2	• Oasis-juice for younger working adults. • Coca Cola Zero – teens that don't want calories but want the taste. • Diet Coca Cola – adults 30–35; health conscious but want the taste. • Power ade – athletes between 13–27 years. • Minute Maide – kids and adults from 1 to 10 years and 40 plus	(Any 1 × 2) (2)
	8.1.3	• Higher income • Larger market share • Scale benefits on production and marketing.	(3 × 1) (3)
	8.1.4	• Product modification and product differentiation costs.✓ • A lot of research and development is necessary for product modification and product differentiation.✓✓ • New machinery is necessary to manufacture the newly modified product. • Production costs.✓ • The costs of production will always increase if a company manufactures products for different market segments.✓✓ • Every time a new product is placed on line, the machinery has to be reset. • Stock-keeping costs.✓ • This means extra administrative costs, extra physical stock keeping and increased stock control.✓✓ • Marketing communication costs.✓ • It is logical that marketing costs will be higher with the development of products for every market segment✓✓ • Managing costs.✓ • A multi-segmentation strategy requires more time from the management of the company.✓✓ • Market research costs.✓ • The more segments developed, the more the market research costs.✓✓	(6 × 3) (18)

	8.1.5	• Demographic • Psychographic • Behaviour	(3)
	8.1.6	• Demographic – Diet Coca Cola targets adults, between 30–50, who are health conscious. • Psychographic – Coca Cola Zero targets teens that don't want calories but want the taste. • Behaviour – People who are brand conscious will try to show their status by drinking Coca Cola.	(3 × 2) (6)
8.2	8.2.1	Single/Concentrated market segmentation.	(2)
	8.2.2	People with purchasing power that are willing to invest a good amount of money in a watch/a luxurious accessory.	(2)
	8.2.3	• A concentrated market segmentation strategy is followed when a company identifies a single segment in the total. • They choose to operate in a niche in the market with a limited product range. • The company's marketing activities are mainly directed at this segment. • All their time and effort are concentrated on this segment. • They become experts about the needs, motives and behaviour of their consumers and can develop a highly specialised marketing mix. • Risks that are taken are concentrated in one segment (target market). • Risk of product failure nonacceptance of a product are all concentrated in one single target market.	(Any 5 × 2) (10)
	8.2.4	• All risks are concentrated in one segment • Risk of product failure and nonacceptance concentrated in one single target market	(2)
			[50]
			TOTAL SECTION B: 150
			GRAND TOTAL: 200