

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION PAPER MAY 2007

TITLE OF PAPER : PRINCIPLES OF MARKETING
DEGREE AND YEAR : IDE DIP COM. IV
TIME ALLOWED : TWO (2) HOURS
COURSE CODE : IDE-BA 321
INSTRUCTIONS : 1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER
(5)
2. SECTION A IS COMPULSORY. ANSWER ANY
TWO QUESTIONS FROM SECTION B
3. THE MARKS TO BE AWARDED FOR EACH
QUESTION ARE AS INDICATED ALONGSIDE THE
QUESTION

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN
ENGLISH AND FOR ORDERLY AND NEAT PRESENTATION OF
WORK. FURTHER MARKS WILL BE AWARDED FOR THE USE OF
RELEVANT EXAMPLES

SPECIAL REQUIREMENTS: NONE

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

SECTION A CASE STUDY: FACE TO FACE WITH CLOVER SA

CLOVER SA is the largest dairy product processing and marketing company in South Africa. It is also one of the top food companies in that country. It processes approximately 30% of the milk produced by South African dairy farmers, in more than 40 factories and distribution depots. It employs over 8000 people, and operates a fleet of over 750 specialised vehicles, including large 24000 litre tanker-and-trailer combinations used for transporting milk from producers to its various processing plants.

Although CLOVER SA is a new name in the South African corporate world, the company's roots go back to 1899, when a group of farmers at Mooi River, Natal, formed themselves into a co-operative to produce butter commercially. Other co-operatives and dairy companies subsequently joined the group, to form what ultimately came to be known as National Co-operative Dairies, commonly known as NCD. The name 'Clover' was eventually applied to all NCD's fresh milk, by-products and ice-cream throughout South Africa. On July 1 1994, NCD (which is still owned by its farmer members) established the company 'CLOVER SA Limited' to handle all its processing, marketing and distribution activities.

The purpose of the name change to CLOVER SA, as it concerns consumers and the retail trade, was to identify the company more closely with its best known brand and the wholesome country products it processes and distributes. The famous red 'Cloverleaf' emblem under which certain products bearing the name are marketed has now been adapted to be used as the corporate emblem, to be seen on all of the company's products, vehicles, stationery and buildings.

The Clover brand of milk products will continue to be marketed with the existing red emblem. The entire range of products produced by CLOVER SA will display the red and blue corporate emblem which guarantees superior quality, innovation and great taste.

CLOVER SA's trading motto - "BEST TASTING DAIRY" - reflects the fact that it has the most technologically advanced, innovative and consumer-oriented products in the industry. CLOVER SA has moved into a new phase whereby continuous marketing of the CLOVER SA emblem and name will soon be synonymous with higher quality, futuristic innovation and superior taste in all of its products. The product range of CLOVER SA includes:

- a) Clover: fresh milk, yoghurt, condensed milk, milk powder, juices
- b) Ultra Mel: UHT milk, cream, custard, yoghurt
- c) Elite: butter, skim milk powder, cheese
- d) Butro spread
- e) Nu Mel instant dairy blend
- f) Tusser's cheese
- g) Yogi Sip drinking yoghurt
- h) Tropika dairy fruit blend
- i) Super M and Super Moo flavoured milk

- j) Inkomazi high-fat maas
- k) Fox and Crow mature cheddar
- l) Blaauwkrantz cheese

CLOVER SA distributes ice-cream and ice-cream bars on behalf of OLA and owns a share in the company. CLOVER SA also distributes its products directly to retailers and wholesalers in most parts of South Africa and Swaziland by means of its Clover distribution fleet, its well-known Sacca distribution business, as well as through approved agents, to ensure that they reach their destination in the same fine condition in which they left the factory.

CLOVER SA plans to serve the consumer of South Africa and be part of a prosperous Southern Africa.

QUESTIONS

- i) What products are in the 'Clover' product line? (5 marks)
- ii) Identify the following for CLOVER SA (and its partner OLA): (10 marks)
 - product mix width
 - product mix length
 - product mix consistency
- iii) What does the CLOVER SA emblem communicate to the consumer? (5 marks)
- iv) From your knowledge of the market, which product(s) would you say CLOVER SA is featuring? Justify your choice(s) (5 marks)

SECTION B ANSWER ANY TWO QUESTIONS FROM THIS SECTION

QUESTION TWO

- a) Identify the different stages of the Marketing research process (5 marks)
- b) What issues need to be considered at each stage? (20 marks)

QUESTION THREE

- a) Discuss the various bases for segmenting markets (20 marks)
- b) Which factors need to be considered when evaluating target markets? (5 marks)

QUESTION FOUR

Discuss the various types of price adjustment strategies. In your discussion, use specific examples of how these strategies are applied in business today (25 marks)

QUESTION FIVE

You have recently been employed as a Sales Manager in ABC company. Your supervisor has asked you to write a proposal on how you will manage the Sales Force. Discuss the factors that you will include in your proposal (25 marks)