

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

TITLE OF PAPER : MARKETING COMMUNICATIONS
DEGREE AND YEAR : B. COM. V
TIME ALLOWED : THREE (3) HOURS
COURSE CODE : BA 524
INSTRUCTIONS : 1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER
(6)
2. SECTION A IS COMPULSORY. ANSWER ANY
THREE 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 (COMPULSORY)

MALL OF AMERICA: THE ULTIMATE DESTINATION FOR FUN

When the Mall of America opened in 1992, skeptics questioned whether it could attract a projected 35 million visitors a year to spend over \$600 million. Local retailers worried that the Mall's success would mean their own decline. So, two years later, how has the mammoth mall done?

According to reports, Mall of America has met most of its projections. It attracted more than 35 million visitors in its first 12 months and 60 million within the first 20 months. Weekly visitors vary in number from 600,000 to 900,000 depending on the season, and 30% of visitors come from outside a 150-mile radius. Moreover, these results were achieved during the worst retail slump of the last decade.

The Mall's impact on other area retailers, however, was not what they expected. The area's total retail pie seems to have expanded - partly because of an increase in tourists attracted by the Mall. Mall of America actually creates more business for other retailers and increases receipts for hotels, restaurants, and other travel-related services. In addition, the Mall has created 12,000 new jobs, which means additional spendable income.

What can visitors see and do at Mall of America? For shopping, the Mall offers four major anchors: Macy's, Nordstrom, Bloomingdale's, and Sears. It contains several junior anchors such as Oshman's Super Sports USA, Filene's Basement, Service Merchandise, and Linens 'N' Things. It also contains more than 400 specialty shops where visitors can purchase specialised clothing, such as grunge-look merchandise at the Junkyard; gardening supplies at Gardener's Paradise; or anything and everything for a left-handed person at the Leftorium.

For food, customers can choose from 45 restaurants. They can grab a quick bite at a fast-food restaurant such as Taco Time or Dairy Queen. For slower-paced dining, there's California Café and the Twin City Diner. For something different, the Rainforest Café features a menu of foods from rainforest countries and a 5,500-gallon fish tank. Or shoppers can stargaze at Planet Hollywood, where they might see Roseanne or Whoopi while sampling California cuisine.

For the family, there's Knott's Camp Snoopy - a seven-acre, indoor theme park with 16 rides, nine restaurants, and entertainments such as panning for gold, visiting the wilderness ranger station, the Peanuts gallery (a cutting-edge video game arcade), and 3D films and musical reviews at The Ford Playhouse. The peanuts Gang - Snoopy, Lucy, and Charlie Brown - are the hosts. For adults, there's America's Original Sports Bar, Knuckleheads Comedy Club, and the Gatlin Brothers Music City with free line-dancing lessons.

Families and singles also like the LEGO Imagination Centre with its millions of LEGO blocks to play with and models to look at and buy. Golf Mountain is a state-of-the art miniature golf course, complete with waterfalls, streams, and trees. At StarBase Omega, an interactive laser game, players

are trained in the latest high-tech equipment and transported to StarBase Omega or Planet Previa to fight it out with the Kytefs. The Mall also offers a 14-screen General Cinema Theater showing first-run movies.

Unusual features include the Chapel of Love (the first wedding chapel in an enclosed mall); classrooms from Metropolitan Learning Alliance (a co-operative effort between local schools and the University of St. Thomas); and a plaque marking the spot of Killebrwe's famous home run (Mall sits atop the old site of Metropolitan Stadium).

To attract both local customers and tourists, the Mall distributes hundreds of brochures, newspaper inserts, and maps in the Minneapolis-St. Paul region; runs joint promotions with local radio stations; runs ads in a local newspaper and commercials on local television; buys billboard space; and works with over 200 tour operators to develop travel packages and with Northwest Airlines to create tie-in packages. It holds major holiday and sales events, attractions at the Events Centre, entertainment events in nightclubs, and events to celebrate the addition of new retailers. It has used contests such as the one featured in an insert in USA Today, in which the prize was a trip to the Mall. WCCO-AM, a local radio station and the Mall's official information station, relays the latest scoop about what's happening at the Mall to listeners. The Mall's advertising campaign theme is "There's a place for fun in your life."

The good news for Mall of America is that merchant occupancy levels have hovered around 92 percent (right on track). The bad news is that some shoppers have been scared away by rumours of long lines at restaurants, rest-room facilities, and parking lots. To help shoppers deal with the Mall's massive size and find their way around, the Mall provides maps and directories. In addition, it is organised into four "neighbourhoods," each of which might be a mini-shopping expedition. To help drivers, exit ramps and freeways guide shoppers into the Mall's parking lots.

Thus, although the size of the Mall of America entices many shoppers, it intimidates others. As an exhilarating shopping, dining, and entertainment experience, the Mall is tops. But the serious question remains: Will shoppers use it on an everyday basis?

QUESTIONS

- a) What are the mall of America's target markets? [5 marks]
- b) How does it promote itself to each of its target markets? [10 marks]
- c) Use your knowledge of Integrated Marketing Communications (IMC) to evaluate the Mall's IMC efforts [15 marks]
- d) Make a list of all the advantages and disadvantages facing consumers visiting the Mall [5 marks]
- e) In your opinion, is the Mall likely to be a long-run success? Why or why not? [5 marks]

SECTION B ANSWER ANY THREE QUESTIONS FROM THIS SECTION

QUESTION TWO

Assume that the University of Swaziland is currently undertaking a huge marketing communications campaign targeted to high school students. The major objective of this campaign is to attract as many fee paying candidates as possible. You have been hired as a consultant to advise the university on their marketing communications campaign. Draw out a programme using whatever tools you think will be appropriate for this campaign. [20 marks]

QUESTION THREE

- a) Using relevant examples, show how the VIEW Model is used in evaluating packaging material [10 marks]
- b) What are the considerations made before selecting a brand name? [10 marks]

QUESTION FOUR

- a) Magazine A is read by 20,450,000 people and costs E80,000 for a full-page, four colour advertisement. Magazine B reaches 15,700,000 readers and costs E65,000 for a full-page, four colour advertisement. Holding all other factors constant, in which magazine would you choose to advertise? Justify your selection [10 marks]
- b) Assume you are a manufacturer of various jewellery items. Graduation rings for university students are one of the most important items in your product line. You are in the process of developing a media strategy aimed specifically at university students. With an annual budget of E5 million, what media and specific vehicles would you use? How would you schedule the advertising over time? [10 marks]

QUESTION FIVE

- a) Discuss the advantages and disadvantages of the Internet as a marketing tool [10 marks]
- b) Your company, Computer Supplies Ltd., sells computer paper, ribbons, diskettes and many other company stationery to thousands of business and non-business organisations. Because many orders are relatively small, selling costs are extremely high relative to revenue. The sales manager is evaluating the implementation of a telemarketing programme directed at all accounts whose annual purchases amount to less than E10,000. What factors should the sales manager consider in making this decision? [10 marks]

QUESTION SIX

You have recently been hired by an events management company. Their current project is to organise a fashion week as part of the Christmas entertainment. Based on your understanding of marketing communications, use the VALS 2 model to prepare a segmentation strategy to form part of your company's marketing communications campaign. [20 marks]