

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION JULY 2009

TITLE OF COURSE: PRINCIPLES OF MARKETING (BA 113)

**DEGREE AND YEAR: DIPLOMA IN COMMERCE YEAR 1
DIPLOMA IN COMMERCE YEAR 2
B. ED.**

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 5**
- 2. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B**
- 3. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
- 4. MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF YOUR WORK**

SPECIAL REQUIREMENTS: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

INSTRUCTIONS

ANSWER SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B.

SECTION A: (COMPULSORY)

QUESTION 1: SOUTH AFRICAN BREWERIES TESTS A NUTRITIONAL BEVERAGE

South African Breweries (SAB), the subsidiary of global brewer SAB Miller, launched a nine-month test phase of the group's first non-alcoholic drink in Gauteng. African Malt Farms, a wholly-owned SA Breweries subsidiary developed a malt-based nutritional supplement drink called Rhino Malt. Mark Lachman of African Malt Farms says this is expected to be the first of a number of malt-based products the company will develop. It will be distributed through spaza shops, wholesalers, Shoprite and Spar chain stores in Gauteng.

The drink was developed in response to the National Food Consumption study done in 1999. The study showed that children in South Africa aged between one and nine were consuming about two thirds of the recommended daily allowance of key vitamins and minerals such as iron, zinc, calcium and vitamin A, B6 and C. The beverage is completely non-alcoholic. It is made with malt and natural ingredients, and has high levels of key vitamins and minerals. It is intended as a meal supplement, not a replacement.

It is expected to sell for about R3.00 for a 350ml or R9.00 for a litre. About R10 million has been invested in developing the drink after the concept of a liquid nutritional supplement was discussed at last year's World Summit on Sustenance Development. If the product sells well, it will be rolled out nationally. Lachman said there has been interest from other countries especially from India and China. The potential South African market for the product is projected at 250 000 hectoliters within five years.

Lamb, Charles., Hair, Joseph., McDaniel, Carl., Boshoff, Christo., and Terblance, Nic. (2004) Marketing. Second South African Edition. Oxford University Press.

Questions

- 1. Who is the target market in this case? (5)**
- 2. Why did SAB introduce its malt-flavored drink? (10)**
- 3. What marketing strategies would you propose for this product? (10)**

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. **Discuss the key issues involved in planning the research design. (15)**
- b. **Describe five price adjustment strategies that a marketer can use, giving an example in each case. (10)**

TOTAL: 25 MARKS

QUESTION 3

- a. **Discuss the five gaps between production and consumption, using a practical example for each case. (15)**
- b. **Briefly discuss the five elements of the promotion mix. (10)**

TOTAL: 25 MARKS

QUESTION 4

- a. **Discuss five micro environmental variables that can affect a company's marketing activities, giving practical examples. (15)**
- b. **Discuss five types of sales forecasts. (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. **Discuss five types of consumer buying behaviour. (15)**
- b. **Discuss five reasons for developing new products. (10)**

TOTAL: 25 MARKS