

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
FINAL EXAMINATION MAY 2010

TITLE OF COURSE: **MARKETING RESEARCH (BA 422)**

DEGREE AND YEAR: **BACHELOR OF COMMERCE YEAR 4**
 IDE BACHELOR OF COMMERCE YEAR 6

TIME ALLOWED: **THREE (3) HOURS**

INSTRUCTIONS:

- 1. TOTAL NUMER OF QUESTIONS ON THE PAPER IS 6. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B**
- 2. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
- 3. 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: SWAZILAND TEA COMPANY

Teddy Pendergrass, President and founder of the Swaziland Tea Company sat in a meeting with Michael Jackson of Say It All Food Distributors, discussing the need to develop a marketing plan for Swaziland Tea Company. Swaziland Tea Cooler was the proposed brand name for the new product line. The line was to include two types: regular canned ice tea and the flavoured canned iced tea. Teddy explained that the marketing of the canned iced tea line was designed to be similar to the marketing strategies used by most soft drink marketers.

As Michael listened to the presentation of some plans that he already had discussed with R. Kelly, the Marketing Research Manager, he remembered five years ago when he had returned to Swaziland from his studies in the United States. He had been appalled that in the restaurants people ordered a Swazi bun and a Coke rather than tea for their breakfast on a Sunday morning. It was a tremendous shock for him. That weekend had a major impact on his thinking. The importer and seller of Swaziland Tea Company began to think that the growth era for his tea was over.

R. Kelly indicated that soft drinks consumption in 2008 had reached thirty liters per person per year and substantially more for teenagers. He estimated that the soft drinks consumption now comprised thirty percent of the beverage market. He pointed out, however, that the public was not consciously aware of this extremely large volume.

Michael Jackson and R. Kelly saw canned iced tea as an opportunity to compete in the soft drink market. They thought it was a product that would bring Swaziland Tea Cooler into the soft drinks age. However, they were not sure that there was an adequate demand for this product line.

Questions:

- 1. If you were R. Kelly, the Marketing Research Manager, how would you define the research problem? (5)**
- 2. Write a detailed statement of the research objectives for the Swaziland Tea Cooler Project. (10)**
- 3. What type of information might be acquired using secondary data and what type of information might be acquired using primary data sources? (10)**

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. **The first step in the research process is to define the problem. Comment on the definition of the problem in the following situations: (15)**
1. **A farm implement manufacturer says: “Our objective is to learn the most effective form of advertising so that we can maximise product line profits.”**
 2. **An employee union says: “Our problem is to determine the reasons why employees join the union, to determine member’s awareness of the union, and to measure attitudes and beliefs about how effectively the union operates.”**
 3. **The producer of a television show says: “We have a marketing problem. The ratings of our programs are low. We need to know how to improve our ratings.”**
 4. **A manufacturer of fishing boats says: “The problem is to determine sales trends over the past five years by product category, and to determine the seasonality of unit boat sales by quarters by regions of the country.”**
 5. **The marketer of a new spreadsheet software package says: “The purpose of this research is (i) to identify the market potential for the product, (ii) to identify what desirable features the product should possess, and (iii) to determine possible advertising strategies for the product.”**
- b. **Discuss the five major issues to consider in test marketing products. (10)**

TOTAL: 25 MARKS

QUESTION 3

- a. **Discuss five ways of classifying experimental designs. In your answer, indicate one advantage and one disadvantage of using each of the research designs. (15)**
- b. **Discuss the ten characteristics of focus groups. (10)**

TOTAL: 25 MARKS

QUESTION 4

- a. **Define a questionnaire. Discuss the major issues that a researcher should avoid when developing a questionnaire, giving an example in each case. (15)**
- b. **Discuss the advantages and disadvantages of using personal interviews in survey research. (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. **Researchers typically use human beings to systematically observe a phenomenon. Discuss other methods that researchers can use in observation studies. (15)**
- b. **Briefly discuss five factors that are likely to influence your choice of a sampling procedure. In your answer, give an example of one sampling procedure that you would use as influenced by these factors. (10)**

TOTAL: 25 MARKS

QUESTION 6

- a. **Define ethics in marketing research. Briefly discuss the unethical practices of researchers and those of research clients. (15)**
- b. **Discuss five types of product research, giving a practical example in each case. (10)**

TOTAL: 25 MARKS

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MAIN EXAMINATION 2010

FULL-TIME AND I.D.E.

TITLE OF PAPER : INTERNATIONAL MARKETING
COURSE : BA 423
DEGREE AND YEAR : BCOM 4
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION

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GRANTED PERMISSION

SECTION A (COMPULSORY)**READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW****Bad decisions at Euro Disney**

Two years after Walt Disney Co. opened its new park in France, Euro Disney was losing \$1 million per day, despite over a million visitors per month. What had gone wrong?

Disney was overly ambitious, and had made serious strategic and financial miscalculations. It relied too heavily on debt, just as interest rates started to rise. It assumed a real estate boom would continue, allowing it to sell some properties to pay off its debts. It made mistakes in the park itself, including cost overruns, a no-alcohol policy (in a country where a glass of wine for lunch is standard), too few bathrooms, and a mistaken assumption that the French would not want breakfast at the hotel restaurants.

The company blamed its problems on a severe European recession, high interest rates, and the devaluation of several currencies against the French franc. But it had alienated the people with whom it needed to work. Disney thought it knew best, and persistently imposed its will on others. "They were always sure it would work because they were Disney," said one French construction-industry official. Disney's European executives felt they were always playing second fiddle to corporate executives.

Disney showed its overconfidence in many ways. Executives boasted they could predict future living patterns in Paris; they predicted people would move to the east near Euro Disney. They believed they could change European habits. For instance, Europeans are more reluctant than Americans to let their kids skip school, and prefer longer vacations to short breaks. Disney believed it could change this. "There was a tendency to believe that everything they touched would be perfect," said a former Disney executive. Disney believed that what it could do in Florida, it could do in France. The perceived arrogance, and a critical press, demoralized the workforce, and initially kept visitors away.

The risky financing of Euro Disney was based on a highly optimistic scenario with little margin for error. When critics said the financial structure was far too clever for its own good, Disney's attitude was that cautious, old-world European thinking couldn't comprehend U.S.-style, free-market financing.

Eventually, the park had as many visitors as projected. But costs were way too high, and the economic environment had changed. To cover costs, park admission was set at \$42.45, higher than in the United States. But Disney failed to see the warnings of a European depression. Said one executive, "Between the glamour and the pressure of opening and the intensity of the project itself, we didn't realize a major recession was coming."

Michael Eisner, chairman of Disney, vowed to make Euro Disney the company's most lavish project ever. He was obsessed with maintaining Disney's reputation for quality, but he went way over budget to do things that critics considered frivolous.

When things were at their bleakest, Disney threatened to close the park, but negotiated last-minute, favourable new financing arrangements. The crisis seemed solved, at least temporarily. Many observers maintained, however, that Euro Disney was not really in danger of shutting down—too much was at stake, for the company, its creditors, and the French government, which initially had provided road and rail networks to the park and \$750 million in loans at below-market rates.

Prices have been dropped, and some costs have also been reduced by new management. Euro Disney has now recovered and is becoming financially healthy.

Adapted from Bateman T.S. and Snell S.A. (1999) .Management, Building a Competitive Advantage. 4 edition. Irwin McGraw- Hill

QUESTION 1

- a) Identify and explain the global management orientation that caused Disney executives to make mistakes when entering France. (10 MARKS)
- b) Discuss the other global management orientations and then explain which one should have been adopted by Disney executives when planning Euro Disney. (20 MARKS)
- c) Explain how SRC (Self Reference Criterion) awareness might have changed Disney's choice of entry in France. (10 MARKS)

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

Discuss the impact of the global economic crisis on international marketing. **(20 MARKS)**

QUESTION 3

- a) Identify the major regional economic organizations in the Southern African region in which Swaziland is a member and then discuss how each is of benefit to the country. **(12 MARKS)**
- b) Describe what the African Growth Opportunity Act (AGOA) is, and then discuss why it is important for the Kingdom of Eswatini to be a member. **(8 MARKS)**

QUESTION 4

Explain why companies would engage in countertrade and then discuss the different types of countertrade. **(20 MARKS)**

QUESTIONS 5

- a) Food is the most culturally sensitive category of consumer goods. Why then is 'fast food' gaining in acceptance around the world? **(10 MARKS)**
- b) Explain why is it important for international marketers to understand the dimension of uncertainty avoidance? **(10 MARKS)**