

**UNIVERSITY OF SWAZILAND**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**MAIN EXAMINATION PAPER**

**DECEMBER 2011**

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**TITLE OF PAPER : MARKETING MANAGEMENT**

**COURSE CODE : BA321, BA221, BA321 IDE(BEDS 111).**

**TIME ALLOWED : TWO (2) HOURS**

**INSTRUCTIONS:**

- 1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (5)**
- 2. SECTION A IS COMPULSORY**
- 3. ANSWER ANY TWO QUESTIONS IN SECTION B**
- 4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED ALONGSIDE THE QUESTION**

**NOTE:**

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

**SPECIAL REQUIREMENTS: NONE**

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

### **NEW BRILLIANCE INJECTED INTO FADING BRAND**

*Source : Sunday Times, Business Times. October 9, 2011 by Tina Weavind.*

The Phillips brand has long been associated with TVs sound systems, kettles and razors, a lagging competitor of Sony, Siemens and Samsung.

Headquartered in Holland, Phillips employs more than 120 000 people and has a sales and services footprint in over 100 countries. But a combination of ill timed acquisitions before the 2008 downturn, and a loss of market share in a variety of products, especially televisions, put the brakes on sales and saw the share price slip 44% this year. CEO, Frans Van Houten is radically reviewing the company's complexity, giving it a learner, more agile operating model, and is seeking to cut about Euro 800 million (R8.8 billion) in costs. He has also instituted a company wide programme called Accelerate! Aimed at driving speedy innovation and plans to increase sales by between 4% and 6% by 2013.

Speaking to the global media last week, Van Houten said: "Innovation means we need to offer the products and technologies that people need, and bring them to market fast and effectively". The new CEO also pledged that the company would increase investment in research and development by Euro 200 million (R2.2 billion) a year. Phillips puts a lot of emphasis on working with the customer, and they have worked hard at creating a major presence in their markets. "You cant think up the detailed solutions for energy-efficient street lighting in a Chinese city from an office in the Netherlands," said Van Houten.

Growth will be realized both organically and through acquisitions. An example of this is the purchase of Chinese kitchen appliance maker Povos soon after Phillips moved the head office of its domestic appliance maker to Shanghai. While personal care items like razors and hairdryers, as well as kitchen equipment, are staples in many South African homes expect them to get more efficient, interesting and trendsetting. From a medical perspective, the company has done extensive work in cardiology and oncology, minimizing the need for surgery and lessening the negative effects of chemotherapy. The HeartNavigator, for example, allows cardiologists to replace valves without the patient having to endure open heart surgery. Phillips has also designed medical solutions specifically for infants and children. One condition common in newborns is jaundice, which is caused by the immature liver being unable to

naturally process red blood cells. To heal babies, Phillips has come up with a blanket, which has tiny blue LED lights woven into the fabric. A light diffusing layer spreads the light evenly over the skin, meaning the baby can be treated while comfortably wrapped in the blanket. Phillip makes lights of every conceivable and jaw dropping type. One example that has local relevance is City Touch, an online outdoor lighting management system that can provide up to 70% savings in energy and up to 70% in maintenance costs compared to conventional lighting. CityTouch allows lighting operators to track the electricity consumption and power output of every part of the system, and it allows the lighting level to be adjusted as required. So, in areas where there is little activity lights can be dimmed or turned off, leading to lower electricity use. The power can also be turned up to discourage criminals. Globe failures and power outages are easily detected by the online system and can be quickly rectified, thereby reducing operating costs. Van Houten is fond of saying that the Chinese character for crisis and opportunity is the same, and it seems he is not going to let a good crisis pass him by. But while Phillips employees appear to be crackling with energy about the company's new direction, the radical cost cutting means many will be out of a job soon.

**SECTION A**

**QUESTIONS**

- A. What caused the Philips brand to decline? **(3 marks)**
- B. The CEO of Philips Frans van Houten has set out to turn the situation around. What actions has he identified to turn the Company around? **(5 marks)**
- C. Broadly speaking he also aims at doing what the market dictates. Name the Two strategies he has identified. **(4 marks)**
- D. What are the plans to satisfy the target market ? **( 6 marks)**
- E. Country solutions will be achieved by doing what? **(2 marks)**
- F. Research and development has been fast tracked in other fields. Identify the innovations and their importance. **(25 marks)**
- G. What are the beliefs of the CEO with regard to the SWOT analysis **(5 marks)**

**SECTION B**

**QUESTION 1**

“The mission of the University of Swaziland is to achieve excellence in teaching and learning research and research training, community service, provision of opportunities for consultancy professional leadership and enterprise development in the contemporary context.”

- a. Does this Mission Statement address the five key questions about Organizations/Companies?  
(2 marks)
- b. List these key questions and illustrate how they are addressed within the above mission statement.  
(20 marks)
- c. How are the mission statement and positioning in a Company related to each other? (3 marks)  
Illustrate the relationship in this case.  
(3 marks)

**QUESTION 2**

Michael Porter identifies five forces that determine the intrinsic long-run attractiveness of a market or market segment.

- a. List these (5 marks)
- b. Briefly explain each one (10 marks)
- c. Give examples for each one (10 marks)

**QUESTION 3**

A Customer is always right. A Customer is king

- a. What do you understand to be the meaning and importance of a Customer.  
(5 marks)
- b. A Customer has a Bill of Rights. List at least ten of them and briefly explain each one. (20 marks)

**QUESTION 4**

Small Enterprises sometimes called Small Business are key to any economy. Swaziland is no exception to this observation.

- a. What are the key challenges faced by the Swaziland Small Businesses.  
(10 marks)
- b. How can you as a Marketer ensure the success of Small Businesses in Swaziland  
(15 marks)