

**UNIVERSITY OF SWAZILAND**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**MAIN EXAMINATION PAPER**

**DECEMBER, 2012**

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**TITLE OF PAPER : MARKETING MANAGEMENT**

**COURSE CODE : BA 221 FULL TIME, BA 321 I.D.E**

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

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**INSTRUCTIONS:**

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER [6]
2. SECTION A IS COMPULSORY
3. ANSWER ANY THREE (3) 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 REQUIREMENT : NONE**

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

## NESTLE LOOKS TO AFRICA FOR GROWTH BOOST

Global food producer Nestle is hoping emerging markets will contribute about 50% of sales by 2020, with Africa's contribution growing more than 10%. CEO Paul Bulcke said yesterday.

Emerging markets currently make up about 40% of sales, with Africa contributing about 5%. Consumer goods companies are increasingly seeking to tap into the growing African market of 1 Billion people.

"We have been present on the African continent for more than a hundred years, and we see great growth opportunities for the future." Mr Bulcke said, adding that the company had spent about 5fbn (R3bn) over the past two years in SA and Africa.

Mr Bulcke was speaking at the opening of Nestle SA's new factory in Babelegi, north of Pretoria. The Swiss food group has invested about R500m in constructing a new 16,000m<sup>2</sup> factory to produce its Cheerio and Milo cereals in SA for the first time, and has added new production lines to manufacture Maggi Noodles.

The company also spent R47m to expand the capacity of its creamers factory, and expanded one of its distribution centres to cope with the rising demand for its product range.

"With about 50 million people and a middle and lower middle class with growing purchasing power -- we see.. great growth opportunities for Nestle in SA.

"That is why we have invested, and continue to invest, heavily in this country," Mr Bulcke said.

From last year until 2014, for example, Nestle SA's average capital expenditure was R400m a year, he said.

Nestle's new move to the local production of cereal would be watched closely by competitor Pioneer Foods, which also produces cereals, analysts have said.

However, US brand Kellogg's is market leader in the breakfast cereal market in SA.

Nestle's Babelegi investment created more than 130 permanent jobs and 300 indirect jobs over a 20 month period during the construction phase, the company said. The company believes local businesses will benefit from the new factory as raw and packaging materials required for the manufacturing of its products will be sourced locally, creating a market for local business and farmers.

Trade and Industry Minister Rob Davies, who attended the opening, said Africa was the next global growth frontier. "The world is changing. Africa will play a significant role in food security around the world".

The number of African households with an income above \$5,000, at which point people spend roughly half their income on food, is likely to surge from 59 million, or 35% in 2000, to 128million, or 52% by 2020, a recent report by McKinsey's research arm shows.

--Annaleigh Vallie.--- Retail Correspondent. Business Day, Tuesday, 7 August 2012.

## SECTION A

### QUESTION 1

Nestle has set out its long term plans for Africa. What are they? (5 marks)

### QUESTION 2

Nestle has spent over one billion dollars in South Africa and Africa during the past couple of years. What investments were these ? (5 marks)

### QUESTION 3

Good growth is forecasted in SA. What is the root cause of this growth? (5 marks)

### QUESTION 4

Nestle is a new entrant in the cereal business. Who are the major competitors ? where and how do they play ? (5 marks)

### QUESTION 5

In what specific ways has Nestle demonstrated to be ethical in its growth strategy? (10 marks)

### QUESTION 6

Africa is the new location for direct investment. Why? (10 marks)

## **SECTION B**

### **QUESTION 1.**

A marketing plan is key to the success of any business. Some call it the bible of a company. Discuss its contents with examples. (20 marks)

### **QUESTION 2.**

Discuss with examples, the forces that Michael Porter identified as critical in determining the attractiveness of a market. (20 marks)

### **QUESTION 3.**

Customer service is absolutely critical for the success of a company. Describe in detail what Customer service is, and the reasons for its growing importance. (20 marks)

### **QUESTION 4**

Small Businesses (SMEs) contribute to the growth of the Swaziland Economy. Discuss with examples (20 marks)

### **QUESTION 5**

Describe services, and explain in detail why they are growing so rapidly in importance. (20 marks)