

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION PAPER
MAY 2013

TITLE OF PAPER : MARKETING COMMUNICATIONS
COURSE CODE : BA 328 FULL TIME
TIME ALLOWED : THREE (3) HOURS

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, AND 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.

FOOD LABELLING GIVETH BUT TAKETH TOO

VOLUNTARY NUTRITIONAL INFORMATION MORE DIFFICULT BUT 'PACKED WITH' IS BANNED

Today's health conscious consumers are far more likely to live by the adage, "You are what you eat" And today's manufacturers are far more likely to reveal what's in the food they sell. The trouble is that often we get too little information or too much. Lack of transparency and misleading, exaggerated claims abound.

This and the growth of the food industry have led to the new food labeling law that kicked in this month. But the Department of Health's new regulations known as R146 have not been without controversy. They seem for the time being at least, to give consumers with one hand and take away with the other.

So what exactly should consumers be celebrating? Food scientist and consultant Nigel Sunley , a former president of the South African Association for Food Science & Technology separates the wheat from the chaff.

Why are the new food regulations necessary?

Because the old ones did not take account of changes including greater consumer awareness; the role of food in maintaining health; and greater use and abuse of health claims consumer nutritional and health claims by manufacturers.

Many companies have provided misleading and sometimes incorrect information to consumers so additional regulation was badly needed. The move also ties in with the requirements of the Consumer Protection Act.

What is regarded as an irresponsible and misleading claim?

Claims that a certain type of product brings you specific health benefits are prohibited. Any claim that cannot be substantiated by means of scientifically acceptable evidence is a definite no-no. We should see a further set of regulations in due course that will tackle this area in more detail. In other areas there are now severe restrictions on the use of terms such as "natural", "fresh", "traditional" and 'quality' – all the typical marketing hype words.

To be complaint, a so-called 'natural muesli' would have to contain whole raw oats complete with their husks and unroasted nuts, and would be totally inedible.

What about “free from” claims?

Manufacturers will not be permitted to insinuate that their product is free of a certain attribute when, in fact, all products of this type are free from this attribute. A good example is cholesterol free sunflower oil. All sunflower oil is free from cholesterol!

In the area of additives, “free from” type claims for food additives can be made only when that category of product is allowed to contain the additive, but the manufacturer has not used it. So a ‘tartrazine free’ claim would be acceptable for a soft drink, as tartrazine is a permitted additive.

Are consumers with allergies now better protected?

Yes. There is a compulsory requirement to declare the so called common allergens, such as gluten, egg, milk and nuts, very clearly in the ingredient statements. For example, a product such as whey, which consumers may not realize is derived from milk, must be clearly stated as such. Then there are further requirements in regard to potential cross-contamination of products for example a product that does not contain milk, but which has been mixed or packed on equipment also used to pack a product containing milk.

What’s the benefit of suppliers now having to provide a “typical nutritional information table” on products?

Nutritional information is not compulsory unless a claim is being made about the product’s nutritional characteristics. Where these are made, the table should provide actual nutritional values which prove whatever claim is being made. For products that don’t make such a claim, suppliers have the option of providing nutritional information on a voluntary basis.

Unfortunately, the requirements for voluntary information are elaborate, inflexible and costly. This has caused many manufacturers who previously provided voluntary information to stop doing so. It is a component of the regulations that was not properly thought through and has backfired quite badly.

Why are nutrient function claims like “calcium in milk helps build strong bones” no longer allowed?

It has been much abused by unscrupulous manufacturers in the past and the department has, in my opinion rightly, decided to impose a temporary blanket prohibition.

And common labels such as “low GI”, diabetic friendly “no sugar added” “aids in weight management” or “contains probiotics”?

These are not allowed, again owing to past dodgy practices by less scrupulous manufacturers. The same, hopefully temporary, prohibition applies.

Is a “no added sugar” label not even allowed on 100% pure fruit juice?

The term has been much abused. Fruit juice contains added sugar from the fruit itself. “No added sugar” will be permitted only on products containing very specific types of carbohydrates and non nutritive sweeteners.

May a supplier who adds important nutrients declare this?

Yes, provided he meets the requirements set for that nutrient claim. For example, a product must contain at least 30mg of vitamin C” Also only the phrases “source of ...” “high in” Or “very high in ...” can be used. Hype phrases such as “full of ...” and “packed with” Are prohibited.

Megan Power - The Power Report. Money and Careers, Sunday Times March 25,2012

SECTION A

Q. 1 Consumers and Manufacturers are forever flux in their outlook and in their demands and responses respectively. What stage are both parties at today? (4 marks)

Q. 2 Regulation R146 has been a response to what concerns in the market place. (10 marks)

Q. 3 Ethical issues in packaging in particular label information are being addressed. Discuss with examples. (10 marks)

Q. 4 In many instances manufacturers are not specific in their claims. Discuss with examples. (10 marks)

Q. 5 At what stage is Swaziland as far as this important issue is concerned? (6 marks)

SECTION B

Q. 1 Packaging is very important in marketing communications (marcom) . However some aspects of packaging involve ethical issues. Discuss these with examples. (20 marks)

Q. 2 Explain the hierarchy of marketing communications (marcom) effects, and how it acts as a chain. (20 marks)

Q. 3

(a) What is the importance of signage ? (5 marks)

(b) What are the positive outcomes of on – premise business signage ? (5 marks)

(c) On – premise signs in general must result in positive outcomes. Discuss (10 marks)

Q. 4 Brand naming is critical to the success of a brand. Discuss with examples the fundamental characteristics of good brand names. (20 marks)

Q. 5 Packaging is what embodies the brand, a fundamental part of a brand, and in most cases the most costly part/component of a brand. With examples discuss the packaging design process. (20 marks)