

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION MAY 2013

TITLE OF COURSE: **MARKETING RESEARCH (BA 420)**
DEGREE AND YEAR: **BACHELOR OF COMMERCE YEAR 4 – FULL TIME**
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: MARKET ANALYST AND PROMOTIONAL SPECIALISTS INC.

Market Analyst and Promotional Specialists Inc. (MAPS) is a marketing consulting firm that specializes in the development of promotional campaigns. The firm was formed five years ago by two young marketing graduates. The students soon overcame their initial lack of experience and have since become known for their innovativeness and creativity. Their clients now include industrial wholesalers, retail product manufacturers, food distributors as well as retail outlets.

In 2004 Dixie Brewing Company enlisted MAPS to develop a new promotional campaign for its line of beers. At the time, Dixie was the only big brewery and distributed products all over the country. The company had enjoyed a good reputation for a number of years but recently tarnished its image by accidentally distributing a shipment of stale beer. Dixie was also losing market share due to increase in competition from other brewers. Recently Miller High Life purchased Crescent Distributors, a large liquor distributor and was beginning to implement aggressive promotional tactics in the local market.

Dixie was concerned primarily with its retail merchandising methods. MAPS immediately began to study Dixie's product line and present shelf space allocations in various stores throughout the market area. Due to its previous experience with food brokers, MAPS realized that proper shelf placement was extremely important in supermarket merchandizing. The company product line consisted of two beers: Dixie and Dixie Light. Both beers were sold in quarts and six packs.

In Swaziland, beer may only be purchased in supermarkets and convenience stores. Also in most stores beer can be purchased either warm or cold. In studying the refrigerated closets holding beverages, MAPS noticed that most were small and usually had glass doors on the front. Because of the relatively small size of the entire cold beer display, MAPS believed that the typical customer would view the case from left to right. As such, they believed Dixie should place their products on the extreme left side of all cold beer cases.

Warm beer was displayed in a much different manner. Most stores displayed beverage products in bulk and usually devoted an entire aisle for such displays. MAPS reasoned that the normal consumer could not view all the brands at once and would thus have to "shop" or walk into the aisle. They recommended that Dixie place its beer in the middle of the other brands. Because Dixie Light was produced in response to Miller Light, MAPS recommended that it be placed to the left of Miller Light in both warm and cold beer displays. Traditionally Dixie Light had been placed next to the standard beer brand. Dixie had noticed a significant decrease in their regular brand's market share on the introduction of Dixie Light.

To test its theories, MAPS selected a convenience store located in the suburb. The store contained both warm and cold beer displays. This store was then used in an experiment to measure the effect of shelf placement on beer sales. One treatment consisted of setting up the displays as they were currently being used in stores across the country.

The second treatment arranged the displays according to the new MAPS plan. All other factors such as price, number of bottles and cans were held constant throughout the experiment. The first version of the setup was used for the first two weeks of the month and the second treatment was run for the last two weeks. The following statistics show the percentage of beer purchased by brand for each of the treatment:

Brand	Treatment Number 1	Treatment Number 2
Dixie	18%	23%
Miller	18%	15%
Bud	19%	18%
Coors	13%	13%
Dixie Light	10%	8%
Miller Light	13%	14%
Coors Light	9%	9%

QUESTION

1. Critique the research design with respect to internal and external validity considerations. (15)
2. Based on the information given, what conclusions can be made regarding the MAPS plan? (5)
3. Recommend a research design that would produce better results. (5)

TOTAL: 25 MARKS

SECTION B
INSTRUCTIONS

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Describe controlled test markets. Are they laboratory or field experiments? Are they disguised or undisguised experiments? (15)
- b. Alcohol Anonymous (AA) wanted to test consumer attitudes towards an anti-drinking advert. Two random samples of respondents from Mbabane were selected for the experiment. Personal interviews relating to consumer attitudes towards alcohol were conducted with both samples. One of the samples was shown the anti-drinking advert, and following this, personal interviews were conducted with both samples in order to examine consumer attitudes towards alcohol. Identify the type of research design that was used and show it diagrammatically. (10)

TOTAL: 25 MARKS

QUESTION 3

- a. What role does exploratory research play in marketing research? How does exploratory research differ from the other forms of marketing research? (15)
- b. Highlight the differences between structured and unstructured observation. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Briefly discuss two philosophies of ethics. Discuss the unethical practices of research clients, giving an example in each case. (15)
- b. Discuss validation as it relates to statistical analysis of data. In your answer, explain the significance of validation. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. What are the benefits of test marketing? When is a marketing researcher likely to conduct test marketing? When is a marketing researcher unlikely to conduct test marketing? (15)
- b. Write short notes on the following terms as used in marketing research: (10)
 1. Data analysis
 2. 3rd person technique
 3. Disguised observation
 4. Lowball pricing
 5. Quasi experiments

TOTAL: 25 MARKS