UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER

DECEMBER, 2014

TITLE OF PAPER	:	MARKETING MANAGEMENT
COURSE CODE	:	BA 221 (F.T)/ BA 221 (IDE) / BA 321 (IDE)
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.

AFRICA'S COMPLICATED, SO GET IT RIGHT.

THE CONTINENT IS SLOUGHING OFF ITS STEREOTYPES.

In his famous essay, called "How to write about Africa", Kenyan author Binyavanga Wainaina satirically advised pundits to "treat Africa as if it were one country ...900 million people who are too busy starving and dying and warring and emigrating to read your book... so keep your descriptions romantic and evocative and unparticular"...

While Wainanina was writing firmly tongue in cheek, he elegantly expressed a major challenge facing African governments and business people aiming to engage as equals with the world economy, establish mutually beneficial trade relationships and attract investment.

Africa is still perceived in the West mainly as a recipient of pity and aid dollars, a source of raw materials, and a highly risky bet for investors. Fortunately all this has been changing since the turn of the century.

The continents growth rate has exceeded 5% a year for more than a decade. Foreign direct investment (FDI) into Africa has increased dramatically in the past decade and a half, and continues to grow.

FDI to Africa increased 9.6% last year to an estimated $56.6 billion, or 5.7% of global FDI. This year FDI is forecast to exceed $60 billion.

Africa, in other words, has become one of the world's most favoured investment destinations.

Emerging economies and the Brics in particular are seizing the African opportunity. China Africa trade, for example, surged from $10 billion last year, making China Africa's largest trading partner.

Trade between the US and Africa has also been increasing, although on a gentler trajectory, doubling from about $50 billion in the early 2000s to $110 billion in 2013.

Major private equity firms, including the Carlyle Group, have launched Africa focused funds valued in the hundreds of millions.

As former Ghanaian president John Kufuor memorably put it. "Africa is being courted vigorously by China and the other emerging economies, while our traditional partners in the West are also holding on tight. Africa must ensure that it comes out of this tango better off."

Is the present moment really different from previous bursts of Afro optimism? Won't grow tail off as commodity prices soften? Isn't true that Africa lacks the growth needed to supplement external demand?

Aren't Africa's governance institutions still too weak to support sustained growth?

On the first question, there's a precise quantitative answer. While the era of steep commodity price increases does indeed appear to be over, the IMF is projecting at worst mild declines in most commodity prices until 2018.Whats more, even a quite significant decline in commodity prices would have a surprisingly limited impact on African growth.

Even if commodity prices fall by as much as 25%, Africa's growth would slow by only about half a percentage point a year. Of course, as Wainaina would remind us, the impact would vary by country.

About that internal growth engine: Africa has youth, improving health and education, and rapid urbanisation on its side. From 2000 to 2012, the UN's Human Development Index for sub-Saharan Africa rose by seven percentage points. By 2030, 46% of Africans will live in urban areas, rising to 57% by 2050.

Across the continent a rapidly growing middle class is changing historic patterns of consumption. The trend is particularly apparent in Nigeria, where the middle class has swelled 600% since 2000. Today, Nigeria is home to 4.1 million middle class households, containing 11% of the total population.

Seventeen of the 50 fastest improving environments for business are in sub Saharan Africa.

Other economies doing particularly well on this measure include Angola, where 21% of households are considered middle class, Sudan at 14% and Zambia at 10%.

This rising middle class is driving a rapid diversification of Africa's economies. Natural resources remain important, but sectors such as wholesale and retail trade, manufacturing and services are growing fast.

The number of cellphone users in Africa has multiplied 33 times since 2000. Within the next five years, it is likely that almost every adult African will have a mobile phone. More than 50% of urban Africans are already online. If they don't like what you are writing about the continent, expect to get a lot of tweets about it.

On governance, there is a lot of work to be done. But the direction is correct. Macroeconomic conditions have improved inflation, foreign debt and budget deficits are largely under control, state owned enterprises are being privatised; trade is increasingly open, and regulatory and legal systems are stronger.

According to last year's World Bank Doing Business report, 17 of the 50 fastest improving regulatory environments for business are in sub-Saharan Africa.

In other words, this time really is different. We are seeing a combination of internal dynamism and far-reaching policy and regulatory reforms that are making many African countries very appealing dance partners.

Take the power sector, for example. The International Energy Agency has described Africa as being "ripe for a boom in renewable energy".

President Barack Obama's Power Africa programme is working to deliver just that. It aims to double access to power in sub-Saharan Africa, and has identified six African countries –

Tanzania, Kenya, Ethiopia, Ghana, Nigeria and Liberia which are making big strides in reforming their energy sectors and privatising aspects of power supply.

Firms that invest can confidently expect good returns. But, of course, unquestioning optimism is as foolish as relentless pessimism.

Most Africans are very poor by developed world standards. A great deal of new investment in infrastructure and productive capacity is still required to fix that.

Sub-Saharan Africa's investment to GDP ratio remains the lowest among developing regions, at just 22%. As a result, unsurprisingly, the average return on investment in Africa is very high. According to the UN Conference on Trade and Development, the global average return on FDI was 7.2% in 2011, the return on FDI to Africa was 9.3%.

But those are averages. To do well on my home continent, US companies need to understand Africa's markets in detail. The US-Africa Leaders' Summit and CEO forum are an important step towards deepening that understanding.

----- Sim Tshabalala – joint CEO of Standard Bank. Sunday Times, August 3,2014, Business Times, Opinion, page 10.

SECTION A

Q.1 For decades, what has been the stereotypes opinions about Africa ? (6 marks)

Q.2 Analysis have shown that this (stereotype thinking) is no longer the case. Briefly discuss. (10 marks)

Q.3 How different is this economic boom from previous booms ? (10 marks)

Q.4 Why is sub Saharan Africa ripe for business ? (14 marks)

SECTION B

Q. 1 A marketing plan has distinct levels. Discuss these with examples. (20 marks)

Q. 2 Good mission statements are characterised by certain features. Discuss these with examples. (20 marks)

Q. 3 The traditional marketing mix provides the approach taken/used by business. However as Marketers we know that " Customer is king". How then should we approach the marketing mix? Discuss with example. (20 marks)

Q. 4 Excellent Customer service is a key differentiator in any business. Poor Customer service is very costly to any company, and more often than not, results in the death of the company. Discuss with examples. (20 marks)

Q.5 Small businesses are the engines of growth for most economies. Discuss with examples how they differ with big business. (20 marks)