

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER

DECEMBER, 2014

TITLE OF PAPER	:	MARKETING COMMUNICATIONS
COURSE CODE	:	BA 320 (F.T)
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.

FREE ADVERTS CAN END UP COSTING YOU A FORTUNE.

On line seller ripped off by fake proof of payment e-mails and SMSes.

Most people, I like to believe are inherently good. But there will always be people on the take and they lurk everywhere.

Take free online Classifieds. For millions of South Africans, websites matching buyers and sellers have become the preferred route for trading everything from fridges and beds to cars and houses.

One such site, Gumtree, attracts 2.5 million adverts a month and competitor OLX boasts a million adverts. When you are dealing in those kind of numbers, there is bound to be trouble.

It was the kind that cost Kasandra Isaac of Sunninghill, Johannesburg, R9 000. When Isaac advertised a fridge and washing machine on Gumtree and OLX in March, she was contacted the same day by interested buyers.

“The Council for Scientific and Industrial Research engineer gave her bank account details to the buyer and asked them to make electronic transfers to her account and send her proof of payment by SMS and an e-mail from the fridge buyer, confirming payment had been made,” said Isaac.

The payment notifications appeared authentic and Isaac released the R3 500 fridge to a driver who arrived that evening to fetch it on the buyer’s behalf.

The same happened with the sale of her R5 500 washing machine on the same day – with an SMS from Standard Bank this time. Another driver collected the second appliance.

But despite the payment notifications, no money had been deposited into Isaac’s account by either buyer. Attempts to contact them proved futile and neither driver was helpful.

“The driver who collected the fridge said he had been paid only half the amount promised by the buyer and also couldn’t reach him” said Isaac. The other driver said he still had the washing machine but had not been paid for its delivery so wanted money transferred electronically to have it returned.” Isaac refused.

Her complaint to the police was a waste of time. “A week after I registered a case, the investigating officer phoned to say he could not do anything further. He said the people [drivers] he got through to were rude to him and did not give him any information. He said he tried to go to the delivery address given, but it apparently did not exist,” said Isaac.

But she feels let down the most by the two sites, which she believes failed to warn her of the risks of fraudulent proof of payment notices. “As it was my first time using these sites, I read through the safety warnings in detail and saw nothing relating to fake proof of payment. All fraudulent payments mentioned related to cheque accounts and offshore accounts”, she said.

“I feel these sites should take some responsibility in screening buyers, at least through a registration process, or create a fairly large section on their websites relating to safe buying and selling. I had no reason to be suspicious until it was too late.”

Isaac likes the free classified advert concept and, despite her loss, will probably use the sites again. “But awareness of this fraud must be created by these websites...” she said.

Marketing chief Claire Cobbledick said Gumtree was “deeply saddened” to hear of Isaac’s experience. She said the company had a dedicated support team to create a safe site for users and worked closely with the police. “Nonetheless, once users move off our site and transact in person, there is an element of risk involved.”

Cobbledick said Gumtree had recently increased its efforts to educate users through blogs and its Facebook page, as well as articles on the site’s home page.

But why is there no prominent warning on the sites home page linking to the safety blog and tips elsewhere on the site? I don’t think burying safety information at the bottom of the home page is in the best interests of consumers.

And although the blog lists false notifications as a potential problem, its standard safety tips don’t. “We encourage readers and all our users to send us their suggestions on how we can improve the site,” said Cobbledick.

OLX is guilty of the same thing. Although a press release issued recently includes a sentence on fake payment confirmations, this specific scam does not feature on a list of safety tips e-mailed to new users and available in the help section.

“We are looking into something in line with your suggestions [for a more prominent alert on the site]. But it’s under investigation and development,” said OLX South Africa general manager Paul Casarin. “Right now we have the safety tips prominently displayed on the item pages where we prompt our customers just before they contact the seller”, he said.

Having said this, we are looking into alternative ways of providing more information which we plan to release soon.

As for the banks, they say there is not much they can do. The false notifications issued to Isaac were so similar to the real thing, said Absa, that only a trained eye could tell them apart. The fake SMS, the bank said revealed at least two forgery indicators it came from MTN whereas Absa uses Vodacom, and Absa does not use a beneficiary name, just an account number.

Standard Bank said its reference number on SMS notifications was a nine digit number. There were few obvious differences between the fake and genuine email notification and certainly none the average consumer would pick up, Absa said.

The message from both banks is this notifications of payment should never serve as proof of payment and sellers should always confirm that deposits have been made, including cheques cleared, before releasing goods.

And whether you are selling or buying its vital to read the sites safety section before doing business. If that means having to delve a little deeper into a site than usual, then do so. Its your money at stake after all.

--Megan Power. The Power Report. Sunday Times, May 25, 2014, News, page 16.

SECTION A

- Q.1 Why are online classifieds so popular today in South Africa ? (2 marks)
- Q.2 How can Sellers positively address their vulnerability in this form of trading ? ie. Online trading. (6 marks)
- Q.3 How can such sites improve the situation ? (10 marks)
- Q.4 Kasandra Isaac was very disappointed with both Gumtree and OLX. Briefly explain. (10 marks)
- Q.5 How did Absa absolve itself from this fraud ? (10 marks)
- Q.6 Standard Bank also got away. How did they do it ? (2 marks)

SECTION B

- Q.1 Integrated Marketing Communications (IMC) is the careful coordinating of a brands Marketing Communications (marcom) elements. Discuss with examples the important features of IMC. (20 marks)
- Q.2 Brand equity can be considered/understood either from the perspective of the Company or the Customer. Discuss both perspectives with examples. (20 marks)
- Q.3 Ethics involve matters of right or wrong, or moral conduct as far as marcom are concerned. Discuss with examples ethical issues in targeting. (20 marks)
- Q.4 The hierarchy of marcom effects implies that for marcom to be effective/successful, must move Consumers from one goal to the next goal. Discuss the process with examples. (20 marks)
- Q.5 Objective and Task budgeting is essential in marcom. Discuss the steps/process involved in this type of budgeting with examples. (20 marks)

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