

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION DECEMBER 2014

TITLE OF COURSE: CONSUMER BEHAVIOUR (BA 521)
DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 6
IDE
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: SELLING CELL PHONES TO CHILDREN

What do Nokia, Samsung, Sony Erickson, and Motorola have in common? They will all soon be joined by Disney Land to market cell phones to children worldwide. Over 80% of all adults have cell phone these days. Roughly half of all teenagers aged 12 to 17 also use the technological talk boxes. The growth market for the cell phone industry in the near future is children aged 8 to 12, or even younger. Many in the industry see these children as the final frontier if companies are to continue to grow. Already, 5 year old children are given cell phones by their parents.

The cutting edge products in this category hit the market in early 2005. Firefly Mobile has a phone that comes in eight colours including Blue, Green, Yellow and Pink. Tic Talk is loaded up with games like the educational toymaker. Both of these phones are designed for smaller hands. Parents can control incoming calls, outgoing calls, and call minutes.

Do children need a cell phone? There are many child advocates and various politicians, who say that they do not. Claims are being made that cell phone makers are declaring "opening season" on children with their marketing tactics and that this practice is harmful. Many are even petitioning the US Congress to investigate this hot marketing trend that seems to be using kids to get to parents' money. But cell phone companies defend their actions. Many have released statements saying that their products (even the kid friendly ones) are not marketed to children, but rather to the parents.

Disney Land management said the Disney Mobile is being developed as a service to address the needs of family audience. They also said that its products and services will be available for all members of the family including adults. Suzanne McLean, a spokes woman for Canadian wireless provider Rogers Wireless, said the company has found that both parents and their children demand a service such as the five-key parent-programmable Firefly. Of course, children want the phones because they are "cool", their friends have them, and because they want to be more grown-up. But these reasons alone are usually not good enough for parents to give in and buy one of the gadgets for their kids. However, marketers have positioned cell phones for kids as a safety need.

Parents are convinced that the increased ability to stay connected with their children enhances safety, the purchase decision is simple. "Suddenly, you are not an indulgent parent. You are a caring parent," says Margaret Campbell, an associate professor of marketing at the University of Colorado. If companies can get younger children in the habit of using phones, the kids will probably be consumers for life. Whether or not this is a good thing is still open to debate.

QUESTIONS

1. When it comes to cell phones for kids, who are the customer? Discuss the dynamics of this scenario. (15)
2. How do current trends in the family life cycle affect the marketing of cell phones to children? (10)

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION.

QUESTION 2

- a. Discuss the functions of family in the study of consumer behavior. Indicate the challenges that families encounter in performing these functions. (15)
- b. Discuss five risks that a buyer is likely to encounter in decision making giving a practical example in each case. (10)

TOTAL: 25 MARKS

QUESTION 3

- a. Discuss the eight (8) bases for segmenting the consumer market. (15)
- b. Define perception. Discuss the four (4) principles of perception organization. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Define social class. Discuss the six (6) major categories of social class indicating the significance of each class to marketers. (15)
- b. Briefly discuss the groups that consumer behavior besides reference groups. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Discuss the structure of personality as developed by Sigmund Freud. (15)
- b. Outline the memory process. (10)

TOTAL: 25 MARKS

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MAIN EXAMINATION PAPER
MAY 2015

TITLE OF PAPER	:	MARKETING COMMUNICATIONS
COURSE CODE	:	BA 524 (I.D.E.)
TIME ALLOWED	:	THREE (3) HOURS

INSTRUCTS :

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 ALONG SIDE 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

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TAKE THIS FOOD MARKETING WITH A PINCH OF SALT.

FROM SUGAR RICH DIET FOOD TO OLIVE PRODUCTS, NOT MUCH IS WHAT IT SEEMS ON SUPERMARKET SHELVES

Assumption is a dangerous thing. It blunts our built in hog wash detection and it makes us vulnerable to marketing bumf. When we trust blindly in advertising or sales spin and base important decisions on it, we run the risk of being duped. Sadly, its not always in the interests of suppliers to give consumers the full, or most balanced picture.

And even with new food labelling laws -- and more pending --- protecting us from misleading claims from manufacturers, there is still a lot of questionable stuff going on. How many cereal eaters with a eye on their waistline have not been taken in by Kellogg's marketing of its Special K. brand? It calls itself a "weight management cereal." An online tool with meal plans and exercise tips is available to help consumers reach their health goals.

The reality, as revealed to those who care to read the nutritional breakdown on the box, is that the multigrain Special K contains more than 20% sugar. That is double the sugar in All Bran Flakes and close to three times that of cornflakes. And although Special K is indeed low in fat, its sugar content, at 20.5g per 100g, is only 1.5g lower than the company's sugar coated Frosties, a cereal that no health nut would touch.

Approached this week, Kellogg's spokesman, Vuyokazi Xapa, said the amount of sugar less than two teaspoons per 40g service "was well within the recommended daily intake at breakfast time and combined with an energy controlled, balanced diet, was an effective shape management partner. But why so much sugar in a so called health cereal?" Due to the relatively high fibre content sugar is required to ensure that it meets our consumers taste expectations, said Xapa. In short its what makes the cereal palatable.

But its not just Kellogg's that is potentially confusing consumers. While browsing the oil section of my local supermarket, I found several oil blends (mixture of two or more oils) whose products name either referred to olives, or images of olives were included on the label. One Olive Pride has a picture of a Spanish woman dancing in an olive grove, but it contains just 10% olive oil. Ditto for Olive Vita and B-well, whose labels depict olives alongside sunflower and canola flowers, despite containing just 20% olive oil. Even though these manufacturers are complying with regulations that require them to declare the percentage of emphasised ingredients, they seem to be violating other food labelling provisions as well as the Consumer Protection Act that protect against misleading representations.

I found just one blended oil that plays the game : Pick n Pay's own brand canola and olive oil blend. Not only is the oil ratio of 90% canola to 10% olive declared prominently on the front label (not in small print on the back or side), there is not an olive image or inference in sight. Not even Woolworths, which has won several reputational awards, escapes scrutiny. Under the banner of the Grass consumer action group, food activists have doggedly challenged the retailer's Ayrshire and organic milk claims over the past two years.

According to Grass, Woolworths suppliers' farming practices have not matched the labels. Founders Sonia de Villiers and Wendy Hardie say the retailers Ayrshire milk images of cows in pasture and its marketing suggest its cows are free range when, in reality, half of its 34 suppliers' herds are not purely pasture based but housed in open barns or free stall barns.

They claim the retailers original organic label, stating that milk was produced from cows that "roam freely and graze in organic pastures" was misleading as none of Woolworths's organic milk cows roamed freely on pasture. On approaching Woolworths for clarity, I was told its Ayrshire milk cows go out to pasture "if possible" depending on the local climate. If not, they are housed in open barns with sufficient space to move around. Currently 70% of its Ayrshire farms are pasture based, but the figure can go as low as 47% depending on climate. Woolworths's dairy technologist, Rian Marren, said although EU standards for organic milk - against which Woolworths is independently certified allowed for the use of open barns, all four of Woolworths's current organic milk suppliers raised their cows on pasture only. A fifth supplier, "with supply issues", had been temporarily removed from the supplier database, he said.

"The pastures are certified organic. If the pasture is not nutritionally sufficient, organic grains may be added to the live stock's diet," he said. South Africa has no definitions or standards for free range and organic yet. So why I asked did Woolworths change its organic label in 2012 to read "produced from cows that are fed organic feed."? Because it "heard Grass's viewpoints about feeling misled and although it did not agree, Woolworths did not want to "offend." Besides, he said the new label was a safer bet because Woolworths could not guarantee future suppliers would be, or would remain, 100% pasture based without any permitted barn use. For more detail on Grass's consumer campaigns, visit: grassconsumeraction.wordpress.com

The Power Report. Megan Power. Sunday Times. September 21,2014.Page 16.

SECTION A

Q>1. Why do consumers tend to believe everything they read or see about brands ?

(10 marks)

Q.2 Packaging is used as advertisements by most brands, as a result most brands nutritional breakdown information on labels has become smaller in size. Briefly discuss.

(5 marks)

Q.3 How is Kellogg not playing a fair/ethical game?

(10 marks)

Q.4 Pick n Pay is a cut above the rest when it comes to oils. Briefly discuss.

(10 marks)

Q.5 Consumers are misled most of the times when it comes to information. What do you suggest should be done to stop this unethical trend/

(5 marks)

SECTION B

Q.1 Discuss with examples five (5) primary forms of marketing communications (marcom).

(20 marks)

Q.2 With relevant examples discuss the different ways/methods through which brand equity is enhanced.

(20 marks)

Q.3 Explain the steps in objective and task budgeting with relevant examples.

(20 marks)

Q.4 Brand adoption is critical for any new brand. Explain with examples the brand characteristics that facilitate adoption.

(20 marks)

Q.5 Sticky messages are most effective messages. What makes sticky messages stick like glue ie. very effective advertising. Discuss with examples.

(20 marks)