

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION JULY 2016

TITLE OF COURSE: MARKETING RESEARCH (IDE BA 419)

DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 6

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 6. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B**
- 2. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
- 3. 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: CITY LODGE

The hotel glut produced a tremendous windfall for business travelers. Service is up but prices are not. Because of over building, hotel chains are engaging in an all-out service war to pamper the business travelers. Business travelers spend about E34 million a year at hotels and motels and account for nearly all the occupancy except at resorts.

The number of available rooms increased by 40% during the 1990s, resulting in an average occupancy rate of 63.8% by the end of the decade. The break-even point for the industry is 65%, thus about 60% of South Africa's hotels lost money in the early 2000s. To make matters worse for the profit margin, corporate discounts have become popular and the size of the discount is going up. In the past 5 years, the average corporate discount rate rose from 18% of the regular rates to 25%.

Yet, despite this difficult environment, economy hotels are thriving. When corporations began tightening expense accounts for lower level employees, demand surged. The low end segment of the market was once bypassed by highways.

The big chains like Sun International Hotels, stymied by lower growth in their traditional markets, moved into the economy market segment and began upgrading its market. Sun International's entry into the business market was the City Lodge. For a price lower than most hotels, the business traveler receives a double size bed, a large work area, free television, and a bathroom with a separate dressing area so that the traveler will not fog up the mirror with steam from the shower.

When guests check out of a City Lodge room, they can rate their stay at either end of the reception desk. Four questions pop up on the screen dealing with cleanliness, service, value for the price, and overall rating. The guest punches a key to indicate excellent, average, or poor. Employee bonuses are pegged to these ratings.

QUESTIONS:

1. Would you say that the data collected at the two computers at the reception desk was marketing research? (15)
2. Now that the City Lodge is a viable ongoing operation, do you see the need for other marketing research information? Give reasons for your answer. (10)

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Discuss four basic elements of experiments giving an example in each case. (15)
- b. Discuss the ten characteristics of a focus group. (10)

TOTAL: 25 MARKS

QUESTION 3

- a. Define secondary data. Discuss the major sources of secondary data. (15)
- b. Discuss the advantages and disadvantages of using the telephone in conducting a survey. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Imagine the profits in your organization are declining. Discuss the steps in the research process that you would use to solve the problem. (15)
- b. Discuss the issues that a marketing researcher must consider in sampling. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Define marketing research. Discuss the factors that determine whether marketing research should be conducted or not. (15)
- b. Define test marketing. Briefly discuss the factors to consider in selecting a test market. (10)

TOTAL: 25 MARKS