

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION PAPER
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TITLE OF PAPER : FOUNDATIONS OF MARKETING COMMUNICATIONS

COURSE CODE : BA 320 \ BA 526

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.

BUT WHERE'S THE BEEF?

GUESS WHAT, IT TURNED INTO CHICKEN!

I'm no advertising guru, I have nothing on the illustrious creative and strategists who descended on my home town of Durban for the industry's annual awards fest this weekend.

But while I know little of the stuff that will today secure Loerie awards for shinning ad agencies across South Africa. I know marketing spin when I see it.

So does reader Daniel Rossouw, a retired banker in Cape Town.

Trouble is, millions of less savvy consumers may not. This column speaks largely to them – and to manufactures and marketing teams sailing too close to the wind.

Why? Because I feel shoppers are at risk of being duped. And worse, I suspect it may be deliberate.

When a pre-baked pie made of chicken mince is, to all intents and purposes, promoted, packaged and sold as a steak pie. I get suspicious. Why would a food manufacturer do that if not to fool people?

RCL food – which owns Rainbow Chicken – has launched a new range of Pieman's pies for the "budget conscious" consumer. The pies are all made with chicken mince.

But two of the four variants in the mighty fine range are boldly labelled "pepper steak flavour" and "steak & kidney flavour", with the only chicken reference – "finely prepared chicken pie" – buried in small print at the bottom of the packet, alongside the heating instruction.

Why so coy about the main ingredient? Is it because RCL is concerned that a steak-and-kidney-flavoured chicken pie wouldn't fly? Or is it because if shoppers think they're getting steak pie – the most.

"THE REFERENCE TO CHICKEN DOES NOT FEATURE IN THE MAIN AREA OF THE PACKAGING"

popular pie category – at the bargain price of R9.99, RCL would sell more?

The thing is, once a consumer realises that the brown-tinged "meat" they're eating is actually minced chicken laced with steak flavouring, things could backfire horribly.

Like they did with Rossouw.

knowing her husband to be a fan of the Pieman's original premium pies sold for around R 15 at his local service station forecourt store his wife was thrilled to see another, better-priced Pieman's range in the frozen section of a Checkers store.

She spotted the variants on offer – two of the labelled "hot and spicy chicken" and "mild curry chicken"- and chose what she thought was steak, But closer inspection of the packaging at home caused confusion.

Was Rossouw eating steak or chicken? After he'd cut into the pie, and discovered finely chopped brown mince, he was none the wiser.

“Is it a bird? Is it a cow?” Rossouw” said “The reference to chicken does not feature in the main area of the packaging that catches the eye...As consumers we have allowed ourselves to be hoodwinked by packaging and advertising that enhances our expectation of the product, but may well be questionable on moral and ethical grounds”

RCL food was quick to point out to me this week that it used the word “flavour” after the steak description.

I accept it added the word – not doing so would have been blatant fraud – but as steak pies have traditionally been labelled in an almost identical way for years, consumers may miss the significance.

And why does a promotion in the latest Pick n Pay magazine, fresh living, not include any reference to chicken? Instead, the words “double the meat”, “meaty fillings” and “minced meat” are bandied about.

It’s not like RCL is an amateur. The Durban – based company bills itself as a “leading food producer” manufacturing a wide range of branded and private-label food products. Its website boasts popular brands – Ouma rusks, Nola mayonnaise. Yum Yum peanut butter and Bobtail dog food.

RCL’s chief legal officer, Stephen Heath, said the company had taken care to make it clear on the front label that the meat used was chicken.

“Our packaging conforms with all the regulatory requirements and clearly states that is a chicken pie which is `steak and Kidney flavour` or `pepper steak flavour`,” Heath said.

“I am not sure I agree with you that we are misleading consumers...this is really not what our intention is.”

He said the promotion in the Pick n Pay magazine was not “consumer focused” but came from the listing package given to the retailer, Even so, isn’t it odd for listing information not to mention they’re chicken pies?

The upshot from Rossouw’s complaint to me is that RCL will now conduct “an internal review which will likely include consumer research” to determine whether it is misleading consumers. “If it appears that we are, we will need to deal with this,” Heath said.

Food allergy researcher and consumer activist Dr Harris Steinman said there were no standards in South Africa for what constituted a pie, and no labelling law that specified how this kind of pie should be described.

“If the food industry has found a legislative loophole that allows for such packaging, then it needs to be plugged.

“Certainly this is something that a consumer could take to the advertising standards authority in terms of potential misleading advertising,” he said.

When I see things like this, it’s easy to think marketing people are taking chances or, alternatively, that they’re a bit dim. Or maybe they just think consumers are.

SECTION A

- Q.1 How did the beef turn into chicken ? (5 marks)
- Q.2 Discuss how consumers are duped . (5 marks)
- Q.3 RCL Foods entered the money conscious consumer market. How was this done and what went wrong ? (10 marks)
- Q.4 What do you think of RCL Foods response to the issue. (10 marks)
- Q.5 In your opinion how can this be resolved. (10 marks)

SECTION B

- Q.1 Discuss with examples the fundamental marcom decisions (both practical and strategic) a company must make. (20 marks)
- Q.2 Targeting although critical to marketing can be unethical. Discuss with examples. (20 marks)
- Q.3 Brand equity is very important to a company. Hence enhancing brand equity is a matter of survival to a company. Discuss with relevant examples. (20 marks)
- Q.4 Discuss with examples the major characteristics that influence what people consume, and how they respond to marcoms. (20 marks)
- Q.5 What marcom tools can be used to facilitate the successful introduction of new brands. Discuss with examples. (20 marks)