

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
RESIT EXAMINATION PAPER
JULY 2019

TITLE OF PAPER	:	MARKETING COMMUNICATION 2
COURSE CODE	:	BUS 322 / BA 328 / BA 527
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

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY THE INVIGILATOR.

HAS TIGER BRANDS LEARNED ANYTHING AFTER A TRULY TERRIBLE YEAR?

Lawrence MacDougall lives a charmed life if you consider what the CEO of Tiger Brands has survived this year and seemingly will continue to survive. His company produced a product that caused the deaths of about 200 people. Ensuring food safety in a business whose job it is to sell food should make up the biggest share of the key performance areas for a CEO and his board, next to inspiring a turnaround in the company's fortunes after an awful decade. As such, clearly the management of Tiger Brands has failed in the first metric, and tragically this has been marked by fatalities in the poorest segment of South African society.

Where is the accountability, or are standards different in private-sector boardrooms? The lives that were lost in this listeriosis outbreak were in the most vulnerable segments of society, where the cheap protein in vienas and polony is the most affordable.

On the second metric, that of inspiring a turnaround in fortunes, it seems that a long road lies ahead. This week Tiger's annual revenues slumped because of weak consumer spending and the shutdown of operations due to the deadly listeriosis outbreak that was discovered at the start of the year. For the year, the food producer's shares trade about 39% lower, compared with the JSE all share's 13.5% fall. Not many boards, let alone a CEO, would survive such a year without severe scrutiny and criticism from investors and stakeholders such as the ministry of health and its once-vocal minister, Aaron Motsoaledi.

But it seems that—except for a storm in the first of this year, when MacDougall and team clumsily handled the public relations around the growing evidence that their operations in Limpopo were at the centre of the outbreak—the company, or at least its C-suite at its Bryanston campus, has escaped with a few scratches.

It's very different to the response that followed former Tiger Brands CEO Peter Matlare's misadventures outside of SA. Investors basically hounded MacDougall's predecessor out of his chair after he'd been at the helm for seven years. Because of some poor expansion decisions in Nigeria, where he was hoodwinked by one of Africa's richest men, Aliko Dangote.

Tiger Brands would go on to write down about R954m related to the company's purchase of Dangote Flour Mills, which was bought for R2bn in 2012.

Given a mandate of African expansion, there's no arguing that Matlare's Nigerian misstep and the value destruction it caused were fair enough reasons for the company to move on from his tenure. In chasing African expansion, Tiger had taken its eye off the local market and seen a loss of market share to rivals and new entrants. So what is the fair sanction for MacDougall and his board for their handling of the health crisis at one of their particularly poor handling of the fallout?

One of MacDougall and his team's most important mandates would have been to reclaim Tiger Brand's status as the country's premier food manufacturer. The listeriosis outbreak and

the evidence of this week's annual results say it's a mandate that is not being met. To top it off, an already stressed company faces the possibility of lawsuits.

To say it has been a bad year is an understatement, but there's little to show in accountability. Not much noise was made by the various business groupings that have found their voice over the final years of Jacob Zuma's presidency about Tiger's food-poisoning scandal, as I imagine it doesn't capture the national imagination as much as 'state capture'. And then they wonder why there's still such a huge distrust of big business by the general public. A distrust that feeds into labour relations across industries.

For the poor handling of the Life Esidimeni crisis, in which 144 people lost their lives, Qedani Mahlangu would go on to lose her job as Gauteng MEC of health. Ultimately, she was responsible for the suffering after she had called for the termination of decades-long contract with a private hospital group because of the high expense. (Her minister somehow survived scrutiny, which is a story for another day.)

If MacDougall and his board were operating in another world, say a developed-capital such as New York, there would have been ructions in the boardroom and, by now, changes. This week's interim results would have been a story of their failings in Limpopo and a promise that it was a tragedy never to be repeated because of an exhaustive list of actions that the company would have undertaken. In March, when the crisis was still unfolding, Tiger was accused of not showing any contrition and its board and CEO of showing no empathy.

As the year draws to an end, has anything changed in the day-to-day operations of Tiger Brands? That's what stakeholders need to know

Ron Derby. Editor's view. Business Opinion and Bits. Business Times. Sunday Times. Page 2.

SECTION A

Q.1 The listeriosis outbreak in South Africa was indeed a National disaster for a big company (Tiger Brands). In your opinion what should have happened to the company ?

(20 marks)

Q.2 A few years before tiger Brands was involved in another scandal of a different nature and something happened within the company.

(a) The action taken by the company in both cases does not make sense. Why ?

(10 marks)

(b) What do you think the company should have done in both cases ?

(10 marks)

40 MARKS

SECTION B

Q.1 Good brand names share some positive characteristics. Discuss these with the use of relevant examples.

(20 marks)

Q.2 Packaging is the most costly / expensive component for any brand. What are the functions of packaging that make it so important and so costly ?

(20 marks)

Q.3 Billboards are popular in most countries. Describe the most common forms / types of billboards.

(20 marks)

Q.4 Advertising either works or does not work for a company. The advertising management process helps to ensure success. Discuss with examples.

(20 marks)

Q.5 Sticky messages are successful / effective. What are the common elements of sticky ads ?

(20 marks)

60 MARKS

TOTAL 100 MARKS
