NOVEMBER 2013 EXAMINATION

DATE: 8 NOVEMBER 2013

TIME: 14H00 – 17H00

TOTAL: 100 MARKS

DURATION: 3 HOURS

PASS MARK: 40%

(BUS-MR)

MARKETING RESEARCH

THIS EXAMINATION PAPER CONSISTS OF 4 SECTIONS:

SECTION A: CONSISTS OF:
(i) 10 MULTIPLE-CHOICE QUESTIONS (10 MARKS)
(ii) 5 TRUE OR FALSE QUESTIONS (10 MARKS)
(iii) 5 MATCHING-STATEMENT QUESTIONS (10 MARKS)

ANSWER ALL THE QUESTIONS

SECTION B: CONSISTS OF 1 SHORT QUESTION

ANSWER THE QUESTION (10 MARKS)

SECTION C: CONSISTS OF 2 LONG ANSWER QUESTIONS

ANSWER BOTH QUESTIONS (40 MARKS)

SECTION D: CONSISTS OF 3 INTERPRETATIVE QUESTIONS

ANSWER ANY ONE OF THE QUESTIONS (20 MARKS)

INSTRUCTIONS:

1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated. The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.
(i) **MULTIPLE-CHOICE QUESTIONS**

Choose the correct option for each of the following. Write only the question number and your chosen answer. For instance, if you think that the correct answer for number 1 is (a), then write it as 1. (a).

1. A sampling error:
   
   (a) Is the composition of the sample in terms of the characteristics it presents in the wider population (sample make-up)
   
   (b) Is a set of observations in statistical analysis (series)
   
   (c) Can be detected in a particular question once the pattern of replies to that question is known
   
   (d) Is the Standard error
   
   (e) Is a difference of significance

2. Which statement best describes structured observation:

   (a) When the person being observed does not know they are being observed
   
   (b) Is cheaper and more accurate than human observation
   
   (c) When the observer knows in advance what is to be observed.
   
   (d) The observer is hidden and the respondent does not know he or she is being watched
   
   (e) Does not require planning

3. Which of the following statements is/are true regarding the vital role that marketing research plays in decision making:

   (a) It is not required to develop business strategy
   
   (b) Provides information which will identify problems and opportunities
   
   (c) Does not require factual data to make decisions
   
   (d) Will not influence price, promotion and distribution activities
   
   (e) Is not necessary when making decisions because it is costly

4. Data can be classified into two groups, namely primary and secondary data. Identify the statements which best describe primary data:

   (a) Existing information relevant to the investigation
   
   (b) Obtained from internal sources within the
   
   (c) Includes the use of observation, experimentation and questionnaires
   
   (d) Utilises external sources, outside the clients company
   
   (e) Is not time consuming
5. Measurement timing errors occur when after-measurement is made at an inappropriate time. What are the errors experienced in before-after design:

(a) History is a major problem
(b) Interaction, mortality, interaction
(c) There are no premeasured or interaction errors
(d) Controls for most errors except selection error

6. There are three requirements for the basic conditions of observational techniques. Which statement(s) most adequately explain(s) these conditions:

(a) Motives and attitudes are examples of data which are accessible to observe
(b) Government statistics of the population area is vital
(c) Behaviour being observed must be repetitive, frequent or predictable
(d) The event should cover a long period of time
(e) Recording devices can be used

7. Which of the following statement(s) is/are advantages of motivational research:

(a) There is the same need for quantification and validation on acceptable size samples in the case of attitude research as there is in the case of quantitative research.
(b) It does not allow for interpretation based on statistical analysis
(c) Findings provide an accurate guide for those responsible for framing sales appeal
(d) Is not easily translated into practical marketing terms
(e) There is no shortage of qualified psychologist skilled to devise tests and check results

8. Which statement best defines the term 'standard deviation':

(a) Process of sorting, listing and counting answers
(b) The way in which different values of a variable lie around the mean or average
(c) A measure of a series of data that is the average by which the values deviate from their mean.
(d) Data before it is organised and analysed
(e) A significant difference occurring between two results which is not due to chance errors in a sampling process

9. What is meant by the term 'significance of difference':

(a) The average between a sampling error and the standard error
(b) A set of observations in motivation analysis
(c) The null hypothesis
(d) A significant difference occurring between two results which is not due to chance errors in a sampling process
(e) The alternative hypothesis
10. Which statement(s) best describe the term 'marketing research':

(a) Gathering, recoding, processing and analysing of marketing data
(b) Evaluates the advantages of various publicity media for a particular product
(c) Identifies opportunities and possible risks
(d) Mostly focuses on gathering data
(e) Surveys are the best methods for data collection [10]

(ii) TRUE OR FALSE QUESTIONS

Indicate whether the following statements are True or False. Motivate all your answers.

1. Quantitative data evaluates respondents’ reactions based on attitude.
2. Qualitative data expresses respondents' reactions in numerical terms only.
3. Motivational research allows for interpretation based on psychological, as well as statistical analysis.
4. Only depth interviews are used in motivational research
5. A potential market is a collection of items, usually people under study. It is also known as the 'Universe'. [5 × 2 = 10]

(iii) MATCHING-STATEMENT QUESTIONS

Match the statements in Column B to the terms in Column A. Write down the answers only, for example 1. (a).

<table>
<thead>
<tr>
<th>Column A</th>
<th>Column B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. cluster</td>
<td>(a) this method does not give an equal probability of selection to all possible samples but provides a practical approximation to random sampling</td>
</tr>
<tr>
<td>2. quasi-random</td>
<td>(b) is a non-probability sampling method in which the sample has been designed as a representative sample of the population</td>
</tr>
<tr>
<td>3. probability</td>
<td>(c) when interviews are concentrated in a relatively small number of groups or clusters which are randomly selected</td>
</tr>
<tr>
<td>4. quota</td>
<td>(d) this method is used by dividing one large random sample into a number of equal sub-samples which are selected using the same method</td>
</tr>
<tr>
<td>5. replicated sampling</td>
<td>(e) when every unit in the population to be surveyed is given an equal chance of being included in the sample</td>
</tr>
</tbody>
</table>

[5 × 2 = 10]
QUESTION 1

Discuss the eight different stages of ‘test marketing’ as a data-gathering technique.

[10]
SECTION C: LONG ANSWER QUESTIONS (40 MARKS)

ANSWER BOTH QUESTIONS

QUESTION 1

Discuss consumer panel research under the following headings:

(a) Panel membership (2)
(b) Nature, size and composition (3)
(c) Recruitment of panel members (3)
(d) Advantages of consumer panels (8)
(e) Cost of panel surveys (4) [20]

QUESTION 2

Discuss the structure of a report under the following headings:

(a) Introduction and explanation (5)
(b) Conclusions and recommendations (5)
(c) Body of the report (5)
(d) Appendices (5) [20]

[40]
SECTION D: INTERPRETATIVE QUESTIONS (20 MARKS)

ANSWER ANY ONE OF THE QUESTIONS

QUESTION 1

Develop a questionnaire which can be used to test the opinion of the public in your area on their perception of Coca Cola as a soft drink. The questionnaire must meet the following requirements:

- Establish the demographics of the respondents
- Determine the opinions of respondents towards Coca Cola in terms of taste, product size, variety, etc.

Your questionnaire must also be reflective of each of the following types of question:

- Open-ended question
- Dichotomous question
- Multiple choice question
- Ranking question

OR

QUESTION 2

Read the following case study and answer the questions that follow.

THE PINK MARKET IN SOUTH AFRICA – AN UNTAPPED GEM?

There is the pink pound and the pink dollar but, what is the 'pink rand' all about? What exactly is the purchasing power that the pink rand holds? What is the 'pink market' really about?

The pink market in South Africa consists of gay men, lesbian women, bisexuals and transsexuals commonly referred to as the GLBT market. It is independent, both financially and practically. Members have no children, are trendsetters, brand-conscious, earn a double income and a high proportion of them are professionals. According to strategic planning and research specialist, Original Insight Learning, the pink market is an extremely social one. Activities are nothing out of the ordinary, ranging from clubbing and shopping to gym, movies and dinner parties. When the pink market goes shopping, it spends big money, and fashion remains a top priority. Gay and lesbian couples have discretionary income above the national average. The pink market consists of households earning a double income, with few / no children and a tendency to buy highly preferred brands / labels. These are therefore households with very high disposable incomes that could be used for travelling, shopping and other luxuries.
The pink market spends the majority of its income on products relating to travel, financial services, motor vehicles, fashion and entertainment. The majority of this market (65%) resides in the LSM 8–10 category, over 80% aged over 25 own their own homes, and over 15% own a second home. In addition, over 70% take more than five power breaks in upmarket settings, over 25% are self-employed entrepreneurs and over 30% have a tertiary education. Since 2001, the pink market in South Africa has become more aware of whether businesses that it buys from have instituted non-discrimination and domestic-partner policies. The lesbian component of the pink market in South Africa also earns (as a whole) more than gay men, heterosexual men or heterosexual women. The lesbian market is mostly overlooked by marketers.

Marketing tips to secure the interest of the pink market:

- Ensure that your product or brand is what the pink market wants to be associated with.
- High-quality levels of service are important to secure customer loyalty in the pink market.
- The delivery of quality products is non-negotiable. The pink market is willing to pay for quality.
- Your brand offer is built around the core. Never lose what makes your brand successful.
- Just when consumers think they know what is coming ... shock them. The element of surprise is what triggers the interest of the pink market. This is especially relevant considering that the pink market is perceived to be one of "early adopters" who are often at the forefront of, if not actually spearheading, new trends.
- The Internet proves to be an important marketing media when targeting the pink market. The web is a gay paradise and the gay marketer's dream, not only in securing privacy and anonymity that are appealing to gays, but also in its ability to bring together people of similar mindsets who might be geographically scattered and socially isolated.
- Businesses that sponsor or participate in gay community events enjoy a strong level of loyalty among gay consumers.
- Gay people are brand loyal, support businesses that are 'gay friendly' and are responsive to advertising that acknowledges their preferences.
- The pink market operates within a network of similar-minded people where product and service experiences are communicated to friends and partners. Therefore, businesses need to take note that word of mouth (WOM) is an extremely credible marketing tool in the gay and lesbian community. What the pink market experiences is what it will communicate.
- Communicate to the pink market via mediums that it identifies with such as:

  Magazines
  - Wrapped magazines
  - Mambaonline.com
  - Mambagirl.com
  - Pink pages
  - Exit magazine
  - The pink tongue

  Radio
  - Bravo Brava radio 2000

- Create a desire among your customers (pink or straight) to do repeat purchases. ‘How can my business achieve this, you may ask?’ By focusing on certain aspects, customers can be stimulated to return to the business for repeat purchases. Such aspects include the delivery of a professional service to customers, the speedy
handling and resolving of customer enquiries and complaints, the creation of an aesthetic environment within which a service is delivered to the customer (this aspect includes the appearance of employees), and the rewarding of loyal customers through structured loyalty programmes. A structured loyalty programme can, for example, include a specified percentage discount for purchases of a specific product or purchases over a specified amount.

As stated, the pink market is a very social one. One thing is certain, if you are gay, you are getting out and about more often and having more fun than your straight counterparts – something marketers need to take cognisance of more attentively!!!

Based on the information you have obtained from the case study, you are requested by the Chamber of Commerce in Pretoria to conduct a research study of the buying patterns of gay and lesbian consumers. Pretoria was selected owing to the large size of the pink market segment in the city. However, very little is known about the purchasing patterns of the pink market in the city because of the conservative nature of the business culture in Pretoria.

With the information provided in the case study in mind, focus on the following aspects of your proposed research study:

(a) Formulate a suitable research problem for the proposed research study. (2)
(b) Formulate two distinct objectives for the research study. (4)
(c) Formulate two distinct hypotheses for the research study. (4)
(d) i. Name two data collection methods you would use for this study. (2)
   ii. Provide two reasons for each of the data collections methods you have chosen. (2 × 2 = 4)
(e) Identify and comment on any two major findings of this study. (2 × 2 = 4) [20]

[20]