NOVEMBER 2012 EXAMINATION

DATE: 9 NOVEMBER 2012

TIME: 14H00 – 17H00

TOTAL: 100 MARKS

DURATION: 3 HOURS

PASS MARK: 40%

(BUS-MR)

MARKETING RESEARCH

THIS EXAMINATION PAPER CONSISTS OF 6 QUESTIONS:

QUESTION 1 IS COMPULSORY, THEN SELECT ANY THREE OF THE FIVE REMAINING QUESTIONS

(100 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.

NOTE: FOR ADDITIONAL INSTRUCTIONS PLEASE TURN TO PAGE 2.
ADDITIONAL INSTRUCTIONS

1. QUESTION 1 is compulsory.

2. Answer any THREE of the five remaining questions.

3. Questions must be answered in the correct sequence.

4. Answer ALL QUESTIONS in the answer book provided.

5. Answers should be legibly written and all rough work, as well as cancelled answers, must be crossed out.
ANSWER QUESTION 1 AND ANY THREE OF THE FIVE REMAINING QUESTIONS  
(100 MARKS)

QUESTION 1

Read the following case study and answer any four of the questions that follow:

AFRICA'S CUSTOMERS TOUGH TO REACH

Distribution is the biggest challenge for companies trying to do business in Africa, says global management consulting company Accenture. In a report on consumers in Africa, more than 60% of people in Africa live in rural areas and have limited access to transport. As a result, covering "the last mile" to reach the consumer can be extremely costly and difficult. Africa is becoming more attractive to companies as its consumer market is growing, while more developed markets shrink or grow at slower rates. "But just because a product has worked in a developed market, don't assume it will work in Africa," said Grant Hatch, executive director of strategy at Accenture. Accenture is expecting consumer spending in a Sub-Saharan Africa to rise to $1-trillion by 2020. It has grown 4% a year, reaching nearly $600-billion last year. "We've checked the numbers because they seemed too optimistic. But huge changes are likely to take place in the next 10 years," said Hatch. Accenture says nine countries will account for nearly three-quarters of total spending in Sub-Saharan Africa by 2020: Kenya, Ethiopia, Uganda, Angola, Zambia, SA, Senegal, Ghana and Nigeria. Accenture estimates SA will spend $315-billion in 2020, Nigeria $167-billion and Ethiopia $43-billion.

Companies need to change the ways they do business. They need to change the way they access data, ensure products meet needs, and work out how to minimise risk. They need to decide whether to source locally or import, and figure out how to reach customers, many of whom live in rural areas.

The growing importance of consumer spending is fuelled by:

- A growing population – forecast to reach almost 2 billion by 2050;
- A reduction in poverty levels, and
- Urbanisation of this growing and increasingly wealthy population.

The consulting firm forecasts that 50% to 60% of the population of Sub-Saharan Africa earns less than $100 a month on average and buys basic goods with cash from open-air markets and street stalls. These consumers generally avoid formal retail stores and believe they get better deals from local well-known informal sellers. But they will become more affluent and their brand allegiances will have formed by the time their purchasing power increases.

Working families earning between $100 and $250 a month and comprising 20% to 30% of the population will represent 33,3% of the Sub-Saharan market by 2015. People who are a notch higher, earning $250 to $750 each a month, have money to buy items like cigarettes, jeans and the occasional bottle of perfume. Professionals shop at supermarkets and upscale shopping malls and prefer luxury brands such as BMW, Mercedes and Gucci. This group represents 1% to 2% of Sub-Saharan Africa's people. Accenture says companies must assess the risk and decide whether to set up a business, buy one, get into a partnership or license their products to another company. Acquisitions can be expensive and time consuming, but can provide immediate access to existing networks and distribution channels.
HOW to make it in Africa

- Unilever developed small packets of products at low prices. It had double-digit growth in the region in the past decade.
- CfC Stanbic did psychometric tests on potential loan recipients to reduce the risk of loan default as little data was available on creditworthiness.
- SAB Miller overcame the challenges of sourcing in Africa. It sets up cooperatives with local farmers to supply barley and cassava. It buys and creates cans from local producers.
- MTN made it easier for people to buy and use airtime and made it easier for its agents to reach remote areas.

(Shevel, Adele. 2011. *Africa’s customers tough to reach*. Sunday Times, Business Times. 5)

**QUESTION 1**

Considering the information provided in the case study, you are requested by the private College Group in South Africa to investigate the market potential for the opening of College campuses in Mozambique and Angola. Discuss your proposed research study with a focus on the following aspects:

(a) Formulate a suitable research problem for the proposed research study.  

(b) Formulate three distinct objectives for the research study.  

(c) Formulate two distinct hypotheses for the research study.  

(d) Identify the survey method(s) you would consider for the study. Motivate your answer.  

(e) Identify and comment on any three major findings of this study.

**AND**

**QUESTION 2**

(a) Discuss the applications of marketing research.  

(b) Identify four functions of marketing research and give an example of each.  

(c) Discuss five advantages of consumer panels as a research technique.  

**AND / OR**
QUESTION 3

(a) Discuss marketing research as a management function. (7)

(b) Discuss test marketing under the following headings:

i. Set the criteria for success (3)
ii. Establish controls (2)
iii. Select representative test areas (4)
iv. Decide on the number of test markets (5)
v. Evaluate the results (4) [25]

AND / OR

QUESTION 4

(a) Discuss depth interviews as a research technique. (20)

(b) Discuss the aspects that must be considered when secondary data is considered for application to a research study. (5) [25]

AND / OR

QUESTION 5

(a) Develop a questionnaire that will measure the interest of Angolans in the establishment of a private College Group campus in Luanda. The questionnaire must establish the following:

- the demographics of the respondents
- the interest of Angolans on the establishment of a South African private higher learning institution in Luanda in 2013
- the type of courses that respondents in Luanda might prefer

Your questionnaire must also reflect of EACH of the following types of questions:

- open-ended question
- dichotomous question
- multiple-choice question
- ranking question
- grid question (20)

(b) Discuss the fundamental difficulties of conducting 'audience research'. (5) [25]

AND / OR
QUESTION 6

(a) Differentiate between the coding and tabulating of data. (10)

(b) Differentiate between non-comparative and comparative rating scales. (10)

(c) Briefly discuss the interpretation of data in a report. (5) [25]

[100]

TOTAL: 100 MARKS