

**UNIVERSITY OF FORT HARE**

**MARKETING RESEARCH  
BEC 321 and 321 E**

**SUPPLEMENTARY EXAM JANUARY 2019**

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**Time: 2 hours**  
**Subject: BEC 321 and BEC 321 E**  
**Marks: 50**

**This paper consists of 4 pages including the cover page**

**Internal Examiners**

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**INSTRUCTIONS**

1. Ensure you write the correct subject name and the correct date on the cover page.
2. Ensure that your name is clearly indicated on the cover page.
3. Clearly number each question within your paper.
4. Please attempt to write as neatly as possible as illegible handwriting cannot be marked.
5. Please attempt to answer your questions in the correct order, leave space for questions you wish to answer at a later stage in the examination.

**PAPER SPECIFIC INSTRUCTIONS TO CANDIDATES:**

**SECTION A: QUESTION ONE IS COMPULSORY**

**SECTION B: SELECT EITHER QUESTION TWO OR QUESTION THREE.**

**GOOD LUCK!**

## **SECTION A:**

### **Read the mini-case study carefully and answer the questions that follow**

#### **South African Basket Sizes Are Shrinking As Shopping Behaviour Shifts**

The South African consumer is experiencing a severe wallet squeeze thanks to a raft of rising costs including spiraling petrol and electricity prices, the implementation of sugar tax and a value added tax (VAT) increase to 15%. To manage their expenses, consumers have had to make some tough choices and adjust their consumption patterns. The latest Nielsen Shoppergraphics Syndicated Report released in South Africa, reveals that local consumers have dropped an unprecedented three grocery categories from their shopping basket. The report looks at shifts in consumer purchasing behaviour within 4000 representative households across the country on a quarterly basis.

As the household basket has become more expensive, consumers are also limiting their shopping trips to 60 a year on average and have reduced their top up shop from twice or three times a week to once every two weeks, with spend per trip now averaging at R210. Interestingly, the repertoire or number of stores that consumers visit has increased to 4.9 retailers a year, signaling an extremely price conscious consumer who seeks out deals and is more prepared to shop around.

Compared to last year, the overall volume of sales has grown by 2.8% and value of sales has grown by about 6.3%. However, this growth must be seen in context; the reality is that consumers are shopping less and spending slightly less but there are instances of upgrading to larger pack sizes, which may be a contributory factor to the small levels of growth.

South African consumers have removed up to 3 grocery categories from their basket & have reduced shopping frequency.

#### **What's in and what's out?**

Drilling down to category performance, South African consumers now purchase around 68 categories per year with a move towards consumers spending more on dry groceries and perishables with staples remaining stable. The highest amount of spend is happening in frozen chicken and ready to eat cereals, sugar and UHT\* milk (a long-term trend) and canned meat. The latter might be because of a listeriosis crisis which hit the country earlier this year and compelled many consumers to switch from cold meats.

Looking at the specific categories that have experienced the biggest declines household/ cleaning goods which are no longer seen as a necessity have dropped by 6% and beverages by 6%, with carbonated soft drinks (CSDs) experiencing particularly negative performance. In this regard, contributing factors may well be the shift in volumes from 500 ml to 450 ml size bottle within some of the top brands as well as an influx of other brands carving out a market share for themselves and now spreading their national footprint.

### **An upswing in branded retail**

The Shoppergraphics Report also revealed a shift towards modern branded retail outlets away from independent retail within the LSM\*\* 1-6 market. The growth in usage of branded retail chains by this segment could be due to the fact that more retail chains have opened stores in previously under-served areas with large, traditionally modern trade retailers having invested in this sector in the last two years. We also know that branded retail offers more competitive pricing and is therefore seen as less expensive.

To counter these trying times, retailers need to ensure they have the right composition of goods for their shoppers, at the right price given that positive price perception is extremely important for future success. Retail data has therefore never been more important in order to move past tough times, as it provides an in-depth understanding about the South African consumer and their shifting habits.

Source: <https://www.nielsen.com/za/en/insights/news/2018/south-african-basket-sizes-are-shrinking-as-shopping-behaviour-shifts.html>

## **SECTION A (COMPULSORY)**

**[30]**

### **QUESTION 1**

With respect to the Nielsen Shoppergraphics Syndicated Report discussed above; as a research consultant for this study you are required to answer the questions that follow:

1.1 State the primary and two secondary objectives that were to be achieved in this project.

(5)

- 1.2 Discuss the research design and associated research approach or type of research that would be most appropriate for the research project that Nielson used for this project. (8)
- 1.3 Discuss the data collection method that was used in this project. Indicate the advantages and disadvantages of the chosen data collection method to support your answer. (10)
- 1.4 Specify who the sampling population would be for this research project as well as the sampling frame and sampling method that could be used to select respondents for the project. (7)

**QUESTION 2**

**[20]**

- 2.1 Discuss the use of focus groups in marketing research, with specific reference to the type of information they are supposed to generate as well as their advantages and disadvantages. (8)
- 2.2 Discuss the key factors a researcher should consider when designing a questionnaire as well as the guidelines for designing a good questionnaire. (12)

**OR**

**QUESTION 3**

**[20]**

- 3.1 Discuss the different sections contained in a research proposal. (10)
- 3.2 Scales are used in questionnaires to measure responses. Identify and discuss the two broad types of scaling techniques as well as the various types of scales which fall under each category. (10)

**END OF EXAM PAPER**