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PAPER 1

MARKS: 150

TIME: 2HRS

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EXAMINER

# BUSINESS STUDIES

Grade 11 - 2022

**INSTRUCTIONS:**

1. This question paper consists of **THREE** sections, namely **SECTION A, SECTION B and SECTION C**.
  - **SECTION A: COMPULSORY**
  - **SECTION B:** Consists of **THREE** questions covering Topics dealing with Business **Environments and Business Operations**. Answer **ONLY TWO** questions from this section.
  - **SECTION C:** Consists of **TWO** essays covering Topics dealing with **Business Environments and Business Operations**.
    - Answer **ONLY ONE** of the **TWO** questions from this section.
2. Consider the time allocation for each question when answering.
3. Read the instructions for each question carefully and answer only what is required.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Except where other instructions are given, answers must be in full sentences.
6. The mark allocation of each question will determine the length of your answer.
7. Start the answer to each question on a **NEW** page, for example QUESTION 1 – NEW PAGE, QUESTION 2 – NEW PAGE, QUESTION 3 – NEW PAGE et cetera.
8. Use the table below as a guide for marks and time allocation for each question.
9. **Sections A, B and C MUST be answered in the booklet provided.**

QUESTION	SECTION		MARKS	TIME
1	A:	Multiple choice questions, correct word, Matching columns	30	20mins
2	B:	<b>THREE</b> direct questions. Answer ONLY <u>TWO</u> questions	40	35mins
3			40	35 mins
4			40	35 mins
5	C:	<b>TWO</b> essay questions. Answer only <u>ONE</u> essays.	40	30 mins
6			40	30 mins
		<b>TOTAL</b>	<b>150</b>	<b>120 minutes</b>

**Section A- COMPULSORY**

**Answer all questions**

- 1.1 Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK, for example 1.1.11 B.
- 1.1.1 A business that experiences lower levels of productivity due to high employee absenteeism is affected by the ... environment.  
A micro  
B market  
C macro  
D external
- 1.1.2 The \_\_\_\_\_ Act requires the human resources function to promote equal opportunities and fair treatment in the workplace.  
A COIDA  
B Basic conditions of employment act  
C Labour relations act  
D Employment equity act
- 1.1.3 When one company buys the controlling shares of another company.  
A Merger  
B Take over  
C Alliance  
D Resignation
- 1.1.4 Production planning does not involve .....
- A Planning  
B Routing  
C Dispatching  
D Loading.
- 1.1.5 Cary's Cash Carrier's grants small loans to people who cannot obtain credit from banks. This is a challenge of the \_\_\_\_\_ environment.  
A Micro  
B Market  
C Macro  
D Secondary

- 1.2 Complete the following statements by using the words provided in the list below. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

Selection;	Scheduling;	Import duties;	Gross;	Merger;
Excise duties;	Net;	Trademark;	Recruitment;	
	Loading;	Dispatching;	Logo	

- 1.2.1 Helen's HR uses \_\_\_\_\_ when selecting applicants based on pre-determined standards.
- 1.2.2 When every person or machine is allocated to their specific task, this is known as \_\_\_\_\_.
- 1.2.3 A symbol used to distinguish one business from another is a \_\_\_\_\_.
- 1.2.4 The \_\_\_\_\_ salary is what an employee receives after all deductions have been made.
- 1.2.5 Taxes placed on items that are brought into our country are called \_\_\_\_\_.

[10]

- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

	<b>COLUMN A</b>		<b>COLUMN B</b>
1.3.1	Compensation	A	Directors can persuade investors to buy shares in the company.
1.3.2	Lockout	B	Valued added due to a change in the product
1.3.3	Quality circles	C	Reward or money given to someone to reimburse for loss.
1.3.4	Kaleidoscopic	D	Meet regularly to discuss how quality and productivity could be improved.
1.3.5	Power relationships	E	Occurs when an employer makes sure that employees cannot enter the premises.
		F	Constantly changing

[10]

**SUB-TOTAL SECTION A: 30 MARKS**

## SECTION B:- ANSWER TWO QUESTIONS ONLY

### QUESTION 2 – BUSINESS ENVIRONMENTS

- 2.1 List the **THREE** different environments a business can operate in and the extent of control each one possesses. [6]
- 2.2 Discuss **TWO** types of lobbying that businesses can use to adapt to the challenges of the business environment. [6]
- 2.3 Explain the benefits of businesses that are active in the Macro environment. [8]
- 2.4 East Point Catering services (EPCS) has not been profitable for the last 3 months. Management has met and presented ways in which the business could address this problem. One way to do so is to cut costs and improve client satisfaction.
- 2.4.1 Name the power relationship EPCS is going to form to improve their business. Quote from the scenario above to motivate your answer. (3)
- 2.4.2 Define the power relationship identified in 2.4.1. (2)[5]
- 2.5 Explain the negative impact of low-income levels on businesses. [8]
- 2.6 South Africa has a well-established fishery sector and is also an exporter of fishery products.
- 2.6.1 Identify which sector fishing is found. (1)
- 2.6.2 Describe how the fishing sector links with the other two sectors. (6)[7]

### QUESTION 3 – BUSINESS OPERATIONS

- 3.1 Name **FOUR** marketing activities (4)
- 3.2 Brad has a furniture company. He creates custom furniture for customers. He is considering registering his brand name.
- 3.2.1 Justify the effectiveness of personal selling when Brad promotes his product. (3)
- 3.2.2 Identify the steps Brad will need to follow in the design of his products. (8)
- 3.2.3 Advise Brad on the importance of using trademarks. (2)

- 3.2.4 Name the distribution channel Brad uses. Quote from the scenario above to validate your answer (3)  
[16]
- 3.3 Discuss aspects that must be considered during production control. (8)
- 3.4 Justify the reasons why businesses must manage safety in the workplace. (4)
- 3.5 Suggest the purpose of sales promotions and give **TWO** practical examples. (4)
- 3.6 Explain the 'AIDA' effect in advertising. (4)
- 
- [40]

#### **QUESTION 4 – MISCELLANEOUS**

##### **Business Environments:**

- 4.1 Name **FOUR** differences a business may need to overcome should they wish to do business overseas. (4)
- 4.2 Differentiate between indigenous forests and commercial forests. (4)
- 4.3 Briefly discuss **FOUR** challenges of the micro environment. (8)
- 4.4 With the use of examples differentiate between demographics and psychographics. (4)

##### **Business Operations:**

- 4.5 

Central Park needs to hire new booking agents for their hotel. They have placed an advert in the staff canteen. They have included a list of duties as well how the booking agent will be paid.
---
- 4.5.1 Identify the type of recruitment Central Park is using. Quote from the scenario above. (3)
- 4.5.2 Discuss **TWO** possible methods of salary determination that could be offered to the booking agent. (6)
- 4.6 Describe the role of the interviewer. (4)
- 4.7 List **THREE** employee benefits that an employer may offer. (3)

4.8 Outline the following implications of the Basic Conditions of Employment Act.

- Work hours
- Overtime
- Sick leave
- Break during work hours

(4)

**SUB-TOTAL SECTION B: 80 MARKS**

**SECTION C: ESSAYS**

**ANSWER ONLY ONE OF THE TWO ESSAY QUESTIONS. NUMBER YOUR WORK CLEARLY AND AS IT APPEARS IN THE QUESTION PAPER.**

**QUESTION 5 – BUSINESS Environments**

Our constitution allows every employee the right to join a trade union. The Labor Relations Act provides a framework which regulates the relations between employers, employees, and Trade Unions. To avoid strikes, Trade Unions must enter into collective agreements.

In an essay discuss the following:

- Outline the reasons for the formation of Trade Unions
- Describe the purpose of the Labour Relations Act
- Discuss the meaning of strikes and their impact on businesses and recommend a solution to this issue.
- Explain the roles and functions of a Trade Union.

[40]

**QUESTION 6 – Business Operations**

Kays Clothing specialises in the manufacturing of good quality children's clothing. Through research they have established that good packaging and pricing techniques can attract new customers and increase their market share. They constantly do research on different categories of consumer goods in order to satisfy the needs of their customers.

In an essay discuss the following:

- The different categories of consumer goods
- The purpose of packaging
- **THREE** forms of packaging
- How customers can be attracted using various pricing techniques

[40]

**SUB-TOTAL SECTION C: 40 MARKS**

**PAPER TOTAL: 150 MARKS**

**GRADE 11 BUSINESS STUDIES**

**OCTOBER/NOVEMBER EXAMINATIONS 2022**

**PAPER 1  
MARKING GUIDELINES**

**Section A- COMPULSORY**

**Answer all questions**

- 1.1.1 A✓✓  
1.1.2 D✓✓  
1.1.3 B✓✓  
1.1.4 C✓✓  
1.1.5 C✓✓

- 1.2.1 Selection ✓✓  
1.2.2 loading ✓✓  
1.2.3 logo ✓✓  
1.2.4 Net ✓✓  
1.2.5 import duties ✓✓

- 1.3.1 C ✓✓  
1.3.2 E ✓✓  
1.3.3 D ✓✓  
1.3.4 F ✓✓  
1.3.5 A ✓✓

[10]

**SUB-TOTAL SECTION A: 30 MARKS**

**SECTION B:– ANSWER TWO QUESTIONS ONLY**

- 2.1 List the **THREE** different environments a business can operate in and the extent of control each one possesses. [6]
- Micro Environment – Full Control vV
  - Market Environment – Limited Control vV
  - Macro Environment – No control vV

**2.2 Discuss TWO types of lobbying that businesses can use to adapt to the challenges of the business environment. [6]**

**HEDGING✓**

- Businesses use hedging to protect their financial investments by spreading the risk✓✓
- Businesses invest surplus funds so that its value grows at a faster rate than inflation ✓✓
- The business uses hedging by buying bonds, shares, property or buying precious metals like gold to protect capital from the effects of inflation ✓✓

**BARGAINING SESSIONS BETWEEN MANAGEMENT AND UNIONS✓**

- Bargaining sessions prevent labour strikes and provide critical information to people in power✓✓
- Businesses make sure that their representatives are skilled to negotiate on their behalf✓✓
- Businesses need to be fair/transparent to establish trust and good communication with unions✓✓

**INFLUENCING SUPERVISORY BODY/REGULATORS ✓**

- Businesses take an active role in professional bodies✓✓
- Through their membership they may be able to influence changes to existing regulations✓✓
- Businesses influence and negotiate with these regulators to protect their own sustainability✓✓

**2.3 Explain the benefits of businesses that are active in the Macro environment. [8]**

- The business can more accurately predict future events, threats and opportunities that may arise ✓✓
- The business can contribute to a healthier, more skilled and productive workforce ✓✓
- It can protect natural resources and meet consumer needs in a sustainable way✓✓
- Reduced industrial conflict (Strikes)and increased productivity. ✓✓
- The business can accurately promote a cause that is a concern to the society. ✓✓
- The business can contribute its expertise and resources that can influence the public opinion. ✓✓ (This is called advocacy✓.)

2.4

**East Point Catering services (EPCS) has not been profitable for the last 3 months. Management has met and presented ways in which the business could address this problem. One way to do so is to cut costs and improve client satisfaction.**

**2.4.1 Name the power relationship EPCS is going to form to improve their business. Quote from the scenario above to motivate your answer.** (3)

Strategic Alliance/partnership agreement ✓✓ ‘One way to do so is to cut costs and improve client satisfaction.’ ✓

**2.4.2 Define the power relationship identified in 2.4.1.**

- Businesses form partnership agreements to benefit from each other’s involvement. ✓✓
- These partnership alliances help parties involved to benefit in infrastructure development and scarce skills.
- These alliances are designed to build on the expertise of each partner and on how they complement one another. (2) [5]

**2.5 Explain the negative impact of low-income levels on businesses.** (8)

- Leads to a decrease in the demand for goods and services ✓ resulting in a fall in turnover ✓ and lower profits ✓ for businesses. ✓
- People who earn low salaries and wages ✓ may become disheartened ✓ which will influence productivity ✓ in a negative way. ✓
- Consumers shift ✓ to cheaper brands ✓ of certain products. ✓✓
- Poverty can lead to crime ✓ such as shoplifting ✓ and robberies. ✓
- Businesses will have fewer profits ✓ and will not have money ✓ to expand. ✓
- Income level affects the morale of the workforce ✓ and could lead to lower productivity ✓ which impacts ✓ on the business turnover. ✓

2.6

**South Africa has a well-established fishery sector and is also an exporter of fishery products.**

**2.6.1 Identify which sector fishing is found.** (1)

- The Primary sector ✓

**2.6.2 Describe how the fishing sector links with the other two sectors. (6)[7]**

The primary sector extracts the raw materials,(fish)✓✓  
the secondary sector transforms the raw materials into products,(Canning; cleaning etc)✓✓  
and the tertiary sector sells the products and supports the activities of the other two sectors. (Sold in supermarkets) ✓✓  
Business sectors are therefore interrelated and connected with each other.✓✓

MD

**QUESTION 3 – BUSINESS OPERATIONS**

**3.1 Name FOUR marketing activities (4)**

- Locating the consumer✓
- Standardisation✓
- grading✓
- storage✓
- transport
- Financing
- risk bearing
- buying and selling

**3.2 Brad has a furniture company. He creates custom furniture for customers. He is considering registering his brand name.**

**3.2.1 Justify the effectiveness of personal selling when Brad promotes his product. (3)**

- Personal selling ensures that consumers receive the product, ✓pricing, ✓and technical information✓ they need to decide whether to buy the product. ✓
- Personal selling is more efficient✓ than other forms of promotion✓ because salespeople target consumers. ✓
- Personal selling affords greater managerial control ✓over promotion costs.✓

**3.2.2 Identify the steps Brad will need to follow in the design of his products. (8)**

- Idea generation ✓✓
- Idea screening ✓✓
- Concept development and testing ✓✓
- Business analysis✓✓
- Market testing
- Technical implementation
- Commercialisation
- New product pricing

**3.2.3 Advise Brad on the importance of using trademarks. (2)**

- A trademark or brand establishes an identity or reputation for a company or product. ✓✓
- Brand awareness is essential in marketing and advertising. ✓✓
- Businesses spend a lot of time and effort to ensure that their trademarks and brands achieve a reputation for quality and value. ✓✓
- Trademarks and branding create a sense of security and consistency for customers. ✓✓

**3.2.4 Name the distribution channel Brad uses. Quote from the scenario above to validate your answer (3)[16]**

- Direct channel ✓✓ “He creates custom furniture for customers.” ✓

**3.3 Discuss aspects that must be considered during production control. (8)**

1. DISPATCHING: ✓
  - Converts the planning into action. ✓
  - Provides instruction for:
    - o movement of materials and machinery ✓ to the necessary locations. ✓
    - o beginning of the process ✓
    - o checking the time and cost ✓ involved in the process. ✓
    - o checking the flow of work ✓ according to the routing ✓
    - o supervising the process. ✓
2. FOLLOWING UP: ✓
  - Looks at the progress of the work. ✓
  - Deals with unplanned issues ✓ and problems. ✓
  - Sorts out any misunderstanding in terms of job process requirements
3. INSPECTION: ✓
  - Involves the checking of the quality of the process ✓ and the final product. ✓
  - Legal and regulatory processes are also checked ✓ to ensure that the necessary standards are met. ✓
4. CORRECTIVE ACTION: ✓
  - Involves any adjustments to the planning process. ✓
  - Staffing issues are also dealt with ✓ in corrective action. ✓ (4 x 2)

**3.4 Justify the reasons why businesses must manage safety in the workplace. (4)**

- Absenteeism rates drop when safety programs are a priority ✓ because injuries are less likely to happen ✓ because employees are properly trained to use equipment. ✓
- Employees are happier when they come to a safe work environment. ✓
- Workers' compensation insurance claims decrease ✓ as a culture of safety reduces the number of claims employees file each year. ✓

**3.5 Suggest the purpose of sales promotions and give TWO practical examples (4)**

• Sales promotion, also known as merchandising, ✓ is a means of bringing a product to the attention of consumers ✓ and persuading them to buy it. ✓

E.G. Special offers; ✓ bonus packs; ✓ discount vouchers; ✓ free gifts; ✓ loyalty cards; ✓ charity promotions ✓ **(MAX 2 – Mark the FIRST TWO only)**

**3.6 Explain the 'AIDA' effect in advertising. (4)**

- o A good advertisement should include the following:
- o Attract Attention ✓
- o Spark Interest ✓
- o Develop Desire ✓
- o Result in Action ✓

## **QUESTION 4 – Miscellaneous**

### **Business Environments:**

- 4.1 Name FOUR differences a business may need to overcome should they wish to operate in different parts of the world. (4)**
- cultural differences ✓
  - legal differences ✓
  - political differences ✓
  - economic and social differences ✓
  - differences in business practice and conduct.
- 4.2 Differentiate between indigenous forests and commercial forests. (4)**
- indigenous forests, which add value to the country's beauty, wildlife and environment ✓✓
  - commercial forests, which provide jobs and economic opportunities for many people, especially in rural areas. ✓✓
- 4.3 Briefly discuss FOUR challenges of the micro environment. (8)**
- Difficult employees are those who do not support the vision and goals of the business – their actions may lead to conflict in the workplace, which could then break down the team spirit. ✓✓
  - Shortage of skilled employees - If employees are not well trained, their performance will not meet the required standards set by the business. This could then lead to poor customer service, which will negatively impact on the image of the business. Businesses may lose customers to other competitors with better services. ✓✓
  - Lack of vision and mission means that management and staff have different ideas about the goals of the business. ✓✓
  - Managers who do not have the necessary management skills will not be able to lead, direct and control personnel and resources in the business
  - Unions are organisations that are established to protect the interests and rights of employees in the workplace.
  - Strikes and go-slows are examples of industrial actions that may be organised by a trade union and have a negative impact on business operations
- 4.4 With the use of examples differentiate between demographics and psychographics. (4)**
- Demographics refers to the statistics of the population such as gender, age, race, level of education and level of income. ✓✓
  - Psychographics refers to customers' lifestyles and behaviour. It includes their attitudes, interests, opinions, desires, and lifestyles ✓✓

- 4.5 **Central Park needs to hire new booking agents for their hotel. They have placed an advert in the staff canteen. They have included a list of duties as well how the booking agent will be paid.**
- 4.5.1 **Identify the type of recruitment Central Park is using. Quote from the scenario above.** (3)
- Internal recruitment ✓ ✓ – “They have placed an advert in the staff canteen.” ✓
- 4.5.2 **Discuss TWO possible ways the new booking agent would be paid.** (6)
- Piecemeal: ✓ With this salary determination method, workers are paid according to the the number of items or units produced. ✓ ✓
  - Time Related: ✓ With reference to the time-related method, workers are paid for the time that they spend at work or on a task. ✓ ✓
- 4.6 **Describe the role of the interviewer.** (4)
- Ensure that each candidate should be allocated the same amount of time for their interviews. ✓ ✓
  - Ensure that members of the interviewing panel should be introduced to the interviewee at the commencement of the interview. ✓ ✓
  - Make the interviewee feel at ease.
  - Explain the purpose of the interview to the interviewee and interview panel.
  - Pose the same questions to all interviewees.
  - Record the interview responses of the interviewees for future reference or if disputes occur.
  - Ensure that the interviewee should not be misled or be misinformed deliberately.
  - Provide an opportunity for the interviewee to ask questions.
  - Conclude the interview by thanking the interviewee for attending the interview
- 4.7 **List THREE employee benefits that an employer may offer.** (3)
- – allowances, for example, car/travel/housing/cell phone/clothing ✓
  - – funeral benefits ✓
  - – performance-based incentives ✓
  - – issuing of bonus shares
  - – staff discounts/free or low-cost meal/canteen facilities
  - – pension/provident fund
  - – medical aid
  - – Unemployment Insurance Fund
  - – housing allowance /subsidies..
- 4.8 **Outline the following implications of the Basic Conditions of Employment Act.** (4)
- Employees should only work 9 hours per day in a 5-day work week ✓ or 8 hours per day in a 6-day workweek. ✓ (Mark either one NOT both)
  - Overtime should not exceed 10 hours per week. ✓
  - Employees must have a break of 60 minutes after 5 hours of work. ✓
  - Employees can take up to six weeks of paid sick leave during a 36-month cycle. ✓

[40]

**SUB-TOTAL SECTION B: 80 MARKS**

## Section C: Essays

### QUESTION 5 – BUSINESS Environments

#### **Introduction:**

As a business owner it is vitally important for you to be aware of the functions of a trade union. With the outlines of the Labour relations act assisting in the formation of the relationship between you and your employees. ✓✓ (2)

#### **Reasons for the formation of a trade unions:**

- The main role of trade unions is to represent staff members in the workplace. ✓✓
- Trade unions advocate that the economy should support the working class and the poor. ✓✓
- Hold discussions on poverty reduction programmes, ✓✓ reasonable income levels and job creation strategies with employers. ✓✓
- Trade unions ensure that poverty levels in the country are kept low ✓✓ through fights against reckless retrenchment processes by employers. ✓✓
- They highlight the need for job creation in the country ✓✓ (10)

#### **Purpose of the LRA:**

- The act provides the structure for governing the relations between an employer and their employees. ✓✓
- It encourages collective bargaining processes to take place in the workplace. ✓✓
- It also encourages the establishment of workplace forums to support employees in decision making. ✓✓
- The act further encourages fair labour practices between the employer and its employees. ✓✓
- It makes provision for the establishment of the Labour and Labour Appeal Courts ✓✓ and allows for the establishment of the Commission for Conciliation, Mediation and Arbitration (CCMA) for dispute resolutions. ✓✓
- The transfer of employment contracts between the existing and new employers are explained ✓✓ (10)

#### **The meaning of strikes and their impact on businesses and recommend a solution to this issue.:**

- A strike can be defined as a collective, ✓ organised ✓ stopping of work ✓ by employees to force their employers to accept their demands. ✓
- Strikes is usually the results of a labour dispute, ✓ and it takes place when employees refuse to work. ✓
- The most reasons why employees usually strike include wages, ✓ working hours ✓ and working conditions. ✓ industries where strikes are not allowed. ✓ (SUB-MAX 6)

#### **Impact**

- Employees can lose their pay while they're on strike. ✓✓
- Economy can be jeopardised since production is lost. ✓✓
- Businesses lose income because productivity is low. ✓✓
- Strikes scares off potential investors. ✓✓

**(SUB-MAX 6)**

Solution:

- Keep the workers happy ✓✓
  - Exercise extreme caution to prevent or minimise the impact of a strike. ✓✓ (2)
- (14)

**Roles of a trade union:**

- Serves as mechanism through which employees have a collective voice in the workplace. ✓✓
- Unions communicate to the company's management ✓ the members' grievances ✓ such as unfair dismissal, ✓ low wages ✓ and conditions of services. ✓
- They ensure that employees are treated fairly and respected. ✓✓ (SUB-MAX 4)

**Functions of a trade union:**

- Improves conditions of employment. ✓✓
- Ensures that all employees are treated equally in the workplace. ✓✓
- Influencing government decisions. ✓✓
- Representing employees corporately and individually. ✓✓ (SUB-MAX 4) (8)

**Conclusion:**

By adhering to the LRA and allowing the formations of trade unions within your business one will have a positive relationship with their employees. ✓✓ (2)

F	32
L	2
A	2
S	2
O	2
	40

## **QUESTION 6 – Business Operations**

### **Introduction:**

Consumers are attracted to a product if the price is set right and the packaging is attractive. A business owner can determine what else will attract its customers through market research. ✓✓ (2)

### **Consumer goods:**

- Convenience goods ✓

Consumers are not willing to spend much effort on buying convenience goods because they differ very little in terms of price, quality and the satisfaction it provides to consumers. ✓✓

These are low priced goods purchased by consumers without much thought. ✓✓

- Shopping goods ✓

These goods are more expensive than convenience goods. ✓✓

Consumers do not buy them regularly. ✓✓

They are prepared to spend a considerable amount of time and energy going to various shops until they are sure that they are getting the best value for their money.

- Speciality goods

These goods usually have specific brand names.

Consumers know exactly what they want and are willing to search until they find exactly what they are looking for.

- Services

Services are not tangible.

Services are rendered by service providers to consumers. (12)

### **Purpose of packaging:**

- physically protect the product from any harm ✓✓
- promote the marketing of a product ✓✓
- prevent a product from getting spoilt ✓✓
- prevent tampering or theft of a product
- improve convenience in the use or storage of a product
- identify products
- differentiate the product from other competing goods
- contribute to the profitability of the business through sales and use of resources
- attract attention to show the value of the product as a marketing tool
- Link the product to the promotion strategy used to promote the product.

(10)

### **Forms of packaging:**

- Packaging for immediate use/Unit packaging ✓

Packaging needs to be cheap, because once the product is consumed, the packaging is thrown away. • For example: packet of chips/chocolate bar wrapper ✓✓

- Packaging for double use ✓

Packaging can be re-used for purposes other than storing the original contents.

Consumers will thus be reminded of the particular brand after the original contents have been consumed. ✓✓

The container can be used for something else once the content is finished.

For example: ice-cream tub

- Packaging for resale ✓

Retailers buy products in bulk from wholesalers or suppliers. ✓✓

They unpack the products to sell them separately in smaller quantities.

For example: big box containing many boxes of washing powder.

- Kaleidoscopic/Frequently changing packaging

Some details of the packaging change to advertise an important sporting event/competition.

The container or wrapper are continually changing.

For example: the advertisement of a sporting event.

- Speciality packaging

Packaging must suit the product.

For example: packaging for an expensive phone.

- Combination packaging

Various complementary products are packaged together because such products are usually purchased together.

For example: Soap and a face cloth/shower gel and sponge/matching perfume and hand cream. (12)

### **How customers can be attracted using various pricing techniques**

Promotional pricing ✓

- Many businesses offer sales or special offers to attract customers. ✓✓
- Specials such as “two for the price of one” can influence the pricing of the good or service. ✓✓

Market Penetration pricing ✓

- The initial price of a product to penetrate the market ✓✓
- Example: new magazine will offer part of a kit-building set with every edition.
- The first edition is very cheap but future editions cost more

Psychological pricing ✓

- Psychological pricing is the practice of setting prices slightly lower than a whole number. ✓✓
- An example of psychological pricing is setting the price of a shirt at R299 rather than R300.
- This type of pricing is extremely common for consumer goods

Bait pricing ✓

- Bait pricing refers to an advertising strategy used to attract customers by making them think that they will pay less for something that costs more. ✓✓

Skimming prices ✓

- Price skimming is a pricing strategy that involves setting a high price before other competitors come into the market. ✓✓
- Good examples of price skimming include innovative electronic products, such as the Apple iPhone and Sony PlayStation 3. (12)

**CONCLUSION:** By making use of this tried and tested marketing techniques, one will be share (2)  
to grow their market share. ✓✓

(40)

F	32
L	2
A	2
S	2
O	2
	40

**SUB-TOTAL SECTION C: 40 MARKS**

**PAPER TOTAL: 150 MARKS**