

Unit Standard 119669

Activity 1 (SO1, AC1,5): individual activity

In your own words, describe the difference between a product and a service.

Would you classify food as durable or non-durable products?

Would you classify a stove as a durable or a non-durable product?

Activity 2 (SO1, AC1, 2): individual activity

The price of a product plays two roles when marketing a product. In your own words, list the roles.

Activity 3 (SO1, AC2): individual activity

There are two basic ways in which businesses compete against each other. Describe these two ways in your own words.

Activity 4 (SO1, AC2): individual activity

In your own words, describe supply and demand.

Activity 5(SO1, AC1): individual activity

Explain the difference between fixed costs and variable costs and give an example of each.

Activity 6 (SO1, AC1): group activity

In a group, discuss the following:

- ✓ You want to start a taxi service. Are you selling a service or a product?
- ✓ What promotional mix would you decide on to advertise your business? Why?
- ✓ Where would be the best place to locate the business?
- ✓ You want to start a furniture shop in your neighbourhood. Will you be selling a product or a service?
- ✓ What promotional mix would you decide on to advertise your business? Why?
- ✓ Where would be the best place to locate the business?

Activity 7 (SO1, AC3): group activity

- ✓ You want to start a taxi business. How can you add value to your service?
- ✓ You want to start a furniture shop in your neighbourhood. How can you add value to your products?

Activity 8 (SO1, AC5): group activity

1. Explain what is meant by market segmentation.
2. Explain geographical factors in market segmentation.
3. List the demographic factors that influence market segmentation.
4. In your own words explain why the age of the consumer affects market segmentation.
5. In your own words explain why gender affects market segmentation.
6. How would income affect market segmentation?

Activity 9 (SO1, AC4): group activity

1. You want to start a taxi business in the area you live in, driving children to school and back. Who will be your target market?

- ✓ Who will be your competition? Think about competitors doing the same thing in the area you live in.
 - ✓ What can you do to gain a competitive edge over your competition?
2. You want to start a furniture shop in your neighbourhood. Who will be your target market?
- ✓ Who will be your competition? Think about competitors doing the same thing in the area you live in.
 - ✓ What can you do to gain a competitive edge over your competition?

Activity 10 (SO1, AC4): group activity

1. In your own words, explain how the economy of the country can influence the market.
2. In your own words, explain how trends can influence the market.
3. In your own words, explain how timing can influence the market.

Activity 11 (SO1, AC1 -6) : individual activity

For your own business idea, do the following:

1. Explain how you will add value to your products or service
2. Explain the market your business will operate in, using the following as guidelines:
 - 2.1. supply
 - 2.2. demand
 - 2.3. pricing
3. Explain the factors that will influence the market your business will operate in. Use the following topics to guide you:
 - 3.1. What product or service will you sell?
 - 3.2. Price: how will price affect you
 - 3.3. Promotion: explain the promotional mix you will use
 - 3.4. Place: where will your business be located?
 - 3.5. Geographic factors: how will geographic factors affect your products or service?
 - 3.6. Demographic factors: how will demographic factors affect your products or service?
 - 3.7. Competition: how will competition factors affect your pricing and promotional mix?
 - 3.8. Costs
 - 3.9. Supply and demand: how will supply and demand affect your products or service, the price and promotional mix?
 - 3.10. How will you add value to your product or service?
 - 3.11. Who will be your target market?
4. Explain the concept of market segments and give examples of the market segments that would be interested in your products or service.
5. Economy: how will the economy affect your business decisions?
 - 5.1. Trends
 - 5.2. Timing
6. Explain the difference between product and service marketing by comparing a service business with a business that sells products.

Activity 12 (SO5, AC1): group activity

1. Explain how the introductory phase will affect your business if you start a taxi service in the area you live in, driving children to school and back.
2. Explain how the introductory phase will affect your business if you want to start a furniture shop in your neighbourhood

Activity 13 (SO1, AC1): group activity

You have started the taxi business. How will you know when your service is in the growth phase?

Activity 14 (SO1, AC1): group activity

You have opened the furniture shop. Among the items that you stock are bedroom furniture. One brand of microwave oven has been very popular, customers seem to prefer this brand over the others. How will you know when your product is in the maturity phase?

Activity 15(SO1, AC1): group activity

1. You have been doing well with the taxi business. How will you know when your service is in the decline phase?
2. What can you do in order to continue your business and ensure that you still make a profit?

Activity 16 (SO1, AC 1 – 4; SO5, AC2-5): individual activity

1. Think about the business you want to start and do the following: How will you know when your business is in the introductory phase?
2. How will you identify growth opportunities?
3. How will you know when your business is in the growth phase?
4. What trends and developments will indicate that your business is in the maturity phase?
5. How will you know when your business is in the decline phase?
6. What can you do to retain interest in the products or services you offer to make sure your business stays in the maturity phase or what new products or services can you offer to place your business in the growth phase again?

Activity 17 (SO2, AC1): individual activity

In your own words and for your own business idea, explain why market research would be important.

Activity 18(SO2, AC2): group activity

1. You want to start a taxi business in the area you live in, driving children to school and back. You have decided to do market research about the viability of this business. What information do you think you would need?
2. You want to start a furniture shop in your neighbourhood. You have decided to do market research about the viability of this business. What information do you think you would need?

Activity 19 (SO2, AC2): group activity

What information can you get through internal marketing activities?

Activity 20 (SO2, AC3): group activity

1. You want to do market research to find out if parents are interested in a taxi service that takes children to school. Which tools do you think you should use?

2. You want to find out what lines of furniture to stock for the customers in the area where you want to open the furniture shop. Which tools do you think you should use?

Activity 21 (SO2, AC4): group activity

1. You want to do market research to find out if parents are interested in a taxi service that takes children to school. You have decided to interview parents personally. In a group, compile a questionnaire of at least 6 questions for your market research activity.
2. You want to find out what lines of furniture to stock for the customers in the area where you want to open the furniture shop. You have decided to send field workers out to the consumers' homes to discuss the questionnaire with the consumers and leave the questionnaire with the consumer for collection the next day. In a group, compile a questionnaire of at least 6 questions for your market research activity.

Activity 22 (SO2, AC4): group activity

1. When you are using field workers to do the market research for you, there are certain difficulties that you have to plan for. Name and describe them.
2. Whose responsibility will it be to collect the questionnaires?
3. Give some thought as to how you will pay your fieldworkers for the market research.

Activity 23 (SO2, AC4): group activity

Analyse the responses for the following questions:

Why do you use a taxi to and from work	Cheap	1631
	Fast	1091
	Safe	312
	Convenient	1849

If you sent out 2000 questionnaires, what percentage of the sample use taxis because they are cheap, what percentage use taxis because they are fast, what percentage use taxis because they are safe and what percentage use taxis because they are convenient?

Cheap		
Fast		
Safe		
Convenient		
Which taxi route do you use every day?	Route A	755
	Route B	830
	Route C	415

What percentage uses Route A, Route B and Route C?

Activity 24 (SO2, AC4, 5): group activity

Using the two questions about the taxi service, in a group analyse the responses and then answer the following questions:

1. The number of people who use taxis because they are safe is very low. How can you use this information to get a competitive advantage over your competition?
2. Most people said that they use taxis because it is convenient. How can you use this information to get a competitive advantage over your competition?
3. Most people use Route B every day. You were planning on starting your service on Route C, which most people don't use. How can you use this information to determine whether it would be profitable to start another taxi service on this route?

Activity 25 (SO2, AC1 – 5): individual activity

For your own business idea, do the following:

1. Explain why you will do market research
2. What information do you think you will need?
3. Where will you get information from?
4. Which market research techniques and tools will you use? Explain your answer
5. Draw up a questionnaire with at least 10 questions to do your market research. Attach a copy of the questionnaire to this assessment.
6. Identify your target market and decide on the sample you will use.
7. Do the research. Attach copies of questionnaires to your assessment as proof.
8. Analyse the responses. Explain how many responses you received and how you analysed the responses.
9. What conclusions did you draw from your market research?
10. How does this affect your business idea? Do you think it will be a success and you will attract enough customers, or do you think you should look around for another business idea?

Activity 26 (SO3, AC1): group activity

You were planning on stocking one or two cheap lines of bedroom furniture and about five or six lines of more luxurious bedroom furniture. On analysing the information gathered from market research, the consumers replied as follows:

- ✓ Bedroom furniture between R2000 and R4000 69%
- ✓ Bedroom furniture between R7000 and R10 000 31%
- ✓ In a group discuss how this affects your view of your target market.
- ✓ How does this affect your proposed product lines? What changes will you make to your original plan in order to stock the furniture lines that most people want?

Activity 27 (SO3, AC2): group activity

Determine the market segmentation for the taxi service that takes children to school: which of the following factors would help you to determine the segmentation of your customers?

- ✓ Geographic factors
- ✓ Age
- ✓ Income bracket
- ✓ Gender
- ✓ Community
- ✓ Ethnic origin

Activity28 (SO3, AC3): group activity

Who would be competition to your taxi service?

Activity 29 (SO3,AC4): group activity

You have identified that there is a bus service that takes children to school.

- ✓ The price of the bus fare is cheaper than taxi fare will be.
- ✓ Parents are complaining that the bus arrives late at school, making the pupils late for school.
- ✓ Parents have also complained that the bus is dirty and not in a roadworthy condition.
- ✓ Children who want to participate in activities after school are unable to do so, because the bus leaves at 2o' clock in the afternoon.
- ✓ Most parents work during the day and would like a safe, cheap and reliable service that takes their children to school.

How can you use this information to increase the competitive edge of your proposed taxi service?

Activity 30 (SO3, AC1 - 4): individual activity

1. As a result of your market research, you came to certain conclusions about your business idea. How does this affect your view of your target market?
2. What changes will you make to your original plan for products and/or services?
3. Determine the market segmentation for your business idea. In which market segments would your customer fall?
4. What competition exists to your business idea? What threats do they represent to your business idea?
5. What can you do to increase the competitiveness of your business?

Activity 31 (SO3, AC3): group activity

In a group, do a SWOT analysis on Pick N Pay. Identify their competitors, what you think their strengths and weaknesses are and what the opportunities and threats are.

Now do a SWOT analysis on KFC.

Activity 32 (SO3, AC3): individual activity

With the practice you gained by doing the previous exercise, do a SWOT analysis on the proposed new taxi service

Do a SWOT analysis on the furniture store.

Activity 33 (SO4, AC 1): individual activity

Set objectives for the taxi service

Set objectives for the furniture store

Activity 34 (SO4, AC1): individual activity

During previous exercises you decided on a promotional mix for the taxi service. Look at your answer and compare it with what you think now.

1. Decide on a promotional mix for the taxi service.
2. Decide on a promotional mix for the furniture store.
3. Why have you decided on this mix?

Activity 35 (SO4, AC4): group activity

In a group, draw up an action plan for the marketing activities involved in promoting your taxi service.

What has to be done	By when must it be done	Who will do it?	How much will it cost?

Activity 36 (SO4, AC4): individual activity

Now draw up an action plan for the marketing activities involved in promoting the furniture business.

What has to be done	By when must it be done	Who will do it?	How much will it cost?

Activity 37 (SO4, AC3): group activity

1. Using the information you have available in the learner guide, compile a control system by which you will measure whether your business and your marketing activities are getting you the results you require. Do this in a group for the furniture store.
2. Define what steps you could take if it appears that the marketing mix you selected for the furniture store did not have the desired effect: Consumers are not aware of your business and therefore do not come to your store to buy furniture.
3. Define what steps you would take if your product range is not what your customers want.

Activity 38 (SO4, AC2-6): individual activity

1. Using the information you have available in the learner guide, compile a control system by which you will measure whether your business and your marketing activities are getting you the results you require. Do this individually for the taxi service.
2. Define what steps you could take if it appears that the taxi fare is too high for the parents of school children.
3. Define what steps you could take if it appears that the children are complaining about the cleanliness of the taxi(s) and the driving habits of your driver.
4. In your own words, explain why it is important to compile a marketing plan.
5. In your own words, explain why it is important to integrate the marketing plan into the business.