



FACULTY OF MANAGEMENT
JANUARY 2015 SPECIAL EXAMINATION

DEPARTMENT OF APPLIED INFORMATION SYSTEMS

<u>MODULE</u>	:	BUSINESS ANALYSIS II A
<u>CODE</u>	:	BAY22B2/BAY02B1
<u>DATE</u>	:	JANUARY 2015
<u>DURATION</u>	:	3 HOURS
<u>TOTAL MARKS</u>	:	100

<u>EXAMINER</u>	:	Mr N Joseph
<u>EXTERNAL MODERATOR(S)</u>	:	Ms D Mochongoane
<u>QUESTIONS</u>	:	5
<u>NUMBER OF PAGES</u>	:	3

INSTRUCTIONS TO CANDIDATES:

- Read the questions carefully and Answer **all** questions from **Section A (Case study questions)**.
- Answer **all** questions from **Section B (General questions)**.
- Question papers must be handed in.
- This is an open book assessment.
- Answer to the best of your ability.
- Answer your questions in the University exam booklet provided.
- Write clearly and legibly.
- Number your answers clearly.
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this exam.

Please read the case study **carefully** and answer **all** the questions below the case study.

Škoda (Small Car Company)

Škoda, a small car company originating in Czechoslovakia in 1895, needed to seek out a strong foreign partner to aid the company amid economic hard times. Škoda chose Volkswagen AG due to its reputation for strength, quality, and reliability. Volkswagen AG comprises Volkswagen, Audi, Škoda, SEAT, Lamborghini, Bentley, and other brands. To improve its performance, Škoda conducted a brand positioning examination (establishing a distinctive image) by obtaining market research data from both internal and external audits, allowing Škoda to conduct a SWOT analysis.

To identify its strengths, Škoda gathered research from customers and reliable independent surveys. Škoda found that the company excelled at satisfying its customers when it focused on the “owner experience” rather than on sales alone. Almost all of Škoda’s customers would recommend Škoda to a friend, meaning that Škoda had a clearly identifiable strength. As a result, Škoda manufactured cars that their customers could enjoy, which is different from simply maximizing sales. Škoda branded themselves as a quality product that satisfies its customers.

Škoda’s analysis showed that in order to grow the business needed to address questions about how the small company (1.7% market share) fit into the highly competitive market. An out-dated perception of the Škoda brand, related to the company’s Eastern European origins, contributed to the business’ small size. By 1999, Volkswagen AG ownership changed this negative attitude about Škoda. However, Škoda still lacked a strong appeal. Škoda realized that the company needed to cease defensive campaigns illustrating what the brand was not and begin new campaigns illustrating what Škoda had to offer. The change was simple: Škoda new that its owners were happy with their cars.

Škoda realized that its competitors’ marketing approaches focused on the product (car) itself. Škoda, conversely, focused its attention on emphasizing the owner’s experience with their cars and the customers’ satisfaction with Škoda vehicles. This SWOT analysis helped Škoda to differentiate its product from its competitors.

In the UK market, there are 50 different car makers selling 200 models. In this large and competitive market, Škoda needed to ensure that its message would not be lost or drowned out within the crowded environment. As a result, Škoda manufactured seven different cars, each one appealing to a different segment of the market (city car, luxurious car, family car, etc) with subsequent levels of pricing.

Škoda’s SWOT analysis helped the company to discover that Škoda customers were happy with their cars, the brand was no longer seen as a poor, outdated car, the company was able to operate within a niche in the market, and that a change in public perception was vital to Škoda’s ability to expand within a highly competitive market.

SWOT analysis brings order and structure to random information. The SWOT model helps managers to look internally and externally. It examines that key internal weaknesses and focuses on strengths managers can utilize to seize opportunities and combat threats.

SECTION A**[CASE STUDY QUESTIONS]****[75 Marks]**

QUESTION 1**[10*3=30]**

Škoda is a small vehicle manufacturer in an incredibly competitive industry. Perform an industry analysis for Škoda by analysing the three key environments.

QUESTION 2**[25]**

There are many stakeholders involved or affected by Škoda and it is therefore important that these stakeholders are identified and taken into account. Use a table to perform a stakeholder analysis for Škoda.

QUESTION 3**[20]**

Competitive positioning is essential when trying to attain competitive advantage. Draw and discuss the BCG matrix for Škoda.

SECTION B**[GENERAL QUESTIONS]****[25 Marks]**

QUESTION 4**[15]**

Draw and discuss the concept of product life cycle and experience curve analysis by using examples.

QUESTION 5**[10]**

Discuss five strategic relationships by giving examples.

TOTAL MARKS: [100]

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