



FACULTY OF MANAGEMENT

DEPARTMENT OF MARKETING MANAGEMENT

Integrated Marketing Communications

EXAMINATION NOVEMBER 2016

MODULE: MARKETING MANAGEMENT 2C
CODE: MAR 22C2 AND BMB 2C01
DATE: 28 November 2016
DURATION: 120 minutes
TIME: 8.30am – 10.30am
TOTAL MARKS: 100

EXAMINER: Dr I Lubbe
MODERATOR: Ms N Cunningham
NR OF PAGES: 7

INSTRUCTIONS TO CANDIDATES:

- Please read the Nando's case study.
- Question papers must be handed in.
- Read the questions carefully and answer only what is asked.
- Draw a line after each question.
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub-headings.
- Provide examples/application to the case study throughout the paper.
- Remember that no marks will be allocated for naming.
- The general University of Johannesburg's policies, procedures and rules pertaining to written assessments apply to this assessment.

CASE STUDY

NANDO's – CASE STUDY FOR MAR22C2 NOVEMBER EXAMINATION 2016

Marketing Strategy

Nandos is aimed at people who want to enjoy a nice casual dining restaurant in a nice atmosphere. As Nandos' main target group is the young population (18-35), they strive to provide affordability as well as good quality service and products.

In order to clearly express the strategy of Nando's, their Strengths, Weaknesses, Opportunities and Threats using a SWOT analysis is briefly presented:

Strengths:

- Healthy food.
- Expanded really fast due to their franchises programme.
- Popular brand with brand awareness and brand recognition in countries like South Africa, Australia and the UK.
- The famous Peri-Peri sauce which can be bought in bottles by customers.

Weaknesses:

- Low level of presence in small cities.
- Limited choice for vegetarians.
- Limited options of chicken dishes.

Opportunities:

- The possibility to innovate with additional items targeted to people with different preferences.
- Expansion opportunities worldwide to increase the market share especially in suburban cities.

Threat:

- There are competitors that might threaten their expansion strategy.
- The risk of bird flu such as Avian influenza that hit the world a few years ago.

Marketing Mix (Product, Price, Distribution (Place), Promotion,)

Product : Although Nandos is categorized in the fast casual dining industry, it orients its strategy towards a relaxed restaurant atmosphere with a unique design in each new establishment. The main course served includes chicken; however, the restaurant accentuates their products with the spices and the taste of their products. Customers have the option to choose between various types of spices, including their famous peri-peri sauce.

Price: In terms of price, Nandos is quite affordable. The main chicken course ranges from \$9.90 to \$14.40. However, the price range differs within countries due to the different amount of disposable income and the labor cost along with raw materials in each country. They offer set meals at more affordable prices in order to entice customers to spend less for more.

Distribution: As it is mentioned in the history of the company, Nandos has expanded to 24 different countries since 1987 with a high concentration of outlets in the UK, Australia, Malaysia

and South Africa. When opening a new establishment, they analyse the population, exposure and neighbourhood in order to determine whether or not it's suitable for the brand image of the restaurant.

Promotion:

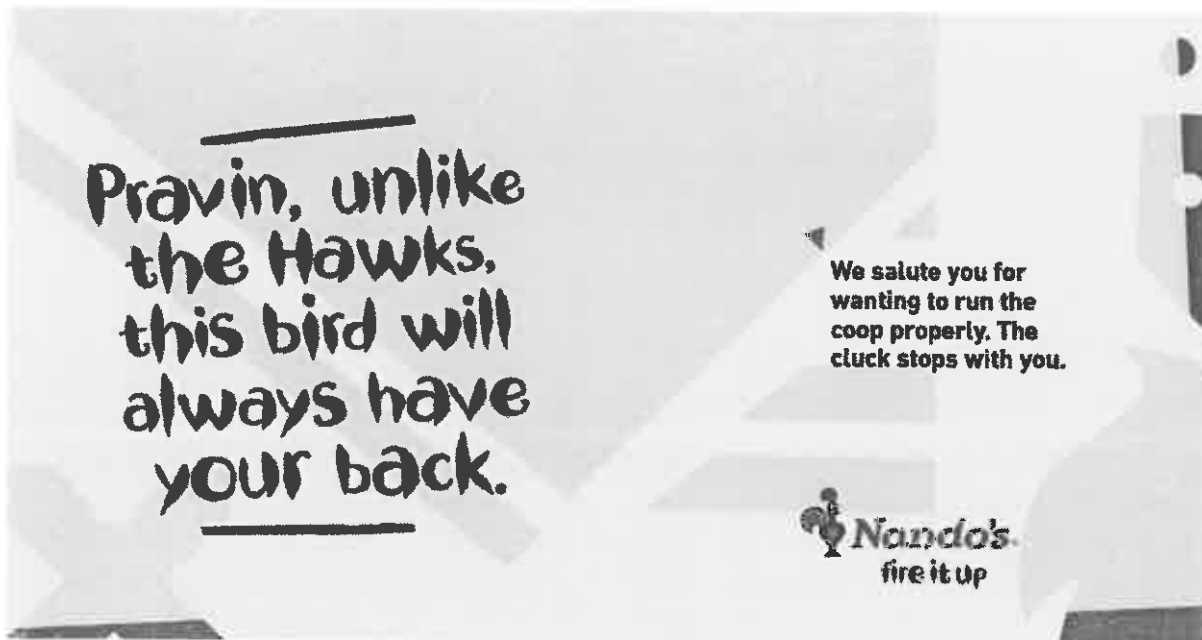
In advertising, Nando's is widely regarded as one of the top brands in the country to work on creatively, as the company has built its brand off smart social commentary with a smile (Manson, 2016).

Nandos utilizes a lot of online tools to position themselves in the digital sphere. They use direct Marketing on Facebook, Instagram and Twitter (where they have a large following of over 3 million people) with seasonal offers and promotions. They also work hard in giving their customers a unique experience upon every visit. In summary, they differentiate themselves from competitors by promoting brand identity.

Many admire the irreverent and humorous brand communication of Nandos, as well as its ability to connect with the South African psyche. One marketer explained, "It is quick, tongue-in-cheek, sometimes wickedly controversial and balisy." Another said, "Reckless sense of humour, absolute South African-ness and ability to constantly reinvent the satirical take on our country, while maintaining the essence of Nando's – a distinctly South Africa flavour on food, politics, sport or celebrity gossip."

Examples of some of Nando's Print adverts





Nando's joins the election conversation with spicy new TV ad

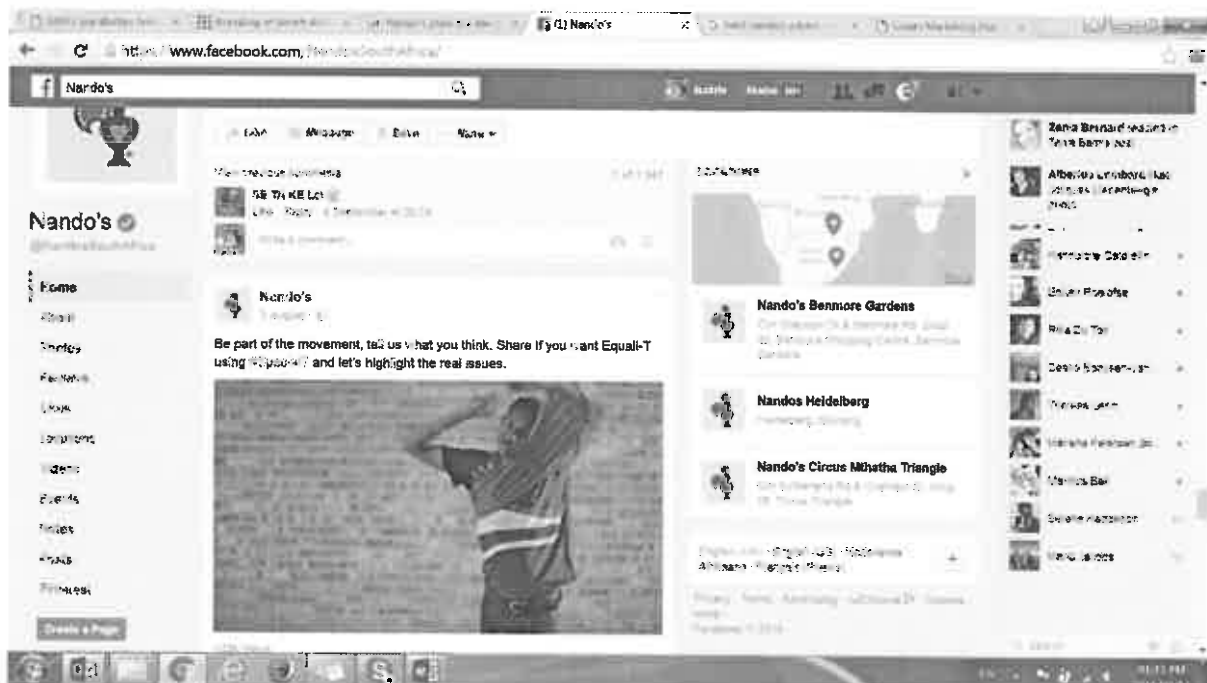
2016-08-06 08:51

Source: <http://www.channel24.co.za/TV/News/nandos-joins-the-election-conversation-with-spicy-new-tv-ad-20160806>

ON FACEBOOK:

Be part of the movement, tell us what you think. Share if you want Equal-T using #SpecialT and let's highlight the real issues.

Too many politicians avoiding the hot seat? Share using the hashtag #SpecialT and ask for Accountabili-T.h





What's for dinner? (Screengrab: Nando's/YouTube)

Cape Town – Never one to sit in the corner and shut up, Nando's just had to join in on the #LGE2016 conversation.

The South African chain restaurant launched a brand new TV ad on Friday night to brag about their latest menu offering, The Nando's Wings Roulette.

The Wings Roulette meal includes 18 winglets in a choice of three flavours, along with a 125ml bottle of Nando's PERi-PERi sauce.

"It's tempting to be anxious about our current political situation, and hard to envisage a win-win scenario for all South Africans. But true to Nando's courageous spirit, Wings Roulette can get three opposing political parties to see the positives – a wing-wing situation for all of us," says Nando's chief marketing officer Doug Place.

The best part of the ad? The ending of course!

Watch it here:

Sources:

Manson, H. 2015. Nando's changes agencies, appoints M&C Saatchi Abel. Marklives Com.

(<http://www.marklives.com/2015/08/nandos-changes-agencies-appoints-mc-saatchi-abel/>)

SECTION A

[100 MARKS]

QUESTION 1 [25 marks]

- 1.1. Explain the importance of segmentation to the advertiser. (2)
- 1.2. In your opinion, motivate which segmentation bases (categories) Nando's are applying. (6)
- 1.3. Differentiate between an Industry Analysis and a Market Analysis. Provide your own Nando's related examples to strengthen your answer. (6)
- 1.4. Compare and contrast the **two (2)** fundamental approaches for setting advertising objectives. (4)

- 1.5. There are **three (3)** methods which advertisers can use to promote easy recall. Briefly describe these **three (3)** methods and motivate why advertisers will use them. (6)
- 1.6. What is the Nando's slogan? (1)

QUESTION 2 [25 marks]

- 2.1 Briefly discuss the **six (6)** key elements considered in devising a creative brief and apply this to a scenario where Nando's is "joining the election conversation with a spicy new TV ad". (12)
- 2.2 Differentiate between a media plan, media class, media vehicle and media mix. (4)
- 2.3 Define the meaning of the term "Madison & Vine" in branded entertainment (2 marks) and provide your own example of how storyline branded entertainment can be integrated in a promotions campaign by Nando's (2 marks). (4)
- 2.4 O'Guinn, Allen, Semenik and Close (2015:261) make the following statement in Chapter 13: "The last two decades have witnessed unprecedented change in media options and applications." In your opinion, argue what these authors mean by this statement? (5)

QUESTION 3 [25 marks]

Consider Chapter 14, 15 and the following article when answering the following questions:

- Illhan and Celtek (2016) Mobile marketing: Usage of Augmented Reality in Tourism. Gaziantep University Journal of Social Sciences. 15(2) pp.581-599

- 3.1. The handheld Augmented Reality device is a suitable mass-market interface provided that it meets which requirements? Briefly discuss these requirements. (6)
- 3.2. Provide an example of how Nando's can utilise Augmented Reality? (2)
- 3.3. Define social media (1 mark) and explain in detail, using your own examples, the **three (3)** media types in social media?(6 marks) (7)
- 3.4. Define the following three sales promotion tools and then provide your own Nando's examples of how they can use premiums (2 marks), **sampling** (2 marks) and contests (2 marks)? (6)
- 3.5. What are the objectives of point-of-purchase (POP) advertising? (4)

Question 4.../page over

QUESTION 4 [25 marks]

- 4.1 Explain the term 'consumer-event congruity'. (1)
- 4.2 Assume you are the Marketing Director for Nandos' and you have been approached to sponsor the Food & Wine Show next year in Johannesburg and Cape Town. Briefly describe the **eight (8)** guidelines you need to consider for effective use of event sponsorship as an Integrated Brand Promotion (IBP) tool (8 marks) AND argue if Nando's should or shouldn't sponsor the event (2 marks). (10)
- 4.3 Define 'direct marketing' (2)
- 4.4 Consider the Public Relations Tools when answering the following:
- Motivate which TWO of the PR tools Nandos' should utilise to hinder a rumour that Nando's is using chicken infected by bird flu. This is just a rumour, and not true (4 marks).
 - Discuss the message (2 marks) and what media will be used for each PR tool mentioned above (2 marks). (8)
- 4.5 Differentiate between Buzz Marketing and Viral Marketing. (4)

