



FACULTY OF MANAGEMENT

Examination

DEPARTMENT

Marketing Management

MODULE MARKETING MANAGEMENT 3A01

CODE BMB 3A01

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DURATION 180 minutes (3 hours)

TOTAL MARKS 100

EXAMINER MS W MWANIKI & DR I LUBBE

EXTERNAL MODERATOR MS L ORTON (MILPARK BUSINESS SCHOOL)

NUMBER OF PAGES 5

INSTRUCTIONS TO CANDIDATES:

- Question papers must be handed in after the test.
- Read the questions carefully and answer only what is asked.
- Read the case study at the back of the paper and apply your answers to the case study **only** where asked to do so
- Please answer each question on a different colour answer sheet
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub-headings.
- Remember that no marks are allocated for naming.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

QUESTION 1

[25 marks]

- 1.1 Renault approaches you to help them with the development for an advertisement for the Renault Clio. You know that it is important for consumers to pay attention to your ad or else the money you've spent on media exposure is wasted.

Define the term “**attention**” and explain how **any five** of the several stimulus factors influence attention to a stimulus. Also apply the case study in your explanation of how you can use **each** attention factor in the development of your advertisement for the Renault Clio. (17)

- 1.2 Describe the terms **brand image**, **brand equity**, **product positioning** and **brand leverage**. Make use of practical examples relative to the Renault brand to support your answer. (8)

QUESTION 2

[25 marks]

- 2.1 Recommend a celebrity to endorse the Renault Clio and give an explanation of why your chosen celebrity will be a good fit for the Renault brand. Then justify your recommendation by providing **six** reasons why celebrity endorsements can be effective as well. (18)

- 2.2 Name the **two** dimensions and discuss the **three** primary motivations upon which the VALS typology is based. (7)

QUESTION 3

[25 marks]

- 3.1 Renault's management decided to open a new dealership and they are considering how to design the physical environment of the outlet. Discuss **four** components of the physical surroundings that can influence consumption behaviour and give **one** recommendation for each component to Renault's management. (8)

- 3.2 There are three types of consumer decision-making: (10)

3.2.1 Name and explain the **three** types of consumer decision-making. (6)

3.2.2 Discuss the most relevant buying behavior factor that influences the type of decision-making consumers will use. (2)

3.2.3 What type of decision making will consumers engage in when deciding to purchase a Renault Clio? Motivate your answer. (2)

- 3.3 Explain what is meant by the term “**problem recognition**” by applying it to the process of a consumer recognising the need to purchase a Renault Clio car. (7)

QUESTION 4**[25 marks]**

- 4.1 Define the term “**online retailer image**” and discuss the **seven** dimensions of an online retailer’s image by giving an example of how Renault Clio can implement each of the dimensions. **(15)**
- 4.2 Define the concept of **post-purchase dissonance** and discuss the **four** factors that influence the probability and magnitude of a consumer experiencing it. **(10)**

TOTAL: [100]**CASE STUDY: RENAULT CLIO TURBO TESTED**

It’s no secret that Kia’s Rio was a 2012 South African Car of the Year finalist and (until now) top Car’s best buy in its segment, while Volkswagen’s much loved Polo continues to lead the local sales race by some margin. But with the introduction of the new Clio 4, Renault has a serious contender in this competitive sector of the hatch market. My first introduction to the new Clio was at its global preview at last year’s Paris Auto Salon. I recall the feeling of bemusement I felt over the fanfare created by the world press who flocked around the car before crowning it the Best Production Car of the 2012 Paris show, and later voting it as a finalist for the European Car of the Year title for 2013. The Clio also finished in the Top 3 finalists for the Most Beautiful Car of 2012 award as well as being a finalist in the 2013 World Design Car of the Year.

Granted, the Paris Auto Salon is naturally a French affair so one could expect some support for the home brand, especially with the likes of Citroën and Peugeot recording heavy losses at the time due to the European economic crisis. But one had to wonder what the fuss was all about, what with bigger, more elaborate reveals on the day like the new Range Rover, Jaguar’s F-type and McLaren’s P1 for example. I was intrigued and made a point of getting behind the wheel of the new Clio both at its Highveld launch and more recently in Cape Town, to see how it fared at altitude and sea level – and, more importantly against, our clock.

Styling

After dismissing it under display stand spotlights, the Clio’s bold, botoxed forms grew on me the more time I spent with it. At the show, Renault’s Design Director Laurens van den Acker remarked that the design was ‘... so gorgeous that it makes you want to eat it’. Mmm, easy on there Laurens: I wasn’t quite as hungry on that occasion. For me, the car is appealing but not as tasty as last year’s Renault DeZir concept car upon which Clio 4’s design cues were inspired. Styling is largely subjective though, and most agree that the new Clio 4 is not as sporty as the Ford Fiesta or the more masculine Rio, or even as understated as the Polo. But it is far more fashionable and eye-catching than most of its current Japanese and Korean rivals. The fresh design polarised opinion among the test team – some liked the French lines, chrome door sills and delicate daytime running lights, while others felt it’s new expressive front end didn’t balance the dynamism of the sporty rear shoulders and heavily laden C-pillar. Thing is, it’s a design that’s got a sense of drama and presence and is unlikely to blend into the crowd.

Renault SA has done an excellent job with the specification and comparative value of the Clio. For instance, at R169900, our 66kW Turbo Expression test unit is the only

model among its direct rivals with 16-inch alloys rather than 15-inch wheels. But then again, bigger wheels usually complement the design, not the ride, a fact sure to be of greater importance to its youthful target audience. Thankfully, the Clio's ride is still subtle and unobtrusive even on the most corrugated roads.

Interior

Moving indoors, the Clio is also the only hatch at this price point that offers ESP, traction control, satellite navigation and LED daytime running lights as standard features. Apart from these USPs, one can add a host of regular luxury features (see spec sheet opposite) to its impressive specification list, which includes dual front and side airbags that helped it earn a five-star EuroNCAP rating and the title of Best in Class for 2012 in the City Car category.

While some may have concerns that the piano black centre console might scuff easily after a prolonged period and the iPad-like housing visually breaks the flow of the central facia design, it dominates the facia and features a seven-inch colour Media Nav touch screen, the climate control and audio functions plus telephone functionality. The Nav system is intuitive and its functions are clear and easy to navigate was developed by a partnership between Renault, LG, Navteq and Navgo. Renault SA says that as the navigation maps get outdated through the life of the vehicle, Clio owners will be able to download new road networks and locations via a USB stick from the Renault Maps website.

Performance

With its coupe-like looks, one subconsciously expects the Clio to be a ball of fire. It isn't. Its 66kW 899cc turbo is characterful but not class-leading in terms of outright grunt, as our test times attest. But that said, most would struggle to differentiate its performance to that of a normally-aspirated 1.4 litre four-cylinder engine on the open road. While its ECO mode softens the Clio's responses into a stupor, we chose to rather keep to the Normal mode and enjoy the sound of that flavourful blown three-cylinder. While we averaged around 5.6l/100km in normal road use, in ECO mode Renault claims the Clio is the most frugal in its category at a claimed 4.5l/100km. The Clio is also the first model in the Renault line-up to feature the new three-cylinder, which features a low inertia turbo that helps produce 66kW and 135Nm of torque at 2500rpm. Some 90% of maximum torque is available from a lowly 1650rpm resulting in very little noticeable lag at altitude, while acceleration is fairly modest for its diminutive cubic capacity. Renault has a wealth of experience with turbocharging small-capacity engines, expertise no doubt derived from its involvement in Formula One in the late 1970s when the French team was first to introduce forced induction technology to the world motorsport spectacle. With a total weight of just 95kg, the aluminium-block triple is also light and boats a 105g/km CO₂emission rating. According to Renault's engineers, Ford's impressive 1.0-litre Ecoboost engine shares almost 50% of the Clio's engine componentry but the Blue Oval preferred a higher-output turbo for greater performance, but at a greater fuel consumption and retail cost.

Ride and handling

Typically of this hatchback class, the Clio is on the softer side of the ride and handling scale: it's not as sharp or dynamic as the likes of a Mazda2 or Fiesta but it's as compliant as a Polo. The steering is typically over assisted for ease of manoeuvrability, lacking both substance and feel. The gearbox linkages could be firmer, too. That said, there's ample traction grip, composure and compliance for its size and the new hatch now sits 45mm closer to the ground than its predecessor.

Verdict

When one takes into consideration the vehicle's standard specification versus its rivals and also its relative price tag, I'm sure the Clio will earn a few more awards and fans in the coming months. On the back of its Confiante after-sales service programme and reduced parts pricing, Renault's new MD Susumu Uchikoshi claimed at the Clio's introduction that the company's customer satisfaction figures were up to 95% (we're guessing this doesn't include first-generation Scénic owners!). While Renault's three-year/45000km service plan isn't as lengthy as the likes of the Hyundai i20 (three-year/60000km service plan), it's the only other vehicle in its class to match the Korean's five-year/15000km warranty, which is a huge undertaking and endorsement to the Clio's quality by its parent company. Add to this the Clio's value, style, luxury USPs and frugal economy and it's little wonder the French were so excited last September. At its price, the Clio is definitely worth shouting about.

Source: topCar (2013). *Renault Clio turbo tested*. Available from: <http://topcar.co.za/road-tests/tested/renault-clio-turbo-tested/> (Accessed 9 February 2015).