FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Consumer Intelligence and Information Systems
DEPARTMENT	Marketing Management
CAMPUS(ES)	APB
MODULE NAME	Retailing 2B
MODULE CODE	BRM22B2/RTL02B2
SEMESTER	First
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Main exam November 2019

ASSESSMENT DATE	09/11/2019	SESSION	08h30-10h30
ASSESSOR(S)	Ms S. Pillay		
MODERATOR(S)	Dr. N. Dilotsotlhe		
DURATION	2 hours (120 mins)	TOTAL MARKS	80

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	4

INSTRUCTIONS TO CANDIDATES:

- Students **must** hand in this this paper together with their answer booklets
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Read the scenario in order to answer the application parts of the questions.
- Number your answers clearly.
- Write neatly and legibly.
- Structure your answers by using appropriate headings and sub-headings where possible
- The general UJ policies, procedures and rules pertaining to written assessments apply to this assessment

SCENARIO: New retailer entering into industry

RTL is a new retailer that has recently entered into the industry. RTL is a departmental store specialising in apparel (clothes), shoes and accessories for both men and women. RTL has a small cosmetic, fragrance and makeup section which also caters to both men and women. RTL's brand is known as trendy, fashionable and offers a high quality range of products, however they are struggling to gain awareness in the market due to the intensity of competition. RTL wants to become direct competitors to other retailers such as Edgars and Foschini. To do this RTL conducted market research and discovered that the children's clothing range at these two outlets, brought in significant sales and profits. Moreover, Edgars and Foschini have multiple stores across the country and RTL only has 20.

RTL also discovered the following about the average shopper (target market) who commonly purchases from Edgars and Foschini, known as the 'Supermoms':

- Females, 25-40 years old
- Mothers, some are single mothers and have 1-2 children
- 2-4 members in a household
- Middle-to-high income earners
- Generally work in commerce, law or finance
- Lead busy lifestyles, revolve around their child/children
- Demand convenience, accessibility and efficiency
- Want themselves and their children to feel socially accepted
- Upper class, live in urban, metropolitan and suburban areas

RTL used the information they discovered above to create the following objectives to assist them in becoming successful in the industry:

1. To expand the RTL range by 15% (adding children's range) within 12 months.
2. To grow the number of retail outlets by 5% in an around South Africa within 12 months.
3. To increase awareness of the RTL brand by 20% among the Supermom target audience within 8 months.
4. To grow sales and profits of the RTL brand by 12% among the Supermom target audience within 12 months.
5. To increase interest and desire for the RTL brand by 25% among the Supermom target audience within 8 months.
6. To encourage 10% of competitor's customers to switch to the RTL brand within 10 months.
7. To retain Supermoms by 20% over 12 months.

Use the information from the scenario to assist you in answering the questions below.

QUESTION 1   **[20 MARKS]**

1.1.   A service-scape is defined as '*a physical setting in which a marketplace exchange is performed, delivered and consumed within a service organisation.'* Within the service-scape there are four environmental dimensions including; physical, social, socially symbolic and natural. **EXPLAIN** any THREE of these dimensions (3 marks). THEN **RECOMMEND** how RTL can use these dimensions to stimulate interest and desire for their new children's range among the Supermom target market (3 marks)   **(6)**

1.2.   Supermoms tend to be loyal to Edgars and Foschini due to the customer service and experience obtained from shopping at these retailers. They also demand convenience and accessibility to the store. With this in mind, answer the following questions:

   1.2.1.   **APPLY** any THREE of the five dimensions of customer service to RTL.   **(3)**

   1.2.2.   **EXPLAIN** to RTL how customer service can be replicated on the online store.

                                                                                        (4)

1.3.   To retain their current customers RTL wants to implement a loyalty program. RTL approaches you for advice on the following:

   1.3.1.   **EXPLAIN** any FOUR benefits of brand loyalty.   **(4)**

   1.3.2.   **CREATE** a brand loyalty program for RTL (in your answer you must describe HOW RTL can retain current customers).   **(3)**

QUESTION 2   **[20 MARKS]**

In order to gain awareness, stimulate interest and desire for their new children's range and encourage competitor's customers to switch to their brand, RTL must create an integrated marketing communications mix targeted towards SUPERMOMS. With this in mind, answer the following questions:

2.1.   With reference to the article by Todor, R.D., 2016. Blending traditional and digital marketing. *Bulletin of the Transilvania University of Brasov. Economic Sciences. Series V*, *9*(1), **ARGUE** whether traditional media is more successful that digital media.   **(10)**

2.2.   With reference to your answer above:

   2.2.1.   SELECT any THREE media channels that RTL can use to promote their new children's range to Supermoms. You must **DESCRIBE** each type of media channel.   **(3)**

2.2.2. **MOTIVATE** why the media channels selected for question 2.2.1 will be the best for RTL to use. **(3)**

2.2.3. **RECOMMEND** how RTL can use these media channels to promote their new children's range to Supermoms. **(3)**

(1 bonus mark will be awarded for displaying insight into integrating the media chosen)

(1)

QUESTION 3   **[20 MARKS]**

RTL wants to open 10 new outlets in and around South Africa to compete with Edgars and Foschini. With this in mind, answer the following questions:

3.1.   **DEFINE** the concept of 'retail location. **(2)**

3.2.   **EXPLAIN** any FOUR factors influencing the location decision (4 marks). THEN **APPLY** these FOUR factors to RTL to advise them on what to consider before opening their new retail outlets (4 marks). **(8)**

3.3.   **DISCUSS** any TWO methods to assessing retail locations (4 marks). THEN **MOTIVATE** which method RTL should use (2 marks). **(6)**

3.4.   Many Supermoms were identified as women who work in central business districts (CBDs). **ARGUE** whether RTL should open retail outlets in the CBD. **(4)**

QUESTION 4   **[20 MARKS]**

4.1.   **DISCUSS** any FOUR pricing principals (4 marks). **EXPLAIN** how these principals may impact RTL's pricing strategies for their new children's range (4 marks). **(8)**

4.2.   **EXPLAIN** any TWO approaches to pricing in retail (4 marks). **MOTIVATE** which approach would be best suited for RTL (2 marks). **(6)**

4.3.   **DESCRIBE** the impact of the internet on pricing. **(6)**

TOTAL: **80 MARKS**

END OF EXAMINATION