



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	Supplementary exam

ASSESSMENT DATE	TBC	SESSION	TBC
ASSESSOR(S)	Ms S. Pillay		
MODERATOR(S)	Mrs 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 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 do-it-yourself tools and equipment. RTL's brand is known for its reliable, multi-functional, 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 a direct competitor to other retailers such as Builders Warehouse and Chamberlains. To do this RTL conducted market research and discovered that the gardening range at these two outlets, brought in significant sales and profits. Moreover, Builders Warehouse and Chamberlains have multiple stores across the country and RTL only has 10.

RTL also discovered the following about the average shopper (target market) who commonly purchases from Builders Warehouse and Chamberlains, known as the 'D-I-Yers':

- Males and Females, 30-50 years old
- Parents and often have 2-3 children
- 3-5 members in a household
- Middle-to-high income earners
- Generally work in commerce, science and agriculture
- Lead busy lifestyles, always on the move
- Demand convenience, accessibility and efficiency
- Want to feel confident in their abilities and give back to communities
- 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 gardening 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 D-I-Yer target audience within 8 months.
4. To grow sales and profits of the RTL brand by 12% among the D-I-Yer target audience within 12 months.
5. To increase interest and desire for the RTL brand by 25% among the D-I-Yer 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 D-I-Yers by 20% over 12 months.

QUESTION 1

[20 MARKS]

- 1.1. **DESCRIBE** any THREE sensory dimensions (3 marks). **RECOMMEND** how RTL can use these THREE sensory dimensions to stimulate interest and desire among the D-I-Yers target audience (3 marks). **(6)**
- 1.2. D-I-Yers tend to be loyal to Builders Warehouse and Chamberlains 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. The THREE points of engagement include pre-sales, sales encounter and post sales. **RECOMMEND** how RTL can engage with D-I-Yers at each of these the THREE touchpoints. **(3)**
- 1.2.2. **EXPLAIN** to RTL how customer service can be replicated on the online store. **(4)**
- 1.3. RTL wants to develop brand equity among the D-I-Yers and approaches you for advice on the Customer Based Brand equity model. **MOTIVATE** how RTL can apply each of the SIX building blocks to build brand equity among their existing customers (6 marks) (bonus mark: show integration between each building block and how it can achieve brand equity). **(7)**
-

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 D-I-Yers. 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 than 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 gardening range to D-I-Yers. 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 gardening range to D-I-Yers (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 Builders Warehouse and Chamberlains. With this in mind, answer the following questions:

3.1. **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)

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

- Lifestyles
- Multiple regression

3.3. RTL wants to open their outlets in shopping centres around South Africa. **DISCUSS** any THREE trends/key success factors in shopping centre developments (3 marks). THEN **RECOMMEND** how RTL can use these trends/key success factors to ensure their outlets are successful if placed in a shopping centre (3 marks). (6)

QUESTION 4

[20 MARKS]

4.1. **DISCUSS** any FOUR misconceptions of price (4 marks). **MOTIVATE** how RTL can overcome these misconceptions to suitably price their products (4 marks). (8)

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

- Mark-up pricing
- Mark down pricing

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

END OF EXAMINATION
