

Exam assignment
The Academy Profession Degree Programme in Marketing Management, 2nd semester,
exam in topics 4 and 5

AP in Marketing Management

1st external case exam – Written cross-disciplinary re-exam

Written exam 9 February 2017, from 8.30 to 14.30

The exam consists of four different assignments. In the overall assessment of the answer, the four assignments are weighted as follows:

Assignment 1: 20%
Assignment 2: 50%
Assignment 3: 10%
Assignment 4: 20%

Total: 100%

Contacting the case company is not allowed!

The assignment totals 3 pages, including cover page and appendices

6-hour exam



RENAULT
Passion for life

Assignment 1: Law (20%)

Claudia, who had just inherited a substantial sum of money, bought an almost new Renault 65 kW Life for DKK 115,000 on 28 November 2016. Being the family's number two car it was not used every day since Claudia was working part time.

Moving through December Claudia and her husband, Steffen, were surprised by the car's electricity consumption since they had to recharge it after almost every single ride. Since this was their first electric car, they were not quite sure what to expect, however, so they decided to act with patience. Claudia was due to start working full time from 2 January so from then on she would be using the car on a more regular basis.

By 1 February Claudia and Steffen reached the conclusion that the car was consuming electricity far in excess of what they had been promised and what others were experiencing, according to the Internet. In the light of this, they contacted the dealer the following day.

Question 1: Which remedies for breach of contract does Claudia have if it is the true that the car's electricity consumption is too high?

To begin with, the dealer rejected the complaint stating that the car was bought 'as is' which left him with no liabilities, and furthermore he was of the opinion that the complaint was submitted too late. He did, however, offer to replace the battery, although this did not solve the problem. Then he refused to take any further action.

Question 2: Should Claudia accept the disclaimer?

Question 3: Is the dealer correct in stating that the complaint was made too late?

Assignment 2: Marketing (50%)

So far, the B2C market has viewed electric cars as a niche product aimed at the particularly green consumer, or at the consumer who for reasons other than sustainability have seen it as an advantage to drive on electricity. Renault wants to help change this and so they have decided to run a marketing campaign directed at the Danish consumers.

As the company's marketing manager for Denmark, you have been asked to develop a marketing plan showing how this can be effected. Your point of departure will be Renault's electric car ZOE.

It is up to you to select the relevant target group.

Assignment 3: Supply Chain Management (10%)

In the opinion of Renault salesmen, there are generally two types of buyers of electric cars. One group wants fast delivery and only takes a modest interest in picking their own accessories, colours etc., and consumers in the other group prefer to 'design' their own cars and are prepared to await delivery.

Recently, however, the salesmen have increasingly witnessed a desire to unite the two, and that customers want not only fast delivery (max 14 days) but they also want to have a say when it comes to design, accessories, colours etc.

Discuss whether it is possible to combine customization and short delivery times without compromising logistic efficiency?

Assignment 4: Economy (20%)

The importer of Renault cars is wondering whether the market price of the ZOE car is right for its range of products. The current unit price of a ZOE Life is DKK 265,000, inclusive of VAT and duties and exclusive of delivery costs. A marketing analysis has identified the following relationship between demand and price.

On an annual basis, this relationship can be summarized as follows:

Renault will sell 350 units when the price is DKK 265,000. Every time the price increases by DKK 5,000, sales fall by 50 units, and every time the price decreases by DKK 5,000, sales rise by 50 units.

The wholesale price of a Renault ZOE is DKK 114,000, exclusive of VAT, plus a registration duty of DKK 74,000 when the importer buys the car from the manufacturer in France.

Question 1 (15%)

Make your recommendation to the importer as to which sales price would be the optimum choice for a Renault ZOE Life.

Question 2 (5%)

The calculations in Question 1 apply to the entire distribution chain and a condition for the result is that the Renault importer sells the product directly to the end consumer. Renault sells ZOE Life through its dealership network and expects the dealers to obtain a 10% profit on the sales price.

What is the Renault importer's contribution margin per unit for a Renault ZOE Life considering this (based on the calculation you made in Question 1)?