

Suggested answers

1. What led to Volkswagen's past-orientated marketing campaign and to what extent did price play a part in the campaign?

Traditional marketing campaigns focus upon present or future company activities, products or services. Consumers are easily influenced and manipulated by different promotional channels. Companies like Volkswagen have to create something special or extreme to reach and attract their potential customers, and in some instances—such as the Super Bowl campaign—this can cost the company a very large amount of money. However, the public relations created by the Citi Golf campaign have provided extraordinary returns on investment. VW wanted to promote its last production run for the Citi Golf, and in order to make the most possible profit they produced a 'limited edition' model. This Volkswagen marketing strategy demonstrated that looking back can help corporations to increase their brand value.

2. What kind of quantitative and qualitative outcomes can be used to evaluate the success of a campaign?

The most obvious quantitative success is always the number of sales, turnover or profit figures that have been achieved during the marketing campaign. From a quantitative perspective, the return on the marketing investment means the money gained or lost in proportion to the amount of money invested into the marketing campaign. Another quantitative aspect Volkswagen could have measured is the number of homepage visits or messages left on Facebook or other social media networks. On the other hand qualitative success factors are more difficult to identify. Being in the news, having run a remarkably successful public relations campaign, helped to increased consumer recognition of the Volkswagen brand in the public eye, for instance. Charity projects improved and increased the company's image and added to the value of the overall VW brand image. Moreover, the success or failure that Volkswagen experienced in dealing with the different social media platforms may be of help in identifying potential opportunities and threats for future marketing campaigns. Another aspect of

qualitative success may be the community-minded behaviour of VW, in offering many people the opportunity to say goodbye to its legendary automobile while more importantly value adding to make it easier to promote future car generations.

3. What were the impacts of the viral marketing activities used in this marketing strategy? To what extent do you think they may have had an impact in terms of pricing?

Activities within social media channels belong to the discipline of viral marketing. The content of the marketing campaign should be informative, entertaining and engage the audience. The advantage of using viral marketing is most importantly that it can be of no cost or less cost than other promotional strategies. It has also been identified as having higher message credibility, and in this particular instance the electronic medium supported the more traditional public relations campaign. The huge difference in terms of cost between the cost of the Volkswagen Super Bowl campaign and the Goodbye Citi Golf campaign emphasises how the viral media can be a cost-effective medium. In contrast the main disadvantage is that marketing departments cannot really control the way the viral message is established and interpreted.

4. What role should marketing managers play in helping to formulate marketing strategies in line with business-level strategies in a large and diversified firm such as Volkswagen?

Students should cover most of the items in a good answer.

- Scope—Volkswagen could see the potential of enhancing VW's overall brand image through the Goodbye Citi Golf promotional strategy.
- Business domain—'Which product-markets should we be in within this business or industry?' Obviously VW's Citi Golf campaign was aimed at increasing brand image.
- Business development strategy—the Goodbye Citi Golf campaign aligned to long-term product quality recognition for the entire VW range.

- Concentric diversification (new products for existing customers or new customers for existing products)—in this campaign it was to reinforce to new consumers the 25 years of good service provided by the Citi Golf.

Goals and objectives

Objectives aggregated across product-market entries in the business unit included:

1. sales growth for future products
2. new product or market growth profitability through product recognition developed from the campaign
3. return on investment (ROI)—the limited marketing budget produced considerably more ROI in terms of building long-term strategic alliance with its future consumers
4. allocation of resources—Volkswagen would not have wanted to allocate too many resources to a production line product that was being removed, and the use of viral media enhanced use of limited resources
5. Allocation among product-market entries in the business unit—in terms of the public relations generated, the whole of the Volkswagen range benefited
6. Allocation across functional departments—all functional areas of Volkswagen's team in South Africa were to be affected by the ceasing of production, therefore it was essential to ensure positive outcomes
7. Sources of competitive advantage—this unique marketing project contributed to the brand image strategy, giving synergy to other Volkswagen products. This was done primarily through competitive image building strategy: in particular, the value for money and quality image of the Citi Golf and the 25 years of positive ownership aligned to business unit's competencies relative to competitors in its industry

8. Sources of synergy—shared resources (including favourable customer image) or functional competencies across product markets within an industry—and the shared public relations benefit of the Goodbye Citi Golf marketing strategy—serve as a source of ongoing synergy with Volkswagen consumers in South Africa.
5. **How important do you think the social networking sites, such as Facebook, were in influencing the actions of Volkswagen’s past consumers in the Goodbye Citi Golf marketing campaign? Do you think these social networks did influence Volkswagen’s long-term consumers in South Africa?**

While the sites themselves have little influence, social networks give everyone a voice. They gave the South African Volkswagen enthusiast a chance to tell others their opinions about their experiences with the Citi Golf. However there is a downside, which is that it also enabled past VW consumers to bare their souls in relation to any problems that they may have had with the Citi Golf. This can be very dangerous for any company. People’s views and issues can be exposed for all to see and force companies into damage control. It was fortunate however that in this case it was extremely beneficial for Volkswagen as it reinforced the quality and the good value of a well-respected product.