

PGDM (RM), 2017-19
Retail Luxury & Brand Management
Subject Code RM - 402
Trimester -IV/End Term Examination: September 2017.

Time allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. In case of rough work please use Answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A:

1. How one can measure the strength of Luxury Brands?
2. Where the Brand does gets its power? Explain five characteristics from which brand derives its value?
3. Explain the semantic evolution of Definitions of Notion of Luxury?
4. What is so different about Luxury Goods Industry?
5. What importance point of Sale has in retailing? One study observed the time spent by consumer in a Luxury brand store , perception is different from the actual time spent, as shown in Table below:

Perception of Time Waiting for Service		
	Actual Time	Perceived Time
A woman with a man	Up to 90 seconds	Accurate
A woman alone	2 minutes	3 or 4 minutes
A woman with a child	3 minutes	5 minutes
A woman with another woman	5 minutes	Much too long

Elaborate what customer want/don't want?

Section B:

1. "When consumer buy a Burberry or Aquascutum raincoat, they are not simply buying a raincoat; they are buying a fashion product, branded by a reputable name and one that has strong emotional value". Explain?
2. For a luxury product which situation would work better - to have a small store in top location or a large store in a second-choice location for the same rental cost?
3. When someone makes the investment to buy a luxury product, it goes without saying that the service should be perfect, the product should be of exceptional quality, and it should be made as if it were a unique object. Why?

Section C:

At the Beginning of the 1990s, LAKME was already a Global brand with a wide assortment of products catering to the full spectrum of consumer segments. The company had a widely recognized and respected brand, which it leveraged across a range of sub-brands. Throughout the decade, LAKME nurtured its existing sub-brand and moved into additional Market Segments by adding new sub-brands. The company's sub-brand strategy yielded remarkable result, between 1990 and 2000, every LAKME sub-brand experienced sales growth and gained market share. In 2000, LAKME ranked as the number one cosmetics brand in many markets in Europe, and elsewhere was often in top three. LAKME Management decided that the sub-brand strategy was effective, and therefore did not develop and umbrella image advertising campaign. The company

did, however, continue the "A unique whitening Formula" campaign for its flagship Product, LAKME Crème. The unique whitening Formula ads were the company's most image-oriented.

Many in the company felt that LAKME Crème, though it was not the company's most dynamic or high-growth brand, was nevertheless the most vital sub-brand in terms of its Contribution to LAKME brand equity. Historically, the value in the LAKME brand was created by LAKME Crème, and as the flagship brand, it maintained the highest visibility in the most number of markets. LAKME CEO Pushkaraj Shenai identified LAKME Crème as the essence of the brand, "IF I wake you up in the middle of the night and say Describe LAKME, people would say it's white, it's round' they are Describing LAKME Crème.

Others at the company were less than enamored with the sub-brand strategy LAKME had followed during the 1990s. "we tried for 10 years to give the sub-brands a life of their own, and I think we more or less failed," said corporate vice President of skin care Samir Singh. According to Singh, rather than thinking of a Particular LAKME sub-brand when they are making a purchase, consumers are saying "I'd like to buy the white bottle of LAKME" (meaning LAKME Body Milk) or "I would like to buy the white cream" (meaning LAKME soft). The problem with sub-brands in Singh's view, is that "Nobody is able to cope with 13 brand Groups." Singh did not believe a corporate image Campaign would improve the State of the brand because "Whenever you talk about LAKME, People think of LAKME Crème first then they start thinking about their Personal favorites." Since LAKME Crème Crème enjoyed such high awareness already as much as 99 Percent in many mature markets – an umbrella image campaign would essentially be an attempt "to increase the 99 Percent, which is useless". Instead, Singh wanted to see more marketing dollars devoted to the flagship product, LAKME Crème. Because he believed LAKME Crème to be central to the equity of the overall brand, Singh maintained that "the image [of LAKME Crème] needs to be polished otherwise the core of the Brand is losing Strength"

As the number one cosmetics company in the world, LAKME maintained an enviable position in the early 2000s. Going forward, the challenge for LAKME would be continuing to find new markets and developing new products without spreading the LAKME brand too thin. Additionally, the company would need to ensure that the LAKME image was protected and enhanced by these new developments. LAKME also had to consider whether to follow a sub-brand strategy, or the leverage its recognizable name in other ways.

1. What is the brand image and sources of equity for the LAKME brand? (3)
2. How would you characterize their brand hierarchy? (3)
3. What are the pros and cons of the sub-brand strategy? (3)
4. Should LAKME run a corporate brand or umbrella ad for all of their Products? (3)
5. What is the role of the LAKME Crème advertising? Should it be changed? (3)