PGDM (IB) 2012-14
International Brand Management
IB-432
Trimester-IV, End-Term Examination: September 2013

Max. Marks= 50

Section A **15 marks**

There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks and the word limit is 100 words.

A1) In the context of Carrefour retail chain entering India, create a perceptual map with Reliance and Walmart as its two nearest competitors. You may select any two variables of your choice.

A2) Explain the Brand Asset Valuator Model through an example of any international brand to explain its model.

A3) Discuss the role of brand name and brand symbols as brand elements by explaining through any two international brand examples.

A4) Assume you are the brand manager of Samsung in India. What would be your cost heads for installing anti-counterfeit management (ACM) measures and why?

A5) "Both Brand recall and Brand recognition create brand association". Explain each component of brand association through any two examples in each category.

Section B **20 marks**

There are 3 questions in this section. Attempt any 2 questions. Each question carries 10 marks and the word limit is 500 words.

B1) KFC has appointed you as its India Brand Head and has asked you to create a brand equity strategy through customer perception. Use the Brand Resonance Pyramid Model to create the strategy and explain its relevance and significance for KFC.

B2) Explain, wrt the following product categories, your choice in selecting Marketing based approach or Brand based approach to brand equity measurement. Justify your answer with logical exemplified variables.

a. Premium cosmetic range for women
b. A mobile handset of a Global firm
c. Confectionary items
d. Passenger car

B3) You are the brand manager of Harley Davidson in India. Create a Brand Equity circle explaining the significance of Points of Difference (POD) and Points of Parity (POP) in this case with the core mantra leading to equity.

Section C 15 marks

The case study is compulsory. Both the questions at the end of the case study have to be answered with special reference to the case study.

CASE STUDY

KFC Corporation, based in Louisville, Kentucky, is the world's most popular chicken restaurant chain. It operates more than 5,200 restaurants in the US and over 15,000 around the world. It is part of Yum Brands!, which had revenues of just under $11 billion in 2009. KFC reached Britain in 1965 (before either McDonald's or Burger King). It now has over 700 stores.

But by 2005 KFC had lost its way, with a lacklustre reputation on the high street and slumping sales. So in-depth research was carried out to find a way to revitalise the brand's fortunes. A new strategy based on taste not only set the brand apart from its competitors but it brought back both families and young people. A cycle of new product development carried out over the year also increased both frequency of visits and expenditure.

By April of 2006 the brand grew steadily for the first time in three years, peaking at 30% year-on-year (YOY) growth. Communication boosted the brand's popularity to the point that the average spend rose by over 60p per ticket throughout the year.

Headed in the wrong direction

By the end of 2005, KFC was in trouble. It had become a dinosaur on the high street. The brand remained as famous as ever, but now felt out of date and favour. KFC no longer seemed to have a role for consumers in modern Britain. Sales were
in freefall, suffering ongoing and serious decline. Market penetration was also falling (as well as average ticket value).This poor performance was a result of a number of challenges facing both the category and the brand itself (Figures 1 and 2).

1. Category challenges

The nation's attitudes to food changed significantly over 2005. The 'health agenda' that had been brewing for a few years, reached critical mass. Jamie Oliver launched 'school dinners' (See Chapter 10) and Gillian McKeith became a household name among a host of food and diet-related programming. As a result, quick-service restaurant (QSR) brands became public enemy number one. This, combined with the relentless coverage and hype about obesity in the media, had a significant impact on consumers' dietary aspirations. For example, according to a 2006 study by TNS and the Food Standards Agency (FSA), by the end of 2005 67% of people believed they should eat fewer fatty foods, 64% fewer sugary foods and 58% less salt.

Moreover, new competitors were challenging the category, offering healthier alternatives. Service stations, supermarkets, chemists and coffee shops were all selling ready-to-eat food — significantly fragmenting the market. Branded sandwiches such as Subway and Prêt-a-Manger were stealing market share from KFC as they increased their number of stores and gained market penetration. McDonald's and Burger King followed suit by attempting to become health-focused in response to public pressure.

2. Brand challenges

There was an abyss between how the brand projected itself and customers' experiences. Recent advertising had given the brand a much-needed injection of credibility, youth and energy. However, while the advertising portrayed this appealing and sexy image, the reality was tired stores and underwhelming products.

The other challenge was new product development (NPD), an important element in this market. There were two key audiences for these quick-service restaurants: 'families' and 'teens and young adults'. These groups accounted for 89% of KFC's sales.

In 2005 KFC's NPD was aimed at the youth market, with snacking items developed to increase their frequency of visits. The problem was that KFC then became the place for snacks (with low ticket prices and margins), not a meal destination. Attempts were also made to create healthier food with a range of non-fried chicken, salads and a response to new competitors with sub sandwiches. As well as confusing consumers about what the brand stood for, these innovations were either failing or cannibalising regular sales.

Meanwhile, families were leaving the brand. Despite eating more meals together they weren't choosing KFC (an FSA food trends study in 2006 showed 57% of people ate one meal a day with all family members compared to 52% in 2004) and sales among families were suffering accordingly. Families did not feel the brand was for them any more — an image reinforced by poor service and stores frequented by 'youths'. This was particularly damaging for sales because families' average spend was almost three times that of young adults.

A new direction was badly needed. In the face of media pressure for healthy living and against fast food, what would motivate people to return to KFC? An in-depth qualitative study was launched to improve the understanding of consumer attitudes and inform brand repositioning

Discussion Questions:

Q1 : Keeping in mind the brand identity and the need of KFC to keep it uniform in all target groups, devise a repositioning strategy with brand equity elements of brand awareness and brand knowledge as its core elements.

Q2: As its Anti-counterfeit measures department Head, what anti-counterfeit measures (ACM) would you take to ensure that KFC recipes are not counterfeited worldwide? Justify your answer. Discuss the pros and cons of any two measures wrt to facts of this case study.