PGDM, 2013-15

Product and Brand Management

DM-433

Trimester – IV, End-Term Examination: September 2014

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**

Turn Over

Section A

(Answer any 3 questions out of 5)

(Max 300 words per answer)

1. Explain the value stages of the Brand Value Chain and how three sets of multipliers have an impact upon them.

2. Briefly outline marketing strategies typically followed at different stages of the PLC of a fast moving consumer goods company in an industry of your choice.

3. What are the pros and cons of brand extensions? Give examples of both successful and unsuccessful brand extensions with your assessment of the reasons for either.

4. What are the recommended criteria for choosing brand elements? Distinguish between their offensive and defensive roles with regard to building and leveraging/ maintaining brand equity.

5. What can be some benefits of going global? What different approaches do companies follow when going global? Illustrate the advantages and disadvantages of each approach illustrating your answer with examples drawn from Indian companies

Section B

(Answer any 2 questions out of 3)

(Max 600 words per answer)

1. Explain the Customer Based Equity model using a popular Fast Food or Cosmetic Brand available in the Indian market

2. What are the components of a Brand Equity Management system? How is such a system established?

3. How does Interbrand define brand value? Explain with the help of a diagram the various steps in the Interbrand Valuation method.

Section C

Read the case on the next page and answer the questions that follow. All questions carry equal marks.

Jessica Walters, marketing manager of Deluxe Foods, Ltd.-a Canadian company-is being urged to approve the creation of a separate marketing plan for Quebec. This would be a major policy change because Deluxe Foods' international parent is trying to move toward a global strategy for the whole firm and Jessica has been supporting Canada-wide planning.

Jessica Walters has been the marketing manager of Deluxe Foods, Ltd., for the last four years-since she arrived from international headquarters in Minneapolis. Deluxe Foods, Ltd., headquartered in Toronto, is a subsidiary of a large U.S.-based consumer packaged-food company with worldwide sales of more than $2.8 billion in 2003. Its Canadian sales are just over $450 million, with the Quebec and Ontario markets accounting for 69 percent of the company's Canadian sales.

The company's product line includes such items as cake mixes, puddings, pie fillings, pancakes, prepared foods, and frozen dinners. The company has successfully introduced at least six new products every year for the last five years. Products from Deluxe Foods are known for their high quality and enjoy much brand preference throughout Canada, including the Province of Quebec.

The company's sales have risen every year since Jessica Walters took over as marketing manager. In fact, the company's market share has increased steadily in each of the product categories in which it competes. The Quebec market has closely followed the national trend except that, in the past two years, total sales growth in that market began to lag.

According to Walters, a big advantage of Deluxe Foods over its competitors is the ability to coordinate all phases of the food business from Toronto. For this reason, Walters meets at least once a month with her product managers-to discuss developments in local markets that might affect marketing plans. While each manager is free to make suggestions and even to suggest major changes, Jessica Walters has the responsibility of giving final approval for all plans.

One of the product managers, Marie LeMans, expressed great concern at the last monthly meeting about the poor performance of some of the company's products in the Quebec market. While a broad range of possible reasons-ranging from inflation and the threat of job losses to politics-were, reviewed to try to explain the situation, LeMans insisted that it was due to a basic lack of understanding of that market. She felt not enough managerial time and money had been spent on the Quebec market-in part because of the current emphasis on developing all-Canada plans on the way to having one global strategy.

TURN OVER

Marie LeMans felt the current marketing approach to the Quebec market should be reevaluated because an inappropriate marketing plan may be responsible for the sales slowdown. After all, she said, "80 percent of the market is French-speaking. It's in the best interest of the company to treat that market as being separate and distinct from the rest of Canada."

Marie LeMans supported her position by showing that Quebec's per capita consumption of many product categories (in which the firm competes) is above the national average (see Table 1). Research projects conducted by Deluxe Foods also support the "separate and distinct" argument. Over the years, the firm has found many French-English differences in brand attitudes, lifestyles, usage rates, and so on.

LeMans argued, that the company should develop a unique Quebec marketing plan for some or all of its brands. She specifically suggested that the French-language advertising plan for a particular brand be developed independently of the plan for English Canada. Currently, the Toronto agency assigned to the brand just translates its English-language ads for the French market. Jessica Walters pointed out that the, present advertising approach assured Deluxe Foods of a uniform brand image across Canada. Marie LeMans said she knew what the agency is doing, and that straight translation into Canadian-French may not communicate the same brand image. The discussion that followed suggested that a different brand image might be needed in the French market if the company wanted to stop the brand's decline in sales.

The managers also discussed the food distribution system in Quebec. The major supermarket chains have their lowest market share in that province. Independents are strongest there-the "mom-and-pop" food stores fast disappearing outside Quebec remain alive and well in the province. Traditionally, these stores have stocked a higher proportion (than supermarkets) of their shelf space with national brands, an advantage for Deluxe Foods.

Finally, various issues related to discount policies, pricing structure, sales promotion, and cooperative advertising were discussed. All of this suggested that things were different in-Quebec and that future marketing plans should reflect these differences to a greater extent than they do now.

After the meeting, Jessica Walters stayed in her office to think about the situation. Although she agreed with the basic idea that the Quebec market was in many ways different, she wasn't sure how far the company should go in recognizing this fact. She knew that regional differences in food tastes and brand purchases existed not only in Quebec but in other parts of Canada as well. But people are people, after all, with far more similarities than differences, so a Canadian and eventually a global strategy makes some sense too.

Jessica Walters was afraid that giving special status to one region might conflict with top management's objective of achieving standardization whenever possible one global strategy for Canada, on the way to one worldwide global strategy. She was also worried about the long-term effect of such a policy change on costs, organizational structure, and brand image. Still, enough product managers had expressed their

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concern over the years about the Quebec market to make her wonder if she shouldn't modify the current approach. Perhaps they could experiment with a few brands-and just in Quebec. She could cite the language difference as the reason for trying Quebec rather than any of the other provinces. But Walters realizes that any change of policy could be seen as the beginning of more change, and what would Minneapolis think? Could she explain it successfully there?

QUESTIONS

1. Critically evaluate Deluxe Food Ltd's Present strategy.
2. What should Jessica Walter's do in the immediate future?
3. What would you recommend to Jessica in a 3 year time frame?