

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
Final Year First Semester Examination in Bachelor of Business
Administration (Honours) in Marketing Management - 2021/2022
February 2024 – Proper

MKT – 4133 Strategic Brand Management

Answer all five questions.

Time: 03 Hours

Q1. Read the following case study and answer the questions given below:

Case: FedEx - From a House of Brands to a Branded House

Federal Express was founded in 1973 by Frederick W. Smith. He literally invented the concept of overnight delivery, thereby creating a whole new market where previously there was none. Starting off with only fourteen small jets at its disposal, FedEx today has more than 560 aircrafts – making them the largest all-cargo air fleet in the world. The total daily lift capacity of their fleet exceeds 26.5 million pounds. A need that already has been identified rarely provides companies with big business opportunities. The greatest opportunities arise when you detect a completely new need that your customers didn't even recognize themselves until you offered a solution to them. That is the success story of FedEx with its overnight delivery system.

The company was named “Federal Express” because of the intended associations with the word “Federal” since it expressed an interest in nationwide economic activity. Another trace to the name is the proposed contract with the Federal Reserve Bank, which the company hoped to attain at that time. Although the proposal was denied, the name “Federal Express” was chosen since Smith believed it was a particularly good one for their purposes. It draws public attention to the business and facilitates name recognition.

While the ability to identify an unidentified need provides a great business opportunity, it tends to remain useless if a company fails to come up with a new and innovative way of meeting it. The delivery of a new service can be quite tricky. FedEx solved it brilliantly by its hub-and-spoke distribution system. This innovation lies at the heart of the FedEx network and is only one example of various other innovative solutions in this area. The effective integration of its ground and air system is another case where the company proved its willingness to do things differently. Soon after its foundation, the company managed to become the premier carrier of high-priority goods in the marketplace, setting the industry standard for their operations. By building out its core competencies in logistics FedEx has definitely produced a competitive advantage.

FedEx Brand

The idea of express networks that first emerged 150 to 200 years ago in the United States still constitutes the core of the FedEx brand. These networks were established to move something very important under someone's custodial control and have it delivered within a certain time. This basic principle of a general delivery service lies at the heart of the FedEx business. Transportation, logistics, and movement of goods – anything that suits this basic principle fits the FedEx brand. The focus of the brand, though, rests on what it identifies: express networks. General but yet powerful associations are security and reliability. It provides customers with peace of mind, nurturing their sense of security by using the brand.

Over the years, customers adopted the shortened name FedEx to speak of the company and its services. Actually the term has been used as a verb, meaning the equivalent of “sending an overnight shipment”. To “FedEx” something is common terminology. Thankful for this cue from its customers, the company officially changed its brand from Federal Express to FedEx in 1994. This can be regarded as the first evolution of the company’s corporate identity.

In the early 1990s the company was then expanding into global markets and wanted to modernize its corporate brand. Soon, the company realized that more than a cosmetic face-lift was needed for its dated purple logo. In order to do it right FedEx started a complete overhaul of the corporate identity from the visual design to the corporate name to the names of everything that it offered – from services to drop boxes to shipping containers. Research findings at the time revealed that many customers didn’t really understand what FedEx’s services were because the naming was quite confusing. In some cases FedEx used acronyms that didn’t gave them any clue at all. In order to clarify the naming system and to keep it simple the company implemented a system that relies solely upon the FedEx brand in addition with real words to describe the operating company, product or service explicitly.

In 2000, the company implemented the second evolution of the company’s corporate identity when it changed the name to FedEx Express in order to better position the business in the overall FedEx Corporation portfolio of services. Just like it was the case for UPS changing its logo, the re-branding signified an expanding breadth of the company’s market offerings. It simply had to move away from being just an overnight delivery service business, which can be compared to UPS moving away from being just a ground delivery service business.

Today’s FedEx is directed by FedEx Corporation, which leads the various companies that operate according to the business motto “operate independently, compete collectively and manage collaboratively,” under the FedEx brand name worldwide. This way it ensures that all companies can benefit from the FedEx brand as it is one of the world’s most recognized and trusted brands. In 2004, the FedEx Corporation acquired the privately held Kinko’s Inc. and later re-branded it FedEx Kinko’s. It is therefore the only acquired brand the company choose to keep as an official sub brand with its own equity in the brand portfolio.

Communicating the Brand

FedEx regards its own operations as one of the best channels of communications they have. The close integration of their information systems and transportation systems with those of their customers makes it even more difficult to switch to alternative market offerings. One of the first things they see on the screen when they turn on their PC is FedEx.

While most brands focus either on businesses or on consumers, FedEx keeps them both on its radar screen. The primary target is the B2B world, but in order to ensure that its ubiquitous brands maintain its leadership status they also build its master brand inside the B2C universe. All communications contribute to developing the FedEx brand image and reputation. Advertising, direct mail, sponsorships, corporate identity sales force, couriers and information systems are used. Maintaining its reputation and its brand image is a top priority concern, since it is one of the most valuable things the company has.

Over the years, FedEx had several taglines: America, you’ve got a new airline, Absolutely, Positively, Don’t worry. There’s a FedEx for that, our office is your office and Relax, and it’s FedEx. The last one was so successful that they launched a new advertising campaign in 2005, still using this previous tagline. Communication elements comprise TV, print, radio and online ads. The campaign is targeted

at small businesses and delivers the central message that the portfolio of FedEx services will help them to meet their needs.

The launch campaign for the FedEx Kinko's Office and Print Centers in July 2004, incorporated TV spots, print, radio, direct mail and online elements around the slogan "Our office is your office". It was targeted especially at small businesses and had to reflect the one-stop resources offered by the centers. FedEx has some kind of signature style about its ads that is rooted in its rich heritage of humor in advertising.

The average core customers of FedEx are primarily males between the ages of 25 and 55. One central goal of communications is to place the brand wherever this target group frequents. The company regards this marketing tool a great opportunity to drive business and even integrates the sponsorships as an anchor point throughout the marketing mix, not the other way around. Certain events are used as content useable in media, promotions, employee incentives, and online. Examples include NFL-themed promotions, Orange Bowl-flavoured retail incentives, and PGA-related TV spots. The company uses sponsorships to invade new markets and penetrate new areas, resulting in high growth rates.

Sometimes companies get very lucky because their company and/or brand are included in movies simply for plot reasons. FedEx lucked out in 2003 when they benefited tremendously from product placement at no cost because the company and brand were featured in the major motion picture *Castaway* starring Tom Hanks. Actually, you could say that this was a two hour FedEx commercial that people even paid to see. There were plenty of Fed Ex trucks, Fed Ex posters and Fed Ex planes; you can imagine how much favourable exposure FedEx received from this.

Questions;

- a. How did the founding of Federal Express in 1973 by Frederick W. Smith revolutionize the delivery industry, and what innovative solutions did FedEx employ to establish itself as a leader in the market? (08 Marks)
 - b. How does FedEx utilize its operations as communication channels, and what are the key elements of its communication strategy to maintain a strong brand image? (08 Marks)
 - c. How does the company's advertising campaign, such as the 2005 campaign, contribute to reinforcing the FedEx brand and appealing to its target audience? (04 Marks)
- (Total 20 Marks)**

Q2.

- a. Explain the concept of brand equity and its significance in the business world. Discuss key components that contribute to building and sustaining brand equity. (10 Marks)
 - b. Select a well-known brand and analyze how its recent marketing campaigns have contributed to building brand equity. Provide specific examples and discuss the impact on consumer perception. (10 Marks)
- (Total 20 Marks)**

Q3.

- a. Explain the key elements of the “Brand Resonance Model” and their significance in building strong brand connections with consumers. (08 Marks)
- b. List out any five criteria for choosing brand elements? (05 Marks)
- c. How do brand elements such as packaging and colour influence consumer decisions and contribute to brand differentiation? Provide real world examples to support your analysis. (07 Marks)

(Total 20 Marks)

Q4.

- a. Evaluate the role of “Experiential Marketing” as a component of Integrated Marketing in building brand equity. Provide examples of brands that have successfully integrated experiential marketing into their overall communication strategy. (07 Marks)
- b. Evaluate the digital presence of a brand of your choice. Discuss how the brand utilizes various digital channels for marketing and engagement. (08 Marks)
- c. State five examples for secondary brand associations. (05 Marks)

(Total 20 Marks)

Q5.

- a. What are the four Brand Hierarchy Levels? Explain with examples. (08 Marks)
- b. Distinguish between “Brand Inventory” and “Brand Exploratory”. (05 Marks)
- c. You are leading the brand management for a luxury brand looking to expand its presence in emerging markets. Design a culturally sensitive and sophisticated market entry strategy that not only preserves the brand's exclusivity but also resonates with the unique tastes and preferences of the new target audience. (07 Marks)

(Total 20 Marks)