



EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
FINAL YEAR/SECOND SEMESTER EXAMINATION IN BBA
SPECIALIZATION IN MARKETING (2007/2008) MARCH 2009
MKT 4223 ADVANCED MARKETING MANAGEMENT

Answer all five (05) questions

Time: 03 Hours

Q1.

If Simmons is a power brand, does that help sales volume?

“Most people have a very myopic notion of what branding is”, says Dr. David A. Shore, associate dean at Harvard Business School. Scoffing at the common perception that branding is all about awareness; Shore says awareness is almost irrelevant. What matters, he says, is “strategic awareness”. Shore notes that, “When I ask people if they ever heard of Simmons mattresses, they say yes. When I ask them about other brands, they say Sealy and Serta or Stearns and Foster. But when it comes to buying a mattress, people are more influenced by the salesperson than by the power of the brand”. According to Dr. Shore, this is because people cannot see any distinction between those brands, and thus there is high brand awareness but low strategic awareness. People do not seem to know what brand their mattress is and have no idea of what brand they would buy to replace their current mattress.

Dr. Shore suggests that most manufacturers have a brand, but the question is how much brand equity has the manufacturer built in the marketplace. Most companies test for brand awareness, but that does not necessarily relate to sales volumes; as Shore points out, in Denmark McDonald’s has a higher brand awareness than Burger King, but young adults show a strong preference for Burger King. Shore says that in some industries, one brand may score the highest awareness and another brand may enjoy an even higher preference, but a third brand can achieve the highest sales. Thus, Shore reasons, a company should measure its brand equity against competitive brands every 6 months, asking the key questions: Do your customers ask for your brand by name? Do customers see a difference between your brand and competitive brand? Is the customer willing to purchase your brand?

Shore suggests sales managers should think not about awareness but about quality, because "it's all about perceived quality". Manufacturers invest millions of dollars in developing products to the highest levels of quality, but many customers are unable to assess quality. They substitute consistency, dependability, and trust as indicative of quality. A second substitute is longevity and a third is singular distinction, says Shore, emphasizing singular. By trying to be all things to all people, you end up being nothing to anyone. When companies emphasize too many benefits, then none of them stands out. Shore's example of stressing the singular distinction is Volvo. He says they have built a very safe car and everything they do reinforces that image. They have an integrated identity campaign and they coordinate communications to reinforce the same theme in the marketplace. "If you do this," says Shore, "the marketplace will begin to believe that theme". He cites brands that command a premium price because of their perceived quality, such as Zantac. The magazine *selling power* checked the price of 60 Zantac 150 mg, listed at www.drugstore.com for \$ 101.37, while the generic equivalent, Ranitidine 150 mg, sells for only \$ 10.98, which seems to support Shore.

But what is the essence of a brand? "Brands represent what people (customers) think about the product and the feelings they experience when they think about the product", says Shore. Suggesting that the sale is made in the customer's mind and heart, Shore notes, "I would argue that typically it's not the product or service. It is something that surrounds it. For example, Nike does not sell sneakers, it sells heroism". Therefore, we need to decide what we want customers to think about. At the fundamental level, a brand to Shore "is more than name recognition and a promise to the customer. A good brand makes people willing to pay more, travel further, and wait longer. (But) taking charge of a brand image is often more challenging than herding cats".

Shore cautions that many companies delegate branding to their advertising agencies. Although ads may be a tactical component of branding, Shore explains, "I see branding as a larger umbrella under which communications, marketing, advertising, and sales fall". Suggesting that branding begins with a positioning statement, Shore notes it should say, "here is what we want to own in the minds of the marketplace".

But to Shore, “the sales force is the most visible manifestation of the brand. Salespeople need to say with a singular voice, ‘this is who we are and, by extension, this is who we are not’. The critical element that power brands have is trust, and a sales force needs to become the trusted advisor to the customer”. To emphasize his point about trust, Shore says, “this is an extraordinary responsibility. The sales force has the moral equivalent of a guidance counselor who clearly understands what the brand is and knows not to extend it too far and not to over promise”.

Shore offers a formula for integrating brand power with sales power by using the acronym *ASK*. “The first letter ‘A’ is for affective feelings, for example, when people shop on Fifth Avenue in New York, or on Rodeo Drive in Beverly Hills, what counts is the emotional experience involved in the purchase, not the price of the product”. The second letter ‘S’ is for skills; “the ability to deliver on the promise, the ability to skillfully assess and serve the needs of the customer”. The third letter ‘K’ is for knowledge. Shore explains, “The more knowledgeable someone is about you, the more brand savvy, the more customers will look at you. The problem is that at first glance all brands look very similar. That’s why you need strategic awareness-so you can get a share of the market”.

Questions:

(a). What is the definition for a “Power Brand”? How this relates with the concept of “Brand Equity”?

(06 Marks)

(b). Do you agree that “brand awareness” is not sufficient measurement for market success? Explain why? or, why not?

(07 Marks)

(c). How does Dr. Shore describe the relationship between a “Power Sales Force” and a “Power Brand”? Do you agree with this description? If not, what is your description?

(07 Marks)



(d). Is Simmons a power brand? Describe the reasons for your answer.

(05 Marks)

(e). Name some brands you believe are worthy of the "Power Brand" label.

(03 Marks)

(Total 28 Marks)

Q2.

(a). Briefly explain various marketing approaches used by organizations and discuss why each concept may continue to exist in today's markets.

(05 Marks)

(b). Define the term "Customer satisfaction". Based on your recent purchase, discuss specific factors that led to your satisfaction or dissatisfaction with this purchase experience.

(05 Marks)

(c). Describe the major marketing environmental changes that have the impact on an organization's marketing decisions.

(05 Marks)

(d). What are the specific criteria used to select the most attractive industrial market segments?

(03 Marks)

(Total 18 Marks)

Q3.

- (a). Make a distinction between the stages of consumer purchase decision process and the business buying process. How would you apply the stages of organizational buying process with an actual company purchase of new vehicle that will be used for distribution activities?

(09 Marks)

- (b). Explain the adoption process and diffusion process for new products with an example.

(05 Marks)

- (c). Describe the roles of branding, packaging, and labeling in product and service

(04 Marks)

(Total 18 Marks)

Q4.

- (a). List out three products (per stage) in actual markets that you believe are in the introductory stage, the growth stage, the maturity stage, and the decline stage of the Product Life Cycle. Explain the logic of your classifications.

(06 Marks)

- (b). Explain the five winning value propositions upon which companies can position their products.

(05 Marks)

- (c). Describe the five types of business-to-business products.

(04 Marks)



- (d). Define organizational mission statement through taking an organization as an example.

(03 Marks)

(Total 18 Marks)

Q5.

- (a). Identify a specific industry, such as personal computers, or snack foods, or children's apparel, and determine at least two different distribution channels that might be pursued by a producer in these industries. Justify each channel alternative selected.

(07 Marks)

- (b). Describe advertising planning procedure and discuss how this helps to develop an effective marketing communications strategy.

(06 Marks)

- (c). Explain how the internal and external factors affect a firm's pricing decisions.

(05 Marks)

(Total 18 Marks)