

Eastern University, Sri Lanka

Faculty of Commerce & Management

Third Year Second Semester Examination in Bachelor of Business Administration
(Specialization in Marketing Management) 2017/2018 (January 2020) (Proper/Repeat)

MKT 4053 Product and Brand Management

Answer All Questions

Time: 03 Hours

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

Louis Vuitton

Louis Vuitton (LV) is one of the world's most legendary brands and is synonymous with images of luxury, wealth, and fashion. The company is known for its iconic handbags, leather goods, shoes, watches, jewelry, accessories, and sunglasses, and is the highest-ranked luxury brand in the world.

It was 1854 when Louis Vuitton opened his first store in Paris and sold handmade, high-quality trunks and luggage. In the late 19th century, Vuitton introduced his signature Damier and Monogram Canvas materials, featuring the famous design still used in most of the company's products today. Throughout the 20th century, the company that carries his name continued to grow internationally, expanding into the fashion world by the 1950s and reaching \$10 million in sales by 1977. In 1987, Louis Vuitton merged with Moët et Chandon and Hennessy, leading manufacturers of champagne and cognac, and created LVMH, a luxury goods conglomerate.

Louis Vuitton's products are made with state-of-the-art materials, and its designers use a combination of art, precision, and craftsmanship to produce only the finest products. The legendary LV monogram appears on all the company's products and stands for the highest quality, premium status, and luxury travel. Over the years, however, counterfeiting has become a huge problem and one of Louis Vuitton's most difficult challenges. Louis Vuitton is one of the most counterfeited brands in the world, and the company takes the problem very seriously because it feels that counterfeits dilute its prestigious brand image. Louis Vuitton employs a full team of lawyers and fights counterfeiting in a variety of ways with special agencies and investigative teams.

Until the 1980s, Louis Vuitton products were available in a wide variety of departments. However, to reduce the risk of counterfeiting, the company now maintains tighter control over its distribution channels. Today, it sells its products only through authentic Louis Vuitton stores located in upscale shopping areas and high end department stores, all run independently by their own employees and managers. Louis Vuitton prices are never reduced, and only recently has the company started selling through louisvuitton.com in hopes of reaching new consumers.

Over the years, a wide variety of high-profile celebrities and supermodels have used Louis Vuitton, including Madonna, Audrey Hepburn, and Jennifer Lopez. In its marketing efforts, Louis Vuitton has used high-fashion celebrities, billboards, print ads, and its own international events like the Louis Vuitton Cup. Recently, LV broke tradition and featured nontraditional celebrities like Steffi Graf, Mikhail Gorbachev, Buzz Aldrin, and Keith Richards in a campaign titled "New Values." LV also launched its first television commercial, focused on luxury travel and fashion and has formed new partnerships with international artists, museums, and other organizations in hopes of keeping the brand fresh. That said, Louis Vuitton still spends hours making one piece of luggage by hand—the same way it did 150 years ago. Louis Vuitton holds a brand value of \$26 billion according to *Forbes* and is ranked as one of the most powerful global brands according to Interbrand. The company is focused on expanding the brand into growing markets such as China and India as well as continuing to grow in established markets like Japan and Europe. It also continues to add new product lines to its portfolio.

- a) Identify the critical success factors of Louis Vuitton to succeed in the market.
- b) How does an exclusive brand such as Louis Vuitton grow and stay fresh while maintaining its cachet?
- c) What do you mean by Celebrity endorsement? Briefly describe the various ways to associate with Celebrity Endorsement.

2. a) **Outline** the different steps of the strategic brand management process and **discuss** the challenges that brand managers face in today's market.

(05 Marks)

b) **What** are the various criteria for choosing brand elements? **Illustrate** your answer with examples.

(05 Marks)

c) *'The most important input to customer based brand equity comes from marketing activities related to the brand'.*

i. **Discuss** the customer-based brand equity model with a suitable example.

ii. Using examples, **critically discuss** the relationship marketing strategies that managers can use to build brand equity.

(08 Marks)

(Total 18 Marks)

3. a) A leading firm in the "Fast moving Consumer Goods" sector found through researches that there is vast potential in the branded herbal shampoo that could be tapped. On the basis of this, company is in the process of planning to offer new herbal shampoo to the Sri Lankan market. Assuming that you are a brand manager of this leading firm and you are asked to prepare a brand positioning plan to position new herbal shampoo in the Sri Lankan Market. In your plan you should **address** the following areas with justification.

a. Suitable brand name for the new herbal shampoo

b. Potential target market/s for new herbal shampoo

c. Main competitors for new herbal shampoo

d. How the brand is similar to competitors (POPs)

e. How the brand is different to competitors (PODs)

f. Brand positioning statement.

(12 Marks)

b) **Describe** how integrated marketing communication criteria provide some guidelines for designing and implementing integrated marketing communication programs.

(06 Marks)

(Total 18 Marks)

Q4 a) To ensure optimal brand equity, managers have to understand how their campaigns affect the customer mind set and the brand's market performance. (achieving this is through the concept of brand value chain. **Briefly explain** the 'Brand Value Chain' and its value stages.

b) **What** are the characteristics that a good brand name should possess? Base characteristics **develop** a brand name for packaged fruit juice containing mixed tomato juice.

c) **What** do you mean by the concept "co-branding"? **Analyze** its advantages and disadvantages with suitable examples.

(Total

Q5 a) "Branding plays a significant role in the present marketing context". Do you agree with the statement? **Justify** your answers.

b) **Discuss** the comparative methods for measuring brand equity with suitable examples.

c) **Briefly explain** the following concepts with suitable examples.

a) Brand Mantra

b) Celebrity Endorsement

c) Permission marketing

(Total