

Jagan Institute of Management Studies
End-Term Examination, September, 2016
Trimester IV – PGDM 2015-17

Brand Management
ET_PG_BM_0110

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Briefly analyze any THREE of the below given statements.
- a) Brand extensions can be disadvantageous.
 - b) With rapid global changes, brands have to be proactive in their approach.
 - c) Brand recall and brand recognition are important for every brand's existence.
 - d) How Brand Rejuvenation is relevant for even successful brand?
 - e) Citibank uses the slogan 'Citi never sleeps'. How it benefits Citibank? **15**
- Q 2** Knorr brand has made a mark for itself in the market. The focus has been on all 4 p's in order to build a popular brand. How does all this impact the brand's positioning strategy? **12**
- Q 3** Kwality (KDIL) has launched its milk and milk products in the market. They have extended the brand they have nurtured for years. Elaborate on the brand extension done by the brand and analyze its success and failure? **12**
- Q 4** Brand logo, symbol, tagline etc. are fundamental to every brand's existence. Explain the statement with the help of examples? **12**
- Q 5** Celebrity fit with the brand is important for connecting with the audience. Some brands stick around with one celebrity for years and others keep changing the celebrities. Discuss the role of a celebrity in building brand equity. **12**
- Q 6** What is brand equity? Discuss the methods of arriving at the Brand equity of a brand. **12**
- Q 7** **Read the case and answer the questions given at the end.**
The Case of Brand Envy
For a moment, Mohan Ghanshyam Tarla couldn't even believe he was

spending time on this. At 35, he was a king of Commodity Empire with sales of Rs. 5 lakhs every minute and he was conscious of maximizing the value of every second of thought.

It wasn't often that he allowed his linear time-schedule to be wraps by an intrusion. "Where there's passion, there's money – c'mon, you know that, Mohan," L.K., a B-school batch mate was telling him, having dropped by to 'catch up'. "And passion's all catharsis. Squeeze those tears out, for joy, anguish, whatever. Hit that 326th run, die for love....and the show's all yours.

"Brands don't do that," objected Tarla, who not only got every tenth rupee from the consumer brands, the rest of his turnover coming from cement, aluminium and the like.

"May be not," said K.K., who'd quit the corporate 'rat race' recently, "but brands are also about mass relationships. They keep million hooked."

Tarla didn't bat an eyelid. The young inheritor was content with his first major 'brand play' with the acquisition of Shatranj Garments, a marketer of shirt brand with sharp personalities. As for other 'new economy' bets, he'd taken a stake in a software house. But even the turnover of these businesses was less than his profits from commodities.

Putting up huge capacities in basic economy-builders, after all, was the vision by which Tarla's grandfather had created the business group. His father had pursued even bigger economies-of-scale while making it clear that cost-efficiency was the group's operating principle. The competence? Mastery of production processes.

Acquisition decisions occupied most of Tarla's time. These, plus restructuring decision such as recasting the group's debt. Now, if overall demand conditions were to improve, Tarla was in a position to get a return-on-capital that his rivals would envy.

K.K. had barely begun speaking again, that Tarla's mobile phone buzzed. It was Srinivasan Reddy, coordinator, group strategy, with a highway construction update. "No, can't they accelerate?" asked Tarla, of his handset. "Logistics can't really be the problem – get to the other reason. We're geared for optimal cement production only if this supply deal is assured, and we can't afford any pile-ups, okay? Inventory targets will not be re-set," he said, switching off. "It's never ending," he sighed, at K.K. "For half those clowns, good roads are an end in itself. Something they think is needed to show off to the rich countries, not means to get there. Take attitudes to broadband...."

The phone buzzed again. This time, it was Prakash Rastogi, the chief of the aluminum firm, with a word on the business' cost-evaluation report. "Oh", said Tarla, with an air of irritation, "But they said that could be managed.... No, we can't wait that long. Without gas assurance we can't even begin the revamp. Nobody can be globally

competitive if the local environment is going to remain self-defeating,” K.K. watched, grinning. He had some idea of what the hitch was. Electrolysis to make aluminum was an energy-devouring process, and gas turbines were the cheapest power source, if natural gas could be piped to the location cheaply. But this wasn’t easy, with populism reigning steady.

Tarla returned to K.K., “Resource scarcity. We’ve internalized it. And it won’t go easy so long as it’s giving somebody a halo. ‘Come hither all you needy people, my reserves are small but my heart is big.’”

“Need an ‘upright shirt’ to rid us of our national illusions?” quipped K.K., referring to Jack Inland, a mid-priced brand in Shatranj’s portfolio. “Hah,” Tarla smiled, “maybe we should all loosen up a bit and rethink our priorities, Cherry Gracy style.” A reference to the casualwear brand that has been instrumental in reforming Corporate India’s attitudes to office decorum.

“I am serious, Mohan,” said K.K, glancing at a crowded portrait of the wall. “I know you’ve got Ashim as a group brand. Nice art work in the TV spot. And Tarla Cement’s getting a premium. But don’t you want to be a ‘new economy guy’?”

Listen K.K.,” replied Tarla, “My chief strategist Reddy is on the mission already. We are buying intellectual assets. Even without this, we’re not exactly pre-historic, you know. Commodities will always be needed and we’re also into e-this and e-that in our processes. Besides, I don’t buy all this ‘old’ and ‘new’ bunk. Value delivery is value delivery, period.”

“Yah, value – but to how many consumers?”

“Numbers is not the issue. To the consumer, we stand for a consistent set of values in whatever we do. The lines between commodities, brands and services are getting blurred anyway, and people want Ashim and Tarla by name. That’s pricing power, alright?”

“No, no, no,” said K.K. “That’s all fine. I’m saying you need to become big on the brand scene. You don’t have a single consumer brand with four figure turnover. For media impact, a group your size should have the concentrated firepower of an ad budget of at least Rs. 100 crore, on one single brand, which is 1 per cent of the Indian ad pie. Your rival group Wawa has now car on the roads, and its brand score has shot up. The colas run a big part of the show and HHL owns a tenth of the whole pie. Tarla’s share of voice is rather pathetic.”

“Raise adspend? Big deal, even our ad agency wants us to do that,” Tarla responded, narrowing his eyebrows in mock suspicion.

“Any spend has to pay for itself. I’m saying restructure the group. Sell off some smokestacks and go brand shopping – make it 25 percent of your turnover, and then go for atleast one Rs. 1,000 crore consumer brand with a Rs. 100 crore budget.”

Tarla paused, glancing at his watch. Minutes were ticking away, but may be this meeting wasn't to be classified under 'friend indulgence', after all. The word 'impact' resounded in his head, as he spoke, "I think I see exactly what you're trying to say, K.K. It's just like you, from your guitaring days, the hydraulic engineer singing odes to relevance instead of reverence."

They both laughed, in recollection. "But brand-buidling and consumer engagement are specialized skills," argued Tarla, "which could take years to generate."

"I didn't come for a job," clarified K.K., "I just see Tarla bags of cement being lugged around by labourers – and I think, 'hey, these guys should hear your solution to the backward bending labour supply curve,' remember that?" Laughter, again,. "I mean," continued K.K., "you're into simplifying things. They'd be blown. But they're not thinking cement, they're thinking food. So why not sell them food? Anything. Just get through."

This was getting fun. But Tarla had a strategy meeting, so he walked K.K. to the door, saying, "Maybe you're the only one who wants to hear my mind."

"Good," his friend replied, "I'm just an ordinary guy. Perfect sample. You've got me tuned in. Get the rest." And K.K. clicked the door behind him.

Should Tarla accept K.K.'s suggestions?

Questions:

- a) Should the commodity player become a brand player? Why?
- b) Employ brand identity framework to suggest how this business could be transformed into a brand.

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