

Eastern University, Sri Lanka
Faculty of Commerce & Management

Final Year First Semester Examination in Bachelor of Business Administration
Specialization in Marketing Management (2016/2017) January 2019

MKT 4053 Product and Brand Management

Answer all questions

Time: 03 Hours

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

Launching high-end technology products: A Case of Samsung

It is very important that a company develops a coherent marketing strategy for the launch of each individual product in its portfolio. It is of equal importance that these strategies are compatible and support the firm's overall objectives. This case study examines how Samsung develops new high-tech products and brings them to the mass market on an international level. Although Samsung is a multi-national company with 56 worldwide subsidiaries, this case study concentrates on the UK market. It discusses three very different products and how they require varying marketing methods and channels to supply three different markets. Background to Samsung Founded in 1938 in South Korea, Samsung has grown from a modest trading company to a multi-national conglomerate with an annual turnover in 1997 of nearly \$100 billion. Samsung operates in three major markets - electronics, engineering and chemicals - and employs people in more than 60 countries. The corporate philosophy is to devote its human resources and technology to the development of a global society through ever better products and services. Samsung pursues three strategies to achieve its objective of maintaining global competitiveness.

Samsung continuously strives to improve product quality, implementing numerous quality control checks. For example, workers are allowed to halt production at any time if a fault is identified. The global strength of Samsung provides flexibility - being a global organization enables it to find the best sources of raw materials, together with the best locations in which to manufacture and assemble its products. Samsung has 26 factories across the world, therefore its global nature has also resulted in an internationally recognizable brand name. Because Samsung operates in so many product and market areas, it combines all its expertise, technology and facilities in order to improve product development. This is known as 'synergy'. Additionally, Samsung is a vertically integrated company, controlling all phases of the process, from raw materials through to manufacture, retailer and customer.

A common feature of its marketing strategy is promotion; one of the four Ps. Samsung promotes its products in a variety of ways ranging from attending the relevant trade

fairs for each of its products, to providing print brochures, posters and specification sheets. Information about products is also available on Samsung's website and via brochure lines. Samsung increases general brand awareness through corporate sponsorship, lending its support to the Royal Windsor Horse Show and the Samsung Open tennis tournament.

Samsung has identified a potential market amongst business users, whose employees might spend long periods of time in front of a computer screen and need a large display with better definition. The financial centers in the City have likewise proved an important market. A further group of customers are high street shops, in particular fashion outlets such as Jigsaw, who have installed Samsung TFTs (Thin-film transistors) at their point of sale terminals. As the customer steps up to the counter, the sales assistant records the sale, whilst images and details of complementary products are displayed on the screen.

Samsung is a relative newcomer to the highly competitive world of mobile communications, developing a cellular telecom system as late as the 1990s. Having established itself in the CDMA markets (including USA and Korea), Samsung has now decided to use the GSM (Global System for Mobile communications) network to enter the international markets. As part of the trend towards convergence in the electronic world - bringing computers, entertainment and communications closer together - Samsung has implemented a brand building exercise, stretching the brand name to take in new products. Drawing on the expertise and economies of scale from being one of the world's leading manufacturers of memory chips and display screens, Samsung will be able to compete with those firms already in the market.

Samsung developed a new product, a slim line phone with an innovative design, which has been deliberately positioned in the mid to high end of the market. Due to its unique selling point - voice activated, hands free dialing - Samsung's phones are specifically targeted at ABC1 businessmen and women, aged between 25 and 44. This is known as market segmentation or differentiated marketing. The marketing strategy for the mobile phone market is different yet again. The promotional strategy, designed to increase brand recognition, has involved extensive sponsorship of some of the most prestigious sporting events broadcast across the globe. Sydney 2000 Olympics and the World Gymnastics Championships have been selected as platforms from which the Samsung brand name is sported. An extensive mobile phone advertising campaign on terrestrial TV and in the specialist press was reinforced by an outdoor campaign in the autumn of 1999 involving advertisements on the sides of taxis, on buses and on the underground.

Having launched five mobile handsets on the market between 1998 and 1999, Samsung is already working on its strategy for the new data communications market where

consumers will be able to access the Internet and e-mail via mobile phones. In this time, Samsung acquired a sizeable portion of the market and demonstrated remarkable innovation in technology and design, as with the wrist phone and the MP3 phone. As mobile phones are usually bought through specialist retailers or through phone service providers, the channels of distribution also differ from DVD and TFT monitors. Samsung has made it a priority to establish a solid distribution base by forming strategic trade partnerships with the core retailers and mobile phone retailers. This base established, the strategy involves extending these networks and searching for every opportunity to make the products available to the consumer. Point of sale materials and brochures have been produced for impressive in-store displays and professional training sessions guarantee that retail staff have a thorough knowledge of the products.

Questions:

- i. Identify the success factors of the Samsung brand in the Market.
(Marks 06)
- ii. What are the Marketing programs used by the Samsung brand to build brand equity?
(Marks 06)
- iii. Explain the unique and favourable brand associations in the case of Samsung.
(Marks 06)
- iv. Briefly explain the process of new product development and discuss why the concept development and testing stage considered as the most significant in the new product development process and explain the Samsung new product development strategies.
(Marks 10)

(Total 28 Marks)

Distinguish the term “brand management”? Whether this scenario is changed with the recent developments in the market? Explain with example related to recent turns in the market?
(Marks 06)

Brand builds in the minds of people. Do you agree with that statement? Explain this context with suitable example?

(Marks 06)

What kind of role does consumer play in building a brand? Explain the steps involved in Brand building?

(Marks 06)

(Total 18 Marks)

Q3. i) **Demonstrate** brand equity and its sources? **Explain** the need of brand equity in the market nowadays both for the customer and marketer?

(Marks 06)

ii) **Discuss** how would you re-launching the brand? Support your answer with examples.

(Marks 06)

iii) **Discuss** the brand elements and how they are used in establishing brand values.

(Marks 06)

(Total 18 Marks)

Q4. i) Pick a brand and **evaluate** how it leverages secondary associations. Can you think of anyways, that the brand could more effectively leverage secondary brand associations?

(Marks 06)

ii) Choose a package of any supermarket product. **Assess** its contribution to brand equity. **Justify** your decisions.

(Marks 06)

iii) **Explain** the brand audit with example? What do you see as the biggest challenge in conducting a brand audit? What steps would you take to overcome them?

(Marks 06)

(Total 18 Marks)

Q5. i) **Explain** the different categories for Brand extension with example.

(Marks 06)

ii) **Critically examine** the branding for global markets. **Explain** the different branding strategies to be followed when a product is marketed globally.

(Marks 06)

iii) Write short-notes on the followings.

- a. Brand Mantra
- b. Brand Resonance
- c. Brand Hierarchies

(Marks 06)

(Total 18 Marks)