

**EASTERN UNIVERSITY, SRI LANKA**

**Faculty of Commerce and Management**

**Final Year/First Semester Examination in Bachelor of Business Administration –**

**MKT. MGT**

**2013/2014 (December 2015/January 2016)**

**(Proper/Repeat)**

**MKT 4053 Product and Brand Management**



**Answer all five (5) questions**

**Time: 03 hours**

**QUESTION 1**

**Read the Case Study and Answer the Question Below.**

**Don Carolis: Heritage of Furniture Manufacturer**

Mudliyar Don Carolis Hevawitharana is better known to most Sri Lankans as the father of an important Sinhala Buddhist religious leader and a national hero - Anagarika Dharmapala and for being the great grandfather of some of the most renowned political leaders of the country. But he himself was famed as a pioneering local entrepreneur of the country and the creator of the country's first international furniture brand "Don Carolis". From his humble beginnings in 1860 as a furniture maker in Matara, serving the new colonial plantation industries as a producer of casks and barrels continued to bring him success for more than hundred years. Being a third and fourth generation family business, Don Carolis furniture still enjoys the fame of an elite furniture brand of Sri Lanka.

Within its first decade, Don Carolis diversified from cask and barrel production to creative custom made furniture. Taking advantage of the country's industrial growth during the colonial era and its new riches emulating the life style of colonial masters, Don Carolis made its mark as a high end, state of the art furniture for luxurious living. In 1886 just after twenty years since its beginning, Don Carolis made history by becoming the first ever Sri Lankan exporter of furniture to UK, USA, India and South Africa. Just after four year they managed to win the prestigious Paris and Saint Louis exposition gold medals for their creative furniture. This was a remarkable achievement for Don Carolis to place their furniture among the world's best furniture makers of the 20<sup>th</sup> century.

Don Carolis continued to progress as an extremely innovative and forward thinking business establishment of the country in many ways. They were the first to create a mail order catalogue for their furniture in 1907 and they became the creators of furniture for many local and international elites (they even became the manufacturers of Her Majesty Elizabeth II's wedding suite furniture in 1948) and created a syndicate with international firms to continuously export furniture to Australia, South Africa, United States and United Kingdom. They also created first ever department store for furniture and household items in Sri Lanka in the early 20th century. Further, they became the first in the country to mechanize their furniture manufacturing by using steam

machinery for timber cutting. Innovation, competitiveness and creativity became the pillars of their success as a brand. Proactive identification of market trends and providing solutions for such trends became part of their success throughout.

They became pioneers again by starting mass manufacturing of furniture models in the beginning of the 20<sup>th</sup> century and their furniture still claims the highest respect and recognition in the country. This was evident through their commissioning as the furniture maker to the new parliament of Sri Lanka as well as the President's house. At present, after 150 years, Don Carolis still remains as the premium furniture brand of the country and gains the highest prices for their pieces.

However, the company is increasingly facing challenges in the contemporary furniture market. Their furniture once considered to be at the highest level of creativity and craftsmanship is now being challenged by both local and international competitors. Importing high end furniture with innovative designs (especially from Indonesia), emergence of highly creative independent furniture makers who are able to provide similar quality for much lesser prices, increase in market leadership of middle and low end mass production brands, introduction and attraction of the market for non-wooden furniture became the new set of challenges for Don Carolis. Challenges are being enhanced by the inability of Don Carolis to sufficiently present themselves in media and promotions.

Despite many challenges, market opportunities for Don Carolis are still prevalent. An increase in individual and household income and an increase in awareness of individuals on high quality brands and life style, growth of industries such as tourism and hospitality create a demand for high quality branded furniture. Further, under globalization new global markets emerge as potential buyers for Don Carolis. Apart from this, an increase in market demands for handmade and customer made luxury furniture provides new opportunities for Don Carolis.

Don Carolis and Sons still remain as a family company and still invest in innovative and creative means. They invested more than Rs. 100 million in building the Asia's most advanced furniture manufacturing facility along with the biggest home store and furniture gallery. Considering the present demand for sustainability, Don Carolis is one of the foremost furniture makers who started saw dust briquetting. This prevents pollution created by saw dust and also created an alternative energy source to firewood. Though the business is increasingly challenging, the spirit of Don Carolis remain constant and unshaken even today.

*(Source: Sri Lanka Institute of Marketing)*

- a. As the Brand Manager of Don Carolis, prepare an initial report for the Board of Directors on brand vision and brand DNA. (10 marks)
- b. Identify the challenges faced by the Don Carolis brand and elaborate with examples. (10 marks)
- c. What suggestions you may give to the Don Carolis to further improve the brand equity? (08 marks)

**(Total 28 Marks)**

## QUESTION 2

- I. 'Brand cannot be built without advertising" Briefly explain the statement with examples focusing on positioning strategy. (05 Marks)
  - II. Explain the roles of brands that play to the manufacturers and to the consumers. (05 Marks)
  - III. The reality is that although brands may be as important as ever to consumers, brand management may be more difficult than ever. Explain this statement giving emphasis on challenges to the brand builders. (08 Marks)
- (Total 18 Marks)**

## QUESTION 3

- I. Assume that you are a Director – Marketing in an organization of your choice. You are required to prepare a speech about strategic brand management process for newly appointed Executives Trainees in marketing. Your speech should include steps of strategic brand management process and key concepts. (07 Marks)
  - II. What are the marketing advantages of strong brands? (05 Marks)
  - III. Secondary brand knowledge is vital if existing brand associations or responses are deficient in some way. Briefly explain the means by which secondary brand knowledge can be created. Use examples to support your answers. (06 Marks)
- (Total 18 Marks)**

## QUESTION 4

- I. 'There is an obvious ordering of the steps in this brand ladder, from identity to meaning to responses to relationship.' Briefly describe brand building process according to the Customer Based Brand Equity (CBBE) Model. (07 Marks)
  - II. Delineate brand elements with examples of your choice. What are the criteria used to choose brand elements? (05 Marks)
  - III. Sasidaran Pvt Ltd. is to launch 'EGS' shampoo targeting consumers fighting with dandruff. The budget for the promotion is Rs. 20 million. Considering enhancement of brand equity of EGS, propose and justify an advertising strategy. (06 Marks)
- (Total 18 Marks)**

## QUESTION 5

- I. Identify a fading brand. What suggestions can you offer to revitalize its brand equity? Evaluate different approaches which could be used to revitalize the brand and which strategies are appropriate. (06 Marks)
- II. "To assess sources and outcome of brand equity and to find the way of creating brand value by marketing activities, the brand value chain is used by marketers" Briefly explain. (05 Marks)
- III. Managing brand equity is also having proper branding strategy. Briefly explain with examples how marketers can categorize branding strategies emphasizing breadth and depth of it. (07 Marks)

(Total 18 Marks)

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