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M. B. A. (Fourth Semester) Examination, Apr-May 2020

(New Course)

(Management Branch)

PRODUCT and BRAND MANAGEMENT

(New) (Elective-I)

Time Allowed : Three hours

Maximum Marks : 80

Minimum Pass Marks : 32

Note : Part (a) of each unit is compulsory which carry 6 marks. Attempt any one question from part (b) and (c), it carries 10 marks.

Unit-I

1. (a) What is product? How do organizations identify product objectives when developing a product strategy?

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- (b) What impact do market trends have on new product development? How do organizations decide whether to introduce a new product or extend an existing product line?
- (c) What are the steps involved in new product launch? Discuss with the help of a suitable example.

Unit-II

- 2. (a) What do you mean sales forecasting? What is the method of sales forecasting?
- (b) What is product strategy? Explain the factors influencing design of the product.
- (c) Discuss the concept of product life cycle (PLC). Comment of PLC as a aid to new product development planning strategies.

Unit-III

- 3. (a) Define branding. Determine the role and significance of branding.
- (b) What do you mean by brand building? Explain its importance and process in detail.
- (c) What are brand values? How you can establish

brand values? What are the benefits of defining brand values?

Unit-IV

4. (a) What is the role of brand strategies? What factors of firm must consider at the time of selection of a brand strategy.
- (b) What are types of brand extension decision? Explain the brand extension with examples.
- (c) What do you mean by co-branding, how it is different from source branding? Discuss the advantages and disadvantages of co-branding.

Unit-V

5. (a) What is brand equity? Explain any three methods used to calculate brand equity.
- (b) What is customer-based brand equity (CBBE) model? Explain the sources of brand equity.
- (c) Case study :

Nestle's Brand Management Strategies :

In the mid-1860s, Henri Nestle (Henri), a merchant, chemist, and innovator experimented with various combinations of cow's milk, wheat flour and

sugar. The resulting product was meant to be a source of infant nutrition for mothers who were unable to breast-feed their children. In 1867, his formula saved the life of a prematurely born infant. Later that year, production of the formula, named Farine Lactee Nestle, began in Vevey, and the Nestle Company was formed. Henri wanted to develop his own brands and decided to avoid the easier route of becoming a private label. He also wanted to make his company a global company. Within a few months of establishing his company, Henri began to sell his products in many European countries. In the initial years, Henri restructured the organisation to facilitate research, improve product quality, and develop new products. In 1875, Daniel Peter, Henri's friend and neighbour, developed milk chocolate.

In 1867, his formula saved the life of a prematurely born infant. Later that year, production of the formula, named Farine Lactee Nestle, began in Vevey, and the Nestle Company was formed. Henri wanted to develop his own brands and decided to avoid the easier route of becoming a private label. He also wanted to make his company a global company. In mid-1988, Nestle SA (Nestle), the world's largest consumer packaged foods company based in Switzerland, acquired Rowntree Mackintosh PLC

(Rowntree), in the largest ever acquisition deal of a British company during that time. Rowntree was the world's fourth largest manufacturer of chocolates and sweet products, with well-known brands like Kit Kat, After Eight, Smarties and Rolo. The deal attracted considerable attention all over the world since several bids to acquire Rowntree were rejected. Rowntree claimed that the bids were too low for its valuable, well-recognized brands. In the end, Rowntree was acquired by Nestle for £ 2.5 billion, two and a half times the pre-bid price and eight times the net asset value of the company. This acquisition made Nestle the largest chocolate manufacturer in the world.

Nestle's Branding Strategy The Nestle brand itself had played a key role in the company's globalization efforts. In 1996, about 40% of the total revenues were generated from products covered by the Nestle corporate brand. Nestle's logo was an important part of the company's corporate identity. The 'nest' was a graphic translation of Henri Nestle's name, which meant "little nest". However, in the beginning there were many branding challenges faced like what will be the branding strategies and brand-name decision.

The Kit-Kat Brand When Nestle acquired Rowntree's brands in 1988, the major challenge before the company was managing them. Rowntree had a

“one product, one brand” policy. The brands Kit Kat, after Eights, Smarties and Rolo were marketed with no mention of Rowntree. Rowntree’s brands were not strongly managed European brands. Before the 1980s, ‘country managers’ outside the UK in several European countries managed Rowntree’s business. They were free to run their units provided business objectives were met. The orientation at Rowntree was short term just to meet annual business objectives and country managers added nothing to the overall organization. Even though Kit Kat was a leading brand in UK, it was ignored outside the country. In the early 1980s, Rowntree established Rowntree Continental Europe, which handled business responsibilities outside the UK in Europe. However, this did not benefit Kit Kat, which was launched in Europe by Rowntree Continental Europe as a multi-local brand. Divesting Non-Strategic Brands, the success of the Kit Kat brand inspired Nestle to think and act ‘globally’ i.e. establishing global and well as local brand identity. Nestle had taken a similar approach to several other acquired sub-brands. Moreover, nestle introduced the Kit Kat brand in several other countries across the globe. Nestle’s brand management strategy included the divestment of non strategic brands. In February 1999, Nestle negotiated

the sale of its Findus brand of frozen food to EQT Scandinavia BV.

Questions:

- (i) How was Nestle emerged?
- (ii) What were the Nestle's branding strategies?
- (iii) What we're branding challenges faced earlier for Nestle?
- (iv) What was Nestle's logo? Why is logo important in branding?