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CENTRAL UNIVERSITY



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UNIVERSITY**

FAITH • INTEGRITY • EXCELLENCE

END OF SECOND SEMESTER EXAMINATION, 2016/17

CENTRAL BUSINESS SCHOOL

DEPARTMENT OF MARKETING

CBMK 302: BRANDS MANAGEMENT (LEVEL 300)

2017

TIME DURATION: **THREE (3) HOURS**

INSTRUCTIONS

Answer Questions 1 and any other **THREE (3)** questions

***Credit will be given for clarity of expression and orderly presentation of relevant material**

EXAMINER: PETER ANABILA

SECTION A- CASE STUDY

Question 1

Pepsi soft drink was born in New Bern USA. Caleb D. Bradham, born in 1867, a pharmacist in New Bern, North Carolina, who in 1893 invented a potion made from kola nut against "dyspepsia" and digestive disorders. "Brad's Drink" became "Pepsi-Cola" in 1898. And with this new name Caleb D. Bradham registered the trademark in 1902. In 1923 the manufacturer of Pepsi went bankrupt because of high prices of sugar. Capital was sold and Roy C. Megargel bought the trademark. But unfortunately this only works one time, Pepsi fell into bankruptcy in 1931. It was then bought by G. Guth, president of the sugar company Condo Industries. During the economic crisis from 1936 to 1938, Pepsi's profits doubled.

Pepsi is the first U.S. product to cross the Iron Curtain and to enter Soviet territory (1965). In 1975 Pepsi launched the first plastic bottle of history. And it was in 1984 that Pepsi launched the first partnership with a music star Michael Jackson. It was the beginning of a long series of associations with personalities of music, sport and cinema. This drink is marketed by PepsiCo. Firstly the Pepsi in America try to position its product for the society as whole and for the purpose of refreshment, which can be clearly visible from their advertisement slogans like-

- " any whether is Pepsi whether"-
- " the light refreshment "-
- " be sociable, have a Pepsi "

This positioning strategy they followed up to 1960 and after analyzing that it is very difficult to capture the entire population as whole. So Pepsi after 1960 started target marketing and choose a different way to promote and to attract new customers by using huge marketing campaigns along the years and creating brand personality associated to the adventure. Pepsi's goal is was to attract a certain set of customers to buy the product by associating itself with young people who are energetic, fun loving and daring. For Pepsi loyalists, leading an exciting life is much more important than leading a happy one which Coca-Cola was preaching at the time. Pepsi embraced a brand positioning to "capture the excitement of now," and the campaign that has been developed carries the tagline, "Live for Now." It's already proved a potent rallying cry.

- a) In order to achieve strong, favourable and unique brand associations in its positioning strategy, Pepsi needs to establish a strong basis for its positioning strategy by defining and communicating its competitive frame of reference. From the passage, what will constitute Pepsi's frame of reference? **(10 Marks)**.
- b) Assuming positioning is all it takes for Pepsi to overtake Coca-Cola as the market leader, identify the relevant positioning challenges that Pepsi will have to navigate in order to be able take over Coke's market leadership position after determining its frame of reference. **(10 Marks)**

- c) If Pepsi succeeds in achieving its goal of attaining market leadership ahead of its leading competitor, Coca-Cola, through positioning, what other critical success factors in brand building should Pepsi employ to sustain its newly found market leadership? (20 Marks).

SECTION B: ANSWER ONLY THREE (3) QUESTIONS ONLY

Question 2

- a) Distinguish between *double branding strategy* and *endorsing brand strategy*. (5 Marks)
b) As the marketing manager of XYZ Company Ltd, you have been tasked to identify alternative branding strategies that will put your organisation on a strong competitive position. Identify five (5) factors that will guide your choice of alternative branding strategies? (15 Marks)

Question 3

- a) What is a brand? (2 Marks)
b) What is brand equity? (2 Marks)
c) Identify and explain four (4) principal components of brand equity. (16 Marks).

Question 4

Identify and explain five (5) branding challenges that brands managers often encounter in this contemporary marketing environment (20 Marks)

Question 5

- a) Mention and explain five means by which organisations can achieve high levels of brand awareness and salience in the marketplace to enhance their brand equity? (10 Marks)
b) As the brands manager of Alpha Group of Companies, identify five (5) potential branding pitfalls (mistakes) that your organisations must avoid in order to succeed in its branding efforts. (10 Marks)

Question 6

- a) What is brand positioning? (2 Marks)
b) Explain the six (6) general criteria for choosing brand elements to create brand equity. (18 Marks)