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## Product & Brand Management V1

### Answer A

- 1 Brand extension & Multi Branding.
- 2 CEO Branding & Attitude Branding.
- 3 Consumer satisfaction and consumer loyalty
- 4 Brand Monopoly, Duopoly & Oligopoly
- 5 Endorsement strategy and source branding strategy
- 6 Define Brand perspective? The nature & types of perspective?
- 7 Give an example of one Brand who has reached leadership status with successful brand extension.
- 8 Pick up a brand of SME segment & its extension and evaluate its ability to achieve its own identity as well as contribute to the equity of a parent brand.

### Assignment B

Unilever Bestfoods, USA and Shin Shii, Taiwan are competitors in the rapidly growing iced tea market with their brands Lipton (in alliance with Pepsi) and Kai Shii respectively.

Unilever has also introduced an instant hot-tea can by the name of Brooke Bond's PG Tips.

Kai Shii is about to be launched in the US market. The following study evaluates various

market segmentation strategies, potential consumer target segments, and factors to forecast

demand that were used or could have been used by these two companies. The main reference

for this report was Chapter 3 of the textbook Principles of Marketing by Kotler et al.

The main results of the analysis are as follows:

Both companies' SWOT analysis reveals that they are dominant and successful in their home markets.

Kai Shii would require a great amount of effort to market itself and bridge the cultural divide and varying tastes and perceptions between Taiwanese and American

consumers.

Behavioural (seeking convenience, health conscious), demographic (age groups) and

geographic factors largely influence the market segmentation.

Pricing amongst competitors in the same product category plays a vital role compared to pricing amongst for example, carbonated soft drinks etc.

Future demand for the iced tea market or any other segment is based on the growth

rate of current market segment bases such as age, income and nationality.

Both companies require different approaches to their marketing strategies. The following are

the recommendations:

Lipton and Pepsi should expand their market reach across other segments to ward off

emerging competitors and increase product visibility.

Lipton iced teas should be made available in various packaging sizes and prices. Brooke Bond's ready-to-drink hot tea cans should capitalise on the parent company's objective of increased customer convenience and the advantage of having developed a unique technology. Thus, it can be priced higher. Shin Shii's entry into the American market should focus on selecting a distributor based on mutual trust and initially conducting trials and pilot schemes in cinemas, fun-fairs etc. to gauge general consumer response. Shin Shii should change the name of its product to suit the American market and sell at lower prices than Lipton unless it feels that Kai Shii's demand is based on or is increasing due to its unique flavour or product quality.

## 1. INTRODUCTION

The following report focuses on the growing canned iced-tea beverage market, with an emphasis on the Western market. This development led to opportunities for Unilever Bestfoods, USA (herein referred to as Unilever) and Shin Shii, Taiwan to exploit them further through efficient marketing with their brands Lipton and Kai Shii respectively. A study was conducted to evaluate effective strategies for market segmentation and identify suitable and potential markets for iced-tea manufacturers to enter. In addition, factors that could be used to forecast future demand were described. The main aims and objectives of this study are outlined as follows:

- 1) Understand what kind of markets drive a high demand for iced tea and the reasons behind them.
- 2) Recommend market coverage strategies and market entry strategies for Unilever and Shin Shii respectively.
- 3) Recommend brand-positioning strategies for Lipton and Kai Shii and an alternative hot ready to drink tea beverage by Unilever.

Background: The Unilever Group is one of the world's leading suppliers of fast-moving consumer goods. Their Lipton brand is a leader in the US market, besides having a significant global presence. They have also developed a ready to drink hot canned tea product under the name of Brooke Bond's PG Tips (herein referred to as Brooke Bond). Shin Shii is a small company based in Taiwan, and already successful with its oolong iced tea beverages drink in Taiwan. It now wants to target the Western markets.

Assumptions: 1) The market for iced-teas has not undergone any permanent steep changes either on the demand side or supply side, whether positive or negative.  
2) However, it is a steadily growing market with a long way to go before saturation.  
3) Lipton's iced tea and Kai Shii's oolong iced tea are fundamentally very close or similar and fall under the same product category.

4) Western markets refer to the North American market.

Limitations: The main reference (Kotler et al text, 2001) is slightly outdated,

that may thus fail to include changes in the company's profile or business portfolio. For example, Lipton's alliance with Pepsi may no longer exist. Also, relatively lesser information could be obtained about Shin Shii, as it is still a very obscure and less known company internationally.

**Theoretical Framework and Methodology:** The analysis of this case study is based on the marketing theories of: I) Strategic Planning with SWOT analysis  
II) Marketing Planning  
Both theories are described in the marketing textbook by Kotler et al and each contain several other components that would be defined and discussed. Some additional research was also carried out, especially pertaining to demand forecasting. Non-numerical data was largely sufficient to support or be used for recommending marketing strategies except when market share had to be discussed.

**Report structure:** The report began with an executive summary and a brief introduction. It will be followed by an analysis and interpretation of the case and a short conclusion. It will end with a set of recommendations, links for further study, references and an appendix.

### 3. ANALYSIS AND INTERPRETATION

**Strategic Planning:** The fast moving consumer goods (FMCG) market is highly volatile and trends in market demand or supply oscillate frequently. In such circumstances, companies entering this market must be clear of their objectives and purpose to ensure sustainability. For example, Unilever wants to meet everyday needs of people everywhere and to respond creatively and competitively with branded products and services which raise the quality of life. Once these are laid out, it is essential to do a SWOT (strengths, weaknesses, opportunities and threats) analysis for the company before attempting to plan marketing strategies and evaluating in detail factors such as brand positioning.

**Marketing Planning:** The first step in marketing planning is to determine what kind of factors or bases are to be used to segment the market. Segmentation includes dividing buyers into distinct groups, each with different needs, characteristics or behaviour, who might require separate products or marketing mixes. The iced-tea market also has several groups or segments where consumers perceive or buy a product in a similar way in each of these segments. Their bases can be classified as follows:

I) Behavioural- consumers seeking convenient and hassle free refreshments.

II) Demographic- age groups.

III) Geographic- urban centres, city suburbs, villages and towns or all mentioned.

Price cannot be considered a major factor influencing buyer perception as canned iced-teas are more or less equally priced with similar products such as soft drinks or ice

d coffee.

However, pricing amongst competitors in the same product category plays a vital role.

The next step involves targeting specific segments with potential for the company in which

the company has a differential advantage over its competitors. The choice of market segments

should enable the company to generate the greatest customer value and sustain it over time.

The choice of segments also varies according to its size and the resources it has. For example,

Shin Shii, with lesser resources might want to target a few segments initially in contrast to

Unilever that would want to cover a bigger market by targeting several segments. However, Shin Shii, in its domestic Taiwanese market was an exception because it

had to use

aggressive advertising methods to create a totally new market for oolong iced-tea, which was

virtually non-existent. In such a case, it targeted all age groups, even the tradition bound older

generation who were very much used to drinking hot tea and were least likely to give up this

habit. Its selling point of Kai Shii drinkers being a new breed of people in a new world

along with its natural ingredients and health benefits appealed to everyone, including the

elderly who tend to be more health conscious in the Far East. The concept of being unique

and different appealed to the younger generation, while the therapeutic benefits of iced-tea

attracted the stressed middle-aged working class besides providing them with the

convenience of a canned drink to complement their busy lifestyles. Other segments such as

geographical locations were also collectively considered although the level of penetration

might not have been the same for rural markets.

Unilever's target segments for Lipton were broadly based on similar factors as far as the

health benefits of iced tea are concerned. However, it could further narrow down to focus on

athletes and industry workers involved in large amounts of physical activity and mental

exhaustion. Geographically, most of America's population are in urban centres or towns that

are well connected. Thus, it made sense for Lipton to not restrict itself to purely urban centres

only. However, busy cities like New York, Boston and Chicago hold great potential for the

working class to be the targeted consumers as Lipton iced teas could be a quick refreshment

between snacks or lunch.

For Unilever, it is essential to note that it would be unfeasible for it to modify its Lipton iced teas

to serve different parts of the country, as America is largely a homogenous market with

hardly any diverse tastes for beverages. Shin Shii, however, might want to modify Kai Shii

oolong iced-teas to suit the tastes of the American consumer and also to counter competition

by claiming to be exclusive and better.

Forecasting Demand: Current demand for iced-tea in America is so huge, that it forms 80%

of all tea consumed in America. It has become a uniquely American habit, despite having a

relatively shorter history of participation in the tea trade. As the convenience of ready-to-drink

iced teas lure new tea drinkers, a roll-over effect should occur in the demand for other

types of more specialised teas, such as herbal iced-tea to increase. Several other factors can

be utilised to forecast the demand of iced teas or for any other market segment.

Most of them

largely relate to the growth rate of current market segment bases such as age, income, and

certain nationality groups. Changes in lifestyle, or in the socio-economic condition are

amongst the larger developments that might influence demand especially in the long run.

Specific to the iced-tea market for example, a decrease in the proportion of working class due

to a rapidly ageing population might hinder demand in urban centres especially in

commercial areas.

Overall, however, the outlook for iced-tea beverages is still very much positive with instant

tea becoming more important in certain markets. According to a study by Goradia (mentioned

in Commodity Supply Management by Producing Countries ), the global consumption of liquid tea rose by 145% while that of tea leaves rose by only 92% between 1951 and 1970.

Such rapid growth is expected to continue into the near future.

#### 4. CONCLUSION

As Lipton and Kai Shii both serve and cater to the same market, they use similar marketing

strategies but with different approaches to achieve their company's objectives. Both

companies differ largely in size in terms of financial and human resource capital. This affects

the way they implement their strategies. Lipton, being a global brand has a slight edge in

terms of expertise in the tastes and culture of its target group of consumers. It also has wider

product range and technological superiority and is planning to launch a radical new product-

Brooke Bond's hot tea can. However, although Shin Shii would be a new player with Kai

Shii in the American market with no international experience, Unilever should be wary of its

past achievements of revolutionising a new type of product very successfully in the

Taiwanese market. Despite successfully facing domestic competitors in the overcrowded

iced-tea market, it might want to review its marketing policy to be better prepared to face a

small but unpredictable competitor. Both companies can look forward to competition in an

encouraging and growing market with demand expected to rise steadily in the immediate long

run.

## 5. RECOMMENDATIONS

The following lists the recommendations for Lipton and Pepsi with regard to:

- i) Market coverage strategy: As Lipton and Pepsi are already well established across several segments, they should use an undifferentiated marketing strategy spanning the entire market. As the number of competitors exploiting the demands of each segment increases, it is essential to remain clearly ahead in the consumer's mind. This can be achieved by increasing visibility across other segments such as tourist places. Pepsi's wide distribution network which already makes Pepsi cola widely available should give Lipton iced-teas the same level of importance, and on the grounds of both Lipton's and Pepsi's reputation, demand from retailers appropriate type of shelf space, for example at the eye level of the consumer. This is because iced-teas are increasingly becoming impulse goods as their demand increases. This implies that consumers postpone their decision making process until they are about to buy the product. In such cases, the first popular product they see that is neatly shelved would most often create a want for that product itself shutting out all other influential input.
- ii) Brand positioning of Lipton iced-teas: As more segments are targeted, the product should offer greater flexibility and choice to cater to a wide range within each segment. For example, it could offer different types of packaging, and in different quantity (volume) with different prices. This could give students amongst others an advantage in choosing the same product at a lower price on a regular basis.
- iii) Brand positioning of Brooke Bond canned teas: Brooke Bond canned teas, boasting of a revolutionary new concept of ready to drink hot tea in a can, should position themselves as being a natural extension to the company's policy of providing convenience and greater choice to the consumer. Being the first to develop and perhaps patent this technology, it could charge higher prices, as it is an upmarket product. However, as it requires the use of heating cabinets, it cannot be widely accessible outdoors. It is essential to note that the two brands are marketed separately even though some of their target groups of consumers may overlap, as many people are unaware that these brands belong to the same company, Unilever.

The following lists recommendations for Shin Shii with regard to:

- i) Market entry strategy: Shin Shii's entry into the Western market with Kai Shii would revolve largely around two major concerns. Firstly, the choice of a distribution network is important. It has to find similar partners who share and trust the company's objectives, and capabilities in delivering a quality product that will be successful. This is especially important

as stock returning without being sold burdens the distributor with extra costs and limit its operations elsewhere. Secondly, unlike Taiwan, where it was a market leader, in America, it should not initially place its products on the shelf alongside Lipton as it will be simply ignored due to zero brand recognition. Shin Shii should instead target places like cinemas, amusement parks etc in pilot schemes where potential consumers are more likely to try out new products. This would give it an indicator of the public response and as demand increases, an appropriate platform will emerge for Shin Shii to negotiate shelf-space with larger retailers to enable it to sell more widely in supermarket chains.

ii) Brand positioning of Kai Shii: Before it enters the American market, it needs to rename its product to allow the brand to be retained in an average American consumer's mind. The cultural gulf between Taiwan and America is too crucial to be ignored. Next, Kai Shii's price should be lower than that of Lipton's iced teas to provide an incentive for consumers to try an alternate product at a lower price unless it is able to distinctively gauge a competitive advantage in product quality or a unique and thus popular taste liking amongst consumers during trial periods. In that case, it may charge a premium on the grounds of superiority and popularity. It may also directly attack Lipton's flaws or old-fashioned image in its advertising campaigns. Increased revenue as a result of higher prices than that of its competitor could ensure the success and sustainability of these campaigns.

Q 1 According to the given case give your comment on following statements Brand loyalty Consumers turn blind eye to bad brand values

Q 2 Do PEST (Political, Economical, Social & Technological) analysis of the given case.

Q3 Focus on market entry strategy & Brand positioning strategy of both the competitors in Indian market .If you are Brand manager of Lipton give your opinion how to establish and increase its market share keeping in mind the Indian market.

#### Assignment C

Question No. 1

We define a \_\_\_\_\_ as anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a want or need.

Options

- private brand
- service variability
- service
- None of the above

Question No. 2

\_\_\_\_\_ are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

Options  
Line extensions  
Services  
Brands  
None of the above

Question No. 3  
Product is a key element in \_\_\_\_\_. At one extreme, it may consist of pure tangible goods or at the other extreme, pure services.

Options  
market offering  
brand equity  
brand extension  
None of the above

Question No. 4  
Many companies are moving to a new level in creating value for their customers. They are developing and delivering total customer experiences. Whereas products are tangible and services are intangible, experiences are \_\_\_\_\_.

Options  
product quality  
memorable  
unsought product  
None of the above

Question No. 5  
Product planners need to think about products and services on three levels. Each level adds more customer value. The most basic level is the \_\_\_\_\_, which addresses the question, What is the buyer really buying?

Options  
actual product  
augmented product  
core benefit  
None of the above

Question No. 6  
Product planners need to think about products and services on three levels. The third level is that the product planners must build on a(n) \_\_\_\_\_ around the core benefit and actual product by offering additional consumer services and benefits.

Options  
augmented product  
brand equity  
brand extension  
None of the above

Question No. 7  
Product planners must design the actual product and find ways to \_\_\_\_\_ it in order to create the bundle of benefits that will provide the most satisfying customer experience.

Options  
core benefit  
package  
brand  
None of the above

Question No. 8

Products and services fall into two broad classes based on the types of consumers that use them. Which is one of these broad classes?

Options

Industrial products.

Brand equity.

Co-branding.

None of the above

Question No. 9

\_\_\_\_\_ are products and services bought by final consumers for personal consumption. These include convenience products, shopping products, specialty products, and unsought products.

Options

Services

Consumer products

Line extensions

None of the above

Question No. 10

\_\_\_\_\_ are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price, and style. Consumers spend much time and effort in gathering information and making comparisons.

Options

Shopping products

Brands

Services

None of the above

Question No. 11

\_\_\_\_\_ are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort.

Options

Shopping products

Unsought products

Specialty products

None of the above

Question No. 12

\_\_\_\_\_ are consumer products that the consumer either does not know about or knows about but does not normally think about buying. These products require a lot of advertising, personal selling, and other marketing efforts.

Options

Specialty products

Line extensions

Unsought products

None of the above

Question No. 13

\_\_\_\_\_ are those products purchased for further processing or for use in conducting a business.

Options

Unsought products

Specialty products

Shopping products

None of the above

Question No. 14

The three groups of industrial products and services include all of the following except \_\_\_\_\_.

Options

materials and parts

capital items

maintenance and operations

None of the above

Question No. 15

Most manufactured materials and parts are sold directly to \_\_\_\_\_. Price and service are the major marketing factors; branding and advertising tend to be less important.

Options

consumers

industrial users

brand extensions

None of the above

Question No. 16

\_\_\_\_\_ are industrial products that aid in the buyer's production or operations, including installations and accessory equipment.

Options

Materials

Parts

Capital items

None of the above

Question No. 17

\_\_\_\_\_ consists of activities undertaken to create, maintain, or change the attitudes and behavior of target consumers toward an organization.

Options

Person marketing

Organization marketing

Internal marketing

None of the above

Question No. 18

\_\_\_\_\_ consists of activities undertaken to create, maintain, or change attitudes or behavior toward particular people.

Options

Corporate image advertising

Organization marketing

Person marketing

None of the above

Question No. 19

\_\_\_\_\_ involves activities undertaken to create, maintain, or change attitudes toward particular cities, states, and regions. Texas advertises "It's like a whole other country."

Options

Idea marketing

Place marketing  
Social marketing  
None of the above

Question No. 20

\_\_\_\_\_ is defined as the use of commercial marketing concepts and tools in programs designed to influence individuals' behavior to improve their well-being and that of society.

Options  
Unsought product  
Internal marketing  
Social marketing  
None of the above

Question No. 21

Most manufacturers take years and spend millions to create their own brand names. However, some companies \_\_\_\_\_ names or symbols previously created by other manufacturers, names of well-known celebrities, and/or characters from popular movies and books. For a fee, any of these can provide an instant and proven brand name.

Options  
service  
license  
market  
package

Question No. 22

\_\_\_\_\_ occurs when two established brand names of different companies are used on the same product.

Options  
Brand extension  
Brand equity  
Co-branding  
Internal marketing

Question No. 23

In most \_\_\_\_\_ situations, one company licenses another company's well-known brand to use in combination with its own.

Options  
brand extension  
brand equity  
co-branding  
internal marketing

Question No. 24

As one Nabisco manager puts it, Giving away your brand is a lot like giving away your \_\_\_\_\_. You want to make sure everything is perfect.

Options  
package  
product line  
child  
product quality

Question No. 25

A company has four choices when it comes to developing brands. What is not one of those choices?

Options  
line extension  
brand extension  
multibrands  
width and depth extension

Question No. 26

\_\_\_\_\_ occur(s) when a company introduces additional items in a given product category under the same brand name, such as new flavors, forms, colors, ingredients, or package sizes.

Options  
Line extensions  
Product mix  
Interactive marketing  
Service variability

Question No. 27

One risk of \_\_\_\_\_ is that sales may come at the expense of other items in the line. It works best when it takes sales away from competing brands, not when it cannibalizes the company's other items.

Options  
brand extension  
line extension  
packaging  
social marketing

Question No. 28

A \_\_\_\_\_ involves the use of a successful brand name to launch new or modified products in a new category.

Options  
brand equity  
product line  
brand extension  
private brand

Question No. 29

\_\_\_\_\_ offer(s) a way to establish different features and appeal to different buying motives. It also allows a company to lock up more reseller shelf space. Or the company may want to protect its major brand by setting up flanker or fighter brands.

Options  
New brands  
Interactive marketing  
Product quality  
Multibrands

Question No. 30

Retailers have become concerned that there are already too many brands, with too few differences between them. Thus, Procter & Gamble and other large consumer-product marketers are now pursuing \_\_\_\_\_ strategies weeding out weaker brands and focusing their marketing dollars only on brands that can achieve the number-one or number-two market share positions in their categories.

Options  
megabrand  
service inseparability  
social marketing

unsought product

Question No. 31

Companies must carefully manage their brands. First, the brand's positioning must be continuously communicated to consumers. Major brand marketers often spend huge amounts on advertising to create brand \_\_\_\_\_ and to build preference and loyalty.

Options

extension

awareness

packaging

internal marketing

Question No. 32

Advertising campaigns can help to create name recognition, brand knowledge, and maybe even some brand preference. However, the fact is that brands are not maintained by advertising but by the \_\_\_\_\_.

Options

marketing

line extensions

brand experience

product mix

Question No. 33

The brand's positioning will not take hold fully unless everyone in the company lives the brand. Therefore the company needs to train its people to be \_\_\_\_\_.

Options

customer-centered

specialty-centered

convenience-centered

line-extension-centered

Question No. 34

The brand's positioning will not take hold fully unless everyone in the company lives the brand. This suggests that managing a company's brand assets can no longer be left only to \_\_\_\_\_.

Options

product line

product mix

brand extension

brand managers

Question No. 35

Canada Dry and Colgate-Palmolive have appointed \_\_\_\_\_ managers to maintain and protect their brand's images, associations, and quality, and to prevent short-term actions by over-eager brand managers from hurting the brand.

Options

product line

service

brand equity

brand extension

Question No. 36

The recent wave of corporate mergers and acquisitions has decided, "We need a master brand to leave all our old names behind. What is this called?"

Options

product mix  
rebranding  
brand equity  
consumer branding

Question No. 37

Building a(n) \_\_\_\_\_ and re-educating customers can be a huge undertaking for a company. It cost tens of millions of dollars just for a special four-week advertising campaign to announce the new name, followed by considerable ongoing advertising expenses to the Verizon Company.

Options  
product mix  
service intangibility  
new image  
internal marketing

Question No. 38

A company must consider four special service characteristics when designing marketing programs. Which is not one of these characteristics?

Options  
intangibility  
inseparability  
perishability  
interactive marketing

Question No. 39

\_\_\_\_\_ means that services cannot be seen, tasted, felt, heard, or smelled before they are bought.

Options  
Service inseparability  
Service variability  
Service intangibility  
Service perishability

Question No. 40

\_\_\_\_\_ means that services cannot be separated from their providers, whether the providers are people or machines.

Options  
Service intangibility  
Service inseparability  
Service variability  
Service perishability

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