

MBA DEGREE EXAMINATIONS: DECEMBER 2008

Fourth Trimester

P07BA432 BRAND MANAGEMENT

Time: Three hours

Maximum Marks: 100

Answer ALL Questions:-

PART A (1 x 20 = 20 Marks)

1. Weathering a brand crisis: The Tylenol Experience.

Building the Tylenol brand

Tylenol has been a true marketing success story. Originally introduced by McNeil Laboratories as a liquid alternative to aspirin for children, it achieved nonprescription status when McNeil was bought by Johnson & Johnson (J&J) in 1959. J&J's initial marketing plan promoted a tablet form of the product for physicians to prescribe as a substitute for aspirin when allergic reactions occurred. Tylenol consists of acetaminophen, a drug as effective as aspirin in the relief of pain and fever but without the stomach irritation that often accompanies aspirin. Backed by this selective physician push, sales for the brand grew slowly but steadily over the course of the next 15 years. By 1974, sales reached \$50 million, or 10 % of the analgesic market. In defending its turf from the competitive entry of Bristol-Myers' low-priced, but heavily promoted, competitor Datril, J&J recognized the value of advertising Tylenol directly to consumers.

Thanks also to the successful introduction of a line extension, Extra-Strength Tylenol in tablet and capsule form, the brand's market share had risen to 37 % of the pain reliever market by 1982. As the largest single brand in the history of health and beauty aids, Tylenol was used by 100 million Americans. The brand contributed 8 % to J&J's sales but almost twice that percentage in terms of net profits to the company. Advertising support for the brand was heavy. A \$40 million media campaign was scheduled for 1982 that used two different messages. The 'hospital campaign' employed testimonials from people who had been given Tylenol in the hospital and reported that they had grown to trust it. The ad concluded with the tag line 'Trust Tylenol-hospitals do'. The 'hidden camera' campaign showed subjects who had been unobtrusively filmed while describing the symptoms of their headache, trying Extra Strength Tylenol as a solution and vowing to use it again based on its effectiveness. These ads concluded with the tag line 'Tylenol...the most potent pain reliever you can buy without a prescription'.

The Tylenol Crisis

All of this success came crashing to the ground with the news in the first week of October 1982 that 7 people had died in the Chicago area after taking Extra Strength Tylenol capsules that turned out to contain cyanide poison. Although it quickly became evident that the problem was restricted to that area of the country and had almost certainly been the work of some deranged person outside the company, consumer

confidence was severely shaken. Most marketing experts believed that the damage to the reputation of the Tylenol brand was irreparable and that it would never fully recover. For example, well known advertising guru Jerry Della Femina was quoted in the New York Times as saying, 'On one day, every single human being in the country thought that Tylenol might kill them. I don't think there are enough advertising dollars, enough marketing men, to change that....You'll not see the name Tylenol in any form within a year'. However, Tylenol did come back and is quoted as an example for how best to handle a brand recovery.

Imagine you are the Brand Manager for Tylenol and is heading the effort to recover the brand Tylenol. Create a brand recovery strategy for Tylenol.

PART B (10 x 2 = 20 Marks)

2. Differentiate between brand mark and trade mark.
3. List any 4 types of brands.
4. What is the Brand personality of the old red colour Lifebuoy.
5. Take a Brand and give two examples of brand extensions for the particular brand.
6. Take a well known brand and briefly explain its positioning.
7. Define Brand Equity.
8. Give an example of a Brand Loyalty program.
9. Define Brand Audit.
10. Define Co-Branding.
11. Define Global Branding.

PART C (4 x 15 = 60 Marks)

12a. Describe in detail what are the various functions of a Brand? What are the factors that affect selection of a brand name?

(OR)

12b. What are the various decisions taken with respect to a brand? What are the various influencing factors that affect branding decisions?

13a. Creating a strong competitive brand positioning requires establishing the right points of parity (POP) and points of differences(POD). What are the various criteria that must be satisfied in order to come up with POP's and POD's that will be enduring?

(OR)

13b. What are Brand Extensions? Why do companies go for Brand extensions? What are its disadvantages?

14a. Why do we need to 'brand' companies, products and services? What impact does the 'brand' have on consumers?

(OR)

14b. How does the Brand Audit measure and interpret the brands performance?

15a. What is the rationale for brands going International? What are the advantages and disadvantages for brands going global?

(OR)

15b. What are the factors that contribute to decline of a brand? What needs to be done to rejuvenate a brand?
