



JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM (G/S/M) 2017-19 BATCH, TRIMESTER- V

END TERM EXAM January, 2019

SUBJECT: Brand Management

Time : 2 Hours

Max. Marks: 40

Note : All questions are compulsory

Q 1. Product extension is not something new to Horlicks, the flagship brand of GlaxoSmithKline Consumer Healthcare (GSKCH). Product extensions include Horlicks biscuits, Nutribar, a nutrition drink for women, ready-to-drink flavoured milk dubbed Chill Dood and Horlicks Asha, a more affordable variant of the health drink (Junior Horlicks, Women's Horlicks, Mother's Horlicks, Asha, Horlicks Lite etc). That frenetic pace is a reason why Horlicks continues to have over 50 percent market share in India. In December 2009, the company entered the noodles category with Horlicks Foodles. Many analysts and observers, however, said there was little logic for Horlicks trying its hand in launching a noodles brand, which is a totally unrelated diversification. Besides, many say a foray into noodles may dilute Horlicks' brand positioning as a health drink since noodle is perceived by many to be unhealthy, junk food.

What do you understand by the term brand extension? Illustrate its advantages and disadvantages in the light of Horlicks experience cited above. **(10 marks)**

Q 2. Case Study

The largest selling adhesive in Asia has done much more than memorable ads to stay on top. Fevicol celebrated its 50th birthday in 2009 by doing what it does best — another incisive advertisement that has made the brand a part of popular consciousness. The film 'Moochwali' chronicles a girl and her life that bears testimony to Fevicol's adhesive qualities.

Brand experts believe it would be an understatement to say that the Fevicol ads have played a crucial role in the phenomenal success of the brand, which has become the largest selling adhesive in Asia and is present in over 50 countries. "The earthy humour in Fevicol ads brings a smile to everyone's face. The ads have even made our other clients think of life beyond selling products and ending up connecting with the audience better," says Piyush Pandey, executive chairman of Ogilvy and Mather (India and South Asia), the agency which brought Fevicol to the centre stage in the 1980s with the 'Dam laga ke haisha' (put all your might into it) ad. The advertisements created a pull for the white glue among the retail consumers. So instead of sales generating just from hardware stores pushing it, consumers began referring to the brand they had seen on TV. But did advertising turn the product into the popular brand that it is? Pandey warns against such assumptions. "That would be taking advertising too seriously. Yes, it made the product more famous, but the groundwork had been laid long before we started advertising," he adds.

Pidilite Managing Director Madhukar B Parekh agrees, "Ads don't increase usage, they mainly generate demand. The habit of using the product increases with other activities. We made the products available to anyone who wanted to stock them, and not just our distributors, as it gained popularity," says Parekh. That meant Pidilite took its tubes to general and its stationary stores and targeted use in schools.

Advertising is the tip of the brand's strength. In fact, TV campaigns began only after Fevicol had been in the market for 30 years, during which Pidilite went straight to its B2B users — carpenters — who provide it with the bigger share of sales, to make the product more relevant. What had started as demonstrations with carpenters to initiate them to the new glue as against the handmade concoctions that they used, became full-fledged clubs, called Champions Clubs. Nearly 100,000 such clubs across India are platforms for social bonding and let Pidilite highlight Fevicol's new variants and various techniques specific to the trade. Similarly, booklets on furniture designing have now become thick volumes of Fevicol Furniture Books. Fevicol is already working to make the carpenter groups it interacts with more socially responsible.

Of course, the Rs 2,000 crore Pidilite could not ignore the consumer-end of its flagship product line. The Creative Craft initiative endears Fevicol and other sub-brands to schools through various art and crafts activities. Fevicol has also kept itself relevant through repackaging of variants. On the consumer side, Pidilite has constantly introduced more variants of the ever-familiar blue and white tub of Fevicol. Through repackaging, the brand became available in tubes, then glue-sticks (Fevistick), Fevicol Glue Drop and other usage-friendly versions. "We try to look at better ways of application for Fevicol in the consumer space every two years," informs Parekh. The brand has spawned off sub-brands comprising other products such as Fevicryl (arts and crafts products) and Fevikwik (instant glue).

In the industrial space, Fevicol's variants include Marine Fevicol that can withstand water while drying and products for different surfaces to cater to an increasing demand for niche products.

Pidilite is not unaware of competition for its Fevicol either. "As for competition, at any given time, there will be brands which will be priced lower than ours in the B2B space. That is all the more reason why we try and differentiate our product and build trust even for a low involvement category," says Parekh. For Fevicol's consumer products, Parekh feels the small size of the market is a discouragement for other companies to get into, though regional players and low-priced China products operate in the same space.

To fortify Fevicol's presence in both the B2B and B2C areas, Pidilite has set up a 'rurban' division to concentrate on the distribution in the semi-urban regions. HDFC Securities Research Analyst Mehernosh Panthaki says, "Volume growth will be more important for Fevicol now, since the company increased prices to counter rising raw material costs last year." Focusing on the semi-urban and rural areas could open up newer revenue streams through more volumes for Fevicol. As Pidilite steps up its efforts to turn the spotlight on brands such as Dr Fixit and M-Seal, Pidilite would be looking to recreate the same magic of advertising and distribution that made Fevicol a household name.

- (a) Define brand value chain and elaborate its various stages keeping in mind the story of Fevicol.

(15 marks)

- (b) "In the brand life cycle, the brand identity as well as brand image develops company's orientation towards the customer. It is necessary to identify the aspects of brand identity and image as these reveal brand's orientation towards a customer and develop brand equity." Discuss this statement in the light of Fevicol brand.

(15 marks)