

**Gum:** Another upcoming segment where GSK's Paradontax is making much progress.

**Whitening:** A segment which has seen renewed emphasis from Colgate with Colgate Visible White

**Multi-Benefits:** Another segment dominated by Colgate with its Total variant. This segment enjoyed great significance at one point in the US and was responsible for Colgate becoming No.1 in the US between 1998-2007 before P&G's Crest reclaimed the lead

**Current Situation:**

Besides the direct attack from Pepsodent, entry of a large international player like Oral B has further intensified competition in the general toothpaste category. Brands such as Sensodyne and Paradontax have come in with aggressive marketing strategies and have created small sub-categories for themselves, possibly at the cost of Colgate. Colgate responded with Colgate Sensitive but Sensodyne still has a larger share of the sensitive toothpaste market.

Colgate has over the years tried to fight the sub-segments through a sub-branding strategy and has launched sub-brands such as Colgate Gel, Colgate Sensitive, Colgate Herbal, Colgate Active Salt and Colgate Total. It is clear that the other players, besides Unilever and P&G, are not very keen to take Colgate head-on in its main product line. Hence, they have started carving smaller segments for themselves and, with a focused strategy, are managing to remain leaders in their respective sub-segments.

Their efforts are therefore to slowly grow these categories as well as their shares in the market. While larger players such as Unilever are trying to grow the market and capture shares, players such as GSK have created a niche for themselves in the sensitive toothpaste market.

Through a series of extensions, Colgate has increased its share of the market from 52.4 per cent in 2011 to 54.5 per cent in 2012. While the extension strategy seems to have worked in retaining and marginally growing its share, analysts wonder whether, in the long run, this strategy will be effective. In other countries Colgate has other brands, such as Elmex and Dentagard, but in India it has followed a single-brand strategy, apart from its acquisition of Cibaca. With competition set to intensify in the main category, and small players creating their own niches, will Colgate be risking its main brands by over-extension and thereby lose share to, say, Oral B or Pepsodent?

**Questions:**

- Analyze the above case and decide the future brand strategy as the Brand Manager for Colgate.
- Whether the company should continue with a single-brand strategy in the increasingly competitive scenario or create different brands to fight the diverse competition more effectively?

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Enrollment No.....

Faculty of Management

End Sem (Odd) Examination Dec-2017

MS5EM01 Product and Brand Management

Programme: MBA Branch/Specialisation: Management/Marketing

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Continuous improvement in product design is necessary as.... **1**
- It reduces marketing costs of an organization
  - Firms can attract more customers by making more attracting products with good design and good services.
  - It helps the retailer to store the product easily
  - It helps the manufacturer to keep its employee engaged.
- ii. Consumer goods which are bought frequently and consumed routinely are called as..... **1**
- Staple Goods
  - High Involvement Goods
  - Competitive Goods
  - Frequent Goods
- iii. Which of the following is not a characteristic of "Market Introduction Stage" in PLC? **1**
- Demands has to be created
  - Costs are low
  - Makes no money at this stage
  - Slow sales volume to start
- iv. \_\_\_\_\_ includes review of sales, profit projections and cost for a new product, to find out whether it satisfied the company objective or not. **1**
- Product Development
  - Test Marketing
  - Marketing Strategy
  - Business Analysis
- v. Using successful brand names to launch a new or modified product in new category is called **1**
- Multi branding
  - Line extension
  - Co-branding
  - Brand extension
- vi. \_\_\_\_\_ defines what the brand thinks about the consumer by the consumer. **1**
- Brand attitude
  - Personality
  - Brand loyalty
  - Brand name
- vii. A set of all brands and brand lines which a particular firm offers for sale to buyers in a particular category is called **1**
- Brand elements
  - Brand bonding
  - Brand awareness
  - Brand portfolio

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- viii. The brand image includes two aspects of a brand- one is association and second \_\_\_\_\_ **1**  
 (a) Awareness (b) Personality (c) Labelling (d) Packaging
- ix. We can use \_\_\_\_\_ for the equity of the brand name to address segment needs even better. **1**  
 (a) Sub-branding (b) Labelling (c) Packaging (d) Brand element
- x. A Shoe marketer is planning to launch an existing brand name into a new product category. Which brand development strategy is being implemented? **1**  
 (a) Brand bonding (b) Brand extension  
 (c) Brand experience (d) Brand dilution
- Q.2 Attempt any two:
- i. Differentiate between Product and Services in connection with 7 P's of Marketing. **4**
- ii. Define Product? Explain Layers of Product with suitable examples. **4**
- iii. What are the factors that affect product design? Give suitable examples. **4**
- Q.3 Attempt any two:
- i. Describe PLC with suitable example of an automobile product **4**
- ii. Explain the process of New Product Development. **4**
- iii. Describe the marketing mix strategies at each level of PLC. **4**
- Q.4 i. Describe the term Brand and its significance for marketers. **3**
- ii. Explain the concept of brand equity, brand awareness, brand identity, brand image and brand personality with suitable examples. **5**
- OR iii. Explain in details Aaker's model of Brand Equity. **5**
- Q.5 i. What do you mean by brand loyalty? **2**
- ii. Explain in details various Brand Positioning Strategies. **6**
- OR iii. What are various methods of measuring Brand Equity? **6**
- Q.6 Write short note on any two:
- i. Brand Audit **4**
- ii. Brand Value Chain **4**
- iii. Brand Reinforcement **4**
- Q.7 Case Study: **Will Colgate's Branding Strategy Beat the Competition?** **10**  
 The brand Colgate has been one of the most trusted brands for decades. It is not only the older generation which grew up with Colgate; it is a first brand, even for the young, when it comes to oral care. The brand has faced

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bursts of competition from time to time and has fought back effectively to regain market share. In the 1960s and 1970s, Forhans was the challenger brand but it is completely forgotten today. Binaca, which later became Cibaca and finally got taken over by Colgate, was another challenger.

However, maybe because of the dominance of Colgate in India, this category has a fewer number of brands than, say, soaps. Given that neither soaps nor toothpaste have any technological barriers to entry and most entry barriers are created by marketing muscle, one would have expected to see many more brands in the fray.

Despite the strong brand and Colgate's focus on oral care, in the late 1980s Close-Up changed the way toothpaste looked and felt in the mouth. High on freshness ingredients, the transparent look and the youth-centric approach gave Colgate some sleepless nights at the time. Close-Up gained a significant share of the market, forcing Colgate to launch a similar product and alter its strategies for some time. Colgate has regained its share since then, but Close-Up continues to hold a majority share in the gel category, with Colgate Gel remaining a distant second.

Unilever also attacked Colgate on the 'healthy teeth' platform with Pepsodent, thereby attacking on two fronts. Currently, despite Colgate accounting for about 55 per cent share of the toothpaste market, Pepsodent and Close-up are still sniping at its heels with intermittent attacks.

#### **Oral products market in India**

The oral products market in India consists of toothpaste, toothbrush, tooth-powder, and mouthwash. According to IRS data (2011), 66 per cent of Indian households use toothpaste, 24 per cent use toothpowder, and 18 per cent are non-dentifrice users.

The toothpaste market in India is estimated at Rs 6,000 crore, growing at 19 per cent y-o-y. There are different segments in the market like gel, sensitivity, whitening, and so on. India's per capita consumption is reportedly almost one-fourth that of the US and less than half that of other emerging markets. Toothpaste has a high penetration of around 78 per cent in urban India. Colgate is the overall market leader, with a share of 55.9%.

#### **The broad segments are:**

**Germ and Tooth Decay:** This is the biggest segment; Colgate gets its major share from this segment. Of late, Pepsodent has begun attacking this segment with its Germicheck variant. As per a recent media report, more than half of Colgate's overall share comes from Colgate Strong Teeth, which competes in this segment (and the focus of Pepsodent's Ad).

**Sensitivity:** This is the fastest growing segment, already at Rs 950 crore, and is growing at 30-40 per cent a year. GSK's Sensodyne has a slight lead.

**Gel:** The second biggest segment (Rs 1,500 crore) and the only one where Colgate significantly trails the leader Close-Up (60 per cent market share).

MS5EM01 Product and Brand Management

**Marking Scheme**

Q.1	i.	Continuous improvement in product design is necessary as....	1		
		(b) Firms can attract more customers by making more attracting products with good design and good services.			
	ii.	Consumer goods which are bought frequently and consumed routinely are called as.....	1		
		(a) Staple Goods			
	iii.	Which of the following is not a characteristic of “Market Introduction Stage” in PLC?	1		
		(b) Costs are low			
	iv.	_____ includes review of sales, profit projections and cost for a new product, to find out whether it satisfied the company objective or not.	1		
		(d) Business Analysis			
	v.	Using successful brand names to launch a new or modified product in new category is called	1		
		(d) Brand extension			
	vi.	_____ defines what the brand thinks about the consumer by the consumer.	1		
		(a) Brand attitude			
	vii.	A set of all brands and brand lines which a particular firm offers for sale to buyers in a particular category is called	1		
		(d) Brand portfolio			
	viii.	The brands image includes two aspects of a brand- one is association and second_____	1		
		(b) Personality			
	ix.	We can use _____for the equity of the brand name to address segment needs even better.	1		
		(a) Sub-branding			
	x.	A Shoe marketer is planning to launch an existing brand name into a new product category. Which brand development strategy is being implemented?	1		
		(d) Brand dilution			
Q.2		Attempt any two:			
	i.	4 points of difference 1 mark each (1 mark * 4 = 4 marks)	4		
	ii.	Definition of Product – 1 mark	4		
		Layers of Product – 3 marks			
	iii.	Factors that affect product design	4		
		4 points with example 1 mark each (1 mark * 4 = 4 marks)			
Q.3		Attempt any two:			
	i.	PLC of an automobile product – 2 marks	4		
		Diagram – 1 mark			
		Example – 1 mark			
	ii.	Explanation for the process of New Product Development	4		
	iii.	Marketing mix strategies at each level of PLC (Point-wise explanation )	4		
Q.4	i.	Definition of Brand - 1 mark	3		
		4 points of Significance for marketers – 2 marks (0.5 mark * 4 = 2 marks)			
	ii.	Concept of brand equity, brand awareness, brand identity, brand image and brand personality with examples	5		
		Explanation of each with example 1 mark (1 mark * 5 = 5 marks)			
OR	iii.	Aaker’s model of Brand Equity (Point-wise explanation)	5		
Q.5	i.	Brand loyalty	2		
	ii.	Brand Positioning Strategies. (Point-wise explanation)	6		
OR	iii.	Methods of measuring Brand Equity. (Point-wise explanation)	6		
Q.6		Write short note on any two:			
	i.	Brand Audit (Point-wise explanation )	4		
	ii.	Brand Value Chain (Point-wise explanation )	4		
	iii.	Brand Reinforcement (Point-wise explanation )	4		
Q.7		Case Study: <b>Will Colgate’s Branding Strategy Beat the Competition?</b>	10		
		<b>Questions:</b>			
		(a) Analyze the above case and decide the future brand strategy as the Brand Manager for Colgate. – 5 marks			
		(b) Whether the company should continue with a single-brand strategy in the increasingly competitive scenario or create different brands to fight the diverse competition more effectively? – 5 marks			