



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

AUGUST - DECEMBER 2018 TRIMESTER

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING AND MANAGEMENT

REGULAR PROGRAMME

CMK 412: BRAND MANAGEMENT

Date: DECEMBER 2018

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

CASE STUDY: BRAND EXTENSION

As many as two out of three new product launches are examples of brand extension. Brand extension is where the existing brand is used to support the launch of a new product. The only problem that could occur is if a brand extension fails, the backlash will be felt by the original brand. Brand extension comes in different forms for example,

- the launch of the existing product in a new format like soap powder takes on a liquid form under the same brand name, or
- the launch of what we might call companion products under the same name for instance, Gillette razor blades will add Gillette razors, and the Gillette shaving foam.

Once each brand extension is successfully established, the process for brand augmentation or extension will begin again, adding Gillette shaving gel to the shaving foam range, and so on.

In reference to the above case, answer the following:

- Q1. a) Discuss the advantages and disadvantages of using brand extension as a strategy. **(10 Marks)**
- b) Discuss the factors you need to consider before extending a brand. **(10 Marks)**
- c) What possible mistakes can a company make when pursuing a brand extension. **(5 Marks)**

- d) Highlight different ways organizations use to set prices to build brand equity. **(5 marks)**
- Q2. Assume that, you are the owner of a local company: “Jamdani Kenya” or “Jamdani Tanzania” or even “Jamdani DRC” and want to introduce your brand internationally. What advantages and disadvantages you may face regarding global marketing programs for your brand? Discuss critically. **(20 marks)**
- Q3. A market segment consists of a group of customers who exhibit a similar set of needs and wants. There are at least 4 different types of segmentation variables. With relevant examples, discuss the 4 major segmentation variables that you have learned. **(20 marks)**
- Q4. a) Identify a dying Brand. What are the possible suggestions you can offer to revitalize its brand equity? **(10 marks)**
- b) Discuss the strategies used by mobile phone companies in creating loyalty and building relationship among the consumers. **(10 Marks)**

END