

Exam Brand Management

The exam consists of three questions and the term paper, each of them is graded on five marks. The three highest scores out of these four components determine your final grade on 15 (the question that was answered the worst isn't taken into consideration).

Question 1.

- a. Use Keller's Brand resonance model to explain why it is difficult for a car fuel brand to become a strong brand. (2pts.)
- b. In practice, however, some car fuel brands actually succeeded in establishing a strong brand. Use an example of your own to illustrate how they achieved this and make references to the Brand resonance model. (2pts.)
- c. With respect to the brand you've just mentioned under section b, is the strategy used by this brand likely to appeal to all consumers in the market? Explain why (not). What is the brand's segmentation position, which segment does it address? (1pt.)

Question 2.

Starbucks recently launched a new line extension. Apart from the typical coffee shops offering Starbucks beverages, Starbucks products such as sugar and latte blends can now also be found in your local grocery store. In a paper written by Monga et al. factors that could potentially influence a brand's elasticity were discussed. Give a semantic overview of these factors and indicate whether they would be in favor of, in disfavor of or neutral to Starbucks' recent line extension. (5pts.)

Question 3.

Read the article below and answer the questions.

THE VALUE OF LUXURY POSEURS

In the mid-aughts, Burberry faced an unusual problem: too many people were wearing its signature pattern. B-list actors, hooligans — they were all going around in the company's iconic beige, red, and black check, sometimes in counterfeit form. This diminished the pattern's status in the eyes of high-end shoppers. "It was so successful that everyone had it, and if everyone has it then the people who normally can afford luxury items don't buy it," Ketty Maisonneuve, a marketing professor at Columbia University, told me. Burberry executives decided that something had to change.

It's the perpetual dilemma of the luxury brand: How do you sell more stuff without desecrating your name? Samsung, Pepsi, and Tide presumably prefer their products in the hands, mouths, and washing machines, respectively, of every person on the planet. But high-end goods require exclusivity. Last year, Kelefa Sanneh profiled the Harlem haberdasher Dapper Dan, who copied luxury brands' logos onto his own styles and, in return, "was raided and sometimes sued by virtually all the companies whose logos he used."



- a. Han, Nunes and Drèze wrote a paper about signalling status with luxury goods. Starting from the insights that this paper gives you, explain why Burberry fears too many people wearing its signature pattern. (3pts.)
- b. In a paper written by Heath et al. it was found that downward brand extensions do not have a negative impact on the flagship brand per se. Explain the driving factors that led to this result. Could this also be applied to Burberry's situation? Explain why (not). (2pts.)