



UNIVERSITY OF COLOMBO, SRI LANKA
FACULTY OF MANAGEMENT AND FINANCE
Postgraduate & Mid-career Development Unit

Master of Business Administration Examination (Semester III Second Half) - July 2016

MBAMK610 - Strategic Marketing

Three (03) Hours

Answer **four (04)** question in all including question **One (01)**

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1. Read the case study given below and answer the questions at the end of the case.

Emerging Opportunities in Beauty Care Industry

There is an age-old belief in Sri Lankan society, particularly amongst women, that fair skin is linked with beauty. Many multinational as well as local cosmetic product companies have capitalized on this belief and have targeted a variety of products to cater to the demands of this customer segment. Products for skin whitening have been particularly successful in villages. Rural markets have contributed to a significant share of this market and are an important factor of driving growth.

However, recently conducted research has revealed that 35% of the fairness cream consumers were men. It is clear that a significant amount of men in Sri Lanka usually works outside and look to mitigate the effects of harsh environmental factors. Fairness has therefore emerged as a main need. Male skin is thicker, less sensitive, and less prone to infections than female skin. Most of the men falling into teenage category are now seeking for better groomed skin just to express themselves in most of the social media platforms. It is now to be considered as a confidence giving phenomenal among the younger generation. It is unlikely that the men are looking for same benefits as women since skin tone is different and men do not believe in getting

whitening skin but a remedy for being exposed to harsh environment. However, most of the males had shown reluctance in buying fairness cream just because of being a feminine product. Beauty Plus PLC (BPP) is a multinational company in the cosmetic industry which is considering the launch of a new men's fairness cream called "Fare Gen" in the Sri Lankan market. A few years ago, the market for male skin fairness products was practically non-existent. Thus, this Blue-Ocean scenario created an opportunity for some other beauty care brands to introduce men's fairness cream to the market. Now it is gradually increasing its share in the Sri Lankan market.

Based on the industry experience, the top management of BPP suggests that young males who have a higher disposable income, education and working in private sector organization will be ideal segment for their new product. Further, they believe that most appropriate customers for "Fare Gen" should be individuals who are willing to pay higher amount of money for the best products in the market.

According to market statistics, close to 60% of the current men's fairness cream market is dominated by one single multinational brand and the rest of the market is fragmented among many small local brands and some Ayurveda products. Further, some multinational brands are aggressively competing with the market leader to acquire a substantial market share.

Top management of the company believes that a systematic strategic marketing process should be applied to successfully compete with the intense competition in the beauty care market in the country and they request you to support them with their marketing strategy.

- I. Identify potential opportunities and threats for "Fare Gen" based on the new trends in the macro environment.

(08 Marks)

- II. Recommend the possible market segments (segmentation profiles) for the proposed strategic initiative of entering the men's fairness cream market by the Beauty Plus PLC (BPP) and discuss behavioral characteristics of each segment you recommend for the new product.

(08 Marks)

- [REDACTED]**
- III. Briefly discuss the concept of 'Positioning or Perceptual maps' in relation to market or product positioning and demonstrate your ability to apply the concept by developing a sample map that will help you to position the new product in the recommended target market.

(08 Marks)

- IV. Discuss the possible applications of strategic planning gap model to formulate growth strategies for the company for the coming few years with reasonable justifications.

(16 Marks)

(Total 40 Marks)

2. Dairy Lanka Ltd has introduced a fresh milk brand to Sri Lankan market whilst its distribution channel goes as a multi-channel option. Currently, the said product is available in different channels including "Sathosa" retail channel too. It has now two brand varieties as 1 liter family pack and 200ml "ready to drink" (RTD) pack. The company is still not being well focused on its potential segments to penetrate the market. One of the common challenges is to convert consumers from milk powder usage to fresh milk consumption, and the other challenge is convenience foods, malt based RTDs and snacks discourage consumers buying RTD fresh milk. Dairy Lanka Ltd has decided to open island wide milk bars as a new distribution strategy along with setting up milk collection and processing units in different areas.

- I. Analyze the competitiveness of the Fresh Milk industry in Sri Lanka by using the Porter's Five Forces Model, with the purpose of developing strategies for Dairy Lanka Ltd.

(10 Marks)

- II. Discuss as to how this organization can apply value chain analysis for understanding their strengths and weaknesses.

(10 Marks)

(Total 20 Marks)

3. Finco Holdings is a leading company in the financial service sector and currently holding 04 main SBUs such as fixed deposits, leasing, insurance and micro finance in its product portfolio. Fixed deposits and insurance business units maintain the market leadership positions with highest volume of sales. However fixed deposits have low market growth rate and insurance has high market growth. Even though leasing industry is highly growing, relative market share of leasing business in the company is low. Micro finance is unattractive division to the Finco and it maintains low relative market share within the low market growth condition.

I. Assuming you are the corporate consultant for Finco Holdings, plot the 4 SBUs in BCG matrix with giving sufficient justifications.

(10 Marks)

II. Recommend strategies for each SBU based on their positions in the BCG matrix and discuss the reasons for recommending those strategies.

(10 Marks)

(Total 20 Marks)

4. Pharmacare (Pvt) Limited is a leading pharmaceutical multinational corporation also operating in Sri Lanka. They have so far only produced and marketed antibiotics and decided to go for a new project to develop a new range of products. Since the global trend is more toward into Ayurvedic medicine, Research and Development (R&D) unit of Pharmacare is now looking into the use of Sri Lankan herbs in medicine and introduce a new line of Ayurvedic medicine in Sri Lanka.

I. Discuss the possible applications of Porter's 03 generic marketing strategies for new Ayurvedic medicine range of the company for developing competitive advantages in given industry.

(12 Marks)

- II. Explain the possibilities for adopting to Blue Ocean Strategy with the purpose of capitalizing emerging opportunities in the market.

(08 Marks)

(Total 20 Marks)

5. Minro Company Ltd is manufacturing domestic plastic furniture and office furniture, and currently leads the local market. Recently it has started to manufacture consumer electronics under the brand name of "Unimax". With the strength of their own distribution channel, "Unimax" became a popular brand within a short period among local customers and achieved the second position of the market among the single brands which are distributing same product range in the domestic market. However CEO of the company strongly believes that market position can be improved by using effective brand development process and implementing offensive marketing strategies.

- I. Assuming you are the newly appointed brand manager for "Unimax", discuss the appropriate brand strategies for consumer electronics product range of the company.

(10 Marks)

- II. Recommend the possible offensive strategies which can be adopted by "Unimax" against market leader to improve the market position based on military analogies.

(10 Marks)

(Total 20 Marks)

6. Datson is a car manufacturing company in England with a range of motor car offerings: it offers hybrid cars / electric cars. Datson opened up a distribution network in Sri Lanka with the expectation of capturing hybrid market by competing Japanese hybrid vehicles which dominate the hybrid car market at the moment in Sri Lanka.

I. Assume that you are the country head of Sri Lanka from Datson and you have to decide the price for hybrid car range. Recommend the most appropriate pricing method and price adaptation strategies Datson can use in Sri Lanka to offer more competitive price for domestic customers.

(08 Marks)

II. Discuss the channel management decisions for developing strong distribution channel for Datson hybrid cars in Sri Lankan market.

(05 Marks)

III. Recommend appropriate promotional strategies for the company for developing Datson brands in Sri Lankan market over the Japanese hybrid vehicles.

(07 Marks)

(Total 20 Marks)
