

Uva Wellassa University

Faculty of Management

Degree of Bachelor of Business Management (BBM) in Entrepreneurship and
Management

SECOND YEAR FIRST SEMESTER EXAMINATION – JUNE/JULY 2017

EMG 242-2 Marketing Management



Part B

Answer only Three (03) questions including question number One (01)

Mark Allocation: 70 Marks

01.

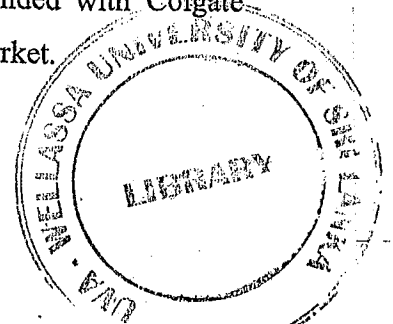
The brand Colgate has been one of the most trusted brands for decades. It is not only the older generation which grew up with Colgate, it is a first brand, even for the young, when it comes to oral care. The brand has faced bursts of competition from time to time and has fought back effectively to regain 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.

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?

(Business Line, 2014)

Answer the following question by referring above case study.

- I. Define the term “**competitive analysis**” and assess the competitive environment of Colgate. (15 Marks)
- II. Explain the Differentiation and Positioning strategies of Colgate and provide your suggestions to overcome the competition. (15 Marks)

(Total 30 Marks)

02.

- I. Define “Strategic Planning” and explain the role of strategic planning in marketing. (10 Marks)
- II. List the different types of target market strategies and discuss the factors to be concerned when selecting a target market with examples. (10 Marks)

(Total 20 Marks)

03.

- I. "You cannot manage a quality service organization unless you understand the nature of what you are providing, fully realize what your customers want from you and how they perceive you from the start"

(Martin, 1989)

Are you agree with above statement? Justify your answer. (10 Marks)

- II. Differentiate "Defensive Strategies" and "Offensive Strategies" with suitable examples. (10 Marks)

(Total 20 Marks)

04. Write short notes about any **four (04)** of followings.

- a. Marketing ethics and Social Responsibility
- b. Balancing Customers and Competitor Orientations
- c. Brand Resonance Model
- d. Strategic Business Units (SBUs)
- e. Global Marketing Strategies

(Total 4* 5 =20 Marks)

