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Case Study Number	1
Level of Teaching	L2
Program Outcomes Covered	PO1, PO2, PO7
Course Outcome Covered	C307.1

Started in 1965, ChemCo is a leading manufacturer of car batteries in the U.K. market. Since then, it has been under the charge of Mr. Jones, the founder-owner of the firm. In 1999, the company decided to go for a diversification by expanding the product line. The new product was batteries for fork-lift trucks. At the same time, Mr. Marek was appointed the Senior Vice President of marketing in the company. However, soon after its successful diversification into fork-lift batteries, the sales in this segment began dropping steadily. Mr. Marek wanted to introduce some radical changes in the advertising and branding of the new business but the proposal was turned down by the old-fashioned Mr. Jones.
At this juncture in 2002, the firm is losing heavily in the fork-lift batteries business and its market share in car batteries is also on a decline. Mr. Jones has asked Mr. Marek to show a turnaround in the company within a year. What steps should Mr. Marek take to take the company out of its troubles?

Some of the facts on the case are:

- ChemCo is a quality leader in the U.K. car batteries market.
- Customer battery purchases in the automobile market are highly seasonal.
- The fork-lift business was added to utilize idle capacity during periods of inactivity.
- This is a low-growth industry (1% annual growth over the last two years)
- Large customers are sophisticated and buy based on price and quality. Smaller customers buy solely on price.
- There is a Spanish competitor in the market who offers low priced batteries of inferior quality.

ANSWER

Situation Analysis:

Company

- Established player in car batteries
- Losing heavily in fork-lift truck batteries
- Old fashioned owner resistance to change

Competition

- Low priced competitors
- Foreign competitors gaining market share

Customers

- High quality product, but low end customers care more about price than quality

Problem Definition:

- Mismanaged product diversification in a price sensitive market

Alternatives:

- Alternative 1: Establish an Off-Brand for the fork-lift business
- Alternative 2: Educate the customer market about product quality
- Alternative 3: Exit the fork-lift battery business

Criteria for evaluation of alternatives:

- Establishing the firm's quality image
- Increase in market share
- Increase in sales
- Cost of the product

Evaluation of Alternatives:

Alternative 1

- Protect firm's quality image in the automobile industry
- Redesigned product to reduce the cost of manufacture
- Low price to enable it to compete with Spanish producer

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Alternative 2

- Make use of the quality leadership in car batteries market
- Offer reliability testing, extended warranties etc. to promote quality image
- Set higher prices to extract surplus from these advantages

Alternative 3 and 4

- A passive strategy, not proactive
- Recommendations:

  Alternative 1 is recommended in this case. Since the firm operates in an industry which has low growth, hence it can expand market share and sales only by taking the customers from other players. Hence, it needs to tackle the Spanish competitor head-on by aggressively pricing its product. At the same time, launching a low-priced product under the same brand name erodes the high quality image in the car batteries market. Hence, the best option is to go for an off-brand to target the fork-lift customers who are increasingly becoming price sensitive. This will enable the company to ward off the threat in short-term and build its position strongly in the long-term.

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Case Study Number	2
Level of Teaching	L2
Program Outcomes Covered	PO1, PO2, PO7
Course Outcome Covered	C307.3

The Nakamura Lacquer Company (NLC) of Kyoto, Japan, employed several thousand men and produced 500,000 pieces of lacquer tableware annually, with its Chrysanthmum brand becoming Japan's best known and bestselling brand. The annual profit from operations was $250,000.

The market for lacquerware in Japan seemed to have matured, with the production steady at 500,000 pieces a year. NLC did practically no business outside Japan. In May 2000, (much to your chagrin!) the ambitious and dynamic, Mr. Nakamura (Chairman, NLC) received two offers from American companies wishing to sell lacquer ware in America.

The first offer was from the National China Company. It was the largest manufacturer of good quality dinnerware in the U.S., with their "Rose and Crown" brand accounting for almost 30% of total sales. They were willing to give a firm order for three years for annual purchases of 400,000 sets of lacquer dinnerware, delivered in Japan and at 5% more than what the Japanese jobbers paid. However, Nakamura would have to forego the Chrysanthemum trademark to "Rose and Crown" and also undertake not to sell lacquer ware to anyone else in the U.S.

The second offer was from Sammelback, Sammelback and Whittacker (henceforth SSW), Chicago, the largest supplier of hotel and restaurant supplies in the U.S. They perceived a U.S. market of 600,000 sets a year, expecting it to go up to 2 million in around 5 years. Since the Japanese government did not allow overseas investment, SSW was willing to budget $1.5 million for the next two years towards introduction and promotion. Nakamura would sell his "Chrysanthemum" brand but would have to give exclusive representation to SSW for five years at standard commission rates and also forego his profit margin toward paying back of the $ 1.5 million.

What should Mr. Nakamura do?:

Situational Analysis:

- **The Nakamura Lacquer Company:** The Nakamura Lacquer Company based in Kyoto, Japan was one of the many small handicraft shops making lacquerware for the daily table use of the Japanese people.
- **Mr. Nakamura- the personality:** In 1948, a young Mr. Nakamura took over his family business. He saw an opportunity to cater to a new market of America, i.e. GI's of the Occupation Army who had begun to buy lacquer ware as souvenirs. However, he realized that the traditional handicraft methods were inadequate. He was an innovator and introduced simple methods of processing and inspection using machines. Four years later, when the Occupation Army left in 1952, Nakamura employed several thousand men, and produced 500,000 pieces of lacquers tableware each year for the Japanese mass consumer market. The profit from operations was $250,000.
- **The Brand:** Nakamura named his brand "Chrysanthemum" after the national flower of Japan, which showed his patriotic fervor. The brand became Japan's best known and

best selling brand, being synonymous with good quality, middle class and dependability.

- **The Market:** The market for lacquerware in Japan seems to have matured, with the production steady at 500,000 pieces a year. Nakamura did practically no business outside of Japan. However, early in 1960, when the American interest in Japanese products began to grow, Nakamura received two offers
- **The Rose and Crown offer:** The first offer was from Mr. Phil Rose, V.P Marketing at the National China Company. They were the largest manufacturer of good quality dinnerware in the U.S., with their "Rose and Crown" brand accounting for almost 30% of total sales. They were willing to give a firm order for three eyes for annual purchases of 400,000 sets of lacquer dinnerware, delivered in Japan and at 5% more than what the Japanese jobbers paid. However, Nakamura would have to forego the Chrysanthemum trademark to "Rose and Crown" and also undertaken to sell lacquer ware to anyone else the U.S. The offer promised returns of $720,000 over three years (with net returns of $83,000), but with little potential for the U.S. market on the Chrysanthemum brand beyond that period.
- **The Semmelback offer:** The second offer was from Mr. Walter Sammelback of Sammelback, Sammelback and Whittacker, Chicago, the largest supplier of hotel and restaurant supplies in the U.S. They perceived a U.S. market of 600,000 sets a year, expecting it to go up to 2 million in around 5 years. Since the Japanese government did not allow overseas investment, Sammelback was willing to budget $1.5 million. Although the offer implied negative returns of $467,000 over the first five years, the offer had the potential to give a $1 million profit if sales picked up as anticipated.
- **Meeting the order:** To meet the numbers requirement of the orders, Nakamura would either have to expand capacity or cut down on the domestic market. If he chose to expand capacity, the danger was of idle capacity in case the U.S. market did not respond. If he cut down on the domestic market, the danger was of losing out on a well-established market. Nakamura could also source part of the supply from other vendors. However, this option would not find favor with either of the American buyers since they had approached only Nakamura, realizing that he was the best person to meet the order.
- **Decision problem:** Whether to accept any of the two offers and if yes, which one of the two and under what terms of conditions?

Objectives:

Short Term:

- To expand into the U.S. market.
- To maintain and build upon their reputation of the "Chrysanthemum" brand

Long term:

- To increase profit volumes by tapping the U.S. market and as a result, increasing scale of operations.
- To increase its share in the U.S. lacquerware market.

Criteria: (In descending order of priority):

- **Profit Maximization criterion:** The most important criterion in the long run is profit maximization.
- **Risk criterion:** Since the demand in the U.S. market is not as much as in Japan.
- **Brand identity criterion:** Nakamura has painstakingly built up a brand name in Japan. It is desirable for him to compete in the U.S. market under the same brand name
- **Flexibility criterion:** The chosen option should offer Nakamura flexibility in maneuvering the terms and conditions to his advantage. Additionally, Nakamura should have bargaining power at the time of renewal of the contract.
- **Short term returns:** Nakamura should receive some returns on the investment he makes on the new offers.However, this criterion may be compromised in favor of profit maximization in the long run.?

Options:

- Reject both: React both the offers and concentrate on the domestic market
- Accept RC offer: Accept the Rose and Crown offer and supply the offer by cutting down on supplies to the domestic market or through capacity expansion or both
- Accept SSW: offer; accept the SSW offer and meet it through cutting down on supply to the domestic market or through capacity expansion or both. Negotiate term of supply.M

Evaluation of Options:

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- **Reject both:** This option would not meet the primary criterion of profit maximization. Further, the objective of growth would also not be met. Hence, this option is rejected.
- **Accept RC offer:** The RC offer would assure net returns of $283,000 over the next three yeas. It also assures regular returns of $240,000 per year. However, Nakamura would have no presence in the U.S. with its Chrysanthemum brand name The RC offer would entail capacity expansion, as it would not be possible to siphon of 275,000 pieces from the domestic market over three years without adversely affecting operations there. At the end of three years, Nakamura would have little bargaining power with RC as it would have an excess capacity of 275,000 pieces and excess labor which it would want to utilize. In this sense the offer is risky. Further, the offer is not flexible. Long-term profit maximization is uncertain in this case a condition that can be controlled in the SSW offer. Hence, this offer is rejected.
- **Accept SSW offer:** The SSW offer does not assure a firm order or any returns for the period of contract. Although, in its present form the offer is risky if the market in the U.S. does not pick up as expected, the offer is flexible. If Nakamura were to exhibit caution initially by supplying only 300,000 instead of the anticipated 600,000 pieces, it could siphon off the 175,000 required from the domestic market. If demand exists in the U.S., the capacity can be expanded. With this offer, risk is minimized. Further, it would be competing on its own brand name. Distribution would be taken care of and long-term profit maximization criterion would be satisfied as this option has the potential of $1 million in profits per year. At the time of renewal of the contract, Nakamura would have immense bargaining power.

Recommendations:

- **Negotiate terms of offer with SSW:** The terms would be that NLC would supply 300,000 pieces in the first year. If market demand exists, NLC should expand capacity to provide the expected demand.
- **Action Plan:** In the first phase, NLC would supply SSW with 300,000 pieces. 125,000 of these would be obtained by utilizing excess capacity, while the remaining would be obtained from the domestic market. If the expected demand for lacquer ware exists in the U.S., NLC would expand capacity to meet the expected demand. The debt incurred would be paid off by the fifth year.

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- **Contingency Plan:** In case the demand is not as expected in the first year, NLC should not service the U.S. market and instead concentrate on increasing penetration in the domestic market.

Case Study Number	3
Level of Teaching	L2
Program Outcomes Covered	PO1, PO2, PO7
Course Outcome Covered	C307.2

You are the Brand Manager of a leading marketing company in Rwanda. Your duty is to plan, develop, and direct the marketing efforts for a particular brand or product. Your company has just signed a very important contract with a worldwide company: Vodafone. Your company has decided to give you the responsibility to complete successfully this contract.

Your customer, Vodafone, decided to top the Rwandese market of telecommunication, as it believes it can be very profitable to do so. However, Vodafone does not have enough knowledge of the rwandese culture and rwandese consumer behaviors to define a clear branding strategy. It is your role to define the communication strategy for Vodafone who wants to become the first telecommunication company of the country.

As a first assignment, you will have **to choose 1 of the 3 products** Vodafone wants to implement on the rwandese market (please find below information regarding those different products). Your job is to conceptualize an aggressive but wise branding strategy for **this specific product.**

Your objectives are:

- To define the 4 values (functional, emotional, existential and appropriation) to be attributed to the product you chose.
- To define the marketing-mix (Product, Place, Price, Promotion) for the product you chose, and to describe the identity of the final customer (Person).
- To use your skills, your knowledge and your imagination to develop a storytelling to advertise the product you chose. You will have to describe the main aspects of a visual and written communication strategy, in line with the global branding strategy of the company.

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Background information is there to help you; it is not exhaustive information, you will have to conceptualize complementary information or to document yourself in order to achieve your objectives.

Background information:

About the market:

Telecommunications market in Rwanda is one of the fastest growing markets in Africa. The number of mobile cellular is 6,000,000 for a total population of 10,000,000. Rwanda's internet and broadband sector has suffered from limited fixed-line infrastructure and high prices, but developments in the fixed network market are beginning to change this. The operators are rolling out national fibre-optic backbone networks which also allow them to connect to the international submarine fibre-optic cables that landed on the African east coast in 2009 and 2010. These cables have given the entire region fibre-based international bandwidth for the first time and brought to an end its dependency on satellites. Accordingly, Rwanda has laid more than 1,865 miles (3,000km) of fibre optic cable since 2009. However, only about 8.3% of the population has currently access to the internet.

Rwandese telecommunications market remains oligopolistic, with 2 major players and a few secondary operators: South Africa's MTN enjoyed a monopoly until 2006 when the fixed-line incumbent, Rwandatel became the second mobile operator. The launch of services from South African's Millicom/Tigo in 2009 sparked renewed subscriber growth, though competition has eroded mobile services revenue. Indian's Bharti Airtel, which ranked among the top 5 globally, is the third player on the market. It decided in 2012 to invest US$100 million over three years with an aim of achieving quick penetration and become the second operator in the country. Finally, in June 2013, the Rwandese government signed a deal with KT Corp from South Korea to develop a 4G internet broadband network. For this purpose, KT Corp is going to inject about $140million into a joint venture company, by 2016.

About the Customer:

Company presentation

Vodafone is a British multinational telecommunications company, a market leader in world telecom. It is among the top three companies listed in London Stock Exchange with a market Value of around $135.7 Billion, annual revenue amounting to $74.4 Billion and an annual

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profit of around $11.1 Billion. Vodafone is boasted of nearly 440 million customers worldwide. It is spread across 65 countries, operating in several African countries: Egypt, RD Congo, Ghana, Mozambique, Tanzania, Lesotho, South Africa and Kenya.

Company's objectives and means

Vodafone would like to commercialize 3 different services in Rwanda:

1) "Vodafone Mobile Connect USB Modem", a USB modem offering 3G broadband access services. Its commercial strategy will be to offer free USB modem for any new customer subscribing for at least a year. Moreover, Internet access will be accessible to half of the price offered by the market leader, MTN.

2) "Vodafone comprehensive package", a Mobile phone service covering the entire country. For Mobile services, special offers will also be developed, in particular offering free Nokia smartphones to any new customer subscribing for at least 2 years. Its main target is the poorest Rwandans, deep in the countryside.

3) "Vodacoin", an easy and ready to use money transfer service integrated into all Vodafone mobiles. Through the sending of digit codes within SMS, subscribers can send money to any other Vodafone subscriber. The offer is free for the first 100 uses and is then charged 20 Rwf per payment.

Its budget plan for advertisement in Rwanda is $15 million annually. The customer is ready to invest $250 million on the rwandese market to achieve a very quick penetration and to become the first operator in the country within 5 year. Vodafone secured a deal with Nokia, a leader in technology services, to develop infrastructures to reach rwandan people all over the country.

Branding management

Branding worldwide vision

Vodafone focus on what makes people's lives easier. Vodafone vision: "we're happy with everyone sharing our ambition. That way, we're far more likely to achieve it." Vodafone values: outstanding data services and products, backed up by the best customer experience in the business; exceptional customer service. Hands-on, positive and always looking for fresh ways to deliver: "by listening to our people, we've found that three things sum up what we're all about:

- **Speed** – we're focused on bringing innovative new products and services onto the market quickly
- **Simplicity** – we make things easy for our customers, partners and colleagues
- **Trust** – we're reliable and transparent to deal with"

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Its targets are big – which means millions of customers using its data services every day.

Brand identity

"Our brand is one of the strongest and most identifiable things about us. In fact, we're one of the most widely-known brands across the world.

But what do we mean by a 'brand?' It's not just our logo, our advertising or the events we sponsor. It's what we say and what we do. It's who we are as an organization.

So what do we stand for? Well, we're customer-obsessed. We're passionate about what we do. We're ultra-reliable. And we're always itching to explore, grow and develop.

In short, we're all about the future. All around the world, technology's connecting the different areas of our lives. Whether it's texting, emailing, calling or browsing, technology has the power to enrich everything we do.

We call it connected living. And at Vodafone, it's a way of life we're pioneering – right here, right now."

Corporate responsibility

"We're keen to reduce our impact on the environment – both individually and as a company. That's why we're continually introducing initiatives to tackle waste, energy use and even the pollution caused by commuting. And we're always looking for ways to help our suppliers and customers to be more climate-conscious." It's impossible to cover the sheer range of charity events and fundraising activities we sustained. Our people have jumped out of planes, walked on fire and run huge distances to help those in need."

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