

UGANDA MARTYRS UNIVERSITY, LUBAGA CAMPUS

**FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT**

DEPARTMENT OF MANAGEMENT SCIENCE

BAM III SEMESTER TWO 2017/18

COURSE UNIT: MARKETING STRATEGIES

DATE: Monday, 7th May 2018

Time allowed: 4:00pm-7:00pm

Instructions to Candidates:

Read the following before answering the examination questions.

- 1) Do not write anything on this question paper.
- 2) Write neatly and show all workings clearly.
- 3) Start every question on a new page
- 4) Clearly state the question number & sections attempted
- 5) Answer **any four** questions, question **one** is compulsory

3 THINGS BIG FMCG MARKETERS NEED TO DO TO WIN AGAIN

By Ranjeet Laungani, SVP, Global Client Business Partner, 10-08-2017

Unless you've been hiding under a rock for the last couple of years, you've probably heard that the fast-moving consumer goods (FMCG) industry is in the midst of a major upheaval. You've probably also caught FMCG pundits talk incessantly about the meteoric rise of Amazon, applaud the advent of new business models like subscription services and meal-kit deliveries, pronounce the death of brands as we know them, and flinch about the shake down in brick-and-mortar retail. Needless to say, we're seeing the industry transform right in front of our eyes. That's scary, but equally exciting.

This change has so far not been pretty for big FMCG players who have not only struggled to adapt to this "new world order", but also deliver on their financial commitments to stakeholders. At the same time, **smaller, regional, niche FMCG players** have flourished, as the cost of entry and consumer preferences have shifted in their favour. It's certainly not easy to fathom how some of the largest FMCG manufacturers (with deep pockets, strong talent, seemingly unlimited scale and diversified global presence) would seem to be floundering at a time when you'd expect them to be leading from the front. Why is this? While this is a deep-rooted question with several layers of nuances to unpack, I'd like to argue that the simplest explanation here is that they are still much more focused on the outputs (winning share or hacking one additional point of growth) than the inputs ("How do I rewire my business to stay relevant and win in this new world?").

Down memory lane, my grandparents quickly shot down my dreams of being rich and famous as an 8-year old by simply saying "Focus on learning and being excellent at what you do instead and success will be yours." I think my grandparents may have just laid out the most relevant piece advice for big FMCG.

Brands aren't dead, but the old way of marketing brands certainly is. Today, marketers need to stop obsessing over a few more points of profit and growth (the outputs) and focus their efforts on how they prepare for this brave new world (their inputs, their mindset, their processes and their talent). As food for thought, I've outlined three suggestions as they look to save their trade, shift the odds in their favour and start winning again.

1. REWIRE YOUR BUSINESS IN THE CONTEXT OF THE NEW FIVE PS OF MARKETING

Product, Price, Promotion, and Place are still important, but they're becoming fashionably old school. In a world where consumers are more aware, spoiled for choice, connected and disloyal, marketers need to lean into what I'd like to humbly submit as the new five Ps of marketing: Precision, Purpose, Partnerships, Pace and Personalization.

Precision: I often hear brand managers complain about the growing complexity in FMCG marketing. And while their complaints are rooted in truth, the toolkits that most big marketers have at their disposal to navigate all of this complexity are equally compelling and sharper than ever. Data sets that were earlier disparate are now coming together to drive more illumination. Advanced analytics, AI and algorithms are helping accelerate performance like never before—you can now manage retailer fill rates, build look-alike digital audiences, and respond to negative online reviews in real time. Technology stacks, like data management platforms (DMPs), are enabling individual and device-level activation of your brand message. Your ability to leverage this precision tool set to make a definitive plan is one of the biggest opportunities in marketing today. The killer question for your business: “Are your teams empowered and enabled to make the journey from a mass-marketing past to a precision-marketing future?”

Purpose: A brand without a purpose, a mission or a social role to play is increasingly seen as unrelatable and will be soon forgotten. Millennials are more vocal than any previous generation about what's important to them, and they expect brands to engage in conversation and take a stand just like they do. Make no mistake as you think about tomorrow: You're not saving the planet because you sell potato chips, but you may be selling potato chips because you save the planet. The killer question for your business: “Is your marketing strategy passionately anchored in an authentic way around purpose that your consumers and constituents care about?”

Partnerships: Going at it alone isn't smart anymore. Partnerships are all about fostering the right connections and alliances to complement your current strengths and blunt your weaknesses. It calls for openness, comfort with vulnerability, and a belief that together more can be accomplished. You don't have to work with your biggest competitor (although you may want to), but the big idea here is to ensure that you stay open to every possibility for collaboration and more so seek out opportunities to partner outside of the traditional

definition of your industry. The Moleskin-Ever note tie-up is a classic example of how reaching out helps you future proof and evolve as a business while finding synergies that may be beneficial to both the market and the consumer. The killer question for your business: “How can we culturally evolve into an organization that is increasingly comfortable with forging seemingly unusual partnerships, both inside and outside our industry, to take everyone forward?”

Pace: What is common to Xiaomi, Groupon and Slack? They all got to \$1 billion+ valuations, or unicorn status in Silicon Valley parlance, in less than two years and disrupted many businesses along the way. Any competitive situation can upend itself or cause a business model to evaporate in a few weeks. Moreover, you may be addressing yesterday’s problems if you don’t move fast. Social media response expectations tell you why pace is more important than it ever has been. An Edison Research study found that 42% of consumers expect a brand to respond to their social media post in under an hour. In the same study, about one in 10 consumers wanted that response in five minutes or less! Finally, take the recent United Airlines debacle: It only took hours for a PR crisis to turn into a mega disaster with big financial implications for stock owners. The killer question for your business: “How do we culturally empower folks on the front lines to have the confidence to take risks, manage situations with agility and interpret our values as they see right?”

Personalization: The advent of mar tech, predictive analytics and AI are now enabling marketers to engage intimately with their consumers 1:1 and activate their creative content and messages with laser-guided precision. Single-source panels (where retail and media consumption data sets come together at the individual or household level) can shed light on what specifically consumers want to hear, how they'd like to hear it, where they'd like to be reached and what will that mean for the bottom line. Consumers will increasingly demand personalized experiences and the challenge for marketers will be to do this well and at scale. The killer question for your business: “Are each of your consumers getting the personalized consumer experience you have come to expect as a consumer for the brands you love?”

2. EMBRACE A CHALLENGER MINDSET

For years, the largest FMCG manufacturers were the Goliath in the fight. They were seemingly almost unbeatable, and the cards were stacked in their favor. They hired the best talent from the most sought after business schools, they secured the best rates while negotiating commodities and raw material, they flexed their brand power and scale with retailers to get more shelf space, they outspent the smaller players on media by a factor of multiples, and they clinched the best celebrities to pitch their products. They've never had to build real "challenger" muscle—until now.

Challengers need to be resourceful, programmed to get back up when they get knocked down, and act like street fighters. With the rise of agile, fast-growing smaller players and behemoths like Amazon, "big" FMCG companies are now finding themselves to be the underdog. This can be amazingly liberating if they train themselves to fight differently. How do you do that? Here are some thoughts:

- While hiring, don't just look at recruiting straight-A talent from Ivy-league schools. Be sure to also look for candidates who've had to fight hard to make it on their own, even if they dropped out of school;
- While planning and allocating investments, relinquish more control to the local markets where consumers are being won and lost instead of building a global plan sitting out of London or New York.

You're now the David in the fight. Take the opportunity to play the underdog as a battle cry, and it could bring out the best of your teams.

3. STAY 'HUMAN' AND FOLLOW YOUR INSTINCT AS A CONSUMER

I've been in qualitative focus groups before where marketers stand behind a false mirror and look at a group of consumers as if they belonged to a different species. The greatest (and often forgotten) advantage marketers have is that they're consumers first. While technology platforms, demand spreadsheets, marketing mix model results, media plans, and P&Ls are helping you do your job, make sure they're not taking away the "human" elements of what can help you stay successful in your job as a marketer.

Staying close to your consumers, following your instincts and not over thinking it may seem like trivial advice, but it's probably one of the most important things you need to stay

focused on as a marketer in a world drenched with technology. This doesn't mean you run away from technologies that help. Rather, you layer in the "human" piece and stay consumer centric as you make most of those tool kits. As an example, if you've always skipped ads on YouTube as a consumer, think about whether it makes sense to spend 20% of your ad budget on those placements even if your media agency recommends it? Marketing, if done right, will always be about emotion, experience, and fulfillment and that means those marketers who can retain the human aspects—even in a world full of Alexas and Siris—will remain successful. Private-label brands aren't winning because consumers don't care about big brands anymore. They're winning because they are doing their job better than the big brands are.

Big FMCG marketers, your trade is under siege, but there is still hope. Within almost every period of chaos and turmoil sits a transformational opportunity somewhere. You could look back on this period of change and it could be your biggest opportunity to stride forward. It's not going to be easy, but cherish the opportunity to rewire your business around the new 5Ps, embrace the fight as the underdog and even as you embrace technology and shiny new objects, stay human for your consumers. Focus on getting the inputs right and the outputs will take care of themselves.

QUESTION ONE

- a) What are the marketing issues raised in the text? (12 marks)
- b) Assume you have been appointed a Marketing Manager for the reviving Uganda Telecom Limited (UTL). Pick and elaborate on the key relevant concerns applicable to UTL (13 marks)

QUESTION TWO

Uganda Martyrs University (UMU) is facing a problem of identity. After a Management Meeting, branding was pointed out as a key limitation.

- a) Elaborate with illustrations the necessary aspects to be considered in branding UMU (8 marks)
- b) What are the challenges of branding in Uganda Martyrs University? (9 marks)
- c) How can Uganda Martyrs University improve its marketing initiatives? (8 marks)

QUESTION THREE

Using a product / service of your choice,

- a) Develop a SWOT analysis. **(12 marks)**
- b) Basing on the SWOT, elaborate on how the product/ service can develop and sustain its competitive niche. **(13 marks)**

QUESTION FOUR

- a) Using a product/ service, discuss the importance of appreciation of the product life cycle.**(10 marks)**
- b) With reference to any stage in the product life cycle , pick any 5 grand strategies to improve marketing **(15 marks)**

QUESTION FIVE

CHIVITA 100% Opening Up In Uganda

Chivita 100% is a juice brand manufactured by Chi Limited. It was first introduced into the [Nigerian](#) market in 1996 as Chivita Premium Fruit Juice. The brand's name was changed in 2014 to Chivita 100% to reflect its 100% fruit juice offering.

Chivita 100% is a natural source of vitamins and minerals. The juice comes in 6 variants; Real [Orange](#), Real [Apple](#), Real [Pineapple](#), Orange Pineapple, Orange [Mango](#) and Red Grape with SKUs of 1 Litre, 315ml, 200ml and 180ml.

Chivita 100% [fruit juice](#) is also the official drink Partner of the [Manchester United F.C.](#) in Nigeria. The partnership, signed by the management of CHI Limited and [Manchester United Limited](#) allows CHI Limited to use the [Manchester United's](#) brand assets on a range of Chi products in Nigeria. The partnership has helped Chivita 100% to gain equity and generate increased interest in the market, especially among the 50 million followers of Manchester United in Nigeria. (Wikipedia, 2018)



Source; Google (2018) Viewed 23rd April 2018

Chivita Juices Co. is planning to launch its range of juices in Uganda. It is initially to import juice as it builds a local processing plant in Uganda. Develop a strategic marketing framework for the Exotic Juices. **(25 marks)**

QUESTION SIX

Using an institution / product / service of your choice,

- Elaborate on how the processes involved in doing market research **(9 marks)**
- Discuss the relevance of Marketing Information System using the figure below:

((16 marks)



Source: Wikipedia (2018)