

Vishwanath DA

PESU – E MBA

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1. Explain which of the promotional strategies used by Diesel are above- or below-the-line. Analyse the impact that each approach might have.

Answer : At the outset we can say that the “Be Stupid” campaign is Above the line promotional strategy and the Diesel : U : Music as Below the line promotional strategy.

However there is a much more intricate and subtle elements at play in both these strategies.

The “Be Stupid” campaign and the Diesel : U : Music promotional strategies are very difficult to be classified as above the line or below the line. These are promotional strategies appealing to a certain lifestyle via the passion and people as its main brand ambassadors. The strategies are very subtle and appeal and even hint at a certain lifestyle or attitude. These strategies can only be seen as THROUGH THE LINE instead of the traditional classifications as Above or Below the line because you never know who is really your target audience as the campaigns are engaging its customers at a more personal level. It may appeal to all sections of the society who would like to be associated with the Diesel message of passion and people at the forefront.

2. What type of promotion might Diesel:U:Music be regarded as and why?

Answer : Diesel : U : Music can be regarded as below the line as it is targeting a more specific audience who have a liking for music and new genre and new artists.

3. Explain the advantages and disadvantages of using premium pricing as a strategy.

Answer : The advantages of premium pricing is that the strong association of the brand and its customers is reinforced by the customers choosing the brand and willing to pay premium price.

Secondly the premium price also reinforces the Quality assurance of the product and the brand itself.

The disadvantages are mainly the market share can be limited as only certain sections of society can afford the premium price and hence limit the market into a premium segment.

4. Considering the distribution strategies mentioned in the case study, what might be the outcome if Diesel adopted an intensive distribution method?

Answer : Diesel has built its brand around a certain ideology which appeals to certain people. An intensive distribution method which is mainly suited for mass produced products which mainly aim at high volume and low pricing is not suited for Diesel.

Adopting an intensive distribution method will undo years and years of hardwork, dedication and passion that Diesel has put into building this brand as it will mix the Diesel brand with mass brands which do not have the same ideology or passion or people as its focus. Diesel would lose its loyal customers and end up disappointing them.

5. To what extent do you think Diesel can rely on its brand alone for future growth? How far do you think Diesel's growth is directly linked to its organisational structure?

Answer : Renzo Rosso the founder of Diesel has not only passion but also people as his main strategy.

This is very important for building the brand Diesel to what it is today. The flat organizational structure that Diesel has adopted is very conducive for creativity and expression, the way decisions are made and there is excellent collaboration and team play at work. These are the prime ingredients of its success story.

Diesel cannot rely only on its Brand for its growth in future. The Brand has to be strengthened and maintained by the organization who equally live and breathe the Diesel Dream.