Brand management
(IEBM II module)

Mock test

Mock test

- This *Brand Management (IEBM II module)* elearning package closes with a mock test composed of 5 multiple choices and 2 open questions to help you test your learning advancements.

- You will also find the correct answers for the multiple choices and sample answers for the open questions

- The mock test does not coincide with the assessment modalities of the Brand Management course. Please check the exam modalities for the course on the webpage of the course (check your enrolment year) on the university online platform and contact the course lecturer

Multiple choices

1) A flanker brand:

a. Identifies a poorly successful brand

b. Identifies a brand role in the portfolio

c. Identifies a brand for which marketing costs are significantly low

2) A competitive point of parity is:

a. A POP contributing to brand differentiation in customer mind

b. A POP identifying a minimal association framing the basic product category requirements

c. A POP that was introduced in the brand positioning to damage one point of difference of a competing brand

Multiple choices

3) The brand value chain

   a. Is composed of stages and multipliers tracing brand value creation and helps identify problem areas

   b. Focuses on the customers' response to the brand positioning

   c. Reprents the firm's supply chain

4) Brand knowledge

   a. Is the set of information the firm wants to share with customers

   b. Frames the brand awareness and brand image, giving an account of the brand's capacity of projection in consumers' minds

   c. Corresponds to the brand image and so it is the network of associations held in consumers' memory

Multiple choices

5) Brand inventory

a. It is the final step of the brand audit

b. It is the process of the brand strategy design

c. It is the comprehensive profile of how all the products and services sold by a company are marketed and branded

Open questions

1) Brand extension: a) Please explain the brand extension typologies; b) briefly discuss the main challenges and difficulties in implementing a brand extension

2) Brand positioning: a) When is it appropriate to think of updating the positioning? b) What are the risks of updating the brand positioning?

Mock test – Correct answers

Correct answers

- Multiple choice questions:
1) B
2) C
3) A
4) B
5) C

Open questions – Sample answer

1) Brand extension: a) Please explain the brand extension types; b) briefly discuss the main challenges in implementing a brand extension

There are three types of brand extension: line extension, category extension and vertical extension. Line extension implies that a parent brand, already existing and well-established in the firm's portfolio, is used by the company to introduce a new product in the same product category of the parent brand by, for instance, adding flavours, package shapes and sizes, and ingredients. The line extension can address the same target as the parent brand or a new segment that the parent brand did not previously addressed. The category extension implies the use of the parent brand to enter a new and different product category in which the parent brand is not present. Usually, category extensions address the same target as the parent brand extends the offering to respond to additional customers' needs. An example can be using a luxury fashion brand as the parent brand to enter the luxury pens or interior design markets. The vertical extension implies using the parent brand to introduce new products in the same product category but with a different price (so a new product is launched under the same brand but with a different price policy, meaning a higher or lower price). This may help to reach additional market segments, not without risks for the parent brand.

Challenges are many and, although an extensively used strategy, the brand extension has a high rate of failure. Problems may concern the ineffective use of the brand extension for sustaining the new product launch simply because customers are not persuaded about the brand promise in relation to the new product. The brand extension may also impact the parent brand, as it can confuse the customers about the brand core and core positioning. Linking the parent brand with a new product implies that the product performance in the market and the issues encountered in its launch and market penetration may impact the parent brand equity.

Open questions – Sample answer

2) Brand positioning: a) When is it appropriate to think of an update of the positioning? b) What are the risks of updating the brand positioning?

Brand positioning is something that, once achieved, should be kept the same, as change may imply a dramatic loss of brand equity. However, there are some cases when an update must be considered. These cases regard the upcoming ineffectiveness of the identified POPs and PODs. This may happen when, for instance, a new competitor enters the market, or a technological evolution may make our points of difference irrelevant or outdated. On the other hand, new opportunities may emerge and adding new POPs/PODs can be viable to address additional market segments. Market changes but also internationalisation strategies can create a need for brand positioning change. The risks of updating the positioning consist of the loss of brand equity for the customers not understanding the change, not believing in the new brand's POPs/PODs and for the difficulty in proving the change in the face of the customers.