

MARKETING

Case collection update – December 2007

LENOVO: BRIDGING EAST AND WEST TO BUILD A GLOBAL BRAND

ECCH	507-115-1
Reference No.	
Teaching Note	
Author	Kotler, P; Pfoertsch, W
Setting	China, global; Computer / IT (information technology); Large; 2006
Topic	Brand management; Brand transfer; B2B (business to business); Branding; Global marketing; Expansion overseas; Corporate name promotion; Brand acquisition; Sub-brands; Master brand; Leverage; Synergy; Differentiation; Integration; Global branding; Olympic sponsorship
Pub. Year	2007
Length	15 pages
Source	Field research
Abstract	The Chinese Lenovo group developed a unique way for global brand recognition. In 2003, the former Legend Group Limited launched its new brand Lenovo to cater to the company's future business development and laid groundwork for its expansion into the overseas market. To explore new markets, the company changed its brand name from Legend to Lenovo for the main purpose of internationalisation. After the acquisition of the PC (personal computer) unit of IBM, Lenovo was successfully built as a strong global brand known for innovation, customer service and high quality by leveraging the IBM brand for its own brand build-up. Moreover, the brand Lenovo has gained additional value through strategic symbolism and promotion activities.

SCHOTT CERAN INBRANDING

ECCH	507-122-1
Reference No.	
Teaching Note	
Author	Pfoertsch, W; Linder, C; Berkowitsch, N
Setting	Germany, global; Home appliances; Medium size; 2007

Topic Ingredient branding; Brand management; Brand structure; White goods market; Marketing measures; Corporate branding; B2C (business to consumer); B2B (business to business); Value proposition; Marketing activities; Brand collaboration

Pub. Year 2007

Length 11 pages

Source Field research

Abstract Schott Ceran ® is famed for its glass-ceramic cooktop panels. With more than 30 years experience and more than 75 million units sold, the Schott Homotech division is market leader for glass-ceramic cooktop panels worldwide. This case discusses the ingredient branding strategy that has been implemented by Schott brand management. Furthermore, the company background and the way to success are described in detail, and the ingredient branding implementation is analysed critically.

FEDEX: FROM A HOUSE OF BRANDS TO A BRANDED HOUSE

ECCH Reference No. 507-118-1

Teaching Note

Author Kotler, P; Pfoertsch, W

Setting USA, global; Transportation; Large; 2006

Topic Brand management; Brand architecture; Corporate identity; Corporate brand; Expanding brand breadth; House of brands; Branded house; Brand communication; Maintaining reputation; Global brand management; Sponsorship; B2B (business to business)

Pub. Year 2007

Length 9 pages

Source Published sources

Abstract Federal Express (FedEx) is known for its success in overnight delivery systems. This case focuses on FedEx's brand management and the alignment of the brand architecture after M&A (merger and acquisition) and integration. It briefly introduces the evolution of the FedEx brand over decades and its brand integration from a house of brands to a brand house through acquisitions and realignments. The case also describes what FedEx did to communicate the brands both to business and customers.

IBM SUCCESSFUL TURNAROUND THROUGH BRAND COMMUNICATIONS

ECCH Reference No. 507-119-1

Teaching Note

Author Kotler, P; Pfoertsch, W

Setting USA, global; IT (information technology) / computer; Large; 2006

Topic Brand management; Most valuable brands; Manage B2B (business to business) brands; Redefining brands; Master brand; Reinvigorate the brand; Effective communication; Global brand manager; Value proposition; Brand campaigns; Interbrand; Measuring customer satisfaction

Pub. Year 2007

Length 8 pages

Source Published sources

Abstract IBM, as one of the top brands in the world was facing enormous challenges in consumer recognition and overall business success. Slow and bureaucratic processes and a series of behavioural aspects hindered the company's reactions to smaller rivals, particularly in the PC (personal computer) business. IBM had to redefine itself and identify its strategic approach. With the help of global brand management and an integrated communication strategy IBM managed to communicate a unified brand message in all its channels to the customer and even enter new business areas. This case exemplifies the need for integrated brand communication.

LANXESS: BRAND COMMUNICATION OF A SPIN-OFF

ECCH Reference No. 507-121-1

Teaching Note

Author Kotler, P; Pfoertsch, W

Setting Germany, global; Chemicals; Medium; 2006

Topic Brand management; Strategic changes; Brand communication; Brand positioning; Corporate communication

Pub. Year 2007

Length 4 pages

Source Field research

Abstract Lanxess was named as a new chemical commodity company which had spun-off from Bayer. Since its beginning, Lanxess had strived to build a new corporate brand with the value proposition of courage, capability and energy. Furthermore, it attempted to play a role of co-ordinated global communication activities executed in different countries under one central lead. Lanxess branding goals were carried out step by step. At this time, more challenges need to be overcome.

TATA STEEL: BRANDING STEEL BASED ON CUSTOMER FOCUS

ECCH Reference No. 507-117-1

Teaching Note

Author Kotler, P; Pfoertsch, W

Setting India, global; Steel; Large; 2006

Topic Brand management; Global brand; Branding commodities; Branding task force;

Customer account managers; Marketing brands; Print ads; Community welfare programmes; Retail value management; Customer value management; Co-branding; B2B (business to business)

Pub. Year	2007
Length	10 pages
Source	Published sources
Abstract	Tata Steel, as one of India's most successful companies, represents a great example of a strongly branded B2B (business to business) company. Learning from other competitors, Tata believed that branding the commodity steel would provide them a unique selling proposition. Tata launched its first branded product in April 2000, and later developed a portfolio of branded products. The branding strategy achieved great success in increasing sales and the company market share. On the other hand, branding with a customer-focused strategy created value for the employees and retailers. Looking into the future, Tata Steel continues to plan more initiatives, such as co-branding with high-end customers and global branding.

SIEMENS: BRANDING FOR CROSS-SELLING INITIATIVES

ECCH	507-114-1
Reference No.	
Teaching Note	
Author	Kotler, P; Pfoertsch, W
Setting	USA, global; Electrical equipment; Large; 2004-2006
Topic	Brand management; B2B (business to business) branding; One face to the customers; Communication effectiveness; Cross-selling; Corporate communications; Global brand roll-out
Pub. Year	2007
Length	10 pages
Source	Field research
Abstract	The 160-year-old German electrical conglomerate Siemens AG started a new programme called One Siemens with the help of former Chief Executive Officer, Klaus Kleinfeld. This programme started in the US market, and was designed to get company units to co-operate better to win business. Siemens One aims to provide customers with one interface to multiple Siemens operation companies, facilitating in an efficient and cost effective manner for Siemens. The essential challenge of this project was how to increase communication effectiveness and efficiency, and transfer a unified brand message. Siemens US solved the problem by adopting a 4-level consistent message hierarchy, as well as creating a convincing value proposition. The successful experience in the US served as a pilot for Siemens to launch One Siemens globally.

SAMSUNG: LEVERAGING THE BRAND FROM B2C TO B2B

ECCH	507-116-1
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Reference No.**Teaching Note****Author** Kotler, P; Pfoertsch, W**Setting** Korea; Electronics, industrial goods; Large; 2006**Topic** Brand management; Brand transfer; B2C (business to consumer); B2B (business to business); Brand positioning; Leverage brand; Competitiveness; Building brands; Olympic sponsor; Communication planning; Emotional approach; Value proposition**Pub. Year** 2007**Length** 9 pages**Source** Field research**Abstract** Samsung is a well-known industrial group with a product portfolio ranging from consumer electronics, finance and building construction to other industrial services. In 1997, Samsung slimmed down the company by removing more than 100 non-essential businesses and focused on four technical business areas. Samsung established a strong consumer brand in its electronics and appliance business. The company strategy also shifted to developing pioneering products and technology in the semiconductors, telecommunication devices and home appliances field, which in the long-term made Samsung a most competitive total solution provider in digital convergence. Consequently, the marketing team had to face the challenges of building a new brand vision fitting to the new era: (1) how to create one global brand and a clear brand position?; (2) how to communicate the new brand to all stakeholders and customers?; (3) how to increase communication planning?; and (4) how to expand their position on the new chip / semiconductor market? The case details what Samsung actually did.**NEW SERVICE DEVELOPMENT OF GUIYANG COMMERCIAL BANK****ECCH Reference No.** 507-030-1**Teaching Note** 507-030-8 (7 pages)**Author** Zhou, Dongsheng; Shu, Jinsi**Setting** China; Banking, financial services; Medium; 2005**Topic** China; Banking; Financial services; City Bank; Service innovation; New service development; Marketing**Pub. Year** 2007**Length** 10 page(s)**Source** FIELD**Abstract** Guiyang Commercial Bank (GCB) was a regional commercial bank established in 1997. GCB had 91 branches in the city of Guiyang and over 2,300 employees. Since its establishment, its total assets had increased from RMB3 billion (about US\$0.375 billion) to about RMB23 billion (about US\$2.875 billion) by the end of 2004. GCB had identified 'basing business on small and medium-sized clients,

serving the local citizens' as its motto. It had maintained a long-term close relationship with the local private enterprises. However, as state-owned banks accelerated their reforming process and rural co-operative banks emerged in Guiyang, GCB was gradually losing its differentiation advantages and market competitive edges. Its premium clients, the fast-growing private enterprises, were gradually taken away by its competitors. As a small-sized municipal commercial bank, GCB was incapable of full-range competition with the large-scale state-owned banks. Therefore, the management of GCB had decided that they must: (1) allocate the limited resources to clients of the highest potential; (2) try to win clients by strengthening innovation and uniqueness of services; and (3) improve GCB's profitability.

BRIGHT DAIRY & FOOD CO, LTD: TROUBLE FOR THE SAFETY OF MILK PRODUCTION

ECCH Reference No.	506-236-1
Teaching Note	
Author	Xu, Amber
Setting	China; Food industry, dairy; Large; 2005
Topic	Dairy industry; China; Crisis management; Public relations; Media relations; Milk production; Food safety
Pub. Year	2006
Length	16 page(s)
Source	Library
Abstract	Bright Dairy & Food Co Ltd, a dairy giant in China, faced a severe crisis after a local media report disclosed the 'secret of milk production' in one of its subsidiaries. Because the food safety issue was of concern to the public, the national media immediately kept a strong focus on Bright Dairy and raised radical suspicion on the quality of its products. However, Bright Dairy was not prepared for this sudden crisis. Its inability to provide an appropriate response worsened the situation and led to mass dissatisfaction. Both sales volume and market value were considerably affected. This case examines Bright Dairy's flawed responses to customers and media, which deepened the crisis. This is a good example for students to use to discuss public relation policies and crisis management skills.

A DECADE OF ADVENTURE OF DELL IN CHINA

ECCH Reference No.	506-237-1
Teaching Note	
Author	Zhou, Dongsheng
Setting	China; Computer, PC (personal computer) industry; Large; 2005
Topic	Dell; China; PC (personal computer) industry; Direct sales model
Pub. Year	2006

Length 8 pages
Source LIBRARY
Abstract Dell entered China in 1995 and it relied primarily on distributors for the following three years. Dell established the China Customer Service Center in 1998 and started to bring the direct sales model to China. The unique business model had enabled Dell to successfully penetrate the highly competitive PC (personal computer) market in China. After four years of market testing, Dell had entered into a fast-growing era. From 2002 to 2004, Dell had maintained an annual sales growth rate of over 55%. Its overall ranking of market share increased from 6th largest in 2001 to 3rd largest in 2004. However, 2005 was an uneven year for Dell, and many complaints were heard regarding Dell's after-sales service and product quality. Many media reports were questioning the viability of Dell's business model in China. Some of the top management in Dell China had left the company. The case presents the business adventure of Dell China from 1995 to 2005.

BABY-FIRST CHILD CAR SEATS: FROM EXPORT TO DOMESTIC SALES

ECCH Reference No. 506-183-1
Teaching Note 506-183-8 (13 pages)
Author Zhou Dongsheng; Shu Jinsi
Setting China; Child car seat; Medium; 2005
Topic Marketing; China; Automobile / automotive; Child car seat; Manufacturer; Private sector; Market entry; Industry value chain
Pub. Year 2006
Length 14 Page(s)
Source Field
Abstract Ningbo Baby-first Industrial Company Limited ('Baby-first') in Ningbo, China, specialised in the production of child car seats. Baby-first had been taking overseas OEM (original equipment manufacturer) orders since the early 1990s. Within a few years, the company's annual export volume was nearly a million sets, with its major focus on markets in Europe, the US and south-east Asia. With the rapid growth of the domestic car market in China, Xu Lihong, the founder of Baby-first, was considering how he could sell child car seats in China. However, due to the immature market environment and lack of marketing experience, his first attempts did not receive satisfactory results. Its international competitors had advantages in technology, brand and economy of scale, while the domestic competitors were advantageous in cost and price. In this low-entry-barrier market, they were posing substantial threats to Baby-first.

WINNING THE CHINA VITAMIN WAR BY BUILDING A STRONG BRAND

ECCH Reference No. 506-234-1

Teaching Note 506-234-8 (20 pages)

Author Chen, Junsong; Burgers Willem

Setting United States; Health care; Large; 2005

Topic Finance; Acquisition; Merger; United States; Health care; Dialysis

Pub. Year 2006

Length 21 page(s)

Source FIELD

Abstract On 4 May 2005, Fresenius Medical Care of Homburg, Germany announced the purchase of Renal Care Group for \$48 per share. The total purchase price of approximately \$3.5 billion would be all financed through debt and was forecasted by Fresenius to be 'slightly' accretive to earnings in 2006 and would 'clearly' be accretive in 2007 and thereafter (Fresenius Medical Care press release - 'Fresenius Medical Care to Acquire Renal Care Group, Inc', 4 May 2005). In addition to the cash payment to Renal Care Group's shareholders of \$3.5 billion, Fresenius would also assume debt of approximately \$500 million raising the total purchase price to \$4 billion. From a strategic perspective, the deal catapults Fresenius back into the market leader position adding RCG's 30,400 patients and 425 dialysis clinics to the base of 117,000 patients and 1,560 clinics in North America. Fresenius also has approximately 39,000 more patients worldwide being served in about 440 clinics. Some had speculated that Fresenius had made the move simply because they had fallen to second place in the dialysis market when DaVita, the number two player at that time, announced its intention to purchase the number three provider, Gambro's dialysis service division for \$3.1 billion in December 2004. It is difficult to compare both acquisitions since the strategy of each seller is quite unique. Gambro's dialysis health care services division was created with the purchase of Vivra in 1997. Prior to this acquisition, Gambro had been primarily a manufacturer of dialysis products. Whether or not the Fresenius deal is beneficial to its shareholders remains to be seen, although it is unlikely to face any issues with Renal Care Group shareholders given the 22% premium.

BIG ACCOUNT MANAGEMENT OF DELL CHINA

ECCH Reference No. 506-164-1

Teaching Note

Author Chen, Junsong; Zhou, Dongsheng

Setting China; IT (information technology); Large; 2005

Topic Big account management; Dell China; Sales management; Direct sales

Pub. Year 2006

Length 7 page(s)

Source FIELD

Abstract Dell set up its manufacturing centre in China in 1998, and started to promote the direct sales model officially. Before 1998, Dell mainly relied on the distributor and

the sales increased slowly. After the adoption of the direct sales model, Dell has maintained a high growth speed. In 2004, the overall sales volume of Dell was ranked third in China, with a 9% market share, beaten only by Lenovo and Founder. Dell segmented the customer groups into three categories depending on their size and purchase capacity, which are: (1) the relationship customer; (2) the middle-sized customer; and (3) the small-sized and family customer. The first and second types of customers account for nearly 80% of Dell's revenue. The case presents Dell's sales work in China and the tool, RAD (retention, acquisition, development) model, it uses to manage the big account.

CHANGHONG BATTERY: A NEW VENTURE FOR THE TV GIANT IN CHINA (A)

ECCH Reference No.	506-165-1
Teaching Note	
Author	Chen, Junsong; Hua Jingqing; Zhou, Dongsheng
Setting	China; Battery; Large; 2005
Topic	Changhong; Battery; Market entry strategy; Pricing; Retailing channel selection; China; Branding
Pub. Year	2006
Length	8 page(s)
Source	FIELD
Abstract	Changhong is one of the most recognised brands in China's home electronic appliance market. Particularly, it has been taking the leading position in the colour TV market since the mid 1990s. For many years, it has been known as the 'King of Colour TV'. In 1999, as part of its diversification strategy and also upon the request of local government, Changhong took over a battery enterprise. It is a small but new business for the giant company. The case presents the business expansion of Changhong battery in Shanghai, the largest metropolis in eastern China. The challenging situation for the company is that Changhong is a well-known brand, but Changhong battery is unheard of for most consumers. It means that the marketing manager of Changhong battery will have to carefully design the marketing mix to enhance the sales. The case will be suitable for students to discuss the market entry strategy. The information in the case will be particularly helpful for students to discuss the retailing channel selection and pricing.

ONE SMALL BUSINESS IN SHANGHAI (A)

ECCH Reference No.	506-101-1
Teaching Note	506-101-8 (3 pages)
Author	Li, Jenny; Burgers, Willem
Setting	2005 Retailing Shanghai Small
Topic	Marketing; China; Retailing; Shanghai
Pub. Year	2006

Length 5 page(s)
Source GENERAL EXPERIENCE
Abstract The retailing industry in Shanghai has expanded greatly in recent years. Seeing opportunity, many individuals start their own retailing business hoping for a reasonable return, or hoping perhaps to become the next Huang Guangyu. This case shows how a small business is built and the types of decisions a storeowner, or any business owner, must make. A vivid scenario is created for the students to think through and solve problems for the storeowner. Several decisions on pricing and marketing investments require calculations for their solution. An important point made by this case is that in a very competitive environment, creativity is not enough and neither is disciplined calculation. We need both.

SHANGHAI GOLDPARTNER BIOTECH COMPANY LTD (A): (2001 - FEBRUARY 2002)

ECCH Reference No. 505-022-1
Teaching Note 505-022-8 (4 pages)
Author Burgers, Willem ; Chen, Junsong ; Li, Jenny
Setting 2002-2005 Health care food, over-the-counter (OTC) drug, vitamin China Middle
Topic Vitamin market; Multi-vitamin; Health supplement; Healthcare food; Market entry; Market test; China
Pub. Year 2005
Length 6 page(s)
Source FIELD
Abstract This is the first of a four-case series (505-022-1 and 506-102-1 to 506-104-1). The outbreak of SARS in 2003 panicked many Chinese people. As an unexpected result, health products suddenly received much more interest than in years before. Among a variety of health products, multi-vitamins became especially popular, as it was said to be critical to enhance people's immunity, the key to prevent one from catching SARS disease. Goldpartner, a late-comer to the multi-vitamin market, became the market's sales leader in just two years through aggressive marketing. A four-case series were developed to present the evolution of the competition in China vitamin market and the marketing strategy that Goldpartner has adopted to fulfill its ambition to become the market leader. Case A (505-022-1) details Goldpartner's marketing preparation before it decided to enter the vitamin market where there were already several well-established foreign brands. The case encourages the students to understand key marketing issues involved when launching a new brand.

SHANGHAI GOLDPARTNER BIOTECH COMPANY LTD (B): (MARCH, 2002 - MARCH, 2003)

ECCH Reference No. 506-102-1
Teaching Note 505-022-8 (5 pages)
Author Chen, Junsong; Burgers, Willem

Setting 2002-2005 Health care food, over-the-counter (OTC) drug, vitamin China Middle

Topic Vitamin market; Multi-vitamin; Health supplement; Healthcare food; Market test; Advertising; Market segmentation; China

Pub. Year 2006

Length 8 page(s)

Source FEILD

Abstract This is the second of a four-case series (505-022-1 and 506-102-1 to 506-104-1). Goldpartner's first round of market test was not very successful, and the company decided to take another round after making some changes about the communication strategy. The marketing managers have carefully monitored the market reaction in the new test, but the sales were still growing slowly. However, Goldpartner could not afford to wait any longer, since one of its key competitors was going to launch the product nationwide. Starting from July 2002, Goldpartner initiated the national market. Under the heavy bombardment of advertising, Goldpartner was targeting three market segments, the children, women, and male adult markets. Sales had increased dramatically thereafter. However, after the Chinese New Year in 2003, the sales dropped sharply.

SHANGHAI GOLDPARTNER BIOTECH COMPANY LTD (C): (APRIL, 2003 - DECEMBER, 2003)

ECCH Reference No. 506-103-1

Teaching Note 505-022-8 (4 pages)

Author Chen, Junsong; Burgers, Willem

Setting 2002-2005 Health care food, over-the-counter (OTC) drug, vitamin China Middle

Topic Vitamin market; Multi-vitamin; Health supplement; Healthcare food; SARS (Severe Acute Respiratory Syndrome) crisis; Advertising; Market segmentation; Differentiation strategy; Branding strategy, China

Pub. Year 2006

Length 16 page(s)

Source FIELD

Abstract This is the third of a four-case series (505-022-1 and 506-102-1 to 506-104-1). Goldpartner was launched with a strong functional appeal. However, gradually, the brand was being positioned as a gift, which has led to considerable sales fluctuation. Sales dropped sharply after traditional Chinese festivals. Goldpartner realized the importance of functional appeal, but failed to take the advantage of SARS crisis, an opportunity to boost its sales. In order to create a unique selling point, Goldpartner started to attack several major vitamin brands by implicitly implying that these brands contain excessive copper and phosphorus. It has aroused much debate and protest from the competitors. As for the three market segments, initially Goldpartner hoped that the women market would be its focus; however, it turned out that major sales actually came from children and male adult market. Should Goldpartner give

up the women market or consider a new brand for this market? These are all hard decisions. Case C will be helpful for students to discuss major marketing decisions including market segmentation and targeting, differentiation strategy, and branding strategy.

SHANGHAI GOLDPARTNER BIOTECH COMPANY LTD (D): (JANUARY, 2004 - MARCH, 2005)

ECCH Reference No.	506-104-1
Teaching Note	505-022-8 (5 pages)
Author	Chen, Junsong; Burgers, Willem
Setting	2002-2005 Health care food, over-the-counter (OTC) drug, vitamin China Middle
Topic	Vitamin market; Multi-vitamin; Health supplement; Healthcare food; Advertising; Pricing; Product positioning; Product concept; Governmental regulation; China
Pub. Year	2006
Length	13 page(s)
Source	FIELD
Abstract	This is the fourth of a four-case series (505-022-1, and 506-102-1 to 506-104-1). At the end of 2003, Goldpartner was acquired by a Hong Kong listed company. In order to meet the profit requirement for the board, the company lowered the advertising budget. As a result, the sales in 2004 did not show any increase. Three years after Goldpartner was introduced in the market, it had achieved great success, but was also facing some problems and challenges. The price of Goldpartner is higher than its competitors; the taste of the children product is not desirable; the sales coverage in pharmaceutical channel is low; and consumer's knowledge about Goldpartner's function and benefit was not clear. Goldpartner was aware of some insufficiencies in the marketing work but found it hard to change. Since 2005, a number of new regulations have been issued by the Chinese government, which will certainly bring considerable impact on the healthcare product. Would Goldpartner be able to adjust its marketing strategy in the new environment and maintain its market position?

NAO BAI JIN

ECCH Reference No.	505-107-1
Teaching Note	505-107-8 (16 pages)
Author	Chen Junsong; Price, Lydia
Setting	2000-2005 Health supplement China Large
Topic	Branding; Advertising Strategy; Product Positioning; Soft Advertising; Soft Article; China; Health supplement; Melatonin; Healthcare food; Brain platinum
Pub. Year	2005
Length	14 page(s)
Source	FIELD

Abstract

Health supplement market has started to boom in China since 1980s. During the last two and a half decades, the health supplement market has experienced two ups and downs. Many famous brands come and go. It is a huge market with great potential but is also full of challenge. It is easy to enter the market and quick to grow the brand, however, it is difficult to sustain the brand for a long term. A brand named Nao Bai Jin (a melatonin product) has received much attention because of its quick and dramatic success as well as its unique marketing strategy. Mr. Shi Yuzhu, the founder of Nao Bai Jin, has innovatively adopted the soft advertising strategy, promoting the product through a series of soft advertorials that looked like scientific news reports. The soft advertising strategy turned out to be very effective in the early stage, and the sales of Nao Bai Jin hit 1.2 billion RMB in less than three years. However, the advertising campaign now showed signs of wear-out and annual sales dropped sharply. It was said in the industry that most brands would die within five years time. It has been the eighth year up to 2005 since Nao Bai Jin was marketed in China market. Will Nao Bai Jin continue to grow? Or is it the time for the company to consider cashing the brand?

This case presents the development of Nao Bai Jin, its use of different advertising strategies, its competition environment and its challenge. The case can be studied to help students become aware of the evolvement of advertising strategy as the product grows. The case challenges students to determine an overall investment policy and associated branding/advertising strategy for an early market leader that now faces unstable market conditions and increasing competition.

CHINESE MEDIA MARKET: THE FINAL FRONTIER FOR THE GLOBAL MEDIA PLAYERS

ECCH

505-068-1

Reference No.**Author**

Lv, Kevin

Setting

2002 Media industry China

Topic

China; Media market; Market entry; Business environment

Pub. Year

2005

Length

13 page(s)

Source

LIBRARY

Abstract

With a huge customer group and an affluent society accompanied by decreasing illiteracy and increasing urbanisation, the Chinese media market is considered as a potential attractive frontier for the global media players to explore. However, the pioneers, who had already set foot in the Chinese media market, quickly found it difficult to develop their business due to the reluctance of government to open the media sector. Most of them had to adopt indirect approaches to become involved in the market. They were making efforts to lobby for a favourable business environment after China's World Trade Organisation accession. The case briefs the evolution and current status of the Chinese media market and provides a basic market background for global players to study.

GORDON CHINA CO LTD

ECCH Reference No.	505-035-1
Teaching Note	505-022-8 (4 pages)
Author	Lv, Kevin
Setting	2000; Oral care, toothbrush China
Topic	China; Market segment; Toothbrush market; Market strategy
Pub. Year	2005
Length	18 page(s)
Source	LIBRARY
Abstract	<p>Gordon China was a joint venture of Gordon Co, Ltd. (Gordon), a world famous company in the oral care industry, and Evergreen Toothbrush Factory (Evergreen), the No1 toothbrush manufacturer in China. Mr Rick Smith, the protagonist of this case, was the marketing director of Gordon China. After taking his current post at Gordon China in May 1994, Rick made a series of marketing strategies to develop the Gordon brand in the Chinese market. Gordon China had experienced a disappointing stage at the very beginning. Rick managed to reverse the situation by promptly adjusting the marketing strategies. Until 1999, Gordon China achieved great success in the Chinese toothbrush market. Then, Rick was pondering the next marketing strategy for Gordon China. He had to decide whether to adopt the 'upgrading' strategy, and what should be done if the strategy was launched.</p>

MERCEDES BENZ AND WUHAN WILD ANIMAL PARK

ECCH Reference No.	504-127-1
Author	Chen, Junsong ; Price, Lydia J
Setting	China; Automobile; Large international company; 2000-2001
Topic	Communication; Crisis management; Auto industry; China; Medium management; Public Relations; Consumerism
Pub. Year	2004
Length	16 page(s)
Source	LIBRARY
Abstract	<p>In the morning of December 25, 2001, many people in Wuhan, a large city in middle China, were so surprised to see a Mercedes SLK230 sports coupe being towed by a water buffalo in the street. In the next day, the car was wrecked by five strong men in Wuhan Wild Animal Park (WWAP), the owner of the car, making Mercedes publicly humiliated. After the negotiation between WWAP and Mercedes failed, WWAP threatened to smash another Mercedes car. Why has such a terrible incident happened? What makes the car owner resort to such an extreme solution? How will Mercedes handle this situation? Could Mercedes avoid this smashing incident happening again? No matter what Mercedes should do, the threat of the imminent car smashing meant that they would have to act fast. The case will be particularly</p>

useful in discussing the company's PR strategy and crisis management skills. The case could also help the foreign-investment company understand the complicated environment in China including the role of government, Chinese consumers, and Chinese culture.

COSMETIC SURGERY IN CHINA: THE MARKET FOR LASER RESURFACING

ECCH Reference No.	504-043-1
Teaching Note	504-043-8 (6 pages)
Author	Burgers, Willem P ; Chen, Junsong
Setting	China; Cosmetic surgery; Medium; 2004
Topic	Marketing ; Marketing research ; China ; Consumer study
Pub. Year	2004
Length	7 page(s)
Source	LIBRARY
Abstract	The case is about a Korean businessman who conducts market research in Shanghai before he builds a cosmetic surgery clinic there. However, the case is not designed to direct students to understand China's cosmetic surgery market, but to learn how to analyze the data collected in a market survey. Therefore, this case is suitable for a marketing research course, or for a general marketing course. This case is deliberately kept sufficiently simple to direct students' attention to the use of research findings, not to the intricacies of research design and execution. The case is well suited for a homework assignment.

SHENZHEN NOVOPHALT ASPHALT HIGH TECHNOLOGY CO, LTD

ECCH Reference No.	503-132-1
Teaching Note	503-132-8 (6 pages)
Author	Burgers, Willem P ; Chen, Junsong ; Zhu, Maggie
Setting	China; Asphalt; Middle-sized; 2001
Topic	Industrial marketing ; Asphalt ; Novophalt ; China ; Decision making
Pub. Year	2003
Length	7 page(s)
Source	FIELD
Abstract	Shenzhen Novophalt Asphalt High Technology Company, Ltd (Novophalt) is an 85%-15% Sino-Austrian joint venture which produces Modified Asphalt (MA), a special high-tech asphalt designed to make roads last longer. However, despite the substantial advantages of MA, uncertainty continues on when and where exactly MA should be used, and its use is still limited in China. Now Novophalt has to develop a clear picture of different decision-makers involved in the purchase of MA and convince them of substantial benefits of its product. This case is suitable for an international business course or a marketing course, particularly a course on

industrial marketing. The case can be studied to help students become aware of multiple influential factors and different parties involved in the industrial product purchase in China. Therefore students should understand different messages should be sent to different decision influencers in order to make effective communication. The teaching note was written by WP Burgers and J Chen.

FIRESTONE TIRES AND FORD EXPLORER SUV'S (A)

ECCH	503-130-1
Reference No.	
Teaching Note	503-130-8 (12 pages)
Author	Price, Lydia J ; Wu Sze-Wei, C (HKUST)
Setting	USA; Automotive; Over 500 employees; 2000
Topic	Crisis communications ; Public relations ; Ethics ; Marketing communications ; Product recall
Pub. Year	2003
Length	8 page(s)
Source	LIBRARY
Abstract	This is the first of a two-case series (503-130-1 and 503-131-1). This case describes events leading up to the decision by Bridgestone/Firestone Inc in August 2000 to recall 6.5 million automobile tires that were suspected of contributing to fatal accidents of the Ford Explorer SUV. The main theme is that of managing crisis communications but corporate ethics and social responsibility can also be discussed. Key issues are how and when to identify an emerging problem as a crisis, how to set up a response team and a communications plan, and how to enact a recall. The scenario is rich with possibilities for students to adopt conflicting views. Natural tensions exist between the government, the manufacturers and the consumers; the automaker and the tire maker; the tire maker's Japanese parent and its directly-affected US subsidiary; and the tire maker's legal counsel and its marketing team. The situation is complicated by the fact that the technical cause of the accidents is unclear. The case clearly illustrates the difficulty, as well as the necessity, of formulating decisive plans in an emotionally charged and rapidly evolving situation. The teaching note was written by LJ Price.

FIRESTONE TIRES AND FORD EXPLORER SUV'S (B)

ECCH	503-131-1
Reference No.	
Teaching Note	503-131-8 (10 pages)
Author	Price, Lydia J ; Wu Sze-Wei, C (HKUST)
Setting	USA; Automotive; Over 500 employees; 2000
Topic	Crisis communications ; Public relations ; Ethics ; Marketing communications ; Product recall
Pub. Year	2003

Length 10 page(s)
Source LIBRARY
Abstract This is the second in a two-case series (503-130-1 and 503-131-1). This case is intended to equip students with a broad-based systems view of crisis planning and management. The (A) case describes events leading up to the decision by Bridgestone/Firestone Inc in August 2000 to recall 6.5 million tires that were suspected of contributing to fatal accidents of the Ford Explorer SUV. The (B) case describes the evolution of the recall plan as well as events surrounding a Congressional investigation into Ford and Firestone's handling of the safety issue. The (B) case is presented in four parts, each covering one or more weeks of the crisis chronology. If distributed and discussed one at a time, the vignettes offer a powerful illustration of how crises tend to escalate and spread to include organizations and systems outside the company's immediate control. Students have an opportunity to experience these dynamics and adjust their crisis response plans as each new phase unfolds. They also can test their ability to foresee future problems and propose actions to limit further damage. Finally, students can test their understanding of the US legal system and its role in protecting consumers. The teaching note was written by LJ Price.

GREAT HAPPINESS CIGARETTE FACTORY

ECCH Reference No. 503-072-1
Teaching Note 503-072-8 (4 pages)
Author Burgers, Willem ; Zhu, Maggie
Setting China; Cigarette; \$250 million revenue; 1999
Topic Brand strategy ; Market research ; Strategic marketing ; Corporate strategy
Pub. Year 2003
Length 14 page(s)
Source FIELD
Abstract A key lesson of this case concerns the importance of establishing a mission for the company to guide marketing decision-making. As well, there is much room for discussion about the nature of brands, the nature of competition between local and global brands, the role of government, and of course the ethics of the tobacco industry, working for the tobacco industry, or even teaching a case that involves the tobacco industry. The often chaotic and unruly Chinese business environment offers an interesting backdrop to the case. The teaching note was written by W Burgers.

BEIJING FOUR DIMENSIONS-JOHNSON SECURITY EQUIPMENT CO LTD (A)

ECCH Reference No. 503-073-1
Teaching Note 503-073-8 (5 pages)
Author Liu, Shengjun
Setting Beijing, China; Manufacturing; 180 employees; 2002

Topic Cash-in-transit vehicles ; Market segment ; Joint venture ; Technology transplant ; Localise

Pub. Year 2003

Length 17 page(s)

Source FIELD

Abstract This is the first of a two case series (503-073-1 and 303-069-1). FD- Johnson was established as a joint venture by a Chinese private enterprise and a UK-based Cash-in-Transit (CIT) manufacturer in 1997. However, its ambition of becoming the leader in China came up against consecutive frustrations: nobody had interests in its non-armed CIT vehicles; even after refitting according to the Chinese realities, its vehicles still failed to enter the dominating bank market; though it was becoming a leader in the specialized escort market, it narrowly broke even. The impending purchasing tide and more fierce competition required that FD-Johnson must raise its market share to get away from the current embarrassing situation. This case can serve as a good example of the risk of simply transplanting a product which sells well in another country. Besides, the case will be a power vehicle for studying a variety of issues including market segmentation, SWOT analysis, and Porter's Five Forces model.

BEIJING FOUR DIMENSIONS-JOHNSON SECURITY EQUIPMENT CO LTD (B)

ECCH Reference No. 303-069-1

Teaching Note 303-069-8 (4 pages)

Author Liu, Shengjun

Setting Beijing, China; Manufacturing; 180 employees; 2002

Topic Delegation ; Trust ; Family business ; Management turnover ; Product quality

Pub. Year 2003

Length 9 page(s)

Source FIELD

Abstract This is the second of a two case series (503-073-1 and 303-069-1). Beijing FD-Johnson Security Equipment Co (FD-Johnson), a Sino-UK joint-venture, was suffering from outdated concepts and rough-and-tumble management. Though the board decided to implement the ISO 9001 system and MRP II system, these efforts ended in nothing due to the resistance of incumbent managers. After changing five general managers and seven sales directors, the staff's morale and internal management was negatively influenced. The chairman of the board established a transitional executive committee as a temporal management team in the special time for market expansion. However, how should he implement an effective organizational reform in the next step?

BP FUJIAN LTD (A)

ECCH Reference No. 502-039-1

Teaching Note 502-039-8 (3 pages)

Author Burgers, Willem ; Zhu, Maggie

Setting China; Energy; \$21 billion; 1990-1997

Topic Market entry ; China ; Public policy ; Regulation ; Negotiation ; Asia ; International marketing

Pub. Year 2002

Length 4 page(s)

Source FIELD

Abstract This is the first of a three-case series (502-039-1 to 502-041-1). This short case offers students an opportunity to draw their own conclusions about market entry into China and the regulatory and policy-making processes in China. Students should consider the potential implications of these processes for the viability of a project. The case reflects the optimism and excitement engendered by the excellent achievement, against all odds, of government approval for the proposed venture. Case (B) brings students back to earth where actual operations must generate real profits. Students should realize that a license to operate is not a license to make money. From the identification of the opportunity to start-up the operation, a very long time of seven years had passed and BP managers in charge of negotiating the project may have become more focused on approval than on the eventual success of the venture.

BP FUJIAN LTD (B)

ECCH Reference No. 502-040-1

Teaching Note 502-040-8 (5 pages)

Author Burgers, Willem ; Zhu, Maggie

Setting China; Energy; \$39 million; 1997-1998

Topic Marketing concept ; Market analysis ; Market segmentation ; Product differentiation ; Distribution management ; Strategic marketing ; China ; International marketing

Pub. Year 2002

Length 11 page(s)

Source FIELD

Abstract This is the second of a three-case series (502-039-1 to 502-041-1). On 1 April 1997 BP Fujian Ltd, a joint venture between British Petroleum and the Fuzhou Municipal Coal Gas Company, opens for business in Fuzhou (the capital of Fujian province) with its LPG filling and distribution operation. Demand is brisk and dealers are signed up to distribute bottled gas throughout Fuzhou and its surrounding counties. But soon the dealers start filling BP bottles not with BP gas but with cheaper, lower quality gas from alternative sources. Losses mount and the company must decide to either close down or radically redesign its business model. The case illustrates a variety of concepts and issues, including: (1) the strategic implications of defining a

product by the needs which it satisfies; (2) the use of market segmentation as a strategic weapon; (3) the application of Michael Porter's five forces model; and (4) the design and management of a distribution network.

BP FUJIAN LTD (C)

ECCH Reference No.	502-041-1
Teaching Note	502-041-8 (3 pages)
Author	Burgers, Willem ; Zhu, Maggie
Setting	China; Energy; \$35 million; 1998-2000
Topic	Services management ; Distribution ; Turnaround strategy ; China business environment ; Asian business environment ; International marketing ; Strategic marketing
Pub. Year	2002
Length	12 page(s)
Source	FIELD
Abstract	This is the third of a three-case series (502-039-1 to 502-041-1). On 1 April 1997 BP Fujian Ltd, a joint venture between British Petroleum and the Fuzhou Municipal Coal Gas Company, opens for business in Fuzhou (the capital of Fujian province) with its LPG filling and distribution operation. Unfortunately, the company runs into major trouble when most of its distributors start selling cheap gas from sources other than BP Fujian. There is a possibility even that the joint venture will be shut down. This case describes how the joint venture saves itself by successfully taking over the distribution of its products. Nevertheless, new problems arise.

CYBERWAY COMPUTER COMMUNICATIONS CO LTD

ECCH Reference No.	500-021-1
Author	Vanhonacker, Wilifred R. ; Wang, Ying ; Drelich, Maria ; Gallagher, Mikella INSEAD/CEIBS, France-China
Setting	China; E-business; 1997-1998
Topic	E-commerce ; E-business
Pub. Year	2000
Length	10 page(s)
Source	FIELD
Abstract	This case describes a young start-up facing China's bubbling e-business environment. The teaching objective is to illustrate entrepreneurship in a regulated industry.

TONY ROMA'S IN SHANGHAI

ECCH Reference No.	599-026-1
Author	Vanhonacker, Wilifred R ; Williams, Sarah

INSEAD/CEIBS, Fontainebleau-China
Setting China; Fast food; 1997-1998
Topic Fast food marketing
Pub. Year 1999
Length 13 page(s)
Source FIELD
Abstract This case study describes Tony Roma's entry into China. The teaching objectives include difficulties and challenges in managing a fast food restaurant in an emerging market. This case contains color exhibits.

SHANGHAI FAMOUS POPS

ECCH Reference No. 599-025-1
Author Vanhonacker, Wilifred R ; Garde, Pierre
INSEAD/CEIBS, Fontainebleau-China
Setting China; Food; 1997-1998
Topic Marketing ; Promotion ; Distribution ; Fast moving consumer goods (FMCG)
Pub. Year 1999
Length 19 page(s)
Source FIELD
Abstract This case study describes marketing lollypops in China. The teaching objectives include marketing challenges in an emerging market. This case contains colour exhibits.

MARY KAY CHINA: SHANGHAI MARKET ENTRY

ECCH Reference No. 597-014-1
Author Schmitt, Bernd
Setting Shanghai, China; Cosmetics; 1 year
Topic Global strategy ; Developments in China/Shanghai ; The cosmetics market ; Distribution ; Research Chinese ; consumers ; Mary Kay consumer research
Pub. Year 1997
Length 17 page(s)
Source FIELD
Abstract This case focuses on the strategic and tactical aspects of designing a market entry strategy for a cosmetics company into the Shanghai market. Specific issues concerned are positioning the company in China, selecting target consumers, product and pricing decisions as well as distribution issues (direct sales versus department stores). The case provides aggregate market data as well as survey and focus-group data. A video 'Mary Kay China: An Interview with Cecilia Yang, Vice President, Sales and Marketing' (597-014-3) for debriefing the students on the

outcomes of the case is available.