



ASSIGNMENT 1ST SEMESTER : CONSUMER AND BUYER BEHAVIOUR (CBB)

CHAPTERS COVERED : CHAPTERS 1 - 5

DUE DATE : 3:00 p.m. 20 MARCH 2012

TOTAL MARKS : 100

INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from any IMM GSM office, the relevant Student Support Centre or can be downloaded from the IMM GSM website. It is essential that the complete instructions be studied prior to commencing your assignment. The following points highlight only a few important notes.

1. You are required to submit ONE assignment per subject.
2. The assignment will contribute 20% towards the final examination mark, and the other 80% will be contributed by the examination, however, the examination papers will count out of 100%.
3. Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
4. Number all the pages of your assignment (e.g. page 1 of 4) and write your name and surname, student number and subject at the top of **each** page.
5. The IMM GSM requires assignments to be presented in a typed format, on plain A4 paper. Unless otherwise specified, this assignment must be completed within a limit of 1500 words, excluding the bibliography. Students who exceed the word limit may find that only part of the submitted assignment will be marked
6. A separate assignment cover, which is provided by the IMM GSM, must be attached to the front of each assignment.
7. Retain a copy of each assignment before submitting, in case the original does not reach the IMM GSM.
8. The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 20 March 2012. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 20 March 2012 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
9. If you fail to follow these instructions carefully, the IMM Graduate School of Marketing cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IMM GSM website, www.immgsm.ac.za, on Friday, 4 May 2012.

You are required to use (and acknowledge any references to) the prescribed textbook: Blackwell, R.D., Miniard, P.W., and Engel, J.F., 2006. *Consumer Behaviour*. 10th International Student Edition. USA: Thomson South-Western.

Please note:

- Marks will NOT be awarded for definitions. The object is to test your **understanding** of these theoretical concepts.
- Marks will NOT be awarded for **information or examples lifted from textbooks or study manuals** provided by learning institutions. It is important that you think of your OWN applications.
- Marks will NOT be awarded for **answers/examples provided by lecturers**. (This becomes very apparent when all students from one centre are quoting the same examples!)
- Marks will NOT be awarded for **copies or adaptations of marking memoranda supplied for previous assignments**. This not only constitutes plagiarism, but negates the purpose of formative assessment where the student is encouraged to generate original interpretation and application of theoretical content.
- **Good marks will be awarded for analysis and application on a practical level.**
- As per the IMM GSM website, you are required to check spelling and grammar, word count, etc., and comply with the referencing and PLAGIARISM POLICY.

Read the Bio-Oil Case Study attached and answer ALL the questions that follow.

(Source: www.brandchannel.com)

Bio-Oil is considering extending its brand into new consumer product categories and/or new consumer segments and has requested the assistance of your marketing consultancy in

- suggesting a viable brand extension;
- segmenting the market and identifying the best segment; and
- determining viable strategies for the brand extension in your local region.

QUESTION 1 [90]

- 1.1 Suggest and briefly describe a brand extension for Bio-Oil. Outline the reasons why you believe that this extension would be successful. **(10)**
- 1.2 Segment the market for the suggested extension in your home country (do NOT target). **(10)**

- 1.3 Identify a primary target market for the brand extension in your country and write a demographic and psychographic profile of a typical member of this segment. **(10)**
- 1.4 To develop your new brand extension you will have to be very clear as to certain aspects of your new brand. Describe the following, with specific practical application to your brand extension:
- 1.4.1 What are the functional elements of the brand extension? **(5)**
 - 1.4.2 What are the emotional elements of the brand extension? **(5)**
 - 1.4.3 What is the brand promise of the brand extension? **(5)**
 - 1.4.4 What is the personality of the brand extension? **(5)**
- 1.5 Using Figure 3.2 of the Blackwell et al. (2006), explain the need recognition stage of the consumer buying process for a man who is a potential buyer of your new brand extension. **(25)**
- 1.6 Explain in detail the internal and external search process a consumer is likely to follow when deciding to purchase a product such as the one you are suggesting to Bio-Oil. **(15)**

PRESENTATION [10]

ASSIGNMENT TOTAL: 100



Bio-Oil - skin deep

by Mandy de Waal

How did Bio-Oil, a little South African skin care brand, become a worldwide sensation, creating a multi-million-dollar business that took hold of exacting off shore markets like Japan? You'd think the two men behind the business would be brand gurus, but truth is they are two brothers

who were chartered accountants before the opportunity of a lifetime knocked on their door. In 2000, Justin and David Letschert were running a boutique mergers-and-acquisitions firm that specialized in the pharmaceutical and personal care product industries. One client they were working on was Union-Swiss, which was up for sale and had ten brands with 120 products in its portfolio. The problem was that a lot of the brands were defunct labels that were not drawing revenue or building business value. "The owner wanted to sell lock, stock and barrel. But no one in this industry buys anything lock, stock and barrel, they only buy labels that add value to the basket of brands in their business," says Justin Letschert, CEO of Union-Swiss.

There were loads of offers on the business but each one was turned down because of the owner's stubborn refusal to break the company up or sell it off piecemeal. The brothers had invested a significant amount of time and effort in the business without accruing any revenue for their time and were looking for a creative solution to the problem. "At that point we had done so much work on the business we decided to buy it. We bought a business we knew nothing about and my brother literally climbed in his car and drove across South Africa to take ownership. It was three years before he returned," says Letschert.

The merger and acquisition specialists took a knife to the business and stripped away all the dead wood, but when it came to Bio-Oil, they instinctively knew they had an underperforming bestseller on their hands.

"The history of the creation of the product is fascinating. Bio-Oil was a tissue oil that operated in a category where 95 percent of its competitors were creams," says Letschert. "All creams are a mixture of water and oil (in some cases up to 90 percent water), and as we all know, water contains oxygen. The oxidizing effect inhibits the efficacy of additives like vitamins, extracts, botanicals in creams quite significantly. To ensure that essential ingredients in creams do their job, further additives must be included to restore efficacy. Oil has no oxygen, and enhances the effect of beneficial additives."

The inventor of Bio-Oil, Dieter Beier, was searching for a solution that would have all the benefits of oil but would be consumer friendly, when he stumbled on a scientific breakthrough based on the reduced viscosity of the oil on ducks' feathers when they preen themselves. This led to the creation of PurCellin Oil, a product with reduced viscosity that delivers all the benefits of oil without being greasy.

Although the Letschert brothers weren't branding, pharmaceutical or personal care product experts, they had intuitive marketing smarts. They quickly realized that the skin care and pharmaceutical industries were poles apart but were beginning to grow toward each other. Skin care products were becoming more scientifically formulated, while the pharmaceutical industry wanted to reach target buyers outside the medical market.

This saw the skin care sector moving into the pharmaceutical and dermatological arena with strong collaboration between the two industries, as witnessed recently by healthcare company Allergan (the producers of Botox) collaborating with Elizabeth Arden to produce the anti-aging brand Prevege.

The healing power
of Bio-Oil.

