

ICA 7: IN-CLASS ACTIVITY

*** To have students research before coming for tutorial**

Brand's Essence of Chicken: Managing the Product Life Cycle¹

Learning Objective. To have students learn about the strategies firms use in managing and extending the product life cycle (PLC) of their products and brands by having them suggest specific actions for Cerebos to use with its Brand's Essence of Chicken.

Nature of the Activity. To have student teams start with Brand's Essence of Chicken and then address the challenging task of developing new PLC ideas for it. [**NOTE:** Ideas **outside the Brand's Essence of Chicken** are not within the scope of this ICA.]

Estimated Class Time. 30 minutes.

Materials Needed.

- Copies of the Managing and Extending the Product Life Cycle (PLC) for Brand's Essence of Chicken

Preparation Before Class. Follow the steps below:

1. Read pp. 288-291 of Chapter 11.
2. Read, and if necessary, edit and print the CH11.doc Word file and the slides from the CH11.ppt PowerPoint file for this ICA.
3. Make copies of the Managing and Extending the Product Life Cycle (PLC) for Brand's Essence of Chicken Hand out.
4. **OPTIONAL:** Newspaper/magazine ads of Brand's Essence of Chicken

¹ The author wishes to thank Germaine Wang from Temasek Polytechnic, Singapore, for developing this ICA.

Instructions. Follow the steps below to conduct this ICA:

1. Pass around the ads of Brand's Essence of Chicken (if available)
2. Form students into 4-person teams.
4. **Show Slide 11-3** and give students this mini-lecture on
“When a firm has a strong brand or product, it is critical that the firm find ways to exploit it—often through managing and extending its product life cycle. This is exactly the situation for Cerebos and its Brand's Essence of Chicken. Now, let's assume you're a consulting team contracted to help Cerebos come up with ideas for generating additional revenue from its Brand's Essence of Chicken .
5. **Show Slide 11-4.** Pass out copies of the Managing and Extending the Product Life Cycle (PLC) for Brand's Essence of Chicken Handout.
6. **Spend 10 minutes** and have the student teams come up with ideas for Cerebos to generate additional revenues for its Brand's division using the strategies shown in the handout.
7. Call on the student teams for their ideas and write them down on the board or a transparency.
8. **Show Slide 11-5 after** the student teams have shared their ideas. Tell the class what some of the actions that Cerebos has taken, **as summarized in the table below**. Also note that there is some “overlap” among the strategies.

Marketing Lesson. It is critical for organizations to use creative marketing strategies to manage and extend the product life cycle for their key brands, products, and services. Also, it is usually far less expensive and risky to do that, rather than try to come up with successful new-to-the-company or new-to-the-world products or services.

Website. The website for Brand's Essence of Chicken is www.cerebos.com

**MANAGING AND EXTENDING THE PRODUCT LIFE CYCLE
(PLC) FOR BRAND'S ESSENCE OF CHICKEN ANSWERS**

PLC STRATEGY	IDEA
<p><u>Modify the Product</u></p> <ul style="list-style-type: none"> • Add New Flavors • Change the Package 	<p>Essence of Chicken with Cordyceps, Tangkwei, Hashima & Red dates, Hashima Gingko, Hashima Ginseng etc</p> <p>Launch different size packaging to cater to kids (smaller) and to heavy users (bigger)</p>
<p><u>Modify the Market</u></p> <ul style="list-style-type: none"> • Find New Users • Increase the Use • Create New Use Situations 	<p>“ Starter Pack” to attract new users (1997)</p> <p>Promote regular product use for a healthy lifestyle - Sponsor National Healthy Life Style campaign (1999)</p> <p>Cooking with Essence of Chicken</p>
<p><u>Reposition the Product</u></p> <ul style="list-style-type: none"> • React to Competitor's Position • Reach New Markets • Catch a Rising Trend • Change the Value Offered 	<p>Place Brand's vending machine at strategic locations (1996)</p> <p>Halal product to target Muslims (Bistari Tongkat Ali & Bistari Herba Ali) (1990)</p> <p>Appeal to vegetarians – InnerShine Berry Essence (2006)</p> <p>For consumer's convenience – tablet form. S\$7 mil sales in 1st half of 2003</p>

**MANAGING AND EXTENDING THE PRODUCT LIFE CYCLE
(PLC) FOR BRAND'S ESSENCE OF CHICKEN HANDOUT**

PLC STRATEGY	IDEA
<p><u>Modify the Product</u></p> <ul style="list-style-type: none"> • Add New Flavors • Change the Package 	
<p><u>Modify the Market</u></p> <ul style="list-style-type: none"> • Find New Users • Increase the Use • Create New Use Situations 	
<p><u>Reposition the Product</u></p> <ul style="list-style-type: none"> • React to Competitor's Position • Reach New Markets • Catch a Rising Trend • Change the Value Offered 	

For info of tutors

Cerebos (Singapore) Pte Ltd Year & History

Feb 1968 Formation of Cerebos (Singapore) Pte Ltd (but Brand's Essence of Chicken was introduced in 1920s)

1970 BRAND's Essence of Chicken size 1.5 makes it debut in Singapore. Launch of BRAND's Essence of Chicken size 2.5.

1978 Formation of Yakult (Singapore) Pte Ltd [Joint Venture with Yakult Honsha Ltd, Japan]

Nov 1982 Launch of BRAND's Essence of Chicken with Cordyceps size 1.5.

Nov 1982 Launch of BRAND's Bird's Nest size 2.5.

Jan 1986 Launch of BRAND's Essence of Chicken with Tangkwei size 1.5.

Feb 1987 Launch of BRAND's Bird's Nest size 2.5.

Mar 1990 The Bistari name is introduced to the Singapore market with Bistari Pati Ayam, Bistari Tongkat Ali and Bistari Herba Ali.

Oct 1990 Launch of BRAND's Bird's Nest 2.0.

May 1992 Launch of BRAND's with Cordyceps size 2.0, BRAND's with Tangwei size 2.0, BRAND's with American Ginseng (GBN) size 2.0.

Sep 1993 Launch of GBN Size 2.5.

Aug 1994 Launch of BRAND's for Children size 1.5.

Early 1995 Launch of BRAND's Bird's Nest size 1.5. Launch of GBN size 1.5.

Apr to Aug 1995 Cerebos Pacific Ltd. Singapore celebrates company's 160th Anniversary.

Jan 1996 The new BRAND's Junior Club is launched.

Apr 1996 Launch of BFCL (Brand's For Children with Lycium) 1.5. Launch of BRAND's Essence of Chicken with Hashima and Red Dates 2.5.

May 1996 Launch of BLEC 2.0 and YBT 2.5.

Aug 1996 3 new BRAND's Vending Machine's are placed at strategic locations.

Dec 1996 BRAND's Premium Bird's Nest is made available exclusively in SIA Inflight Magazine.

Jun 1997 The BRAND's Starter Pack is introduced to the market.

Oct 1997 Launch of BRAND's Essence of Chicken with Hashima Ginkgo and with Hashima Ginseng.

Mar to Aug 1998 Cerebos sponsors the First Singapore Mount Everest Expedition Exhibition.

1999 BRAND's Sponsors National Healthy Lifestyle Campaign.

2000 Brand's Sponsors National Healthy Lifestyle Campaign. Brand's Sponsors Everest 2001 Expedition.

2001 BRAND'S Caps For Charity Campaign is launched to great success with 450 limbs manufactured from 90,000 caps.

2002 The second BRAND'S Young Achiever Award is organised at Singapore's, first-of-its kind, outdoor, experiential learning centre called SPARKc.

Nov 2003 Launch of BRAND'S Premium Bird's Nest

25 May 2005 Launch of BRAND'S Bird's Nest with Collagen

Nov 2006 Launch of BRAND'S Bird's Nest with Manuka Honey

8 Nov 2006 Launch of InnerShine Berry Essence

Nov 2006 Cerebos was again the Gold Sponsor for the charity concert event, 'Child Aid 2006' in aid of the Straits Times School Pocket Money Fund and the Business Times Budding Artists Fund.

Dec 2006 117 runners from Cerebos participated in the Standard Chartered Singapore Marathon to raise money for Cerebos' chosen charity, the Straits Times School Pocket Money Fund.

Jan 2007 Cerebos again received Singapore Top 50 listed companies honour, organised by IE Singapore for our good corporate governance and transparency.

Feb 2007 Volunteers from Cerebos, together with Singapore Police Force trainees and children from the Special School joined forces to help raise funds for the Share a Meal (SAM) programme organised by the MILK (Mainly I Love Kids) Fund.

Apr 2007 Senior officers from IE Singapore's Corporate and International Operations Groups visited Cerebos and engaged in discussions with our International Business Development Division.

Apr 2007 BRAND'S® Essence of Chicken day was celebrated in Singapore with Marketing colleagues from around Asian territories, highlighting the science behind the brand.

Jun 2007 BRAND'S sponsored and organised the National Championships BRAND'S Sudoku Challenge in Singapore.

Jul 2007 Cerebos clinched the Singapore HR Awards in the categories of Leading HR Practices in Quality Work-Life and Leading HR Practices in Health & Employee Wellness.

Aug 2007 Cerebos announces expansion of its R&D capabilities supported by a grant from the Singapore Economic Development Board.

Aug 2007 BRAND'S commissioned its very own TV show, 'BRAND'S Stay Sharp, Stay in Game' which debuted to excellent response.

Sep 2007 Cerebos Charity sales organised in Singapore to raise funds for the ST School Pocket Money Fund.

Sep 2007 BRAND'S® Bird's Nest Sugar Free launched in Singapore

Bird flu has little effect on Cerebos' Q2 net profit

(An extract)

[Story and interview with Eiji Koike was aired on Singapore Business Tonight 21/5/04]

By Deepa Balji, Channel NewsAsia

SINGAPORE : For a company whose name is almost synonymous with chicken, Cerebos Pacific has not been affected much by the bird flu outbreak early this year, with sales of its flagship product, Brands Essence of Chicken, down only two percent for the quarter ended March 31.

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But how did the company get through the bird flu outbreak earlier this year relatively unscathed?

"With increased communication with our consumers, we made them understand and told them how safe our product would be. Fortunately, our business recovered very quickly. The impact was quite slight and that was fortunate for us," said Cerebos president and CEO Eiji Koike.

Also helping was the reoccurrence of the SARS virus, which boosted sales of health supplements like Brands.