

UNIVERSITY OF BOLTON
BOLTON BUSINESS SCHOOL
RAS AL KHAIMAH CAMPUS
MARKETING PATHWAY
SEMESTER 2 EXAMINATIONS 2008/2009
MARKETING MANAGEMENT
MODULE NO: MKT3001DL

Date: Thursday 28th May 2009

Time: 17:00 – 19:00

INSTRUCTIONS TO CANDIDATES:

There are **THREE** questions on this paper.

Answer **ANY TWO** questions.

All questions carry equal marks.

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Answer ANY TWO questions

“Fired up to succeed in ceramics”.

(Adapted from an article in the Financial Times, 25 February 2009)

The British ceramics manufacturing industry is dying; Waterford Wedgwood collapsed into administration earlier this year and Royal Doulton is no more. Yet today Bridgewater is discussing how they can double their ceramic sales in the U.K.

In the 1980s Londoners, Matthew Rice and Emma Bridgewater breezed into Stoke-on-Trent, bought a ceramics factory, started to make pots, turned a profit and have not looked back since. Last year they turned over £7.5 million with a net profit of approximately 5%. Despite the recession the company yielded record sales and doubled profit margins in December 2008 and January 2009. The husband and wife team plan to raise turnover to £15 million in the next five years.

Speaking by phone from their home in Oxford, Ms Bridgewater, 44, says, “In 1984 I wanted to buy my mother a pair of cups and saucers that would be nice and companionable, but could find nothing in the shops.” She designed the items herself and had them made; Bridgewater Pottery was born.

Rice, a high class furniture designer joined his wife’s company as chief designer in 1991. The design style established by Ms Bridgewater and elaborated by Rice was up-market, unfussy and casual, different to the formal dining services offered by their well established competitors.

The brand struck a chord with better-off customers in the chilly economic conditions of the early 1990s. Bridgewater Pottery, spotty, mugs, cow creamers, plates encircled with such phrases as “toast and marmalade”, is domestic and comforting. It is reassuring stuff to have around when financial markets are at a low. “The worst time for us is coming out of a recession”, says Rice, “Then, people like clear modern lines”. The team declined an invitation to discuss the current recession on the BBC’s current affairs programme Newsnight.

The decision to expand the business in the late 1990s was driven partly by the arrival of the couple’s third and fourth children and the need to increase their income. The recruitment of M&S executive Matthew Dobson in 2001 as commercial director helped with the push.

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Rice blames design piracy for destroying many Stoke pottery businesses. Among the worst culprits, he says, are high street retailers, who commission versions of copyrighted designs from Asian producers. The knock-offs are generally sufficiently different to forestall legal action.

Operating a factory employing 100 people in Stoke increases flexibility as well as cost, says Rice. It also appears to be fun. One room in the factory is full of men in white aprons who are taking fired pots out of the moulds. In another room, women are dabbing designs on to biscuit-fired pieces with sponges. Perhaps Rice and his wife are quintessentially English one-offs. Or perhaps what they have done points to a possible salvation for the declining British potteries industry.

Q1.

With close reference to Porter's 5 Forces model identify the industry forces suggested in this case and explain how they might apply to the UK ceramics industry in general.

(50 marks)

Q2.

The current economic downturn and low tech production methods are two key PEST factors for Bridgewater. Critically evaluate how these factors will influence marketing strategy at Bridgewater.

(50 marks)

Q3.

Describe and critically evaluate the aspects of the Bridgewater brand presented in the case and explain how this company has succeeded in this market when other well established brands have disappeared.

(50 marks)

END OF QUESTIONS