

# Manchester



**ASSIGN  
BUSTER**

Situation Analysis: Manchester- Leading manufacturer of premium office furniture Revenues \$2.

33 billion In 2004. Home lines currently include Recliner, Home office, Media/ Entertainment furniture. Home sales expected to grow 30% In 2005, from \$260 million. Want to leverage manufacturing expertise and production capacity Into household furniture Goal: To provide a complete family of household furniture products in the mid- to upper-price points.

Paul Logan- Furniture Division revenues \$990 million in 2004.

Number 1-2 in market share and brand recognition. Well established sales force; strong ties to leading distribution channels; talented design team. Sold Furniture Division to refocus on its competencies in fashion and textile design.

Manchester Home expanded household furniture division by adding market leader PLED. Addition of 990 million in PLED revenues . Addition of established sales force, talented design teams. Pelf's Signature Style line very popular with consumers. Ability to combine PL design skills with MM engineering and manufacturing.

Manufacturing expertise and ergonomic designs.

How would you characterize the household furniture Industry? The annual growth for household furniture was \$36. 64 Billion, and office furniture annual growth is \$10. 69 billion in 2004. Employment growth and new business formation increased the furniture growth.

The recession of 2001 and rise in refurbished furniture contributed to the sharp decline of the furniture market. Competition for the lowest import price from Asia and Mexico increased.

New home constructions and home sales were tied closely to the furniture industry. What are the benefits and risk associated with the acquisition of PLED (Paul Logan Inc.

) The merger process will lead to many apartments reorganization (Benefits) Opportunity: 1, market leader position 2, improvement brand awareness 3, high share of market 4, high barriers of Industry The MM Company will achieve the largest market share and market leader position In the US' furniture market through the merger of MM and PLED; this strong company (Manchester products Inc. Must make a high barrier to new entrants of furniture industry. (Risk)Threat: 1, American economic recession 2, growing competition 3, high bargain power of supplier 4, lots of small companies development by low cost rapidly , American internal market become saturation (Risk): Manchester advertising agency felt the tag line would confuse customers and would be a waste of budget considering the brand name was only temporary (Risk) Reducing trade promotions for PLED would place their whole distribution channel at risk.

What are the marketing problems raised by the brand transition? How to tie-in PLY'S bold designs with M's conservative style Customer confusion over new brand name Which option should be recommended and why?

Recommendation: Gradual transition first linking Paul Logan to the Manchester name to build brand cached as measured by another target

consumer survey. Utilize both push and pull marketing strategies to drive distribution channels and consumers.

Leverage the Paul Logan name to build strong brand awareness for Manchester – Continue to use the PL name in subtext for 1.5 hrs. ; conduct consumer research to reevaluate after this time. -Business recommendation to convert the name 100% to Manchester Home after 1.5 hrs. First 6 months: Manchester Home: The New Home for Paul Logan Furniture – Following year: Manchester Home: The Home for Paul Logan Furniture -After 1.

1.5 hrs. :

Conduct consumer research to reevaluate transition Business recommendation is to drop the Paul Logan name Want to ensure the Manchester Home brand has achieved a sufficient awareness before removing PL Implementation: rhea specific MM brand transition implementation process (there is three stages in three years): 1, the first stage: we (the MM Company) will use the two brands MM and PLED products in the market at the same about six months.

The two brands products mixed enter each other's distribution channel, for example, there are must having several MM products in the PLED sale spots, on the contrary, there are must have overall PLED products in the MM sale spots. Training every sale staff announce to customers that the MM acquisition the PLED brand, we can promise the quality and services.

Advertisement agency should announce that the first point MM acquisition the PLED brand and the second point we can maintain the quality and services in the society use any method. , the second stage (two years): we (the MM Company) will manufacture the all PLED products with new package, one product with two trademark logos MM and PLED. Giving the some discount to the customers that buy new package with two logos' products in the three months. Advertisement agency need to announce these new package products in the market use any method, and promise the quality and better services. Another promise is the all former PLED customers also have the better after services.

We want to use the connectivity products' radiation effects continuous increase the MM brand equity and power in the market. Let's the customers feeling that those MM and PLED no any difference, only have the new package and better services and quality. We need have two market researches in this stage, according to the customers' reaction in the market to termination whether increase announces and promotions. 3, the third stage (final six months): this is our MM company delete the PLED process.

We will manufacture the connectivity products with two packages, for example, one model product has little difference, which is the same product one is only MM logo and another is two logos MM and PLED. We will sale them at the same sale spots, and give the discount to the customer whom buy the only MM brand products. Advertisement agency need to announce that our MM Company will support new package about products gradually, which is only one brand logo MM. We also need market research to the customer reaction about only one brand logo in the market.

We believe that the MM brand equity and power will continuously increase through above plan successful from competitors. Conclusion The brand transition is a complex process, it needs all departments of corporation work to synchronize cooperation and perform their duties (such as: advertisement, promotion, services, sale channel and so on) if we want to achieve the successful brand transition.

How to make the customers accept the transition brand and increase the market share is the ultimate goal of the transition process.

Advertising: Strong campaign is critical to the success of the new brand name  
-\$184 million allotted for 2005 -Includes national and cooperative advertising for both PLED and MM products Push IS. Pull -MM to allocate more \$ towards Push advertising -Heavy Push & Pull the first 1.5 hrs.

-Marketing & Communications mix to form long-term company image  
Promotional Programs -Purchase allowances -Recommend amending the planned 2005 marketing expenditures to allow for purchase allowances.