

大同大學 九十四 學年度研究所碩士在職班入學考試試題

考試科目：企業個案分析

所別：事業經營研究所

第 / 頁

註：本次考試 不可以參考自己的書籍及筆記； 不可以使用字典； 不可以使用計算器。

Amway Corp.: A Successful Sales and Distribution Story in Japan

Amway Ltd. of Japan is an overseas subsidiary of the U.S. consumer-goods company of the same name. Currently it is the seventh fastest growing company in Japan with Japanese sales now equivalent to sales in the United States--over a half billion dollars. The company has 450 full-time employees and 700,000 individual distributors who sell 150 home care, houseware, nutritional supplement, and personal care products such as cosmetics on a commission basis direct to consumers.

A number of factors have contributed to Amway's success. First, the company competes with a traditional trade distribution system that is dominated by small, local retail and wholesale distributors who charge enormous markups to carry a product. These markups often lead to retail prices that are quadruple the manufacturer's price, and the small store size results in a limited selection for consumers. Second, Amway has established three automated distribution centers that receive computerized orders and ship within 24 hours to provide outstanding convenience. Third, because Japan is a compact market, it is easy to reach the customer. The independent salesperson-distributors service customers personally, distributing catalogs, making telephone calls, and conducting sales sessions and demonstrations in coffee shops. Customers can place orders by phone, by computer, and even by fax.

Recently, Amway has been very successful in marketing a small \$265 induction range made by Sharp. The range heats only the ingredients in a pan and remains cool to the touch. It was a flop in the cramped retail stores but a big success for Amway whose salespeople were able to demonstrate its features.

1. Which type of sales and distribution system best characterizes the Amway system?
2. Discuss the types of sales and distribution objectives and appeals that appear dominant at Amway.
3. What is Amway's source of power in this system? What type of power do distributors have in dealing with Amway? With consumers?

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SCOTT PAPER COMPANY

During the 1970s, Scott Paper Company suffered erratic earnings and a declining share of market for its sanitary products (facial tissues, toilet tissue, and paper towels). Although Scott continued to be a dominant supplier in these markets (which accounted for the bulk of company sales), it had lost ground to its major competitor (Procter & Gamble). Further, the growth of private brands and generic brands was outstripping the 3 percent total market growth for these product lines. Private label sales were said to account for 20 percent of 1980 sales of toilet tissue.

Scott marketed multiple brands in each of these markets (including seven toilet tissue brands) but, historically, had emphasized higher-quality and premium-quality brands. (Scott's Viva towels and P&G's Bounty competed in the premium paper towel segment with Scott towels in the high-quality segment.) Scott's Cottenell and P&G's Charmin competed in the premium toilet tissue segment, with Scott's Waldorf and Family Scott tissues marketed in the high-quality segment.

By 1979, Scott's management had determined that many of the company's production facilities had become too old to continue to produce high-quality products at competitive prices. Combined with the growing share of the market held by private brands, this prompted management to reformulate several brands (including Waldorf tissues and Scott towels) with lower cost paper and to lower prices on these products. At the same time, advertising support was sharply increased for these products, and Scott's private label operations were expanded. Although Scott continued to market select premium brands, the shift in emphasis was clear.

What type(s) of marketing strategies is Scott pursuing? Discuss how the situation analysis, product objectives, and competitive analysis influenced Scott's selection of a strategy.

Note : 1. two cases included

2. Questions are **ABSOLUTELY NOT** difficult; however, the hint for answers depends on if you understand what the questions ask you about.

3. Good Luck!