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**EXECUTIVE MASTER OF BUSINESS
ADMINISTRATION (EXMBA)**

Term-End Examination

June, 2012

**MCTE-077 : INTEGRATED MARKETING
COMMUNICATION**

Time : 3 hours

Maximum Marks : 100

Note : Question one is compulsory. Attempt any five questions.

All questions carry equal marks.

1. Despite its presence in India for several years now, Coca Cola has not been able to increase its sales and revenues for nearly a decade. The per capita consumption of Coke in India was only 8 servings as compared to 14 servings in neighbouring Pakistan, and 1500 servings in Mexico. The main reason for failing to establish its foothold in India was lack of clear positioning appeal. The company had initially overestimated the market, misread customers and battled with the government, losing precious time and opportunities. Coca Cola was initially promoted with the punch line 'Always Coca Cola', which confused Indians, as they could not understand the connotations of this message unlike the US Market where this stance was extremely successful. Indian customers had not grown up with Coca Cola and they could not grasp the

meaning of 'always'.

For US customers, coke was a part of their life, which they grew up with and coke was much more than a drink. The brand had lingering presence. In India, the drink was new to the market. A local soft drink 'Thums Up' was uppermost in terms of recall and associations. Coke purchased this brand but tried to subdue its impact in the minds of Indians. The move backfired. Coca failed to make any impact on Indians for a long time. Coca Cola could not put its main brand into dominance. Its main rival in India, Pepsi Cola continued its ascendance in the Indian market by connecting the brand with the younger generation and using film stars, Cricketers and other popular youth icons to endorse its brand.

Coca Cola revamped its strategies in India and started revitalising the local Indian brands such as Thumps Up as well. Connection with the younger generation was established by using appropriate celebrity endorsements. Pricing was refurbished by offering an innovative bottle of a lesser SKU of 6.8 oz as against 10.1 oz at a price of 10 cents (Rs5/-) Even the price of the larger SKU was reduced from 24 cents to 17 cents per bottle.

The earlier prices, though not very high were still out of the reach of the most average Indians, for whom spending money on carbonated

beverages every day was still a luxury and not habit. Coke had initially presumed that due to hot and humid conditions, people in India would inevitably buy more cold drinks once they were offered to them. The presence of the great Indian middle class with high disposable incomes seemed to offer a tremendous potential opportunity. But later the company discovered that the purchasing power and inclination of the middle class Indian consumers were overrated.

The reduced prices brought in higher sales. But most importantly, for customers, the connect with the brand Coca Cola was established by using the actor Aamir Khan, and equating Coke with something 'Thanda' (meaning cold) Indians generally buy carbonated soft drinks by asking for a cold drink. By saying that 'Thanda' means Coke, the company has been able to shake the supremacy of pepsi in this intensely competitive market. Read the above caselet carefully and answer the following questions.

- (a) Why should a company expend resources on positioning its product? When all that the customers want is a solution to their need? 10
- (b) Do customers really care about the image of the product or company? How does the company decide which image will enable the company to sell more? 10

2. Consider any two ads that you like. Evaluate the ads from the point of view of the strategy and message construction. 20

3. Take a brand of your choice and design a marketing communication (promotion) mix for the same. Justify your answer. 20

4. (a) Discuss various methods of allocating advertising budget. 10
 (b) Briefly explain the reasons due to which companies switch their Ad Agency. 10

5. Write short notes on the following : 5x4=20
 - (a) Types of advertising
 - (b) DAGMAR
 - (c) Pull policy of promotion
 - (d) Integrated Marketing Communications.

6. Define sales promotion ? Explain various sales promotion schemes used by -- 8+6+6
 - (a) Mobile Services (Airtel, Vodafone, Idea)
 - (b) Airline Industries (Kingfisher, Jet, Indigo)

7. What is PR ? What is its significance in today's era of competition ? Enlist various tools of PR used by companies. 5+5+10