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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF MANAGEMENT**

**SET A**

**END TERM FINAL EXAMINATION**

**Odd Semester:** 2018-19

**Date:** 10 January 2019

**Course Code:** MKT 303

**Time:** 3 Hours

**Course Name:** Integrated Marketing Communications

**Max Marks:** 80

**Programme & Sem:** MBA & III Sem

**Weightage:** 40%

**Instructions:**

- (i) *Avoid false numbering*
- (ii) *Elucidate your answers with suitable illustrations where needed*

**Part A**

Answer **all** the Questions. **Each** question carries **four** marks.

(5Qx4M=20)

**Special Instructions:** Be specific and precise in your answer.

1. Explain various approaches of setting promotional budgets.
2. Define 'Publicity'. What are the various publicity vehicles?
3. What is ad execution style? Enumerate the different advertisement execution techniques.
4. What is Direct Marketing? What are its tools?
5. What do you mean by pre-testing of advertising effectiveness? What are the different laboratory & field methods of pretesting?

**Part B**

Answer **both** the Questions.

(20+10=30M)

6. Case Study

**Energy Booster – Malt**

A health drink called Malt-K was manufactured by a company based in Mumbai. This beverage was consumed by children, during the lunch hour at school. Children need healthy drink for their growth.

The company also manufactures several beverages, of which, Malt – K has the most market share. The taste was liked by children and most parents bought it. It was reasonably priced and was available in packets and jars. After successfully selling this product for ten years, like any other product, this product too showed signs of decline. Concerned by this, the company stepped up its advertisement, using multiple media. Ad was given in children's magazine. Essentially TV as a media, using a sports channel was chosen to show the benefit of consuming this drink by children, since the sports

channel was popular. The company also found that though there was a competition, it was not a threat.

However, in the light of declining trend, the company wanted to give new lease of life/push to the product. Therefore, it decided to introduce some promotion measures, so as to increase the sale.

Questions:

(a) Suggest promotion measures to boost the sales. Choose among

- i. Price discount
- ii. Volume discount
- iii. Shelf display
- iv. Contests
- v. Sweepstakes
- vi. Coupon redemption etc. Justify your answer.

**(10 Marks)**

(b) Describe the ad campaign that you would undertake to extend the life of the product. **(10 Marks)**

7. A company has hired you to advertise its achievements. Select a brand of your choice and mark its achievements. Make a print advertisement using all the elements of a print advertisement to make the advertisement, as to why the people should buy it.

**(10 Marks)**

### **Part C**

Answer **all** the Questions.

**(20+10=30M)**

8. Case Study

#### **Sports Celebrity Management**

Sports Celebrity Management – once an unknown concept – has become the buzzword in the Indian advertising industry. The seeds for sports celebrity management were sown during the early 80's when former cricketer Kapil Dev endorsed brands like Palmolive and Boost. But the concept shot into the limelight in the mid – 1990s when WorldTel has signed Sachin Tendulkar on for a five-years contract with a minimum guarantee of Rs 20 core. Sachin again come into the public eye when worldTel signed him on for Rs 100 core for five years starting 2001-02. This contract drew the attention of many in the industry to the sports celebrity management services.

The sports celebrity management services market in India was largely unorganized and was run on personal contacts and networks. But the situation started changing when big advertising agencies entered this field by setting up separate divisions for sports marketing. Some major organized players in this field are IMG, Total Sports, Collage Sports, and Precept D' Mark. Individual managers and companies tied up with professional agencies to bring in professionalism into their operations. For example, Showdiff, a new talent and entertainment management company, was the result of a joint venture between former cricketer Ravi Shastri and leading Indian advertising agency, Rediffusion.

Assessing the brand value of the sports celebrity is a challenging task for a sports management company. To simplify this task, managers interact with the sportsperson to understand his expectations regarding the income he wants to earn and the time he wants to allocate for endorsement related activities. Then based on his expectations, the agencies

work out various other decisions like the categories of products / services the sportsperson can fit in with, the brands he can represent, and the brand's paying ability. The agency also evaluates the demand and supply factors such as availability of other models, their remuneration, etc. Based on these inputs, the agency fixes a rate and markets the sportsperson to the brand owners.

Though this business seems lucrative, the players operating in the industry face various risks. The primary risk relates to the reduced appeal of the sports personality due to overexposure. This situation could arise if the agencies attempt to make quick money. Speaking on this issue, a Mumbai-based advertiser comments, "He (Sachin Tendulkar) endorses a health drink one [day], a cool drink the next and a motorcycle on the third day. So how will a viewer associate any one particular product with the cricketing superstar?" Another risk that ranks high in the advertisers' mind is the image of the sports celebrity. For example, the involvement of former South African cricket captain Hansie Cronje in match fixing forced Siyarams to pull out its advertisements featuring the South African team (Including Hansie Cronje) for its J. Hampstead line of Clothing. Advertisers also distanced themselves from Indian cricketers, Azharuddin and Jadeja, when they faced allegations of match fixing. Injuries and premature retirement also affect sports celebrity endorsements negatively. But according to Ravi Krishnan, managing director, IMG/TWI, South Asia, and senior international vice-president, IMG, "At the end of the day the biggest risk that a company faces arises out of an improper fit between the brand and the celebrity."

Questions:

(a) "At the end of the day, the biggest risk that a company faces arises out of an improper fit between the brand and the celebrity". How can both celebrity management agencies and the clients reduce or avoid the risk of mismatch between the brand and the celebrity?

**(10 Marks)**

(b) Do you think celebrity endorsements are effective in brand promotion? Justify your answer.

**(10 Marks)**

'Surrogate advertising' promotes products, where advertising is banned in India, like cigarettes and alcohol, in the disguise of another product. It uses a product of a fairly close category like mineral water in case of alcohol, to hammer the brand name into the heads of consumers. E.g.: Kingfisher Mineral water as a surrogate for Kingfisher Beer. What is the effectiveness of 'Surrogate advertising'? Do you think it really helps the brand? Do you think it is ethical?

**(10 Marks)**



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**SET B**

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**Part A**

Answer **all** the Questions. **Each** question carries **four** marks.

(5Qx4M=20)

**Special Instructions:** Be specific and precise in your answer.

1. Explain the relevance of social media marketing in today's parlance with suitable examples.
2. Define 'Publicity'. What are the various publicity vehicles?
3. What are the various tools of direct marketing? Elaborate with examples.
4. Explain the various testing methods available for assessing advertisement effectiveness. Elaborate with example of a new ad for Presidency University for 2019.
5. What are the various budgeting approaches for IMC? Elaborate with example of the same ad for Presidency University for the year 2019.

**Part B**

Answer **both** the Questions.

(20+10=30M)

6. A Case Study

**Alpha Healthdrink**

A health drink called Alpha was manufactured by a company based in Kolkatta This beverage was consumed by children, during the lunch hour at school. Children need healthy drink for their growth.

The company also manufactures several beverages, of which, Alpha has the most market share. The taste was liked by children and most parents bought it. It was reasonably priced and was available in packets and jars. After successfully selling this product for ten years, like any other product, this product too showed signs of decline. Concerned by this, the company stepped up its advertisement, using multiple media. Ad

was given in children's magazine. Essentially TV as a media, using a sports channel was chosen to show the benefit of consuming this drink by children, since the sports channel was popular. The company also found that though there was a competition, it was not a threat.

However, in the light of declining trend, the company wanted to give new lease of life/push to the product and boost the immediate sales.

**Questions:**

- (a) Elaborate the relevance of sales promotion in boosting immediate sales. Also suggest the Sales Promotion Tools that the Alpha Company should deploy and why? **(10 Marks)**
- (b) Describe the steps you would take to execute the sales promotion plan. **(10 Marks)**
7. A Shoe company has hired you to **advertise its achievements**. Select a brand of your choice and mark its achievements. Make a Hoarding, Magazine Advertisement and Transit media Advertisement. **(10 Marks)**

**Part C**

Answer **both** the Questions. **(20+10=30M)**

8. 'Surrogate advertising' promotes products, where advertising is banned in India, like cigarettes and alcohol, in the disguise of another product. It uses a product of a fairly close category like mineral water in case of alcohol, to hammer the brand name into the heads of consumers. E.g.: Kingfisher Mineral water as a surrogate for Kingfisher Beer. What is the effectiveness of 'Surrogate advertising'? Do you think it really helps the brand? Do you think it is ethical? **(10 Marks)**
9. Case Study

**The Pros and Cons of Celebrity Endorsements**

| January 2, 2018

Blog Post By: Kali Kraft, Baer Performance Marketing Intern

Celebrities are plastered all over TV, social media, magazines, and any other place you'd find an ad. But do those endorsements truly lead to an increase in sales of a product? In short, yes, but there can be some drawbacks that you may want to consider before choosing a celebrity to represent your brand. Here are some advantages and repercussions of celebrity spokespeople on the brand in which they're promoting.

**Pros**

- Builds credibility

People are attached to their favorite celebrity, and they are generally well-trusted by their fans. If they use your product, it shows their fans that it is a product worth using and builds trust in your brand. Seeing a celebrity attach their name to a product also reassures consumers of the quality of your product. The celebrity would be at risk for damaging their reputation if they endorsed a product that's quality was lacking.

- Makes your brand stand out

Using a celebrity to represent you helps to differentiate your brand from competitors. It also can improve ad recall, making consumers remember your ad and that your brand is connected to their favorite celebrity.

- Opens up new markets

Choosing the right celebrity can open up your brand to new markets. For example, when Nike wanted to expand from primarily sponsoring tennis and track, they partnered with Michael Jordan – and this partnership has been so successful it has expanded into its own subsidiary company.

### **Cons**

- Celebrity images change

When you sign on a celebrity to endorse your brand, you sign on to everything that comes with them. While this usually means bringing in some of their fan base as customers, it can lead to disaster if a scandal occurs. A prominent example of this was Tiger Woods in 2009, when rumors of his infidelity surfaced and brands began to drop him as a sponsor to avoid the backlash from consumers. Nike didn't immediately release him as a sponsor and lost customers as a result.

- They may overshadow your brand

If a celebrity is too big, their popularity might instantly overshadow your brand. If the ad focuses too much on the celebrity, it can cut out brand recognition in the minds of consumers. This can also become a problem if a celebrity is endorsing multiple products at the same time, as they might see the celebrity and associate it with another brand.

- Endorsements are expensive

This may seem obvious, but getting a celebrity endorsement typically requires shelling out a pretty substantial chunk of money. Pepsi decided it was worth the price when they signed on with Beyonce for a whopping \$50 million 10-year endorsement contract, but if you aren't a multi-billion dollar company, it's important to assess if the increase in consumer interest and revenue is worth the cost of the endorsement.

### **Questions:**

(a) List down 3 examples in each case where a celebrity endorsement had a positive and negative impact respectively. Elaborate your answer with justifications.

**(10 Marks)**

(b) Do you think celebrity endorsements are effective in brand promotion? Why?

**(10 Marks)**

