

Question Paper

Advertising & Communications (MB3G1M): October 2008

Section A : Basic Concepts (30 Marks)

- This section consists of questions with serial number 1 - 30.
- Answer all questions.
- Each question carries one mark.
- Maximum time for answering Section A is 30 Minutes.

1. Marketing communication models are developed based on various studies that explain how communications work in marketing a product. Which of the following statements is **not true** regarding Black Box Model of marketing communication? [<Answer>](#)
- (a) Customers mind is thought of as an impregnable black box
 - (b) The marketers knows that for a particular stimulus, the customer will respond in a certain manner
 - (c) It is assumed that external factors interact with the buyer's mind and responses like opinions, attitudes and behavior are generated
 - (d) It attempts to study the effect of external factors on buyer's behavior, while keeping in mind internal factors
 - (e) It assumes that the consumer's mind is influenced by a multiple advertisements and the combined or multiple effect of advertisement is crucial.
2. Corporate Public Relation (PR) activities are aimed at maintaining cordial relations and gaining the goodwill of various internal and external stakeholders who may influence the wellbeing of the organization in the long run. Which of the following types of PR deal with establishing cordial relations with governments, regulatory authorities, and local communities? [<Answer>](#)
- (a) Internal PR
 - (b) Public affairs
 - (c) Financial PR
 - (d) Media PR
 - (e) Marketing PR.
3. Which of the following is a primary reason that a company might choose to form their own in-house advertising agency rather than to use an external one? [<Answer>](#)
- (a) In-house agencies are always more creative than external ones
 - (b) In-house agencies are able to attract comparable creative personnel
 - (c) In-house agencies are more equipped to use the internet and direct advertising approaches
 - (d) The in-house agency often provides cost savings as well as the ability to meet deadlines
 - (e) The in-house agency is better prepared to meet global advertising obligations.
4. Duncan defined Integrated Marketing Communication (IMC) as a process for managing the customer relationships that drive brand value and also the types of messages that a company has to manage in the IMC approach. Which of the following messages refer that the company will communicate through its marketing mix elements in its IMC approach? [<Answer>](#)
- (a) Planned messages
 - (b) Maintenance messages
 - (c) Unplanned messages
 - (d) Inferred messages
 - (e) Differed messages.
5. Producers make use of consumer promotions to entice the end consumer to purchase the product. Which of the following statements is/are **false** regarding 'coupon' technique of sales promotion? [<Answer>](#)
- I. It highlights a unique attribute of the product.
 - II. It is a printed certificate that entitles the customer to a particular price reduction for special value on a specific product.
 - III. It is considered as a pure consumer sales building promotion activity.

- (a) Only (I) above
 (b) Only (II) above
 (c) Both (I) and (II) above
 (d) Both (I) and (III) above
 (e) All (I), (II) and (III) above.
6. Which of the following is defined as “an investment in cash or kind in an activity, in return for access to the exploitable commercial potential associated with this activity”? [<Answer>](#)
- (a) Sponsorship
 (b) Corporate identity
 (c) Publicity
 (d) Advertising
 (e) Exhibition.
7. Promotional budgets are set against a product, a product range, a brand, a brand group or an entire business. There are various methods used for allocating budget to promotional programs. Which of the following statements is/are **true** with regard to Arbitrary method of allocating budget to promotional programs? [<Answer>](#)
- I. Under this method, companies set budget on the basis of sales.
 II. Under this method, managers in the firm allocate the resources based on their experience and judgment of market conditions and competitor moves.
 III. Under this method, managers allocate funds for promotion on the basis of their firm’s financial ability and decide after taking all other expenses into consideration.
 IV. There are no predefined guidelines and systems for fixing the communication budget.
- (a) Only (II) above
 (b) Both (I) and (II) above
 (c) Both (II) and (III) above
 (d) Both (II) and (IV) above
 (e) Both (III) and (IV) above.
8. In which of the following stages of Integrated Marketing Communication (IMC) process, the companies ensure that all the external marketing communication activities convey a single and consistent message to the consumer? [<Answer>](#)
- (a) Tactical coordination of marketing communication
 (b) Redefining the scope of marketing communication
 (c) Application of information technology
 (d) Financial and strategic integration
 (e) Collaborative marketing communication.
9. Evaluation of alternatives is one of the steps involved in consumer buying process. At this stage, the consumer evaluates the various alternatives that help him in solving the problems or satisfying the needs he is facing and also shortlists some choices among the brands available in the market. Which of the following statements is/are **true** regarding one of the choices called ‘evoked set’? [<Answer>](#)
- I. It consists of brands in a product category that the consumer remembers at the time of decision making.
 II. It is a set of purchase options from which the consumer is planning to select one.
 III. It is the set of brands regarding which the consumer has neutral feeling due to lack of proper information.
 IV. It is the set of brands which consumers may reject due to bad impressions about the brands.
- (a) Only (I) above
 (b) Both (I) and (II) above
 (c) Both (II) and (III) above
 (d) Both (III) and (IV) above
 (e) All (I), (II), (III) and (IV) above.
10. Situational analysis is the first step in the marketing communication process which helps to analyze the company’s internal and external environment from the marketing communication perspective. Which of the following is **not** a key element that a company has to analyze at this stage? [<Answer>](#)
- (a) Competition
 (b) Market analysis
 (c) Budget planning
 (d) Customer analysis
 (e) Positioning analysis.

11. Which of the following steps of direct marketing process involves receiving orders, processing orders, managing the inventory and managing customer queries and complaints? [<Answer>](#)
- (a) Evaluation of the marketing campaign
 - (b) Order fulfillment
 - (c) Implementing the marketing campaign
 - (d) Selection of the target customers
 - (e) Content designing of the marketing campaign.
12. Advertisements placed on Metro trains' doors come under the category of [<Answer>](#)
- (a) In-store Media
 - (b) Mass-transit Media
 - (c) Print Media
 - (d) Video on Wheels
 - (e) Aerial Advertising.
13. Which of the following includes all such activities that are performed to bridge the gap between advertising and actual retail selling, and to supplement and coordinate efforts in these two areas? [<Answer>](#)
- (a) Public relations
 - (b) Merchandising
 - (c) Direct marketing
 - (d) Sales promotion
 - (e) Sponsorships.
14. The location where the product is displayed determines the amount of exposure it gets. As retailers have limited shelf space and a large number of products compete for that, they charge very high fees for allocating the shelf space. This is known as [<Answer>](#)
- (a) Sweepstakes
 - (b) Slotting allowances
 - (c) Sponsorship
 - (d) Subliminal fees
 - (e) Promotional fees.
15. Which of the following defines puffery? [<Answer>](#)
- (a) Making exaggerated claims about the product being advertised
 - (b) People having different likes, tastes and appeals
 - (c) Visual clues used to make it easier for the audience to relate to the character
 - (d) A long television commercial that gives information about a product
 - (e) An advertisement in a newspaper that has the appearance of new column.
16. Marketing communication research enables a company to understand the various dimensions of marketing communications. Which of the following components of marketing communication research involves comprehensive evaluation of an organization's marketing communication activities? [<Answer>](#)
- (a) Marketing communication audit
 - (b) Communications content research
 - (c) Advertising strategy research
 - (d) Competitor communications strategy research
 - (e) Ad campaign evaluation research.
17. Once the marketer has decided what he wants to achieve through advertisement campaign, he should then decide on what he would like to communicate i.e., advertisement message. Which of the following strategies is used by marketers to project a common characteristic of the commodity as a unique feature of the advertised product? [<Answer>](#)
- (a) Generic strategy
 - (b) Pre-emptive strategy
 - (c) Unique selling proposition strategy
 - (d) Brand image strategy
 - (e) Positioning strategy.
18. The tone and manner of an advertisement [<Answer>](#)

- (a) Decides how the target audience will feel after viewing an advertisement
- (b) Confirms both the primary and secondary selling propositions
- (c) Is a secondary selling proposition
- (d) Is the benefit to which the target market able to relate
- (e) Is a continuous research and development activity of the company to improve the product.

19. Eenadu, the leading newspaper in Andhra Pradesh, stresses its top position in advertisements in the print media. Which type of advertising appeal is used by Eenadu? [<Answer>](#)

- (a) New appeal
- (b) Product/service popularity appeal
- (c) Humor appeal
- (d) Fear appeal
- (e) Music appeal.

20. A company should determine its media objectives based on the findings of the environmental analysis. Media objectives serve as a guide for the media planning process. The number of times the customer is exposed to the company's message during a specific time period is [<Answer>](#)

- (a) Continuous scheduling
- (b) Discontinuous scheduling
- (c) Pulsating scheduling
- (d) Frequency
- (e) Reach.

21. There are several types of tests that are very significant and necessary in direct marketing. Copy testing is one among which is considered to be most productive and probably the least expensive kind of test to do. Which of the following statements is/are **true** regarding copy test? [<Answer>](#)

- I. It refers to checking the effectiveness of the advertisement in terms of recall.
- II. It refers to checking the effectiveness of the advertisement in terms of content.
- III. It is used to know, how well the message is comprehended.
- IV. It can be done only after the release of the advertisement in the media.
- (a) Only (I) above
- (b) Only (II) above
- (c) Only (III) above
- (d) (I), (II) and (III) above
- (e) All (I), (II), (III) and (IV) above.

22. A comparative advertisement is one, which explicitly or implicitly identifies a competitor or services offered by a competing firm, and tries to persuade target customers by comparing the performance of two or more brands of a product or service based on some attributes. Which of the following is a disadvantage of comparative advertisements? [<Answer>](#)

- (a) It informs customers about competing brands and is used as a positioning tool also
- (b) It positions the advertised brand close to the leader and is included in the consideration set of viewers
- (c) It might either damage or improve the image of the compared brand
- (d) It gives more information to the viewer and educates the customer about the product
- (e) It has more effect on target groups with high cognitive ability.

23. Which of the following acts as liaison between the advertising agency and the client? [<Answer>](#)

- (a) Management supervisors
- (b) Copywriters
- (c) Interactive executives
- (d) Account executives
- (e) Media planner.

24. In order to increase the sales of a new novel *Operation Vijay in Kargil*, its publisher had a short chapter of the book printed in a magazine called *Vijay Parampara*. This section of the book appeared just prior to the appearance of book in bookstores. This sales promotion exemplifies [<Answer>](#)

- (a) Couponing
- (b) Sampling
- (c) A point-of-purchase display
- (d) Event sponsorship
- (e) Premiums.

[<Answer>](#)

25. Which of the following are the characteristics of direct marketing?

- I. Direct marketing is also called the intensive system of marketing.
- II. It involves database management and direct selling also.
- III. It makes the products available to the buyer at their place of convenience.
- IV. Being less visible to customers, it is more vulnerable to competition.

- (a) Both (I) and (II) above
- (b) Both (II) and (III) above
- (c) (I), (II) and (III) above
- (d) (I), (III) and (IV) above
- (e) (II), (III) and (IV) above.

[<Answer>](#)

26. The Lucent Technologies advertisement in Fortune magazine is built around the slogan, "We make the things that make communications work." The advertisement does not advertise any particular product, but simply tries to establish a long-term favorable impression of the company. The above advertisement is an example of

- (a) Advocacy advertising
- (b) Product advertising
- (c) Remainder advertising
- (d) Institutional advertising
- (e) Reinforcement advertising.

[<Answer>](#)

27. Gillette launched Mac-III and to increase initial purchasing, they offered facility leather pouch to all those retailers willing to buy a specific quantity. This sales promotion technique is known as

- (a) Buying allowance
- (b) Merchandising
- (c) Contest
- (d) Dealer loader
- (e) Premium.

[<Answer>](#)

28. A new variation of a product or service, sharing the essential characteristics of the parent, but offering a new benefit such as flavor, size, package or type is called as

- (a) Brand extension
- (b) Line extension
- (c) Corporate branding
- (d) Multi branding
- (e) Co-branding.

[<Answer>](#)

29. Corporate image integrates all things from zero to infinity within a company's operation, such as factories, headquarter, dealers, products, advertisements etc. A positive corporate image provides the customers with

- I. The ability to change a premium price.
- II. Attracting new customers.
- III. Assurance regarding quality service in purchases where there is little previous experience.
- IV. Psychological reinforcement and social acceptance.

- (a) Only (II) above
- (b) Both (I) and (II) above
- (c) Both (II) and (III) above
- (d) Both (III) and (IV) above
- (e) All (I), (II), (III) and (IV) above.

[<Answer>](#)

30. Advertisers use different types of appeal to attract the attention of the customers. Which of the following types of advertisement appeal gives a short preview about a new product to create curiosity and interest among the people?

- (a) Reminder advertisements
- (b) Teaser advertisements
- (c) Star appeal advertisements
- (d) Fear appeal advertisements
- (e) Popularity appeal advertisements.

END OF SECTION A

Section B : Caselets (50 Marks)

- This section consists of questions with serial number 1 - 7.
- Answer all questions.
- Marks are indicated against each question.
- Detailed explanations should form part of your answer.
- Do not spend more than 110 - 120 minutes on Section B.

Caselet 1

Read the caselet carefully and answer the following questions:

1. 'Absolut advertising is celebrated not just for its longevity but also for its ingenuity. Its advertising campaigns are regarded as an 'advertising legend' all over the world.' In this context, discuss the need for Absolut to launch its new product on the internet and the steps taken by them to revamp its official website for the new product. [<Answer>](#)
(8 marks)

2. 'Absolut advertising campaign was often regarded by advertising experts as one of the most brilliant, innovative, successful and long running campaign ever.' In this context, discuss the other forms of advertising that Absolut can undertake for its products. [<Answer>](#)
(9 marks)

In March 2003, Absolut vodka, the globally popular premium spirits brand of the Absolut Spirits Company Inc. (ASC) launched its new product 'Absolut Vanilia' on the Internet.

In early 1979, Absolut vodka was launched in the US at the liquor trade convention held at Fairmont Hotel in New Orleans. Initially, Carillon concentrated the marketing efforts in and around New York, Los Angeles, San Francisco and Boston because these were the places where new trends were created, media attention was intense and the bar culture prevailed.

By 2000, Absolut advertisements were recognized the world over for their stylish, humorous, and innovative attributes. As people began collecting the advertisements, analysts observed that the brand had become an advertising phenomenon.

More importantly, sales of Absolut were increasing rapidly over the years. In 2000, Vin & Sprit (V&S) reportedly sold 7.3 million cases world wide, an increase of 2.5 million cases since 1995. Absolut advertising is celebrated not just for its longevity but also for its ingenuity. Readers tear out the advertisements and hang them on their walls. Librarians have to guard their magazines from being de-Absoluted. College students actually collect and trade ads. A SoHo antique shop hawks copies of Absolut Wonderland, while a Madison Avenue newsstand carefully razors the Absolut pages from its stock and sells them for a few dollars apiece. Absolut advertising campaign came to be regarded as an 'advertising legend' all over the world.

For this US subsidiary of the Swedish liquor company V&S, the event was a departure from its age old tradition of launching print advertisements to introduce new products. Though Absolut had used the Internet for advertising earlier, this was the first time it was using it as the primary advertising channel to launch a new product variant.

Commenting on this, Kempe Forsberg, ASC's Vice President (Marketing) said, "Absolut Vanilia deserves a different type of introduction; www.absolut.com (the

company's website) will entice spirits connoisseurs and consumers with the distinct robust character of Absolut Vanilia, bringing them into the world of Absolut and allowing them to experience Absolut Vanilia in their own way." Absolut revamped www.absolut.com specifically for the new product.

The website offered interactive features like narrative films (users could attend interactive online parties), 'drink fashions' (users could get lessons on making different types of cocktails using Absolut), online invitations (users could send e-mail invitations to visitors for real offline parties) and the Pick up line generator (using which people could find a date). In addition to these, the website offered three different web links: Absolut Display, Absolut Reality and Absolut Campaigns. These links provided users with information related to Absolut, like the brand's collaborations with fashion designers and artists, cocktail recipes using different Absolut variants, and updates of the latest Absolut marketing and advertising campaigns. As Absolut Vanilia was introduced at bars and liquor stores across the US, analysts stated that the new launch platform represented an entirely new approach to brand communications and a new era in Absolut's advertising history. However, the original advertising campaign created more than 23 years ago, based entirely on the Absolut bottle and a two word tagline, remained unchanged.

This was not surprising since the Absolut advertising campaign was often regarded by advertising experts as one of the most brilliant, innovative, successful and long-running campaigns ever.

The several prestigious awards that the campaign won since its first advertisement was launched stand as testimony to this fact.

**END OF
CASELET 1**

Caselet 2

Read the caselet carefully and answer the following questions:

3. Comment on the promotional practices used by Nestle for Maggi. What are the potential problems and risks associated with such extensive usage of promotions? [<Answer>](#)
(5 marks)
4. As a brand manager, critically analyze the launch of 'new' Maggi followed by the relaunch of the 'old' Maggi. Was Nestle justified in taking back the new version completely out of the markets? Support your answer with reasons. [<Answer>](#)
(5 marks)
5. Promotions were the single largest factor responsible for Maggi's success and boosted its sales. Apart from increase in sales, explain the other objectives, Nestle could meet through sales promotion. [<Answer>](#)
(6 marks)

With a turnover of Rs.13.2 billion and net profit of Rs.9.8 billion for the year ended December 31, 1999, Nestle was India's third largest food company after Hindustan Lever Limited (HLL) and Amul. It was a market leader in infant foods, instant coffee and culinary products (noodles and ketchup) and had the second largest market share in chocolates. Nestle's wide product portfolio comprised of some of the world's best known brands such as Kit-Kat, Milo, Polo, and Maggi. It enjoyed a high market share in most product categories – Cerelac (72%), Milkmaid (100%), coffee (60%), noodles (80%) and ketchup (48%).

The Maggi culinary range derived 90% of its sales from noodles and sauces. Other products sold under the umbrella brand Maggi included tomato ketchup, ready-to-cook gravy/sauces, soups, seasonings, as well as traditional Indian foods such as pickles and instant snack mixes. Maggi was launched in 1982 with noodles. In its initial years, the brand fought hard to survive and gain a foothold in the Indian markets with its hard-to-change eating habits. Nestle had to build up noodles as a concept first, before it could promote Maggi as a brand. Though the going was tough, Nestle's single-minded communication of convenience to mother and kids alike began opening up the new market of instant noodles.

Promotions were the single largest factor responsible for Maggi's success. Nestle's managers utilized promotions as standard measures to meet their sales targets. Gradually, promotions became the usual crutch to boost sales. In fact, a Nestle

source even commented, “The focus for all Maggi extensions is more on below-the-line activities rather than direct communication.” The initial years of Maggi’s promotional practices saw the launch of schemes offering gifts in return for Maggi noodle packages. These include toys and utensils among others. Maggi consistently associated itself with mainstream television programs. Its ad-lines ‘Mummy bhookh lagi hai’, ‘2-Minute’ and ‘Fast to cook – Good to eat’ became part of Indian advertising folklore. Maggi advertised heavily on kids programs and channels.

However, Maggi remained a loss-making proposition for Nestle. In 1993, Nestle launched a sweet variant of Maggi with a huge advertising outlay (two-thirds of the total expenditure on Maggi in that year.) However, as the product was launched without any research, it failed to generate the desired volume. Volumes were just 5000 tones in 1993. This prompted Nestle to adopt volume-enhancing price cuts to boost volumes. This was facilitated by going in for thinner gauge packaging, increasing the length of the soft laminate, among other measures. The packaging changes involved higher material consumption, but it speeded up production, which in turn led to savings. By January 1994, Nestle India was able to bring back the price of a 100-gm pack of noodles to Rs.5 from Rs.7. Nestle also introduced multipacks like two-in-one and four-in-one. Volumes doubled, to about 9,700 tones in 1994 and to 13,000 tones in 1995. However, they remained at this level for the next year as well. Meanwhile operational costs increased considerably, having a direct bearing on the retail price. By early 1997, the price of a single pack was nearing Rs.10. The price had in effect gone up by 60% and Nestle was yet to make money on the product.

In 1996, Nestle had targeted sales of 25,000 tones for Maggi noodles. However, Maggi could not cross even 14,000 tones. Desperate to infuse life in the brand, perhaps for the first time in its 15-year history, Maggi underwent a major change of formulation. ‘New, improved’ noodles that required to be boiled in an additional half-a-cup of water hit shop shelves across the country towards end of 1997. Noodles that were earlier oil-fried were air-dried instead. Accordingly, the tastemaker was also suitably altered for the new noodles. This resulted in the costs coming down by 12-14%.

Nestle was in for a major shock as Maggi lovers all over the country rejected the new formulation. Shops that averaged monthly sales of around 30 single packs were soon selling less than 15. Sales volumes did not cross the previous year’s level of 13,000 tones – a continuing fourth year of volume stagnation.

Nestle was forced to re-launch Maggi noodles with the old formulation in March 1999. Nestle also released a set of new commercials in a Rs.200 million multi-media exercise to announce the re-introduction of the ‘original’ Maggi noodles. The advertising focused purely on the re-introduction. While the re-launch was announced by the line ‘its back’, the change was communicated by the tagline – ‘Ab sab kuch pehle jaisa’ (now everything is just as before). Apart from six TV spots, print and outdoor advertisements were also used. The Television commercials retained the erstwhile dotting-mother-hungry-brats theme. The children were shown to be almost relieved to have the former Maggi back.

**END OF
CASELET 2**

Caselet 3

Read the caselet carefully and answer the following questions:

6. ‘Cadbury’s advertisements are unique in many ways since they associate and focus on many ethnic features from the Indian ethos. The advertisements, being brand-specific, provide the flexibility and creativity.’ In this context, explain how Cadbury’s advertisements stride into the culture and ethnicity of India. [<Answer>](#)
(8 marks)
7. The advertising message is also governed by the creative strategy used to arrive at the message. Discuss the various types of creative strategies that Cadbury can use in its advertising campaigns. [<Answer>](#)
(9 marks)

All over the world, chocolate is one product that gets almost uniform recognition. This is the product which is normally targeted at the younger age groups across the

world. Though, of course, there is no such specific age group that can restrict the target for chocolates.

It is also universally true that chocolates are generally used for celebration; they signify sharing of joy and happiness. It is a perfect gift for all, irrespective of the age they belong to. But this scenario does not hold true to the fullest in the Indian context. India is different with respect to culture, ethnicity, consumer outlook, festivities, etc. Hence, internationally-marketed products are advertised differently here. Cadbury India Ltd., which has a global presence, stresses extensively on the media and advertising. The advertisements are innovative and customer-focused.

Ethnicity and culture are largely country-specific and region-specific. It is difficult to set the framework to decide the cultural and ethnic appeals for a particular customer segment. But there are certain ethnic aspects which connect cultures despite their variations in caste, religion and race. It is interesting to note that these aspects design the advertising and positioning strategies for a product such as chocolate.

India is very peculiar in its eating habits. The food preparation though different in various regions and cultures, there is one common thread that binds, i.e., sweet. The sweets are particularly homemade and very different from the sweets the world over. Many are freshly made and consumed in a very short time span. The variety is wide and the occasions are numerous. With this backdrop, Cadbury, one of the oldest chocolate manufacturers in the world, has made its entry into Indian market with its unique positioning strategies through innovative advertisements. It has not only been able to establish itself as the largest chocolate manufacturer in the country, but has made a silent entry to eat a small chunk of share of the Indian sweet market. Its advertisements give a fine insight into how the advertisements stride into the culture and ethnicity of India.

The eating habits of the Indians are different from other nations in many aspects. Their taste for sweets is also different. The kind of sweets to be offered on different occasions is also region-specific or custom-driven. In the light of this distinctiveness, the positioning of Cadbury 'Celebrations' is very unique.

Its advertisement has been able to catch up on the Raksha Bandhan Festival very well. There is a tradition across the nation for a girl to tie a rakhi to her brother and, in turn, he gives her a gift and sweet box. The sweet box over here is being replaced by the chocolate box of Cadbury's 'Celebrations', a different kind of chocolate. This advertisement does not only ensure that the chocolates will be an integral part of raksha bandhan henceforth, but also makes a silent entry to fall into the category of Indian sweets.

One of the advertisements unearths a very embarrassing situation which most Indians are exposed to. There are many occasions during which the gifts have to be offered according to the customs and as per the decorum goes these gifts are not to be opened in front of the guests unlike in many other countries. This supports passing on of the unwanted gifts and then a situation arises when the same gift comes back to the original giver after passing many hands.

The advertisement of Cadbury 'Celebrations' pinpoints this particular episode very elaborately. It also whispers in the ears of those Indians about certain black patches in the name of culture which we can avoid.

Though sweets are meant for festivals and celebrations they can become a part of any moment which brings joy. This is the theme of Cadbury's Dairy Milk (CDM) famous advertisement. There are many peculiarities about this copy. Firstly it, associates any happy moment with chocolate for all the age groups for any small moment of joy, say the arrival of new neighbor, or the first sign of mustache for a teenager or getting a new bike for college going friend. One more important aspect depicted in it is about the friend breaking the CDM on the new bike as a replacement of coconut. The picturization of such situations takes the direct entry into the minds of all the customer segments with different mindsets.

Cadbury Dairy Milk (CDM) is the flagship product of Cadbury. Hence, it is advertised in many different ways. Here is one more instance of how it has entered into the hearts of rural India. The advertisement talks about 'Miss Palampur', a title won by the cow owned by a farmer, and the villagers are happily distributing

sweets, i.e., CDM. Bollywood actor Amitabh Bachchan, who is featured as the proud owner of Radha, the cow, ends the commercial saying that she will appear in the films next year. This masterpiece projects the psyche of rural masses. Distributing CDM in place of sweets is again a unique feature.

All the advertisements of 'Celebrations' series of Cadbury are unique. They make a smooth entry for perfect gift on occasions such as Deepavali which cannot be celebrated without sweets. Though chocolate does not fall into the category of Indian sweets, Cadbury Celebrations Dry Fruit collection certainly finds the perfect place. The giggle, Rishtey pakne do with Amitabh Bachchan makes it more attractive. This is a unique way of acclimatizing advertising strategies with the deep understanding of ethnic marketing. Though the integral part of Deepavali celebrations is sweets 'Celebrations Dry Fruit Chocolate Box' has received an overwhelming welcome on the festive occasion.

The hilarious piece of advertisement for Perk is an instance of how valuable mythological reference can be. Bollywood actress Preity Zinta requests Yamraj to pull her up while she is falling down in a valley. She removes Perk from her pocket and since Yamraj is tempted to eat it himself, he forgets about her time of departure from this material world. It ends with the association of Yam to Yummy. This advertisement, though a bit cynical about the Indian mythology, gives an insight into how ethnic aspects can be incorporated in the advertisements of non-indigenous products, so that they can secure a place in the minds of the target audience.

Advertising in itself is an attention-grabbing field for research. The television commercials are all the more appealing since the picturization of a situation connects the customers directly.

Various cultural aspects facilitate the viewers to get into the roles of the personalities portrayed in the advertisements. Since the personalities in the commercials are a direct reflection of the viewers, the impact of these advertisements is many folds. The recall level also is high with these commercials. This also allows the viewers to associate and reconfirm their own feelings. In turn, the brand image gets crystallized in the minds of the consumer to allow them to evaluate the brand against the competitor brands.

Cadbury's advertisements are unique in many ways since they associate and focus on many ethnic features from the Indian ethos. The advertisements, being brand-specific, provide the flexibility and creativity. In turn, they connect to various customer segments very well, which provides larger scope for accommodating a variety of customer segments for different brands.

END OF CASELET 3

END OF SECTION B

Section C : Applied Theory (20 Marks)

- This section consists of questions with serial number 8 - 9.
- Answer all questions.
- Marks are indicated against each question.
- Do not spend more than 25 -30 minutes on Section C.

8. 'The advent of the Internet in the early 90s has affected almost every aspect of people's lives. Advertisers want to capitalize on the popularity and unique advantages of the medium.' In this context, explain the concept of web advertising and its advantages and disadvantages.

[<Answer>](#)

(10 marks)

9. Duncan defined Integrated Marketing Communication (IMC) as "the process for managing the customer relationships that drive brand value". In this context, discuss the various factors responsible for the growing importance of IMC.

[<Answer>](#)

(10 marks)

END OF SECTION C

Suggested Answers

Advertising & Communications (MB3G1M): October 2008

Section A: Basic Concepts

Answer	Reason
1. E	Option (e) is not true because the black box model assumes that the consumer's mind < TOP > is influenced by a single advertisement. The combined or multiple effects of advertisements are not considered.
2. B	Public affairs deal with establishing cordial relations with government's regulatory < TOP > authorities, and local communities. The major objective of PR is to garner the support of these publics towards the various activities or projects undertaken by the organization.
3. D	In-house agencies provide all the media and creative functions of a full service < TOP > agency at a lower cost because all the profits come to the client. This results in cost savings for the client and greater control over activities and timelines.
4. D	Inferred messages refer to those messages that the company will communicate < TOP > through its marketing mix elements in its IMC approach.
5. A	Statement (I) is false regarding coupons i.e., It highlights a unique attribute of the < TOP > product. As the coupons are a printed certificate that entitles the customer to a particular price reduction for special value on a specific product. This is considered a pure consumer sales building promotion activity as it does not highlight any unique attributes of the product and instead focuses on the pricing element.
6. A	Sponsorship can be defined as an investment in cash or kind in an activity, in return < TOP > for access to the exploitable commercial potential associated with this activity.
7. D	Arbitrary allocation of funds for marketing communications is another method. In this < TOP > approach, managers allocate the resources based on their experience and judgment of market conditions and competitor moves. There are no pre-defined guidelines and systems for fixing the marketing communications budget. Therefore, statements (II) and (IV) are correct statements. Whereas statement (I) is relating to percentage-of-sales-method and statement (III) is relating to affordable method. Hence, Option (d) is the correct answer.
8. A	Tactical coordination refers to coordination among various external marketing < TOP > communication functions to communicate "one sight, one sound" about the brand to consumers. At this stage, companies ensure that all the external marketing communication activities convey a single and consistent message to the consumer.
9. B	According to K. Douglas Hoffman "an evoked set consists of brands in a product < TOP > category that the consumer remembers at the time of decision making. It is a set of purchase options from which the consumer is planning to select one.
10C	Budget planning is not a key element which a company has to analyze at this stage. It < TOP > is done after the situation analysis and establishing marketing communication objectives
11B	Order fulfillment is one of the key steps in a direct marketing process. The order < TOP > fulfillment process involves receiving orders, processing orders, managing the inventory and managing customer queries and complaints.
12B	Mass Transit media is a form of out-of-home media, can be done by placing signs or < TOP > messages on buses, taxi tops, trains and interstate goods carriers, appearing in and on transit vehicles and in transit stations. Hence option (b) is correct. Promotion of products in supermarkets and other retail stores using tools like display panels, banners, signs and videos is known as in-store media. Hence option (a) is incorrect. Alternative (c) is incorrect because the print media includes newspapers, and magazines. Video-on-wheels (VOWs), hence option (d) is incorrect. Aerial

advertising is regarded as an outdoor media that exploits the elements of drama and surprise and evokes curiosity, so option (e) is incorrect.

- 13D** Sales promotion includes all such activities that are performed to bridge the gap between advertising and actual retail selling, and to supplement and coordinate efforts in these two areas. [< TOP >](#)
- 14B** The location where the product is displayed determines the amount of exposure it gets. As retailers have limited shelf space and a large number of products compete for the shelf space, they charge very high fees known as slotting allowances. [< TOP >](#)
- 15A** Puffery means making exaggerated claims about the product being advertised [< TOP >](#)
- 16A** Marketing communication audit involves comprehensive evaluation of an organization's marketing communication activities. It helps the organization identify the most crucial marketing communication challenges and find ways to solve problems, communicate with target markets more effectively, and get better results from the money spent on various marketing communications activities.
- 17B** Marketer use preemptive strategy to project a common characteristic of the commodity as a unique feature of the advertised product. [< TOP >](#)
- 18A** The tone and manner of an advertisement is that, will decide how the target audience will feel after viewing an advertisement [< TOP >](#)
- 19B** Advertisements using popularity appeal communicate the number one position of the product in the market. The ad focuses on conveying the dominance of the product. Eenadu, the leading newspaper in A.P, stresses its top position in advertisements in the print media. [< TOP >](#)
- 20D** Frequency refers to the number of times the customer is exposed to the company's message during a specific time period. The importance of frequency as a key element in effective media planning stems from the fact that the effect of advertising on consumers increases as consumer is exposed to the advertisements more number of times. [< TOP >](#)
- 21D** Copy testing refers to checking the effectiveness of the advertisement in terms of recall, content. It is used to know, how well the message is comprehended. It can be performed before or after releasing the advertisement in the media. Hence the statement (IV) is wrong. Therefore, the option (d) is correct. [< TOP >](#)
- 22C** It is doubtful whether comparative advertisement help advertisers. It might either damage or improve the image of the compared brand. [< TOP >](#)
- 23D** Account executives are generally dedicated to a particular client. Their responsibilities include attendance at all client meetings, writing up contract reports and general listing between the many different members of the agency's team and the client. Account executives act as liaison between the agency and the client. [< TOP >](#)
- 24B** Sampling is a sales promotion technique that encourages customers to try the product. Sampling involves distribution of free samples can be distributed in various ways such as door-to-door distribution, through direct mail, through print publication or in-store distribution. [< TOP >](#)
- 25C** Direct marketing has all of the following characteristics [< TOP >](#)

Direct marketing is also called the intensive system of marketing.

It involves database management and direct selling also.

It makes the products available to the buyer at their place of convenience.

- 26D** Advertising to promote an institution or organization, rather than a product or service, in order to create public support and goodwill, is referred to as Institutional advertising. When a company promotes its position on a public issue for instance on tax increase, abortion, welfare etc. the same is referred to as Advocacy advertising; hence option (a) is incorrect. Option (b) is incorrect, as firms in order to promote the [< TOP >](#)

uses, features, images, and benefits of their goods and services make use of product advertising. Remainder advertising is to make consumers aware that an established brand is still around and that it has certain uses, hence option (c) is incorrect. Alternative (e) is incorrect as Reinforcement advertising is used to assure current customers of their right choice and to offer advice on how to get the most satisfaction from the product.

- 27D When a certain amount is given temporarily to resellers for purchasing specified quantity of goods is termed as buying allowance similar to rebate. All the activities undertaken at the retail shop to promote sales is called merchandising. When skillfully consumers are evaluated with a test and are rewarded by a gift or discount or prize money it is a contest. A premium is an item offered free or at a minimum cost as a bonus for purchasing a product. In dealer loader a gift is provided to a retailer (Mac-III provides a gift in the form of pouch) to buy specific quantity. [< TOP >](#)
- 28B A new variation of a product or service, sharing the essential characteristics of the parent, but offering a new benefit such as flavor, size, package or type is called as a line extension. [< TOP >](#)
- 29D A positive corporate image provides assurance regarding quality service in purchases where there is little previous experience and psychological reinforcement and social acceptance. [< TOP >](#)
- 30B Teaser advertisements give a short preview about a new product. They are used to create curiosity and interest among the people. A lot of curiosity at the initial stages means that the advertisement will attract the attention of viewers. [< TOP >](#)

Section B: Caselets

1. In March 2003, Absolut vodka, the globally popular premium spirits brand of the Absolut Spirits Company Inc. (ASC) launched its new product 'Absolute Vanilia' on the Internet. [< TOP >](#)

Need for Absolut to launch its new product on the internet:

In early 1979, Absolut vodka was launched in the US at the liquor trade convention held at Fairmont Hotel in New Orleans. Initially, Carillon concentrated the marketing efforts in and around New York, Los Angeles, San Francisco and Boston because these were the places where new trends were created, media attention was intense and the bar culture prevailed.

For this US subsidiary of the Swedish liquor company (V&S) VIN & Sprit, the event was a departure from its age old tradition of launching print advertisements to introduce new products.

Though Absolut had used the Internet for advertising earlier, this was the first time it was using it as the primary advertising channel to launch a new product variant.

They felt that Absolut Vanilia deserves a different type of introduction.

Steps taken by Absolut to revamp its official website for the new product:

- **Company's Website:**
They started the www.absolut.com (the company's website) which will entice spirits connoisseurs and consumers with the distinct robust character of Absolut Vanilia,
- **New experience to consumers:**
It helps in bringing the consumers into the world of Absolut and allowing them to experience Absolut Vanilia in their own way. Absolut revamped www.absolut.com specifically for the new product.
- **Interactive features:**

The website offered interactive features like narrative films (users could attend interactive online parties),

- **Drink fashions:**

It also offered 'drink fashions' through which users could get lessons on making different types of cocktails using Absolut.

- **Online invitations:**

It had online invitations in which users could send e-mail invitations to visitors for real offline parties and the Pick up line generator using which people could find a date.

- **Web links:**

In addition to these, the website offered three different web links: Absolut Display, Absolut Reality and Absolut Campaigns. These links provided users with information related to Absolut.

- **Cocktail recipes:**

Absolut Display provides the information related to cocktail recipes using different Absolut variants

- **Information regarding collaborations:**

Absolute Reality provides the information related to the brand's collaborations with fashion designers and artists.

- **Online Campaigns:**

Absolut Campaigns provides updates of the latest Absolut marketing and advertising campaigns.

Analysts views about the campaign:

As Absolute Vanilia was introduced at bars and liquor stores across the US, analysts stated that the new launch platform represented an entirely new approach to brand communications and a new era in Absolute's advertising history.

However, the original advertising campaign created more than 23 years ago, based entirely on the Absolut bottle and a two word tagline, remained unchanged. This was not surprising since the Absolut advertising campaign was often regarded by advertising experts as one of the most brilliant, innovative, successful and long-running campaigns ever.

2. **Other forms of advertising Absolut can undertake for its products:**

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International Media channels:

With globalization, various media houses have increased their presence in different countries. They are ideal for companies that plan to reach the target audience on a global scale. International television channels are another media widely used by companies for global communications. With the advent of cable & satellite technology, international TV channels like CNN, BBC, HBO and NGC have gained prominence.

Local media channels:

Marketers can use national or regional media channels for advertising, national or regional channels will have a larger reach in their own markets, which is well suited for mass market product companies.

Apart from traditional advertising media like television and radio companies can also use non traditional media like outdoor advertising, in-store promotions and cinema promotions to communicate with the customer.

Signs

Signs are one of the most primitive forms of symbolic advertising. Signs were popular even among men involved in barter of products in the primitive ages. They displayed pictures of the products made by them in front of their doors, to attract customers. A sign can be any outdoor display of lettering, parts of letters, figures, numerals, phrases, sentences, emblems, devices, designs, trade names or marks or combination of them. They are made visible to public and are intended to advertise a film, commodity, or a product. Signs act as one of the most efficient and effective tools of communication for small businesses. They help customers locate the business establishments; attract customers who pass through a particular location and also create a distinct identity for a business.

Signs act as a pole star and help customers locate a business establishment in a crowded market place.

Signs are also an effective means of communicating with a transient group of potential customers. They come in handy for businesses which operate from buildings that are located along the by lane of a busy street or are located in remote areas.

Signs also play a major role in image building. Businesses can use signs to project a particular image that appeals to their target audience. A flashy sign may project a youthful image and attract youth.

Posters

A poster is a bill or placard containing a message that is displayed at a public place. Posters are often decorated with various designs to attract the attention of customers towards the message. Many companies opt for massive poster advertising for increasing the visibility of their products.

Hoarding/Billboards

A hoarding is a large board used for displaying advertisement posters. These hoardings are usually erected on roadsides or in locations that attract huge crowds. They remain there 24 hours a day, 365 days a year. These hoardings are also known as billboards. Commercial advertising on hoarding started in the year 1740 when a London based textile merchant paid a fee to get the permission of the city council to post his shop's advertisement bill next to the official decrees. Apart from attracting the attention of prospective customers, hoardings also play a laudable role in reinforcing and retaining public interest in the product for a long time.

In-store media

Firms spend huge amounts on promoting their products in supermarkets and other retail stores using tools like display panels, banners, signs and videos. Many supermarkets around the world allow firms to run their promotions for a specific period of time. In-store promotions are effective as they help in brand building and trigger impulsive purchases.

Balloons

Advertising on airborne balloons gives clutter free exposure to a firm's message. Balloons filled with hydrogen or helium can be hoisted at any location and can be lit up to be effective at night. They are almost always round in shape and can be posted at a height of up to 200 ft. This allows a minimum visibility range of 3 km. Balloons can be used in any season and they can withstand winds blowing at even 25kmph. This mode of outdoor advertising gets instant attention and hence can be used to promote special events like carnivals. They can also be used by big shopping malls as location marks.

Inflatables

Like balloons inflatable also provide a three dimensional outdoor media for advertisement. However, unlike balloons, which are generally round in shape, inflatables can be of any shape. They are made out of nylon fabric coated with silicon. These are filled with air and are usually placed on traffic islands or any other place that attracts large crowds.

Advertising at airports

Advertising at airports provides an opportunity to reach the elite group of customers, generally, executives who are vested with decision making power. Almost every airport around the world offers various advertising mediums.

Advertisers can choose from advertisements on backlit display units distributed at the terminals in arrival, departure and baggage claim areas. Advertisements placed at the baggage claim area, draws maximum attention as the passenger spends a minimum of 15 minutes there.

Mass-transit advertising

Mass-transit advertising can be done by placing signs or messages on buses, taxi tops, trains and interstate goods carriers. Transit advertising allows firms to carry their message almost anywhere they want. Firms use transit advertising to increase the frequency of exposure and complement advertisements aired on broadcast media. This type of advertisement is very effective in creating awareness about a new product.

Signs inside buses, trains and other public transport vehicles provide access to captive audience - commuters. Firms can place holders next to these ads to carry discount coupons, feedback forms or company literature. This allows the company to measure the effectiveness of transit advertising.

Mobile billboards

Mobile billboards are the traditional billboards mounted on the back of trucks and driven through selected routes for advertising a product or service. They are similar to any other

billboard, but draw more attention and get more exposure as they can move along with the target customers. Unlike many outdoor media that are confined to one location, mobile billboards allow advertisers to take a message to a selected target audience at a particular time.

3. Promotional practices used by Nestle for Maggi:

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Advertising and Sales promotion:

- The promotion of Maggi has essentially made extensive use of the advertising.
- It also used sales promotion for Maggi.

Differentiation in Positioning:

- Maggi had initially been launched with noodles and positioned as 'the good to eat, fast to cook' anytime snack.
- However eventually it was extended to include sauces, pickles etc under the same brand name. The promotion of such extensions had been through below the line activities. As it is in the category of 'snacks,' sustained promotion was needed to ensure customer interest retention.
- Overall, Nestle can be said to have aggressively followed the 'push' strategy where promotions were used to push sales of the product.

Potential problems and risks associated with such extensive use of promotion:

- Extensive usage of promotions requires huge outflow of funds,
- The costs of which are ultimately passed on to the customer, thereby increasing the price of the product.
- This may deter many consumers from buying the product.
- Also due to overexposure to such extensive promotions, the power to influence a customer may be reduced.
- When a product is over-promoted there is also a risk of customer suspecting the quality of the product.

4. The launch of 'New Maggi' has shades of resemblance to the case of Coke in 1980s where it had tinkered with the old flavor and introduced a new flavor, which was rejected by consumers.

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- In case of 'Maggi,' proper research had not been done prior to the launch of the new formulation to gauge the emotional affinity of consumers to the old formulation and whether the consumers would like the quality (e.g. taste, price) of new formulation.
- Also, on seeing the sales come down, it appears, the newer formulation was taken back without proper research to find out the reason for the same. For example, it may have been possible that there could have been other reasons for fall in demand. In fact, a clear observation would reveal that there had not been a fall in overall volume of sales of the new formulation.
- Nestle does not seem to have done the right move by taking back 'new version' completely from the market.

Reasons:

- The primary reason for the same is that there does not seem to be clear answer as to what caused the demand to fall. So attributing it to rejection of newer version by customer may be too early.
- Also even if we assumed that, the fact remains that the initial reaction of rejection may have been a temporary as tastes do generally take some time to change and the customer may have eventually liked the product.
- However there is also a view that such a move by company was driven by its concern for its customer and
- Nestle by completely taking off the newer version may have garnered good customer confidence.
- Also by continuing, there was also the grave danger of flight of customer loyalty and may have nipped the problem in the bud.

5. Apart from increase in sales, various other objectives Nestle could meet through its sales promotion as:

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Objectives aimed towards resellers:

To increase reseller stocks: By using the sales promotion Nestle can motivate its resellers to stock more. Therefore they will certainly push the products. The reseller aims at triggering the impulsive buying behavior of the customers.

To improve the product distribution: It also improves the distribution process of the product. As it increases the profits of the reseller they are interested in selling the products.

To obtain display and other support for products: The product attributes can be well displayed at the stores using the extensive sales promotion.

To obtain more and better shelf place: The resellers will give more shelf space for the products which are giving more allowances. So it increases the shelf space.

Objectives aimed towards salespersons:

To motivate the sales force: The sales people will get incentives by selling more and more products. So they will try to sell as many products as possible.

To stabilize a fluctuating sales pattern: When the sales are fluctuating the marketers can use the sales promotion techniques to stabilize them.

To educate the sales force about products improvements: Sales promotion helps in motivating the sales people and it educates them about the changes in the product's features and improvements if any.

Objectives aimed towards the consumers:

To obtain the trial of the product: As a part of the sales promotion marketers will give free samples to the customers. The customers can trail the product and their perception and views about the product can be known immediately.

To introduce new or improved products: By using the feedback from the customers who use the sample or who buy the product will give some suggestions. So the manufacturer can use those suggestions and produce new and improved products.

To bring more customers into retail stores: If the people who heard about the product or who tried the product sample will buy the product and they purchase them retail.

To encourage repeat or greater usage by current usage of a product: Any customer who is satisfied will be a repeat customer. And if he becomes loyal to the company he will motivate others to buy the product.

To increase the total number of users of an established product: Therefore

by all of the above factors it is evident that the sales will increase. The number of users of the established product will increase.

Besides this, Sales promotion offers many advantages over other types of promotion. Firms can attract customers quickly and in some cases, encourage brand loyalty. It can also increase cooperation among channel members. For instance, a retailer may be more likely to cooperate with a manufacturer who provides point-of-purchase displays or coupons. Some other uses include inducing a consumer to buy the brand for the first time, giving the consumer an extra reason to stay loyal to the brand reminding the consumer of the benefits the brand offers and improving the reputation of the brand by supporting the brand's theme advertising.

6. Ethnicity and culture are largely country-specific and region-specific. It is difficult to set the framework to decide the cultural and ethnic appeals for a particular customer segment. But there are certain ethnic aspects which connect cultures despite their variations in caste, religion and race. It is interesting to note that these aspects design the advertising and positioning strategies for a product such as chocolate. India is very peculiar in its eating habits. The food preparation though different in various regions and cultures, there is one common thread that binds, i.e., sweet. [<TOP>](#)

Cadbury, one of the oldest chocolate manufacturers in the world, has made its entry into Indian market with its unique positioning strategies through innovative advertisements. Its advertisements give a fine insight into how the advertisements stride into the culture and ethnicity of India.

In the light of this distinctiveness, the positioning of Cadbury 'Celebrations' is very unique.

RAKSHA BANDAN:

The advertisement has been able to catch up on the Raksha Bandhan Festival very well. There is a tradition across the nation for a girl to tie a rakhi to her brother and, in turn, he gives her a gift and sweet box. The sweet box over here is being replaced by the chocolate box of Cadbury's 'Celebrations', a different kind of chocolate. This advertisement does not only ensure that the chocolates will be an integral part of raksha bandhan henceforth, but also makes a silent entry to fall into the category of Indian sweets.

THE SWEET GIFT:

This advertisement unearths a very embarrassing situation which most Indians are exposed to. There are many occasions during which the gifts have to be offered according to the customs and as per the decorum goes these gifts are not to be opened in front of the guests unlike in many other countries. This supports passing on of the unwanted gifts and then a situation arises when the same gift comes back to the original giver after passing many hands.

The advertisement of Cadbury 'Celebrations' pinpoints this particular episode very elaborately. It also whispers in the ears of those Indians about certain black patches in the name of culture which we can avoid.

KUCH MEETHA HO JAYE:

Though sweets are meant for festivals and celebrations they can become a part of any moment which brings joy. This is the theme of Cadbury's Dairy Milk (CDM) famous advertisement. There are many peculiarities about this copy. Firstly it, associates any happy moment with chocolate for all the age groups for any small moment of joy, say the arrival of new neighbor, or the first sign of mustache for a teenager or getting a new bike for college going friend. One more important aspect depicted in it is about the friend breaking the CDM on the new bike as a replacement of coconut. The picturization of such situations takes the direct entry into the minds of all the customer segments with different mindsets.

RURAL REACH:

Cadburys has entered into the hearts of rural India by the advertisement talking about 'Miss Palampur', a title won by the cow owned by a farmer, and the villagers are happily distributing sweets, i.e., CDM. Bollywood actor Amitabh Bachchan, who is featured as the proud owner of Radha, the cow, ends the commercial saying that she will appear in the films next year. This masterpiece projects the psyche of rural masses. Distributing CDM in place of sweets is again a unique feature.

CELEBRATIONS:

Though chocolate does not fall into the category of Indian sweets, Cadbury Celebrations Dry Fruit collection certainly finds the perfect place. The giggle, Rishtey pakne do with Amitabh

Bachchan makes it more attractive. This is a unique way of acclimatizing advertising strategies with the deep understanding of ethnic marketing. Though the integral part of Deepavali celebrations is sweets ‘Celebrations Dry Fruit Chocolate Box’ has received an overwhelming welcome on the festive occasion.

PERK:

The hilarious advertisement of Perk is an instance of how valuable mythological reference can be. Bollywood actress Preity Zinta requests Yamraj to pull her up while she is falling down in a valley. She removes Perk from her pocket and since Yamraj is tempted to eat it himself, he forgets about her time of departure from this material world. It ends with the association of Yam to Yummy. This advertisement, though a bit cynical about the Indian mythology, gives an insight into how ethnic aspects can be incorporated in the advertisements of non-indigenous products, so that they can secure a place in the minds of the target audience.

7. The advertising message is also governed by the creative strategy used to arrive at the message. Here we will discuss various types of creative strategy, such as generic, preemptive, unique selling proposition, brand image, positioning, resonance and affective strategy. The following are the strategies that Cadbury can use in its advertisements [<TOP>](#)

Generic strategy: In the generic strategy, the advertising message talks about the product or the benefits derived from the product. These claims can be made by any other brand in the same category too. There is no attempt at asserting superiority. The emphasis is rather on promoting the product category and increasing the market for it. This strategy can be adopted by a firm, which enjoys monopoly power, **or when** there is very little competition and hence no need for differentiation.’ Here, the company can enjoy a monopoly for some time.

Pre-emptive strategy: Marketers use this strategy to project a common characteristic of the commodity as a unique feature of the advertised product. By being the first to advertise the unique feature, it is hoped that the competitor will be caught off guard and will be forced to respond, by using a ‘me too’ advertisement. Pre-emptive advertising strategy enables a marketer to unsettle the competition and gain the advantage in a commodity market. This technology might be used by other players in the market too, but the player who claims it as a first in its advertisements will have an edge. This strategy is most suitable for a growing market with only a couple of companies are operating, where there is hardly **any** product differentiation.

Unique selling proposition strategy: In the unique selling proposition (USP) strategy, the advertising message describes a meaningful and distinct consumer benefit. The USP can either be a functional benefit or a difference in the product’s physical appearance.

Brand image strategy: This strategy is used to differentiate a product from other products based on an attribute that is external to the product. Generally, claims made in the message are related to the brand. The advertising message aims at building a psychological differentiation rather than physical differentiation. Creating an image using advertising gives the brand a distinct identity or personality, which is particularly important for brands that compete in product categories that have little or no physical difference.

Positioning strategy: In the positioning strategy, a product is placed in the consumers’ mind so that it enjoys a superior image compared to the competitor’s product., The message conveys to consumers where the marketer’s product stands in comparison to the competitor’s offerings. This strategy is well suited for highly developed markets

Section C: Applied Theory

8. WEB ADVERTISING

The advent of the Internet in the early 90s has affected almost every aspect of people’s lives. They have started relying more and more on the Internet - be it for communications, work or shopping. The Internet has emerged as a powerful medium to reach people): Advertisers want to capitalize on the popularity and unique advantages of the medium, so they started advertising on the Internet/web advertising was born. Advertising on the Web takes the form of banner ads, sidebar ads, pop-ups, pop-under, floating ads, etc.

Banner ads: They are a graphical bar or button, containing text or graphics to attract the viewer’s attention. Once the viewer clicks on the banner, it takes him to a web page containing more information. Banner ads come in various shapes and sizes. The standard size for a banner is 468 * 60 pixels. It is usually placed at the top of the web page.

Sidebar advertisement: It is similar to the banner ad except that it is placed vertically on the page. As sidebars are vertical, the size can be increased to the length of the page. The

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area is more compared to banner ads, so there is more scope for content and creativity. They do not go out of sight (as in the case of banner ads) as the viewer scrolls down, and so are more effective. They are also called skyscrapers.

Rotating ads: Whenever the visitor visits a particular web page, he will get to see; different advertisement; this is termed a rotating ads. The selection of ads is determined by computer software. The homepage of www.rediff.com has a rotating ad for Re matchmaker.

Pop-up ads and pop-under ads: Pop-up ads appear in a separate window whenever a web page is visited. In case of pop-up ads, the window containing the advertisement appears on top of the window containing the web page. In case of pop-under, it appears below the window containing the web page. Pop-ups are more effective than banner ads, but they are often intrusive and clutter the desktop. The pop-up advertisement for Citibank account appears whenever the web site www.indianrail.gov.in is visited.

Floating ads: Floating ads appear on the web page and obstruct the text (the viewer is trying to read). Once the ad is over, it will automatically disappear from the web page. Alternatively, the viewer can close the ad by using the close button.

Advantages of Web Advertising

The advantages of web advertising are as follows:

Web advertising makes it very simple to increase the reach of an advertising campaign. The reach can be increased by sending e-mail or by clicking on a web page. This is in contrast to the print media, where to increase reach; additional copies have to be printed.

People using the Internet are generally young, in the age group 15-30 years, educated and have more spending power. Therefore, the market segment to which the Internet is catering is lucrative from the advertiser's point of view.

The Internet offers various **websites**, catering to niche segments, so advertisers can find a site, which will appeal to his target market and place the advertisement on that site. The message becomes more effective.

A banner advertisement on the Internet is small in size and can display only a small amount of information. However, the banner can be used to direct the viewer to the web page, which contains more information.

Further, the web page can feature links to specialized features, enabling more and more amount of information to be given to viewers.

Unlike other media vehicle, the Web medium facilitates two-way communication. The advertiser can give information about the product to the prospective buyer and the **viewer** can buy the product **with** the help of a few mouse clicks. In the case of television and print media, the advertiser can only give information about the product. For taking action, the viewer has to go to the shop or call a toll-free number.

Disadvantages of Web Advertising

The disadvantages of web advertisements are described below:

Web advertisements appear on web pages or in between web pages, without the consent of the user.

They are said to intrude on the privacy of Internet users. Some e-mail containing advertisements of products or services are sent to users

without their prior permission, which annoys them.

To gain access to more information, the user has to click on the advertisement. The user will click only if he is interested. Otherwise, the advertisement **will** go unnoticed.

Commonly used banner ads make use of text and graphics to display a small amount of information to attract viewers. As the size of the banner is small, it limits the amount of first hand information given to web users. Though more information is there on other pages, it can be accessed only after clicking on the banner advertisement.

9. DRIVERS FOR INTEGRATED MARKETING COMMUNICATIONS

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The increased focus on IMC by companies can be attributed to various factors. Rising competition is a primary driver for IMC. It forces companies to differentiate their messages from the clutter in the market place. Another reason is improving technology, which enables easy implementation of IMC. Let us examine the various factors responsible for the growing importance of IMC.

Increasing Competition

Increasing competition is the first driving factor for the growing importance of IMC. As competition increases, the clutter in the market place goes up. As a result, the company message may not reach the target consumer. A single communication tool or campaign will not help communicate the message effectively to the consumer. Fallout of increased competition is that brand similarities among competing brands are on the rise. Consequently, the company's competitive advantage in terms of product attributes is declining. This leads to the dilution of the brand image among consumers. A cohesive and integrated multidimensional communication campaign will help the company draw attention towards the brand and differentiate the brand from the clutter.

Increased Number of Information Sources for Consumers

The consumer collects information from various sources and processes it to develop a perception or attitude towards the brand. With the emergence of new information sources like the Internet, the consumers are well informed about various products. The Internet provides detailed information not just about the company, but also about competitors. The Web also enables the consumer to make comparative shopping easier compared to physical shopping. Apart from this, the Internet consumer can also obtain information from sources like retail outlets, reports from consumer protection organizations, and direct response marketing. So, to make the consumer aware about the product or persuade him to buy, it is important that the company should make its presence felt at all points of contact with consumers. It should also ensure that all communication campaigns should communicate a consistent and single message to the consumer.

Decline in Effectiveness of Mass Advertising

The effectiveness of mass advertising, a popular and important marketing communication tool used by companies is now on the decline. Such a situation is compelling companies to rely on other communication tools, along with advertising for effective implementation of marketing communication strategy. In India over 100 television channels compete to capture a larger share of the television market, leading to media fragmentation.

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