

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

Third Year First Semester Examination in Bachelor of Business Administration

Specialization in Marketing Management – 2016/2017

Proper/Repeat – October 2018

MKT 3023 Marketing Communication

Answer All 05 Questions

Time: 03 Hours

Q01. Read the Case and answer the questions given below.

**Red Bull's Integrated Marketing Communications Mix**

Red Bull's integrated marketing communications mix has been so successful that the company has created an entirely new drink category-functional energy drinks-and has become a multibillion-dollar brand among competition from beverage kings like Coca-Cola and Pepsi. In less than 20 years, Red Bull has become the energy drink market leader by skillfully connecting with the global youth. Dietrich Mateschitz founded Red Bull in Austria and introduced the energy drink into Hungary, its first foreign market, in 1992. Today, Red Bull sells 4 billion cans of energy drinks each year in over 160 countries.

So, how does Red Bull do it? The answer is differently than others. For years, Red Bull offered just one product, Red Bull Energy Drink, in one size-a slick silver 250 ml. (8.3 oz.) can with a European look and feel. Red Bull's ingredients-amino acid taurine, B-complex vitamins, caffeine, and carbohydrates-mean it's highly caffeinated and energizing, so fans have called it "liquid cocaine" and "speed in a can." Over the last decade, Red Bull has introduced three additional products: Red Bull Sugarfree; Red Bull Energy Shots, and Red Bull Cola-each slight variations of the original energy drink.

Since its beginning, Red Bull has used little traditional advertising and no print, billboards, banner ads, or Super Bowl spots. While the company runs minimal television commercials, the animated spots and tagline "Red Bull Gives You Wings" are meant to amuse its young audience and connect in a nontraditional, nonpushy manner. Red Bull builds buzz about the product through grassroots, viral marketing tactics, starting with its "seeding program" that microtargets trendy shops, clubs, bars, and stores. As one Red Bull executive explained, "We go to on-premise accounts first, because the product gets a lot of visibility and attention. It goes faster to deal with individual accounts, not big chains and their authorization process." Red Bull is easily accepted at clubs because "in clubs, people are open to new things."

Once Red Bull has gained some momentum in the bars, it next moves into convenience stores located near colleges, gyms, health-food stores, and supermarkets, prime locations for its target audience of men and women aged 16 to 29. Red Bull has also been known to target college students directly by providing them with free cases of Red Bull and encouraging them to throw a party. Eventually, Red Bull moves into restaurants and finally, into supermarkets.



Red Bull's marketing efforts strive to build its brand image of authenticity, originality, and community in several ways. First, Red Bull targets opinion leaders by sampling its products. Free Red Bull energy drinks are available at sports competitions, in limos before award ceremonies, and at exclusive after-parties. Free samples are passed out on college campuses and city streets, given to those who look like they need a lift.

Next, Red Bull aligns itself with a wide variety of extreme sports, athletes, teams, even artists (in music, dance, and film). From motor sports to mountain biking, snowboarding to skydiving, and dancing to extreme sailing, there is no limit to the craziness of a Red Bull event or sponsorship. A few have become notorious for taking originality and extreme sporting to the limit, including the annual Flugtag. At Flugtag, contestants build homemade flying machines that must weigh less than 450 pounds, including the pilot. Teams then launch their contraptions off a specially designed Red Bull branded ramp, 30 feet above a body of water. Crowds of up to 300,000 young consumers cheer on as the contestants and their "planes" stay true to the brand's slogan: "Red Bull gives you wings!"

Another annual event, the Red Bull Air Race, tests the limits of sanity. Twelve of the world's best aerobatic stunt pilots compete in a 3.5 mile course through a low-level aerial racetrack made of air-filled Red Bull branded pylons 33 feet apart and reaching 65 feet in height. In other events, pilots fly planes with a 26-foot wingspan through a gap of 33 feet at 230 mph. These Red Bull branded planes crash occasionally, but to date no fatalities have ever occurred. Red Bull's website provides consumers with information about how to find Red Bull events, videos, and interviews with Red Bull-sponsored athletes, and clips of amazing feats that will be tested. For example, Bull Stratos is a mission one man is undertaking to free-fall from 120,000 feet, 12 miles high. The jump will be attempted from the edge of space and, if successful, it will be the first time a human being has reached supersonic speeds in a free fall.

Red Bull buys traditional advertising once the market is mature and the company needs to reach the brand to its consumers. As one Red Bull executive explained, "Media is not a tool that you use to establish the market. It is a critical part. It's just later in the development." Red Bull's "marketing" IMC strategy has been extremely successful connecting with its young consumers. This falls directly in line with the company's mission to be seen as unique, original, and rebellious, just as its Generation Y consumers want to be viewed.

*(Source: Kotler & Keller, Marketing Management, 14<sup>th</sup> ed.)*

### Questions

1. What are the Integrated Marketing Communication (IMC) tools used by Red Bull? Analyze the strength of it. (05 Marks)
2. Should Red Bull do more traditional advertising? Why or why not? (05 Marks)
3. Describe the effectiveness of Red Bull's sponsorships, for example, Bull Stratos. (05 Marks)
4. Do you think that Red Bull's sponsorship programme a good use of Red Bull's marketing budget? Why or why not? (05 Marks)

(Total 20 Marks)

2.

1. Briefly explain the steps of Consumer information processing model with a suitable example. (06 marks)
2. Describe how cultural differences might impact viewers' perceptions of advertisements. Provide examples. (06 Marks)
3. "Integrated Marketing Communication (IMC) is the strategic, two-way communication targeted to specific customers and their needs coordinated through a variety of media". Explain the significant of IMC for the marketers. (06 marks)

**(18 Marks)**

3.

1. "One of the disadvantages associated with direct-marketing media is the high cost per exposure. Some marketers feel that this cost is not really as much of a disadvantage as is claimed". Argue for or against this position. (06 Marks)
2. "Sales Promotion has become one of the most preferred such Below The Line-BTL activity due to several reasons". Briefly describe this statement. (06 Marks)
3. "Public Relation is the deliberate, planned and sustained effort to establish and maintain mutual understanding between and organization and its publics". Explain the various functions of Public relation programme of a company. (06 Marks)

**(18 Marks)**

04.

1. "Good tests of advertising effectiveness must address the principles established by PACT (Positioning Advertising Copy Testing)". Briefly explain five Essentials for Effective Testing in Integrated marketing Communication. (05 Marks)
2. A company require to conduct a promotional campaign. Assume, that you are the marketing manager of that Company. Describe the typical process, which should be considered when developing a Promotional Campaign. (06 Marks)
3. Explain why the combination of personal selling and other promotional mix element such as Advertising, Public Relation and Direct Marketing may provide benefits that exceed just personal selling alone. (06 marks)
4. Promotional activities are highly criticized for its role in selling products and for its influence on society. Illustrate the various ethical issues in Marketing Communication with suitable examples. (07 Marks)

**(24 Marks)**



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Index No:

Each of the questions 01 to 05, select most appropriate answer from the multiple choices

1. A major reason why some companies choose to use an in-house agency is to:
  - a) maintain creative freshness
  - b) win advertising awards that will enhance the image of their brands
  - c) better understand how advertising works
  - d) reduce advertising and promotions costs
2. Which of the following functions is NOT performed by the agency's research department?
  - a) interpreting information to assist in advertising decision-making
  - b) disseminating information to agency account planners
  - c) designing, executing, and interpreting primary research studies
  - d) planning the creative and media strategies for the advertising campaign
3. Which of the following is NOT a measure of marketing communication effectiveness?
  - a) brand image ratings
  - b) advertising likeability
  - c) brand awareness
  - d) retail sales results
4. Which of the following is NOT a benefit of IMC services?
  - a) Agency personnel have expertise in particular aspects of the process and therefore are inclined to consider all variables in the planning decision.
  - b) It is more convenient to coordinate all of its marketing efforts through one agency.
  - c) An integrated approach creates one single image and voice to address all audiences.
  - d) Clients maintain control of the entire promotional process, and achieve greater synergy among each of the program elements.

5. Which of the following statements about the development of interactive media is true?
- a) Many marketers are using specialized interactive agencies to develop interactive media.
  - b) Traditional advertising agencies tend not to develop interactive media capabilities.
  - c) Full-service interactive agencies provide various services including consulting regarding the use of the Internet and online branding, technical knowledge, systems integration, and the development of e-commerce capabilities.
  - d) Interactive agencies range from smaller companies that specialize in website design and creation to full-service interactive agencies.

(2 x 5 = 10)

**Write the most appropriate answer for the following question from 6 to 8.**

6. Magazines are commonly categorized into three types, based upon the target audience the magazines serve. They are;

- a) .....
- b) .....
- c) .....

(1 x 3 = 3)

7. Internet advertising can be done online in four ways: They are;

- a) .....
- b) .....
- c) .....
- d) .....

(1/2 x 4 = 2)

8. Consumer's purchase decision process is generally viewed as consisting of stages which the buyer passes in purchasing a product or service. This model shows that making involves a number of internal psychological processes. They are namely;

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

(1 x 5 = 5)