

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION PAPER MAY 2005

TITLE OF PAPER : MARKETING COMMUNICATIONS
DEGREE AND YEAR : B. COM. V
TIME ALLOWED : THREE (3) HOURS
COURSE CODE : BA 524
INSTRUCTIONS : 1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (6)
2. SECTION A IS COMPULSORY. ANSWER ANY TWO QUESTIONS FROM SECTION B
3. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE AS INDICATED ALONGSIDE THE QUESTION

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY AND NEAT PRESENTATION OF WORK. FURTHER MARKS WILL BE AWARDED FOR THE USE OF RELEVANT EXAMPLES

SPECIAL REQUIREMENTS: NONE

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A CASE STUDY SAB - THE ONLY GAME IN TOWN

Spending a fortune to market your products when you're virtually the sole supplier may seem a big waste of money. But SA Breweries didn't come to dominate the SA beer market by wasting money. It will spend more than R25 million this year on marketing its seven brands, seemingly against each other. It hasn't been tempted to take the easy road and just sell beer to the public.

Each brand has a different ad budget. According to Adindex, last year SAB spent R6.38 million on Castle, R5.34 million on Lion, R4.5 million on Ohlsson's, R2.32 million on Amstel, R1.81 million on Carling, R1.5 million on Hansa, and R851,000 on Castle Milk Stout - not to mention R598,000 on corporate advertising. SAB is a heavy spender on TV. The medium captured R12.1 million or 51% of the company's advertising budget last year. SAB uses mostly five advertising agencies (Partnership, Bates Wells, D'Arcy Masius, Benton and Bowles, and Ogilvy & Mather) for their creative and media resources. "We don't get them too involved in our marketing strategy because they can't possibly know as much about our products as we do," Savory says.

Charles Foster of Impact Information, which analyses television commercials, says SAB's ads have considerable impact, but mainly because they are backed by a huge budget. "They tend to go for advertisements that will offend the least number of people. Few of their advertisements are among the best-liked, though, because they take this line of least resistance. One exception was the Lion Lager advertisement, in which a black executive is promoted. This was aspirational and hugely successful."

SAB is in the privileged position of being able to indulge in some gentle comparisons of its own products - the Hansa ads knock lager drinkers, though not a specific brand. Hansa is the fastest growing beer in the stable, though of a low base. The company doesn't release market share figures for each brand, but Castle and Lion are, of course, the dominant brews.

SAB has been attacked for their multiracial advertising. Some media watchers say it portrays an artificial setting. But the multiracial ads were begun after a poll showed that almost all blacks and 85% of whites approved of it. However, while blacks and whites can mix, SAB will never show women drinking in its advertisements. "We aren't trying to discourage women from enjoying a beer," Savory says, "but there are too many taboos about women drinking in public. In some communities men drink only when the women are away. We find that women respond well to the ad anyway. Once or twice, brewers around the world have tried to launch a beer aimed specifically at the female market. The last time was Swan Gold in Australia - the campaign bombed."

One SAB campaign that wasn't such a success was the "Change the Label, Not the Beer" pitch, as Savory admits. "With hindsight, we may have been seen to be protesting too much when we insisted that the beer wasn't going to change even if the label was." The campaign led to a sharp fall in Castle's market share because it coincided with the successful Lion advertisements.

Because 90% of beer drinkers participate in or watch sport, a sporting theme inevitably runs through SAB ads. Lion Lager, in particular, is shown being drunk after sporting events. "Of course we wouldn't want anyone to think they could do well at sport after a few Lions - so the drinking always takes place after the event," Savory says.

In order to prevent bad associations, SAB never sponsors motor sport. "Some brewers do sponsor it but I don't think a crashed car with 'drink Castle Lager' on the side would do our sales any good," says Savory.

QUESTIONS

- i) What is meant by corporate advertising? How does it differ from product advertising? [5 marks]
- ii) Why do you think SAB spends so much on Castle and Lion when they are the dominant brands? [10 marks]
- iii) Do you think their heavy spending on TV (51%) can be justified? Give reasons for your answer [5 marks]
- iv) What do you think about SAB's sporting theme? Can you think of other themes they could use? Give reasons for your answers [10 marks]
- v) Comment on SAB's decision not to use women in its advertising in view of the ethical issue of gender stereotyping [5 marks]
- vi) Do you think motor sport sponsorship could involve negative associations for SAB? Why or why not? [5 marks]

SECTION B ANSWER ANY THREE QUESTIONS FROM THIS SECTION

QUESTION TWO

Use examples to discuss the consumer and trade-oriented sales promotion tools [20 marks]

QUESTION THREE

- a) Distinguish between telemarketing and telemedia [5 marks]
- b) Discuss the various types of direct marketing strategies [15 marks]

QUESTION FOUR

- a) Using the concepts of attractiveness, expertise, and trustworthiness, explain what makes Mike Tyson an ineffective endorser [5 marks]
- b) Discuss the concept of brand equity and show how a company can use this to manage its brands successfully [15 marks]

QUESTION FIVE

- a) Describe the concept of meaning in marketing communications [5 marks]
- b) Discuss the behavioural foundations of marketing communications using the Consumer Processing Model (CPM) [15 marks]

QUESTION SIX

Discuss the various media options available to a marketing communications manager. What are the pros and cons of each media selected? [20 marks]

5 of 5 (M)

5. What are some essential decisions that practicing organisations should make on community relations activities?

(20 marks)

6. a. What are the possible objectives of a public relations campaign (10 marks)

b. Last year it was rumoured that some standard five students had examination papers prior to the examination. There was a public outcry which led to negative publicity for the Swaziland Examination Council. This office is now planning a public relations campaign. Advise them on how to go about doing this exercise.

(10 marks)

Total

(20 marks)

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been affected by this tragedy." As 1993 drew to a close, Food Maker and Jack in the Box aggressively sought to explain to customers, through ads and corporate literature, how the contamination had occurred and how the incidents were isolated. At the same time the company continued to promote its program to pay the medical costs for all those sickened from eating at its restaurants. Slowly, Jack in the Box began to re-emerge from its nightmare, resigned to the long-term challenge of reassuring clients that its stores and its products were safe.

Question 1:

- a) Was Jack in the Box management right in reacting so quickly to the contamination problem and why? (5 marks)
 - b) What would be your opinion on the strategy of spreading the blame for the contaminated hamburger? (10 marks)
 - c) How harmful to the Jack in the Box case was the inaccurate statement about the company's failure to receive new state hamburger cooking regulations? (10 marks)
 - d) What is your overall assessment of how Food Maker handled this communications challenge? What kinds of communications should the firm adopt in attempting to restore its credibility? (15 marks)
- Total (40 marks)**

Section B: (Answer any three questions from this section)

- 2. Generally, most organisations serve various publics who have diverse opinions on a variety of issues. In view of the scenario presented, how can they best determine and measure the opinion of their publics ? (20 marks)
- 3. Research and evaluation are vital aspects of every practicing manager, Discuss their relevance in Public Relations. (20 marks)
- 4. You have just recently been appointed as a PR officer at Cadbury, the General Manager has asked you to plan a Public Relations Function, discuss how you will effectively do it? (20 marks)