

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION MAY 2008

TITLE OF PAPER : MARKETING COMMUNICATIONS
COURSE CODE : BA 524
DEGREE AND YEAR : B. COM. V & IDE - LEVEL 7
TIME ALLOWED : THREE (3) HOURS

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: ANSWER BOTH QUESTIONS FROM THIS SECTION

QUESTION ONE:

CASE STUDY - BURGER KING: PROMOTING A FOOD FIGHT

Source: Kotler, P. & Armstrong, G. (2006), Principles of Marketing, Upper saddle River, New Jersey, 11th edition, (pp. 450-451)

PASS THE MUSTARD

In early 2004, as Burger King's (BK) CEO Brad Blum reviewed the company's 2003 performance, he decided once again that he had to do something to spice up BK's bland performance. Industry leader McDonald's had just reported a 9% sales jump in 2003 to a total of \$22.1 billion, while number-two BK's U.S. sales had *slipped* about 5% to \$7.9 billion. Further, number-three Wendy's sales had spiked 11% to \$7.4 billion, putting it in position to overtake BK.

Blum surprised the fast-food industry by abruptly firing the firm's advertising agency, Young & Rubicam (Y&R), and awarding its global creative account to a small, Miami-based, upstart firm Crispin Porter + Bogusky (Crispin). The switch marked the fifth time in four years that BK had moved its account! Ad agency Y&R had gotten the \$350 billion BK account only 10 months earlier. To help revive BK's sales, it had developed a campaign with the theme "The Fire's Ready," which focussed on BK's flame-broiled versus frying cooking method. However, observers found the message to be flat and uninspiring, and the sales decline sealed Y&R's fate. With the move to Crispin, there was no shortage of speculation that the fickle BK would soon move again. Many saw BK as a bad client, impossible to work for. Others noted that the "win" of this account would ruin Crispin's culture.

CHALLENGING CONVENTIONAL WISDOM

In announcing the Crispin selection, Blum indicated he had challenged the firm to develop "groundbreaking, next-level, results-oriented, and innovative advertising that strongly connects with our core customers." BK automatically became the small firm's largest customer, but Crispin was not without an impressive track record.

Chuck Porter joined Crispin Advertising in 1988. A middle-aged windsurfer, he wanted to be near the water. Alex Bogusky joined the firm later as a 24-year old art director who raced mororbikes. The Porter-Bogusky combination clicked, and Crispin racked up local awards for its ad campaigns. A Sunglass Hut billboard featured a huge pair of sunglasses with the headline, "What to Wear to a Nude Beach." Because its clients often had little money for advertising, Crispin found inexpensive ways to gain attention. For a local homeless shelter, it placed ads on shopping carts trash dumpsters, and park benches.

In 1997, with Bogusky serving as creative director, Crispin finally got national attention with its unconventional "Truth" campaign aimed at convincing Florida teens to stop smoking. Crispin

started with street-level research, actually talking to teens in order to "get inside their heads." Crispin found that cigarettes allowed teens to establish identities, associate with brand names, and take risks. To counter this, Crispin created the "Truth" logo and turned it into a brand. It plastered the logo on everything from posters to t-shirts, developed a "Truth" Web site, and staged impromptu live "Truth" parties around the state. Between 1998 and 2002, teenage smoking in Florida declined 38%. The campaign was so successful that The American Legacy Foundation picked it up and turned it into a national promotion, leading to a big-budget ad at the Super Bowl - the "Shards O'Glass Freeze Pop." Crispin followed with an award-winning, low-budget campaign for the BMW MINI Cooper auto. It decided to violate conventional wisdom and launch the U.S. campaign without TV advertising. It placed the Minis inside sports stadiums as seats and on top of the SUVs driving around town. It got the car included in centrefold pictures in *Playboy* and in movies like "The Italian Job." It also created props such as coin-operated children's ride as well as Mini games, Mini booklets, and Mini suitcases. When BMW finally introduced the Mini in Spring 2002, the waiting list was six months long. Similar success with IKEA furniture and Virgin Atlantic Airways forged Crispin's reputation as an out-of-the-box, results-oriented agency. Along the way, it developed some loose "rules." Among them were:

- Zero in on the product.
- Kick the TV commercial habit.
- Find the sweet spot (the overlap between product characteristics and customer needs)
- Surprise = buzz = exposure.
- Don't be timid.
- Think of advertising as a product rather than a service.

BACK TO THE FUTURE

Within a month of getting BK's account, rather than recommending some outrageous new idea, Crispin recommended going back to the firm's "Have It Your Way" tagline, developed by BK's second advertising agency, BBDO, in 1974. Crispin argued that it could take that old phrase and make it relevant to today's customers.

Although Crispin's pitch may have initially seemed "same-old," it was anything but. Uncharacteristically, Crispin kicked off the new campaign with TV commercials. In a series of off-beat ads that were a takeoff on a British comedy series, *The Office*, office workers competed and compared their "made my way" BK burgers, reinforcing the message that each customer could have a custom-made burger - no matter how unusual it might be. Crispin planned an entire package of promotions around the new-old theme, including everything from in-store signage to messages on cups.

Although *The Office* ads were unusual and catchy, they were also mainstream media. The TV campaign created an environment for the real Crispin approach to emerge. To promote BK's TenderCrisp chicken, Crispin launched a Web site, www.subservientchicken.com. When people visited the site, they saw what appeared to be a Web camera focussed on a somewhat seedy living room. In the room was a man dressed like a chicken (except for one subtle accessory, a lady's garter belt). The site invited the visitor to "Get chicken just the way you like it. Type in your command here." The visitor could type in a command, such as "stand on your head" or "do

jumping jacks" and the chicken would respond. If someone typed in a risqué request, the chicken would wave a wing at the camera, as if to say "no-no." Below the chicken video area were five other icons. "Subservient TV" featured three video clips with various people "having their way" with the chicken. "Photos" presented five "glamour" shots of the chicken. The "Chicken Mask" icon produced a printable chicken mask that one could print, cut out, and wear. The mask's instructions were to "cut along dotted line, put on chicken face, be subservient." A fourth icon, "Tell a Friend," pulled up an Outlook Express e-mail document that invited you to send an e-mail to a friend with the text: "Finally, somebody in a chicken costume who will do whatever you want. Check it out. www.subservientchicken.com" The last icon was marked "BK TenderCrisp" and was linked to the Burger King home page. This was the only indication of BK's sponsorship on the site, reflecting Crispin's desire to avoid seeming too commercial and "uncool." Unless a visitor clicked on the last icon, he or she would have no indication that the site had anything to do with Burger King.

When Crispin launched the site, it told only 20 people - all of whom were friends of people who worked at the agency. Within the first *ten days*, 20 million people visited the site, with the average visitor spending more than seven minutes. Many visitors apparently selected the "tell a friend" icon, sending e-mails flying like feathers.

SUBSERVIENT CHICKEN - CHAPTER 2

In 2005, as a follow-up to the Subservient Chicken promotion, Crispin created a campaign to launch a new BK product, Chicken Fries. The promotion was based on a heavy metal band called Coq Roq with lead singer, Fowl Mouth. Crispin set up a Web site, www.coqroq.com, in world-class rock band fashion. It showcased the band's songs, including "Bob Your Head," "One-Armed Bandit," and "Nice Box." There was even a video for the "hit song" "Cross the Road," directed by music video biggie Paul Hunter. Fans could purchase T-shirts, CDs, cell-phone ring tones, and other fowl merchandise. There was even talk of a tour and a DVD! Was this a real band just a promotion? Crispin's Coq Roq campaign was so well done, it was difficult to tell. Soon after the Web site launch, Hunter-directed music-video-style ads began airing on MTV and VH-1.

Crispin targeted this campaign squarely at what it perceived to be the main BK target market - young men. Although the campaign was well received by this target segment, many other groups were not so entertained. The campaign ruffled the feathers of the real metal band Slipknot. It filed suit, claiming violation of publicity and trademark rights. Other critics saw the campaign for what it was - a crude attempt to generate buzz among teenagers through childish genital humour. In fact, with relations already rocky between Burger King and its franchisees, the campaign only threw more fuel on the fire. The franchisees hated it, as they did the eerie 2004 campaign that featured a bobblehead- looking ceramic King with a gargantuan head. But none of this bothered burger King's sales. The fast feeder sold more than 100 million orders of Chicken Fries in the first four weeks of the new product launch.

A VIRAL TURNAROUND

Crispin clearly demonstrated with both the Subservient Chicken and the Coq Roq campaigns that it was a master at viral marketing - using unusual methods to get attention and to generate buzz and word-of-mouth. Despite the success of these campaigns in producing lots of Web site hits, many analysts wondered if they would lead to increased sales and turn around BK's sliding market share. There was also speculation as to whether or not Crispin could continue to produce ideas that would keep BK strong in the fast-food fights.

But at Burger King's 2006 annual franchisee convention, the feeling in the air was "long live the king." CEO Blum debuted a new Crispin ad entitled "Manthem." A parody of the Helen Reddy song "I Am Woman," the spot was yet another example of BK's strategy to unapologetically embrace the young, male, fast-food "super fan." "Manthem's" lyrics spurned "chick food" and gleefully exalted the meat, cheese, and more meat and cheese combos that can turn "innies into outies," all the while showing guys burning their briefs and pushing a minivan off a bridge.

After openly revolting at the convention the year before, BK's restaurant operators rose to their feet in a thunderous ovation, demanding an encore. They now embraced the kind of uncomfortably edgy advertising that they had rejected not so long before. Why this sudden change of heart?

Perhaps it was because Burger King was on the verge of a public offering. Or maybe it was because sales and profits go a long way in healing wounds. "I feel much better this year than I have in the last three, four, or five years," said Mahendra Nath, owner-operator of 90 stores in the upper Midwest and Florida. "I've been up 2.8% for this quarter so far. Now I think we are believers, and hopefully the trend is going to keep going." Alex Salgueiro, another franchisee who was seeing results similar to Nath's, said, "I think our competitors are scared of the King...they should be. They say, 'what's with the King?' and my answer is, 'It's better than clowns.'"

With BK's fortunes apparently changing, franchisees are much less likely to question the irreverent Crispin promotional tactics, whether they like them or not. And why would they? With the young male demographic providing nearly half of all Burger King visits, Mr. Salgueiro said it best: "All opinions boil down to traffic and sales. Once that happens, everybody has to shut up with their opinion. We have a very old franchisee base at this point, and some of us don't understand our customers. We have a lot of gray hair."

QUESTIONS

- a) What are Burger King's communication objectives for its target audience? **(5 marks)**
- b) With its focus on the "super fan," does BK risk alienating other customers? What are the implications of this? **(5 marks)**
- c) Why is viral or buzz marketing effective? Analyse the design of the subservient chicken Web site's message, including content, structure, and format. What can you conclude from this analysis? **(20 marks)**

- (d) Do the TV and viral elements of BK's campaigns work well together? What additional elements and media might Crispin add to the integrated marketing communications campaign? **(10 marks)**

QUESTION TWO:

- a) Explain the concepts of individualisation and interactivity in Internet marketing **(5 marks)**
b) Use examples to discuss the various Internet advertising formats **(15 marks)**

SECTION B ANSWER ANY TWO QUESTIONS FROM THIS SECTION

QUESTION THREE:

Using relevant examples, discuss the consumer based brand equity model. In your discussion, show how a company can position its product offerings in the market using this framework **(20 marks)**

QUESTION FOUR:

In order to be successful in marketing communications, a company must be able to persuade its customers. Show the role that persuasion plays in the success of marketing communications by looking at both the influence process (the persuadee's perspective) as well as the tools of influence that marketers use to persuade their consumers. **(20 marks)**

QUESTION FIVE:

- a) Assume you are the advertising manager for a company that is contemplating launching a new brand onto the market. How would you apply the five-step programme to formulating advertising strategy to ensure that your launch was a success? **(10 marks)**
b) Explain how Swazi Bank used sponsorship and cause-oriented marketing to break through the local banking sector and become a force to be reckoned with **(10 marks)**

QUESTION SIX:

Discuss the strengths and weaknesses of the different classes of print and broadcast media **(20 marks)**