

**UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
BA436 CONSUMER BEHAVIOUR
SECOND SEMESTER EXAMINATION 2019**

TITLE OF COURSE: CONSUMER BEHAVIOUR (IDE-BA 436)

DEGREE: IDE BACHELOR OF COMMERCE

YEAR: LEVEL 6

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

- 1. Total number of questions on the paper is 5**
- 2. Answer Question 1 in Section A. and any three (3) Questions from Section B**
- 3. Marks awarded are indicated at the end of each question**
- 4. Marks will be awarded for good communication in English language and for orderly presentation of your work**

SPECIAL REQUIREMENTS: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A: (COMPULSORY)

Marketing Coke Zero around the world

Background

In June 2005, the Coca – Cola Company launched a new brand called Coke Zero. The drink was sweetened partly with a blend of aspartame acesulfame potassium. Aspartame is a key ingredient in Diet Coke, but because of the added sweetener, Coke Zero was marketed as tasting more like original Coke than its diet derivative. Even with the multiple varieties of Coke on the market, officials at Coca – Cola were not worried about market confusion. They believed that consumers were becoming more interested in variety and that the multiple variations of Coke could coexist.

The company launched Coke Zero using a unique marketing campaign. Coke Zero was targeted primarily to young adult males. This resulted in different positioning in North America compared to Europe. Globally, Coke Zero was marketed as a 'diet' drink with zero sugar. However, in the United States and Canada, it was marketed as having 'zero calories' since to younger men in North America, diet drinks are viewed as being meant only for older, female consumers.

Marketing Coke Zero in the United States

In the United States, the marketing focus was on the similarity between the taste of Coke Zero and 'classic' Coke. The advertising campaign was based on the premises that executives at Coca-Cola selling the Coke classic brand planned to sue their colleagues selling Coke Zero. The advertisements used real lawyers who were unaware they were being recorded. The executives in charge of the flagship brand pretended that they wanted to initiate a lawsuit against Coke Zero for taste 'infringement'. They claimed that Coke Zero 'taste(d) too much like the Classic Coke soft drink. The advertising campaign

proved to be a success. One commercial shows a lawyer (unaware of the joke) telling two actors portraying Coke Classic executives: 'It'll be dismissed. You'll be humiliated.'

This ad campaign included video clips posted on social networking websites such as Twitter and YouTube, as well as ads posted on website banners. In addition to helping to position the new brand as contemporary and 'young'. The punk'd-style advertising strategy effectively reached the young male target group.

Marketing Coke Zero around the World

The success of the marketing campaign in the United States led to Coca-Cola using similar strategies around the world. One cornerstone of the campaign was the creation of a group called the Zero Movement. This group was promoted on a blog on which a young man rants about why life is so full of stuff to do and how it would be so much nicer if there was, well 'zero to do'. The blog concluded with several supportive comments, which made it appear to be an individual's site rather than a promotional tool.

In Australia the campaign generated a lot of interest in Coke Zero until consumer advocates discovered that the Zero Movement was part of the Coca-Cola marketing campaign. A counter blog, The Zero Coke Movement, was established to expose the perceived lack of ethics in this advertising strategy. In addition, other blogs such as the Zero Movement Sucks were started. After this controversy, logos and other Coke Zero branding were uploaded on the website. This made it very clear that the website was linked to Coca-Cola. In spite of this controversy (or perhaps because of it) Coke Zero's Australian launch proved a resounding success.

QUESTIONS

- a. The Coca-Cola Company utilised different strategies in Europe and Australia compared to North America. In Europe Coke Zero was positioned as a 'diet drink' and in North America it was positioned as a 'low calorie drink'. Do you believe this was an appropriate strategy? Could Coke have used the same positioning strategy in both geographic areas? If so, which should they have used? If not, why? (20 Marks)
- b. Coke used celebrity endorsers for Coke Zero in Europe, including Cheryl Cole and Wayne Rooney. In addition the company initiated a marketing tie-in with a James Bond movie released in 2008, Quantum of Solace. Are these promotion strategies appropriate for Coke Zero? Do the spokespersons match the image that Coke Zero is trying to promote? (20 Marks)

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Brand adoption is critical for any new brand. Briefly explain with examples the brand characteristics that facilitate adoption? (10 Marks)
- b. Discuss the eight (8) bases of segmenting a consumer market (10 Marks)

TOTAL: 20 MARKS

QUESTION 3

- a. Define social class. Discuss the six (6) major categories of social class indicating the significance of each class to marketers. (10 Marks)
- b. Identify five (5) types of reference groups and indicate how they influence consumer decision making, giving an example in each case. (10 Marks)

TOTAL: 20 MARKS

QUESTION 4

- a. Consumers make a decision on which store they will buy their products. Discuss the factors that consumers consider when choosing the store. (10 Marks)
- b. Define a family and discuss the eight (8) roles played by family members in decision making. (10 Marks)

TOTAL: 20 MARKS

QUESTION 5

- a. Consumers are constantly bombarded by messages inducing them to change their attitudes. Explain how attitudes can be formed and how they can be changed. (10Marks)
- b. Discuss personality. Discuss the three (3) aspects of personality giving an example in each case. (10 Marks)

TOTAL: 20 MARKS