KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2018/2019

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

BBA 850: ADVERTISING MEDIA POLICY AND STRATEGY

DATE: Thursday, 28th March 2019 **TIME:** 5.30 p.m. - 8.30 p.m.

INSTRUCTIONS:

Answer question one and any other three.

Use case study to answer Question one:

Case Study:

Coca-Cola's Marketing Challenges in Brazil:

In spite of Brazil being a large market and Coca-Cola's third largest operation, average consumption of Coke in the country was relatively low. This was mainly the period between 1996-2005. Brazilians consumed only 144 bottles, each 237 ml (8 ounces), per person annually. In the USA, the largest of Coca-Cola's markets, per capita soda consumption was 462 bottles annually. In Mexico, the company's number two market, per capita consumption was 402 bottles annually. In terms of profitability, the Brazilian market position was even more critical.

According to drink consultancy, Zenith International, soft-drink sales have grown globally an average of 5% a year. The company's "Global Soft Drink Report 2002" states that, in 2001, consumers around the world drank 412,000 million litres of soft drinks, which represents 67.5 liters per capita. Carbonated drinks accounted for 45% of the total soft drink sales. Zenith has projected soft drink sales growth to remain around 5% through 2006, compared to 3% for alcohol, 2% for milk, and 1% for hot beverages.

In designing the advertising campaign, Coca-Cola did not appropriately / exhaustively map out the locations for the target. The policies in Brazil were more stringent in Brazil than the US and this did not help matters as the competitors were already acquainted to the media policies in Brazil. Coca-Cola experienced challenges inn gaining proper Return on Investment (ROI) on the promotion budget. Coca-cola is known to commit large resources in advertising and it took several years for the company products to gain projected market share in Brazil.

Required:

1 a) Discuss how Coca-Cola should have used the Zenith International study cited in the case to do better research before launching the advertising campaign. (10 marks)

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b) As a manager in Coca-Cola Brazil, advise the company on how to successfully navigate the country medial policy to avoid issues experienced in future . (10 marks)

c) Discuss how Coca-Cola should have worked on the company's policy of computing ROI to cater for the unexpected outcomes that were registered after the advertising campaign .(10 marks)

Question Two

As a new Advertising manager in Barclays bank, discuss how you will develop a media plan for a new product. (10 marks)

Question Three

Broadways is a major brand in the Kenyan market. In the recent past, many brands are moving away from using the advertising agencies as the only source of media creative and considering alternative options like the script writers. Discuss why this is the case. (10 marks)

Question Four

Market promotion comes with risks associated with over-position or under-positioning. Some of this can be challenged in law. Discuss how managers can mitigate this risks. (10 marks)

Question Five

Discuss the role played by online advertising in the service industry (10 marks)