



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

**POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20)**  
**END TERM EXAMINATION (TERM - III)**

Subject Name: **Consumer Behaviour**  
Sub. Code: **PG-18**

Time: **02.00 hrs**  
Max Marks: **50**

**Note:**

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 2 Case Studies of 10 marks each, Section B carries 2 questions of 10 marks each and Section C carries 5 questions 2 marks each.**

**SECTION - A**

**10×02 = 20 Marks**

**Q. 1: Case Study:**

**“Sprite – Soft Drink”**

**Low Involvement Purchase and Brand Personality**

**Introduction**

Coca-Cola’s clear lime soft drink was launched in India in 1999 and has since been one of the fastest growing brands in the Indian soft drink market. Sprite has emerged as the market leader in the Lime category of soft drinks. It holds this position the world over and is in fact the third most sold carbonated soft drink after Pepsi and Coke; it is sold in over 188 countries. The brand has been able to create tremendous popularity and a strong and compelling brand image in diverse environments.

**History**

Sprite has a unique history in the sense that the creation of its name and even its mascot predate the creation of the brand itself by quite a long timeframe. The name Sprite originated from a character named the ‘Sprite boy’ created for Coca-Cola to symbolize and reinforce the brand image of Coke. At around 1950, Coke had to react to the emerging new competition in the non-cola carbonated segment and was in the process of developing a light, tart but carbonated drink. At that time, given the fantastic amount of recall in the mind of the public that the name Sprite had created, the Coca-Cola Company chose to bestow this name for its latest brand. Over the years, it grew to become one of the world’s leading soft drink brands and, in fact, the leading non-cola brand.

**SPRITE – The Product**

The Product Sprite is a lemon-lime flavoured, carbonated, light soft drink of slightly sour and acidic taste. More than the product itself, the packaging is considered one of the most distinctive in the industry; the flagship SKU is made available in a bright green bottle, with bubbles decorating its surface, which symbolizes and reinforces the refreshing nature of the product. The new variant of Sprite is Sprite ice.

**Use of the Internet**

Sprite was one of the first soft drinks to launch large-scale and massive Internet advertisements to sustain its popularity with the teenage segment. The site [sprit.com](http://sprit.com) was created as a portal to enable its customers, especially teenagers, to shop for what they wanted online without having a credit

card. This fast adaption of Internet technologies by Sprite has reinforced its image as being youthful and keeping up with the times.

### **Advertisement Campaigns**

The very first launch of Sprite was with the slogan, “Taste its tingling Tartness”. But this being just an attribute focused slogan, it was not able to produce a lasting impact on the consumer’s mind. Then the product was actually repositioned as a youth brand and the slogan that was used for advertisements along with this relaunch was “Obey your thirst”. This slogan better captured the imagination of the consumer as it showed an impact on the cognitive level of the consumer. The slogan, in fact, bespeaks of the core value of self-reliance, the trait of following one’s instincts and of being oneself, that is, to drink a good thirst quencher when one is thirsty; and thus appear relevant to the anti-establishment youth tastes.

The advertisements also use straightforward and sometimes irreverent humour to get the point across and encourages the youth to trust their instincts and thus reinforces its brand personality. The visibility and brand recall are also kept high by active sponsorship in popular sports like basketball, and by active involvement in other youth activities, too. The association with these activities, apart from increasing the popularity of the brand, also served to build around it an aura of individualism, freedom, self-confidence and an ability at self-expression, which created that crucial emotional connect with the consumers. Sprite is liked by its consumers not only for its lemony- lime flavour, but also for its unconventional and slightly irreverent attitude. It is advertised as a youth icon standing for a straightforward and an honest attitude. In India, the advertisements of the brand are centered around its casual but no-nonsense approach. If we look at the ad campaigns run by Sprite in India, the positioning is mainly on the thirst quenching platform, and depicts the no-nonsense type, down-to-earth personality of cool drink, laced with humour and spoof. **Phrases in the ad like “Sprite Bhujhaaye Pyaas, Baaki All Bakwaas”** (Sprite quenches thirst, the rest is all hogwash) in its ad drives home the unpretentious nature that is portrayed by the brand. The second communication in the ad, which says, **“Seedhi Baat, No Bakwaas, Clear Hai?!”** (just straightforward, no nonsense, is it clear?) Creates an even better connect with today’s youth.

### **Brand Value**

While Sprite has been a definite success among a diverse range of age groups, though its main target market is the youth segment. The fascination that it holds for the youth is due to its taste, irreverence combined with its refreshingly honest attitude. All these have ensured a special place for the brand in the youth’s heart.

*To quote Mr. Venkatesh Kini, Vice-President, Marketing, Coca-Cola India:* “Brand Sprite is all about having a refreshingly honest and irreverent perspective on life. Sprite’s new campaign has been designed to strengthen the brand’s connect with the youth of today by engaging them in a simple, honest and straightforward manner.” One evolution that we see in the way that advertisements for Sprite in India have been designed is that while simple, honest and straightforward still remain at the core of the brand and hence the humour that mocks other advertisements is not to be seen much nowadays, the new advertisements depict the brand itself as honest.

### **Challenges Ahead**

Sprite has chosen a clear and simple message and delivered it consistently and has been able to create a strong brand personality with which in turn can build and develop a set of loyal customers. The latest change in the focus by building its own image without making spoofs of other ads should actually build a stronger brand personality.

*In the year 2019, Coca-Cola India Pvt. Ltd, the Indian unit of American beverage maker Coca-Cola Co., plans to launch fruit juice versions of its Sprite and Limca brands.*

*This is the first time Coca-Cola is looking at bringing extensions of Sprite — its best-selling carbonated beverage brand, and Limca—its third largest aerated drink brand.*

*The plan to introduce Sprite and Limca extensions comes just months after the American beverage maker launched a variant of Thums Up — its largest-selling cola brand—in November. The extension, Thums Up Charged, is a stronger version of the 40-year old cola brand.*

**Q.1(a)** What could be the real reason for the success of this new brand of soft drink when there are already two other international brands, namely COKE and PEPSI ?Is there likely to be any difference in personality traits between consumers who prefer to drink COKE, PEPSI, MIRINDA, THUMSUP SPRITE and **Fruit Juice version of SPRITE** discuss.

**Q.1(b)** For low involvement product advertisements, pictorial cues are always more effective at generating recall and familiarity with the brand. In this case, in your opinion, what is the best element of its campaign strategy?

**Q. 2: Case Study:**

**Honey, they’ve shrunk the kids chocolate bar**

*You may not have noticed it, but you may be getting less bang for your buck. The price of your favorite brand of noodles or biscuits may have remained constant despite inflation, but what about the quantity?*

When Abhishek Mathur, a student, was told by his friends that the ubiquitous Rs:10 Maggi pack now had 20% less quantity, he was less than amused, although he had not noticed the change.

Chances are most people are buying soaps, bread and biscuits thinking companies have not passed on to the consumer the higher prices in packaged goods, but to protect margins amid rising costs, food and fast moving consumer goods companies are cutting down on quantity-grammage in trade parlance.

**Cutting corners**

Product	Price (Rs)	Weight(grams)	
		Then	Now
Lays Chips	20	68	61
Good Day Biscuits	10	100	84.5
Dairy milk chocolate	20	50	38
Britannia Bread	12	400	375
Maggi	10	100	80
Haldiram Snacks	10	52	48
Lux soap	10	75	65

Experts say reducing quantity while maintaining a constant price helps companies protect their volumes. “The FMCG category is highly price sensitive. Prices of items can be increased only to some extent. Reducing grams (quantity) will help these companies retain their customers as well as their market shares,” said Pratichee Kapoor, associate director for retail at consulting firm Technopak .For retailers across cities, the move has hardly spelt a difference over the past 6 months since the trend started. Most retailers continue to witness significant growth, despite price rises and quantity cuts. Food and personal care items are rarely potential areas of compromise for consumers, they reason.

“It’s the consumers in the middle of the pyramid that are not much affected by these cuts in grams. If the company succeeds in communicating better value proposition to this section, the strategy is sustainable for them. Impulse items, especially, can protect their volumes by going for grams reductions,” said Raj Hosahalli, executive director, Nielsen India. So, the next time you go shopping, make sure you don’t end up buying smaller quantities while staying within budget.

**Q.2(a):** Why has this strategy of grams reduction by marketers gone unnoticed by the consumers? Base the answer on your understanding of the consumer behaviour variable of perception.

**Q.2(b).** Will such a strategy be useful in another category of products? Give reasons for your answer. How will this knowledge of quantity reduction affect the future behaviour of the consumers of these products.

### **SECTION - B**

**10×02 = 20 Marks**

**Q. 3:** You are the owner of two furniture stores, one catering to upper middle class consumers and the other to lower class consumers. How do social class differences influence each store’s

- Product Line and style
- Advertising Media Selection
- Copy and communication style used in the ads
- Payment Policies

**Q. 4:** The general election is unarguably the greatest Indian Marketing battle of the next five year! **An estimated \$7 billion will be spent (compared to \$ 6.5 billion in the 2016 US elections).** Emotions will be roused. Discuss:

- Application of Real Time Analytics to tap the right consumer (Voter)
- Use of Social Media in changing the perception of consumers.

### **SECTION - C**

**02×05 = 10 Marks**

**Q. 5 (A):** A marketer in the cosmetics industry once remarked: “In the factory, we make cosmetics; in the drugstore we sell hope” how does this relate to the marketing concept and the need of the marketers to understand consumer behavior?

**Q. 5 (B):** While buying the following product or service which form of learning – Classical Conditioning, instrumental conditioning, observational learning or cognitive learning consumer will use

- Buying membership of Club Mahindra
- Buying XUV 500

**Q. 5 (C):** Gillette, an established market leader in shaving products, is planning a foray into skin care products for men. How can the company use stimulus generalization to market these products? Can instrumental conditioning also be applied in this marketing situation ? How ?

**Q. 5 (D):** What type of decision process would you expect most consumers to follow in their first purchase of a new product or brand in each of the following areas:

- Sugar
- Luxury Car
- Chewing Gum
- Paper Towel

**Q. 5 (E):** You are the marketing vice president of a large soft drink company. Your company’s advertising agency is in the process of negotiating a contract to employ a superstar female singer to promote its product. Discuss the reference group factor that you would considered before the celebrity is hired.