

**PGDM (RM), 2013-15**  
**Consumer Behaviour**  
**RM-301**

**Trimester – III, Supplementary Examination: September 2014**

Time allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

| Sections | No. of Questions to attempt  | Marks              | Marks     |
|----------|------------------------------|--------------------|-----------|
| A        | 3 out of 5 (Short Questions) | 5 Marks each       | 3*5 = 15  |
| B        | 2 out of 3 (Long Questions)  | 10 Marks each      | 2*10 = 20 |
| C        | Compulsory Case Study        | 15 Marks           | 15        |
|          |                              | <b>Total Marks</b> | <b>50</b> |

**Section A**

1. Describe the marketing applications of Just Noticeable Difference (j.n.d).
2. What are the various types of needs and their characteristics?
3. Describe the importance of customer retention
4. What are the factors of cultural differences important for international marketing?
5. What are the various stages of information processing in the consumer decision making process.

**Section B**

1. How can the principal of Classical conditioning be used for the development of marketing strategy?
2. Describe the New Consumption Patterns of the Indian consumers which are important for Marketers.
3. Describe the factors that affect the diffusion rate for an innovation. How can these factors be utilised in developing marketing strategy?

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## Section C

### Sprite Soft Drink

#### Introduction

Sprite, 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

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 adaptation 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

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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 the 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 to 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 irrelevant 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.

Sprite is liked by its consumers not only for its lemony –lime flavour, but also for its unconventional and slightly irrelevant attitude. It is advertised as a youth icon standing for a straightforward and an honest attitude.

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 Values

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. 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

### Questions

1. What could be the real reason(s) for the success of this new brand of soft drinks when there are already two other international brands, namely, Coke and Pepsi.
2. What is the evident personality of Sprite in the eyes of the youth segment in India?