Postgraduate Diploma in Marketing
December 2019 Examination
Synergizing Marketing Communications (SMC)

Date: 12 December 2019

Time: 1300Hrs – 1600Hrs Duration: Three (03) Hrs

Total marks for this paper is 100 marks.

There are two parts in this question paper. All questions in **Part One are compulsory**.

It includes a mini case.

Part Two includes **6 Essay Type Questions**. **Answer 03 questions** from this part.

**Instructions to candidates**

1. State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.

2. Always start answering a question on a new page.

3. You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.

4. Answer the questions using:
   - Effective arrangement and presentation
   - Clarity of expression
   - Logical and precise arguments
   - Clear diagrams and examples where appropriate

5. Illegible handwriting and language errors will be penalised.
PART ONE

Question 01: Case Study

The dairy industry is one of the most prominent industries experiencing no dips in sales, as consuming tea with milk is an essential part of Sri Lankans’ daily routine. Owing to this, Sri Lanka stands in the fourth position in the world in terms of importing powdered milk from New Zealand. The industry includes government and private sector companies (both local and multinational), collectively providing powdered and fresh milk. Yet the multinationals lead the industry.

Following the detection of dicyandiamide (DCD) in imported milk powder in 2013, consumers are more cautious when purchasing imported milk products for consumption. Information on consumers’ buying behaviour and their preference are considered to be the key determinant factors for the development of the dairy sector. Also, accurate analysis and good estimates of buying behaviour and preference for dairy products help projection of the future development of the dairy sector in Sri Lanka.

Below are some of the consumer problems;

- Lack of availability of local milk powder and fresh milk in the vicinity is the main problem. Most consumers in urban and rural areas purchase milk powder from nearby grocery shops where local milk powder is not always available due to the high commissions received from imported milk powder companies. Access to liquid milk and fresh milk is also low in the nearby shops though they are widely available in supermarkets.
- The high price of liquid milk products. Though a majority of consumers prefer liquid milk products, high cost is a constraint.
- Lack of hygiene and safety assurance for cow’s milk.
- Misleading propaganda campaigns.

Given below are some recommendations identified by the concerned authorities;

- Increase availability: Strengthening of milk-processing capacities of large and small-scale milk-processing plants.
- Increase accessibility: Establishing milk distribution networks with sales outlets, setting up milk parlours, expanding retail selling, distribution by mobile vehicles to the doorstep and ensuring availability in the locality are vital steps.
- Increase quality and safety: It is necessary to impose and regulate standards for the milk market. Assurance of quality and safety of locally available milk powder and liquid milk is also important, because the different brands show much variation in terms of quality (taste, thickness and texture).
- Strengthening the monitoring system for quality and safety: It is important to have continuous testing of imported brands for safety.

At present, the issue of the mixture of lactose powder, palm oil and animal fat in imported milk powder has caused concern in the country and the demand for local milk products has increased.
However, the domestic milk production is only sufficient to meet 40+ percent of the requirement, at present. In order to address this issue, there should be a long-term strategic plan to increase milk production in the country with the involvement of the government, private sector and relevant institutions in the country.

Given overall economic trends and demographic changes, it will be extremely challenging to make dairy a competitive industry capable of exports in Sri Lanka. But it is worth turning around Milco as it does have a market reputation for quality products.

What is Milco? It is a company established in 2001 as “Milco (Pvt) Ltd.”, which now stands as a 100 % government owned company. Today it boasts of a wide network of milk collection, production and sales centres administrated throughout the island and continues to contribute towards the enhancement of the rural economy while providing much needed nutrition to the entire nation.

“The maximum that a local dairy processor could contribute is 30 percent to the market of which Milco’s share is about 20 percent,” an official from Milco said adding that Milco milk power is not found much on shelves in markets due to the high demand for it, accounting for around 40 percent in the Western Province.

“We have withstood many challenges and still continue to perform well even when the monetary subsidy granted on a kg of milk power by the government was withdrawn and the price per litre of milk purchased from farmers was increased ” Official said.

a) What are the emerging trends in marketing communications (both locally and globally)? Explain in relation to the dairy industry in Sri Lanka. (14 Marks)

b) What are the most suitable sales promotional tools, Milco can make use of, in order to strengthen their sales campaigns? (14 Marks)

c) In this highly competitive dairy industry, what are the advertising appeals; Milco can choose in order to reach more customers or escalate their market share? (12 Marks)

(Total 40 Marks)
PART TWO

This part includes SIX (06) Essay Type Questions
Answer THREE (03) questions

Question 02
Without an effective advertising management program in place, the media campaigns are not that fruitful and the whole marketing process goes for a toss especially since, companies that believe in an effective advertising management process are always a step ahead in terms of selling their goods and services.

a) Explain briefly the four (04) main activities in advertising management program.

b) Briefly explain the following terms:
   i. Leverage point
   ii. Appeal
   iii. Executional framework
   iv. Crowdsourcing

(Total 20 Marks)

Question 03
“For marketers who have an in-house agency, there are two clear benefits: cost efficiencies and better knowledge of brands. Companies are more likely to bring their ad planning and buying in-house as a result of innovations in the advertising technology”.

Do you agree with this statement? Explain with reasons and practical examples (local or global).

(Total 20 Marks)

Question 04
An advertising budget is an estimate of a company's promotional expenditures over a certain time period. More importantly, it is the money a company is willing to set aside to accomplish its marketing objectives.

a) What are the primary goals of advertising?

b) Briefly explain the three (03) basic tactics used to allocate advertising funds.

(Total 20 Marks)
Question 05

a) The creative brief is the foundation of any successful creative campaign. It outlines the client’s vision and ensures that everyone is on the same page. Briefly explain the basic components of a standard a creative brief.

(10 Marks)

b) Briefly explain the six (06) elements used for creating ads as per the MECCAS (Means-End Conceptualization of Components for Advertising Strategy) model.

(10 Marks)

(Total 20 Marks)

Question 06

Vogue Jewellers is synonymous with quality, elegance and master craftsmanship in the gold jewellery industry in Sri Lanka. With their unique advertising campaigns, they are always trying to differentiate themselves with the competitors in the market.

a) How do the three (03) main types of message strategies increase the advertising effectiveness of Vogue?

(06 Marks)

b) What is the most suitable executional framework (supports) Vogue should follow, to deliver quality advertising messages?

(07 Marks)

c) Do you think online advertising or traditional advertising is more suitable / effective for Jewellery companies in Sri Lanka?

(07 Marks)

(Total 20 Marks)

Question 07

a) What is meant by cross promotions? Explain the suitability of them for a Sri Lankan market.

(10 Marks)

b) Explain the meaning of ambush marketing with an example from a Sri Lankan context.

(10 Marks)

(Total 20 Marks)

(Total 60 Marks)

(Total 100 Marks)

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