

February 2015

Master of Business Administration (MBA) Examination

III Semester**Advertising and Brand Management**

Time : 3 Hours]

[Max. Marks : 80

Note : Attempt any four questions from Section A. Each question carries equal marks. Section B is compulsory and carries 20 marks.

Section A

- Q.1. Mention the roles of advertising agencies and also discuss the economic and regulatory aspects of advertising.
- Q.2. How advertising helps in creation of primary and secondary demand? Explain by giving suitable examples.
- Q.3. Elaborate the concept of DAGMAR approach.
- Q.4. Discuss the significance of advertising message in increasing the sale of any product.
- Q.5. What is meant by Brand Repositioning? Discuss its importance in terms of success of any product.
- Q.6. Write short notes on any two of the following :
 - (a) Advertising Message Tactics. (b) Communication Model.
 - (c) Brand Audit. (d) Scheduling and New Media Forms.

Section B

- Q.7. Analyze the case and answer the questions given at the end :

BRANDING COCONUT WATER

Coconut Water is the clear liquid inside young coconuts (fruits of the coconut palm). In early development, it serves as a suspension for the endosperm of the coconut during their nuclear phase of development. As growth continues, the endosperm mature into their cellular phase and deposit into the rind of the coconut meat. Coconut water has long been a popular drink in the tropics, especially in India, Brazilian Coast, Southeast Asia, Pacific Islands, Africa, and the Caribbean, where it is available fresh, canned, or bottled.

Coconuts for drinking are carefully packaged and sold in many places. These are typically Asian coconuts whose outer green husk has been removed, and the remainder wrapped in plastic. Throughout the tropics they can be found sold by street vendors, often cut in front of customers to ensure the coconut water's freshness. Coconut water can also be found in ordinary cans, tetra packs, or plastic bottles (sometimes with coconut pulp or coconut jelly included). Bottled coconut water has a shelf life of 24 months.

In recent years, coconut water has been marketed as a natural energy or sports due to its high potassium and mineral content. Marketers have also promoted coconut water for having low amounts of fat, carbohydrates, and calories.

Unless the coconut has been damaged, it is likely sterile. There have been cases where coconut water has been used as an intravenous hydration fluid in some developing countries where medical saline was unavailable.

While there are coconut trees in 94 countries, 93 countries are selling coconut water. Kerala government has started selling coconut water with the brand name 'Neera'. Thailand is the market leader as far as brand coconut water is concerned, Thailand is selling canned 300 ml. coconut water for Rs. 160A while Kerala government is keen on selling the same amount of water at Rs. 100/-. The coconut products business is flourishing in Kerala as it has got 18 crore trees. Though there are coconut trees in Andhra Pradesh, Orissa, West Bengal, Karnataka, Tamilnadu. Kerala is occupying free eminent position in the business. Kerala uses coconut oil as edible oil. There is 20% growth in this industry. Indian Coconut Development Board has developed a new technology to preserve and increase the shelf cans life of coconut water. With the coconut water is properly packed either in pockets or through aluminum cans. The water can be preserved in normal temperature for 6 months in a refrigerator 12 months. The board is ready to sell this technology for Rs. 3 lakhs to the enthusiastic entrepreneurs. In the mean while Kerala Agricultural University has developed technology to preserve coconut water for 24 days in refrigerator. In Andhra Pradesh there are coconut trees in 2.50 lakhs acres but unfortunately in Andhra Pradesh the farmers prefer to sell coconuts instead of selling coconut water. As a result the business of coconut water has not picked up in Andhra Pradesh. If the coconut water business is increased farmers will have steady income and there is a bright future for this business.

These days coconut water is the fastest selling natural soft drink that is catching the attention of health-conscious consumers across the globe. Estimated at Rs. 83,600 crore, this huge demand for fresh coconut water globally has come as a magic touch for India's medium and small enterprises. Sold as a sports recovery drink, coconut water has now caught the attention of youth, celebrities and health-conscious consumers.

"Demand for coconut water is on the rise because of changing global consumption patterns for natural products, such as fruit and vegetable juices," says H.P. Singh, deputy director general, Indian Council for Agriculture Research. "The craze is also because its medicinal properties."

With 1.93 million hectares producing 12.1 million nuts annually, India is the third largest producer of coconuts, after the Philippines (with 19.50 million nuts) and Indonesia (15.32 million), with Brazil (a dismal 2.76 million) in fourth place. The rising global demand for coconut water has seen India's exports of it rise from Rs. 378 crore in the year 2009 to Rs. 432 crore in the year 2010.

What has spurred India's decision to increase coconut production has been the large-scale investment by PepsiCo and Coca-Cola in the coconut water market. PepsiCo has, already made the plunge by acquiring Brazil's

Amacoco Nordeste, while Coca-Cola has purchased small stake in the US-based Zico Beverages.

"A special programme for removing sick trees and planting new trees in their place has now been launched," says Ananda Bose, chairman, Coconut Development Board. "This move is expected to increase the production of coconuts to 15 million, to meet global companies' expectation that India will supply the requisite quantity of coconuts."

Each tender coconut contains 400-450 ml. of water. Sold on the streets of India, its popularity stems from the fact that it is fat-free, while being rich in minerals, vitamins and sugar. Also, it was used during World War II as an emergency plasma substitute. To tap the rising global demand for coconut water, the Coconut Development Board has launched a global campaign to promote its exports, which include trade expansion to lucrative markets such as Europe and the US and Internet campaigns.

Domestically, the Pan-India Coconut Project plans to build awareness and also promote exports. The main thrust of the project would be a coconut tourism package. This would include tours to India's leading coconut producing states which, accordingly to the ministry for agriculture, are Kerala (which produces 5.8 million nuts), Karnataka (0.21 million), Tamil Nadu (5.37 million), Andhra Pradesh (0.97 million) and Goa (0.12 million). Visits to coconut farms and interacting with local people will allow visitors to partake in the social and cultural lifestyle, as well as enjoy different coconut-based cuisines.

It is essential to build awareness of the qualities of coconut water, because it contains healthy doses of natural electrolytes, vitamins and minerals. Only then it can become a healthy alternative to big energy drinks that dominate the sports drink market.

Furthermore, coconut water helps lower blood pressure and improves blood circulation. It also helps minimize cardiac problems and rehydrate the body. To top it all, coconut water is isotonic, having the same salt concentrations as the human body cells and blood.

The need of the hour is to tap the global market with local products. As the product has a shelf life of only three days, the Coconut Development Board and the Defence Food Research Laboratory, Mysore, are together developing a technique to package coconut water pouches or aluminum cans. Costing just Rs. 3 lakh, this technology, which makes it possible for coconut water to stay fresh for 10-30 days, enables medium and small enterprises to bottle coconut water for commercial purposes. The board plans to go global with India's packaged coconut water Tender Fresh (from Karnataka) and Coconectar (Kerala).

Coconut water helps people stay energized. Hence, it is not surprising that it is considered the hottest natural soft drink to hit the global market.

Questions :

1. What should be the positioning strategy of coconut water?
2. Explain how branding strategy can boost the sales of coconut water.
3. What packaging strategy to be adopted to increase the shelf life of coconut water?
4. Discuss the challenges of coconut water industry.

