

December 2017

Bachelor of Business Administration (BBA) Examination  
V Semester

**Advertising and Brand Management**

Time 3 Hours]

[Max. Marks 80

**Note : Attempt any four questions from Section A. Section B is compulsory. Each question of Section A carries 15 marks and of Section B is case for 20 marks.**

**Section A**

1. How advertising helps in creating demands ? Explain the economic impact of advertising for a country like India.
2. What is Social Advertising ? How this aspect of Advertising helped in promoting few social campaigns in India in the last three years.
3. What are the methods of evaluating advertising effectiveness ? Explain any two methods with examples.
4. Explain the concept of Brand Identity and Brand personality. Explain with examples stating that why do you like the personality in the advertisements.
5. What is the concept of Brand Positioning ? How it is developed ? Explain with examples.

**Section B**

6. Analyze the case and answer the questions given at the end.

**Maharaja of Munch**

When it comes to describing the 15-year-old brand Kurkure, the Rs. 1,000 crore snack brand of PepsiCo. India, the old timers often talk of luck. One of the members of the founding team, Geetu Verma says, "The birth of Kurkure was part necessity, part serendipity." Currently the Executive Director (food and refreshments) at Hindustan Unilever, Verma had strategized the brands launch in 1999. The need was to carve out a space as a competitor to namkeen and capture the market faster than potato chips. Initially the team's challenge was to differentiate the product in a market where potato chips at Rs. 300 / kg were also a significant premium to the namkeens, the traditional Indian salty snack, at Rs. 100 / kg. The luck was in how Kurkure did stunningly well in the market.

**Rs. 1,000 cr. Market :**

Kurkure now commands 60 per cent of the market share in the so-called bridge segment of snacks. Unlike potato chips or namkeens, Kurkure offered a different and compelling taste experience thanks to

the different technology used to make it. The ingredient are fed into a machine that makes puffed extrusions or collette, which are then cut to desired length. It was a new experience for India and PepsiCo India managed to offer a compelling taste at a competitive price. "We had the same mix as a 200 gm bag of namkeen for Rs. 20 but we delivered a bag size that was almost 1.7 times bigger," says Verma. while a local snack of same quantity was of the same price, potato wafers were almost double the price.

Instead of a purely corn-based product, the team came up with a spicy flavoured Masala Munch made of lentils, rice and corn. "We were not sure if people would take to the new brand and so we had called it Lehar Kurkure." says Deepika Warrier. Vice President (Marketing), PepsiCo India, Lehar, the Indian partner's brand name, was added to Kurkure for access to local taste and cues. The team's concerns were justified as it was angling for a space between the traditional salty snack and the more western potato wafer. The company called it the 'bridge' category and Kurkure, the 'finger snack'.

Today, the company commands about 60 per cent market share in the 'bridge' category, which is worth Rs. 1,950 crore. The total market for salty snacks in India is worth Rs. 13,000 crore and traditional snacks account for Rs. 5,200 crore. The puffed snack market too is valued at Rs. 1,950 crore. The potato chips/wafer market is worth Rs. 3,900 crore where Uncle Chips and PepsiCo's Lays are market leaders.

**Hear the Crunch :**

Though Kurkure created a new space in the market, the larger challenge for the company was to get the customers hooked to its unusually shape and crunchy texture. "In fact the brand name Kurkure was the outcome of a group discussion in which consumers sampled the brand and repeatedly said that it was nice and 'Kurkure' (crunchy)." says Dr. T. S. R. Murali, Head of R&D, PepsiCo India. The first objective was to start consumer trials. "We stuck to the consumer feedbacks and used the advertising line Kya Karen Control Nahi Hota," says Warrier.

However, advertising was not the only strategy that the company relied on. While consumer trials were on, the sales team also launched an orange parade. "I remember being in Chandigarh, which was one of our first launch markets," says an industry veteran. All the three-wheelers carrying the product were painted orange. Almost the entire sales team had assembled in Chandigarh to ensure 100 per cent coverage of outlets in 10 days. Its success led to it being repeated in other regions too. "It was perhaps one of our fastest market placements ever. We knew in the first 30 days itself that there was no response.

The company was relying on communication and also pushing the boundaries of marketing innovations. "They were the first in the segment

to start selling ladis (string of packs) that we could hang out in our stores," says a shopkeeper. He lauded the company which in 2001 had provided racks outside the shops to display the brand.

After the product was established in the market, the phase II plans took off. There was a need to make Kurkure a central part of the tea-time. The company by then had clearly delineated between Lays and Kurkure brands. "We decided early on that it had to be part of the tea-time. It was this irrepressible, loud, desi brand that was affordable. Lays appealed to the youth, was Western in its taste cues and an impulsive out-of-home snack," Says Warriar. As part of this, in 2005, the company roped in actor Juhi Chawla as a celebrity brand ambassador. The brand also kept pace with the flavour of the season – teleserials. The tagline 'Kahani Mein Kurkure' was launched where Chawla spoofed the character of Tulsi in the Kyunki Saas Bhi Kabhi Bahu Thi soap and the brand humorously wedged itself into the mainstream. .

The 'Kya Family Hai' campaign tried to capture the dysfunctional family that came together at tea-time. .

#### Party Poopers :

In 2007, the company was caught off-guard when ITC Foods launched Pingo. "Their communication was gaining traction and the product caught consumers' attention," says Warriar. PapsiCo started the Tedha Hai Par Mera Hai campaign that allowed the company to win back attention of customers from Bingo, which had a variant called Tedhe Madhe. There was a minor communication challenge too when the brand switched to 'Kya Family Hai' campaign. "We thought we might create a more real family if the protagonist wasn't a celebrity like Chawla. So then came the job of telling Chawla that she was not going to be Nikki, the protagonist in our new campaign," say Sonia Bhatnagar, Executive Creative Director, JWT. But that could not be managed. Though Chawla did her role well, the feedback was not satisfactory. The brand was also embroiled in a controversy in 2005 when allegations surfaced on social media that Kurkure contained plastic. "We have countered it in whatever platform it surfaced on. This issue has withered away," says Warriar.



The brand created a new space in the market and succeeded in winning the hearts of customers. However, many local competitors were mushrooming. Significant among them were Balaji Foods. Yellow Diamond and established brands DFM Foods with Crax brand and Haldiram's and Bikanerwals. Between 2009 and 2011, the number of local players rose from 1,378 to 2,863 and PepsiCo lost two to three per cent market share. The competition forced it to be innovative again. Around 2005, the brand had begun widening its consumption base in a manner similar to that of Cadbury's ad campaign through which it tried to put itself in place of traditional sweets. Kurkure made a similar attempt with its campaign **Meetha Sheetha Chodo, Kurkure Kha Ke Ho Jao Mast**. It also scaled down price to launch Rs. 3 packs in 2004 and Rs. 2 packs in 2011. The brand created excitement with its own versions of Desi Beats in 2009. "We used some tactical exercises where we combined our brands and offered attractive discounts," says Warriar. "We have allowed Lays to take a correction but not Kurkure's. We worked on scaling down the packaging costs while keeping quality intact," she says. Industry sources say Kurkure continues to hold 60 per cent of the market share in the segment. All other brands such as Bingo, Yellow Diamond, Balaji and Bikanerwals together accounts for less than 25 per cent. "We will continue to take the high road of product innovation and have recently entered the puffed snacks range. There will be regionally strong players and there will be times when some others could come up with something new, but we are not taking off our eyes from the ball," says Warriar. Explore resalable bags and sell Kurkure. (or some version of it) in larger quantities. However, this might require efforts to maintain product integrity.

The Indian market is changing. Consumers prefer products that are healthy and environment-friendly. Packaged snacks are generally not considered healthy. So there is an opportunity to create value for consumers in new ways. Perhaps new product formulations and/or environment-friendly packs can be used to enter new and growing segments. Overall, the company can maintain its leadership through innovative new products that maintain the taste and quality parameters.

#### Questions :

1. How Kurkure created a space in the minds of the customers amongst heavy competition ?
2. What is the role of Advertising in creating this brand value for Kurkure?
3. What changes in advertising strategy would you suggest to retain market share ?

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