



Queen Margaret University

EDINBURGH

SCHOOL OF ARTS, SOCIAL SCIENCES AND MANAGEMENT
DIVISION OF BUSINESS, ENTERPRISE AND MANAGEMENT

LEVEL 1 DIET 1

MODULE CODE: B1072

MODULE TITLE: Foundations of Marketing

<u>DATE: 11/12/2017</u>	<u>TIME: 2.00PM</u>
<u>WRITING TIME: 2 hours</u>	<u>READING TIME: 5 minutes</u>

INSTRUCTIONS:

This exam consists of two mini-case studies. Both should be completed.

Each case study contains four questions. All questions should be completed.

All questions carry equal weight.

You have been issued with two answer books, one for each case study. Make sure to write your answers to each case study in a separate answer book.

PAPER SETTER: Chris Preston

Scenario 1: Obesity and Junk Food

The cost of obesity-related diseases will increase by 60 per cent in a decade in the UK, a new study forecasts, amid calls for a strict clampdown on TV advertising. The World Health Organization (WHO) today said “widespread” action was needed to tackle obesity, which has seen a ten-fold rise globally since the 1970s, with one in five UK children now obese. A coalition of Royal Colleges and health charities said junk food advertisements should be banned altogether during peak times - such as the X-Factor - as well as during children’s viewing. The study by the Obesity Health Alliance found that junk food brands in the UK spend 27 times more on advertising than the Government does on healthy eating promotions. In total £143 million was spent by the 18 companies spending the most advertising crisp, confectionery and sugary drinks, dwarfing the £5 million the Government’s Change4Life healthy eating campaign spends. Cadbury’s Dairy Milk tops the spending chart, with more than £12 million, followed by Coca-Cola and Galaxy. The calls came as figures from the World Obesity Federation show the UK is spending more than £14 billion annually treating illness caused by excess weight - such as heart disease, diabetes and liver disease. Forecasts suggest this could rise to £22.7 billion by 2025, with 34 per cent of adults obese, compared with levels today of 27 per cent. (Telegraph 2017)

1. How would cutting back on advertising provide solutions to the issues outlined above?
2. What marketing activities other than advertising contribute to the issues outlined above?
3. What consumer lifestyle factors contribute to the problem?
4. What reasons are there to suppose that increasing spend on the Change4Life healthy eating campaign would/would not improve the nation’s diet?

Scenario 2: Digital/Traditional Marketing and Consumer Packaged Goods

Advertising budgets have over the past years generally moved from TV to digital, such as social media advertising—where advertisers are now spending \$72 billion a year (according to eMarketer). This general trend towards on-line advertising is a global phenomenon as this media attracts most consumers and has ability to deliver fine tuned targeting. Procter and Gamble and Unilever are very large global multinational corporations that supply a wide range of branded consumer packaged goods (CPG’s) in the food, beverage, cleaning, and household markets, in other words well known brands that are commonly found in the supermarket amongst other places. Procter & Gamble and Unilever have however both pulled back on their digital marketing spend. According to estimates from MediaRadar, a New York-based advertising intelligence company, P&G’s digital ad spend dropped 41% year-over-year, while Unilever’s dropped 59%. For giant consumer packaged titans like Unilever and P&G with a diverse range of brands, this may mark a shift back to mass advertising rather than the hyper-targeting that digital advertising offers. Brands that sell basic commodities to the masses may decide upon a return to mass communications.

1. How do you explain the pull away from on-line digital marketing by these consumer packaged goods corporations?
2. What is the role of the supermarket (including on-line) in the marketing of CPG’s
3. Discuss the importance of television as a mass market medium?
4. What kind of merchandise do you see as being best suited to targeted on-line digital marketing?

All questions carry equal weight

End of Exam