

**VPM's**  
**DR VN BRIMS, Thane**  
**Program: PGDM (2019-21)**  
**PGDM Trimester I Examination September 2019**

<b>Subject</b>	<b>Marketing Management- I</b>		
<b>Roll No.</b>		<b>Marks</b>	<b>60 Marks</b>
<b>Total No. of Questions</b>	<b>7</b>	<b>Duration</b>	<b>3 Hours</b>
<b>Total No. of printed pages</b>		<b>Date</b>	<b>07/10/2019</b>

**Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.**

**Q1) 20 Marks (Compulsory)**

**THE 'SWOOSH' - IT'S EVERYWHERE! JUST for fun, try counting the swooshes whenever you pick up the sports pages, watch a tennis match or basketball game, or tune into a televised golf match. Nike has built the ubiquitous swoosh (which represents the wing of Nike, the Greek goddess of victory) into one of the best-known brand symbols on the planet. The symbol is so well known that the company routinely runs at is without even mentioning the Nike name. In fact, you may be surprised to find that your latest pair of Nike shoes, or your Nike hat or T-shirt, carries no brand identification at all other than the swoosh.**

**The power of its brand and logo speaks loudly to Nike's superb marketing skills. The company's now-proven strategy of building superior products around popular athletes has changed the face of sports marketing for ever. Nike spends hundreds of millions of dollars each year on big-name endorsements, splashy promotional events and lots of attention-getting ads. Over the years, Nike has associated itself with some of the biggest names in sports. No matter what your sport, the chances are good that one of your favorite athletes wears the Nike swoosh.**

**Nike knows, however, that good marketing runs much deeper than promotional hype and promises. Good marketing means consistently delivering real value to customers. Nike's initial success resulted from the technical superiority of its running and basketball shoes, pitched to serious athletes who were frustrated by the lack of innovation in athletic equipment. To this day, Nike leads the industry in product development and innovation.**

**But Nike gives its customers more than just good athletic gear. As the company notes on its Web page ([www.nike.com](http://www.nike.com)): 'Nike has always known the truth - it's not so much the shoes but where they take you.' Beyond shoes, apparel and equipment. Nike markets a way of life, a sports culture, a 'Just do it!' attitude. When you lace up your Nikes, you link yourself, in at least some small way, with all that Nike and its athletes have come to represent a genuine passion for sports, a maverick disregard for convention, hard work and serious sports performance. Through Nike, you share a little of Michael Jordan's intense competitiveness. Tiger Woods' cool confidence, Jackie Joyncr-Kersey's gritty endurance, Ken Griffey, Jr's selfless consistency or Michael Johnson's blurring speed. Nike is athletes, athletes are sports, Nike is spans.**

**Nike's marketers build relationships - between Nike, its athletes and customers. For example, a recent ad in a tennis magazine shows only a Nike tennis shoe with the**

red swoosh and a free phone number. Readers who call the number hear tennis favorite Jim Courier talking drums with his favorite drummer, Randy (Joss of Toad the Wet Sprocket). Dial the number in a similar basketball ad and you'll overhear a humorous phone conversation in which Father Guido Sarducci tries to get Michael Jordan to invest in his newest invention, edible bicycles.

Nike seems to care as much about its customers' lives as their bodies. It doesn't just promote sales; it promotes sports for the benefit of all. For example, its 'If you let me play' campaign lends strong support to women's sports and the many benefits of sports participation for girls and young women. Nike also invests in a wide range of lesser-known sports, even though they provide less lucrative marketing opportunities. Such actions establish Nike not just as a producer of good athletic gear, but as a good and caring company.

Taking care of customers has paid off handsomely for Nike. Over the past decade, Nike's revenues have grown at an incredible annual rate of 21 per cent; annual return to investors has averaged 47 per cent. Over 1996 alone, total revenues increased by 36 per cent. Nike, with 27 per cent share, twice that of nearest competitor Reebok, flat-out dominates the world's athletic footwear market.

Nike founder and chief executive Phil Knight has brashly predicted that Nike will double its sales within the next five years. To meet this ambitious goal in the face of a maturing US footwear market, Nike is moving aggressively into new product categories, sports and regions of the world. In only a few years, Nike's sports apparel business has grown explosively, now accounting for nearly a quarter of Nike's 88 billion in yearly sales. And Nike is slapping its familiar swoosh logo on everything from sunglasses and footballs to batting gloves and hockey sticks. Nike has recently invaded a dozen new sports, including baseball, golf, ice and street hockey, inline skating, wall climbing, and hiking and other outdoor endeavors.

Still, to meet its goals, much of Nike's growth will have to come from overseas. And to dominate globally, Nike must dominate in football, the world's most popular sport. Nike has previously all but ignored the multi-billion-dollar world football market, which currently accounts for only 3 per cent of its sales. Now, soccer is Nike's top priority. In typical fashion, Nike has set World Cup 2002 as its deadline for becoming the world's no. 1 supplier of football boots, clothing and equipment.

Elbowing its way to the top by 2002 won't be easy. World football has long been dominated by Adidas, which claims an 80 per cent global market share in football gear. Nike will have to build in just a few years what Adidas has built over the past fifty. Employing classic in-your-face marketing tactics, Nike is spending hundreds of millions of dollars in an all-out assault on competitors. Its open-wallet spending has dazzled the football world and its vast resources are rapidly changing the economics of the game. For example, it recently paid a record-setting \$200 million over ten years to snatch sponsorship of the World Cup champions, Brazil's national team, from Umbro.

Still, winning in worldwide football, or in anything else Nike does, will take more than just writing fat cheques. Some Nike watchers fear that Nike's massive global expansion, coupled with its entry into new sports and products, will result in a loss of focus and overexposure of the Nike brand name. They worry that the swoosh could suddenly become irrelevant. To prevent this, Nike will have to deliver worldwide a consistent image of superior quality, innovation and value compared to

its rivals. It will have to earn respect on a country-by-country basis and become a part of the cultural fabric of each new market.

Competitors can only hope that Nike will overreach, but few are counting on it. For now, most can only sit back and marvel at Nike's marketing prowess. As for football, rival Puma sees Nike's tactics as heavy handed but has little doubt that Nike's superb marketing will prevail. Its president states flatly, 'Nike will control the soccer world.'

## QUESTIONS

1. What do you understand by the term 'marketing'? What would you consider to be Nike's 'superb marketing skills'?
2. Why does Nike require these skills to compete in the marketplace?
3. Why does Nike spend hundreds of millions of dollars on promoting its brand and logo?
4. Who are Nike's consumers? What might their needs be?
5. Show how marketing principles and practices will enable Nike to satisfy these needs, bearing in mind the diverse range of product and geographic markets the company operates in.

Attempt Any FOUR from the Remaining SIX Questions

**Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

- a) Differentiate between Consumer Sales Promotion & Trade Promotion
- b) Consider toothpaste category dominated by two main Brands; Colgate & Close up. Evaluate the positioning of each brand. Have they defined their positioning correctly? How might it be improved?
- c) Explain any two methods of pricing.

**Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) Discuss the pricing options available for a new product. Suggest pricing method in the following situations and explain the reasons.

1. Introducing a line of economy range of men's footwear (shoes)
2. Breakfast cereals

b) Differentiate between Transactional Marketing and Relationship Marketing.

c) Explain the 5 C and their usefulness in the marketing process.

**Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) What market promotion you will undertake for following products

**Scheduled for launch**

1. 100 c.c. diesel motorcycle
2. Improved premium toilet soap

- b) Define Marketing management and its significance.
- c) Explain the external environment analysis for the organisation.

**Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

- a) Write short notes on Exchange & Transaction with suitable examples
- b) What is personal selling? Explain with suitable example.
- c) Explain the types of targeting with examples.

**Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

a) Briefly explain the concept of product distribution & Levels of distribution. Suggest appropriate distribution strategies for following product categories.

1. Cell Phones
2. Battery operated Tooth brushes

- b) For a new brand of shaving cream to be introduced by your company, explain segmentation process that can be followed.
- c) A brand is much more than a product. Explain

**Q7) Any two from (a) or (b) or (c) ————— (2x3, 1x4) = 10 Marks**

- a) Explain the IMC Mix and its methods.
- b) What is consumer behavior process? Explain with any brand of your choice.
- c) Explain the new product development process.