



(Following Paper ID and Roll No. to be filled in your Answer Book)

**PAPER ID : 7106**

Roll No.

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### M.B.A

#### (SEM I) ODD SEMESTER THEORY EXAMINATION 2009-10 MARKETING MANAGEMENT

Time : 3 Hours]

[Total Marks : 100

- Note :**
- (1) The question paper contains three parts.
  - (2) All questions are compulsory.
  - (3) Marks are indicated against questions.

### PART - I

- 1** Choose the Correct answer / Fill in the blank / **1×20=20**  
State true or false, for the following objective questions :
- (a) A company is always looking forward to enhance the quality of its products and tries to come out with advanced products. Which philosophy is the company following :
- (i) Marketing
  - (ii) Production
  - (iii) Product
  - (iv) Selling



- (b) The elements of marketing are :
- (i) Needs
  - (ii) Consumers
  - (iii) Transaction
  - (iv) All of the above
- (c) The final stage of Product Life Cycle is \_\_\_\_\_
- (d) The term marketing myopia was coined by \_\_\_\_\_
- (i) Philip Kotler
  - (ii) Theodore Levitt
  - (iii) Henry Ford
  - (iv) None
- (e) The marketing concept represents a shift in orientation towards business
- (i) From product orientation to customer orientation
  - (ii) From sales orientation to satisfaction orientation
  - (iii) From supply orientation to demand orientation
  - (iv) All of the above
- (f) Penetration strategy aims at keeping the prices high and mass availability. True/False
- (g) Techniques of sales promotion are
- (i) Free samples
  - (ii) Free offers
  - (iii) Merchandising
  - (iv) All
- (h) Product include
- (i) Properties
  - (ii) Ideas
  - (iii) Services
  - (iv) All of the above

- (i) AIDAS model of consumer buying behaviour was first proposed by :
- (i) P. Kotler
  - (ii) G. Armstrong
  - (iii) E.K. Strong
  - (iv) None
- (j) Prices are kept very high in \_\_\_\_\_ pricing policy.
- (i) Skimming
  - (ii) Penetration
  - (iii) Both
  - (iv) None
- (k) Marketers try to build long term relationship with customers in
- (i) CRM
  - (ii) PRM
  - (iii) e-CRM
  - (iv) All of them
- (l) Sales price - Cost = Profit is the pricing technique followed by :
- (i) Seller
  - (ii) Marketer
  - (iii) Both
  - (iv) None
- (m) The ultimate level of segmentation leads to :
- (i) Niche marketing
  - (ii) Individual marketing
  - (iii) Local marketing
  - (iv) None

- (n) Breadth in a product line refers to .
- Number of products marketed by a firm.
  - Number of product lines marketed by a firm.
  - Number of product items and nominations marketed by the firm.
  - All of the above.
- (o) The product life cycle reflects sales and profits of a product over a period of time. True or False.
- (p) Profit maximization is similar to sales maximization. True or False.
- (q) The stages involved in new product development are :
- Idea screening
  - Concept testing
  - Generating new ideas
  - All of them.
- (r) Price of a shirt is Rs. 999. This is an example of \_\_\_\_\_ pricing policy.
- Rapid penetration
  - Psychological
  - Cost plus
  - Skimming
- (s) Marketing of anti-cancerous drugs are the example of Niche marketing. True or false.
- (t) The product is a bundle of \_\_\_\_\_ that a customer buys.
- Features
  - Preferences
  - Satisfaction
  - Conveniences

## 2 A Case Study :

30

Nike hit the ground running in 1962. Originally known as blue ribbon sports, the company focussed on providing high quality running shoes designed specially for athletes by athletes. Founder Philip Knight believed that high-tech shoes for runners could be manufactured at competitive prices if imported from abroad. The company's commitment to designing innovative footwear for serious athletes helped it built a cult following among American Consumers. By 1980, Nike had become the number-one athletic shoe company in the United States.

From the start, Nike's marketing campaigns featured winning athletes as spokes people. The company signed on its first spokes person, runner Steve Prefontaine, in 1973. Prefontaine's irreverent attitude matched Nike's spirit. Marketing Campaigns featuring winning athletes made sense. Nike saw a "pyramid of influence" - it saw the product and brand choices are influenced by the preferences and behaviour of a small percentage of top athletes. Using professional athletes in its advertising campaigns was both efficient and effective for Nike.

In 1985, Nike signed up then-rookie guard Michael Jordan as a spokes person. Jordan was still an up-and-comer, but he personified superior performance. Nike's bet paid off. The Air Jordan line of basketball shoes flew off the shelves, with

revenues of over \$ 100 million in the first year alone. Jordan also helped build the psychological image of the Nike brand. Philip knight said : "Sports are the heart of American Culture, so a lot of emotions already exists around it. Emotions are always hard to explain, but there is something inspirational about watching athletes push the limits of performance. You can't explain much in 60 seconds, but when you show Michael Jordan, you don't have to "

In 1988, Nike aired its first ads in the "Just Do It" ad campaign. The \$ 20 million month-long blitz-subtly encouraging Americans to participate more actively in sports - featured 12 TV spots in all. The campaign challenged a generation of athletic enthusiasts to chase their goals, it was a natural manifestation of Nike's attitude of self-empowerment through sports. The campaign featured celebrities and non-celebrities. One non-celebrity ad featured Walt Stack, an 80-year old long distance runner, running across the Golden Gate bridge as part of his morning routine. The "Just Do It" traibe appeared on the screen as the shirtless. Stack ran on a chilly morning. Talking to the camera as it zoomed in, and while still running, Stack remarked, "People ask me how I keep my teeth from chattering when its cold" Pausing, Stack matter-of-factly replied, "I leave them in my locker "

As Nike began expanding overseas to Europe, it found that its American style ads were seen as too aggressive. The brand image was perceived as too

fashion oriented. Nike realized that it had to "authenticate" its brand in Europe the way it had in America. That meant building credibility and relevance in European sports, especially Soccer. Nike became actively involved as a sponsor of soccer youth leagues, local clubs and national teams. Authenticity required that the consumers see the product being used by athletes, especially by athletes who win. The big break came in 1994, when the Brazilian team (the only national team for which Nike had any real sponsorship) won the world cup. The victory led Nike to sign others winning teams, and by 2003 overseas revenues surpassed U.S. revenues for the first time. Nike also topped \$10 billion in sales for the first time in that year as well.

Today, Nike dominates the athletic footwear market. Nine of the 10 top-selling basketball shoes, for example, are Nikes. Nike introduces hundreds of shoes each year for 30 sports - averaging one new shoe style every day of the year. Swooshes abound on everything from wristwatches to golf clubs to swimming caps.

Answer the following questions :

- (a) What have been the key success factors for Nike ?
- (b) Where is Nike Vulnerable ? What should it watch out for ?
- (c) What recommendations would you make to senior marketing executives going forward ? What should they be sure to do with its marketing?

