



SUBJECT:	Marketing
PAPER NUMBER:	I
DATE:	4 th October 2021
TIME:	4:00 p.m. to 7:05 p.m.

Section A.

Answer ALL questions in this section. This section carries 50 marks.

1. Briefly explain what market offerings are. (4)
2. Briefly explain what customer relationship management is. (5)
3. List and briefly describe the **THREE** extra P's of the services marketing mix. (6)
4. What is the difference between probability and non-probability sampling? (4)
5. Define consumer complex buying behaviour, and dissonance-reducing buying behaviour. Provide an example of **each**. (6)
6. Explain the difference between a consumer product and an industrial product. (4)
7. Illustrate, with the help of a diagram, the **FIVE** stages of the product lifecycle. (6)
8. Define brand equity. (4)
9. Explain what is meant by price elasticity of demand. (5)
10. Explain what is a multichannel distribution system? (6)

Section B. Answer TWO questions from this section. All questions carry equal marks.

11. a) Discuss **FIVE** segmentation methods that can be applied to segment business markets. (15)
- b) Choose any **THREE** segmentation methods that you mentioned in your previous answer and discuss how a company selling commercial printers can use them to select its target business market. (10)

(Total: 25 marks)

12. Marketers need to make packaging and labelling decisions when developing and marketing individual products and services.
 - a) Explain what is meant by packaging and labelling and discuss their role from a marketing perspective. (15)
 - b) What are the negative consequences of poor packaging and labelling decisions are made? (10)

(Total: 25 marks)

13. The marketing manager of a new luxury fashion store that will be opening in Valletta is thinking of using sales promotion to help him launch the store.
 - (a) Define sales promotion. (5)
 - (b) Discuss **FOUR** sales promotion tools that the marketing manager of this store can use for its launch. Provide reasons for your choice. (20)

(Total: 25 marks)



SUBJECT:	Marketing
PAPER NUMBER:	II
DATE:	5 th October 2021
TIME:	4:00 p.m. to 7:05 p.m.

Answer **ALL** questions in Section A and any **TWO** questions from Section B.

SECTION A

This section carries 50 marks.

Case Study: Nike levels up its game in the wake of the global pandemic

Nike Inc. is doubling its efforts to grow online operations in the wake of the COVID-19 crisis, with plans to strengthen its own e-commerce platforms while intensifying partnerships with leading retailers to drive digital sales. These efforts are poised to create a more agile, digitally oriented Nike in the wake of a global pandemic which forced store closures across North America, Europe and China and led to a drop in revenue in 2020.

Even before the pandemic, the global athletic apparel giant benefited from a robust online business that surged as consumers moved online. In mid-2020, Nike announced plans to further intensify its online business with expectations that e-commerce sales from its own channels, combined with key retail partners, could account for 50% of overall sales in the foreseeable future. No specific timeline for achieving its digital goals were set, but company President and CEO John Donahoe emphasized the importance of Nike's e-commerce operations saying it's part of a "true step function change in our digital transformation." Digital has been a key area of investment over the past few years and COVID-19 has accelerated the pace.

Despite a drop in total sales, Nike's digital sales saw strong momentum throughout the pandemic. The company's Nike commerce app has been downloaded by millions across the world, while revenue through the company's SNKRS (sneakers release) app reached US \$1 billion for the first time in 2020. The Nike Run Club app has also seen a phenomenal increase of usage with women accounting for half of the new members.

Nike remains the dominant player in the athletic apparel category and is expected to continue holding onto its lead as competitors also suffered due to the pandemic. In 2020 Adidas AG saw its revenues drop, however, digital sales were up significantly. Under Armour Inc. and Puma SE had similar stories.

Nike took a decision to move away from vendors that do not strongly market the brand and cut ties with weaker players that did not have the required digital infrastructure. The move away from undifferentiated retail was highlighted in late 2019 when Nike announced it severed ties with Amazon.com to better control its own brand and inventory.

Moving forward, Nike will be eyeing opportunities to team up with new digitally savvy retailers and strengthen relationships with third-party partners like Foot Locker, DICK'S Sporting Goods Inc., Kohl's Corp. and Nordstrom, all of which have brick-and-mortar operations with knowledgeable sales people as well as online platforms that Nike can tap into. The focus will be on marketing specific products to specific types of shoppers.

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Plans are also in place to replicate the "Nike Live" digital concept store in California, where inventory is determined by Nike digital commerce data to serve a specific local market and customer communication is done via an app, to other locations.

During the global pandemic, Nike was committed to use the power of sport to support its employees, communities and athletes all over the world. Nike believes that if you have a body, you are an athlete.

COVID-19 assistance included giving back to communities through the Nike Foundation. Support included funding efforts by the World Health Organization (WHO), partnering with non-profit organisations and schools, working closely with health professionals to provide personal protective equipment (PPE) to front line workers and donating Air Zoom Pulse shoes and innovative apparel.

Assistance was also given to athletes to help them stay active and connected through its online apps, social channels and website. A free platform was provided for all fitness levels and there was even a specific focus on keeping children active through various initiatives.

Nike continues to work with its suppliers to support their efforts in response to the unprecedented impact of COVID-19. Evolving marketplace and supply-chain dynamics have resulted in difficult decisions having to be taken to sustain the viability of businesses and employees. As suppliers navigate the situation, employees' health and livelihoods and compliance with legal requirements and the Nike Code of Conduct on the provision of wages, benefits, severance and health and safety, must all be adhered to.

There is a risk that Nike may be overestimating how much consumers will shop online or face the possibility that shoppers will pull back on spending significantly. However, Nike is well positioned with a strong online business and a brand image whose Swoosh logo is one of the most recognized in the world. Nike is also affiliated with major athletes across numerous sports including golf and basketball and events such as the Olympics and World Cup.

Towards the end of 2020, Nike reported strong financial results with its share price more than doubling in value since the pandemic started. Nike's already sizable e-commerce business continued to grow even as physical stores reopened. However, in early 2021 sales were below expectations due to shipping issues and a pandemic-related slump at brick-and-mortar stores.

Since it was founded in 1964, Nike has had an impressive heritage of innovation and success, however, navigating the road ahead remains challenging.

Compiled and adapted from various sources including "Nike levels up digital game in wake of coronavirus hit", Katie Arcieri, S&P Global, July 2020, Nike.com, and international press coverage.

Answer ALL questions

1. Nike is a leading and dominant player in the global athletic apparel market.
 - (a) With reference to the case study do you consider Nike to have an iconic brand? What evidence can you find from the case? (8)
 - (b) Taking into consideration the Brand Life Cycle tool, what is Nike doing to achieve market growth and improve sales? (6)
2. There are various elements in Nike's microenvironment. Mention and explain **FOUR** of these that are mentioned in the case study and are external to the organisation. (12)

3. Explain how Nike is using the Communications Mix. (14)
4. Nike has more recently invested in strengthening its presence on the internet. Discuss how this is helping Nike grow. (10)

(Total: 50 marks)

SECTION B

Answer TWO questions from this section. This section carries 50 marks. All questions carry equal marks.

5. (a) Mention the steps of the personal selling process when a consumer is buying a new laptop. (7)
- (b) In the digital age, does a professional sales force still have an important marketing role to play? Give reasons for your answer. (18)

(Total 25 marks)

6. You have just opened an artisan coffee shop serving home-made brews and delicious pastries. Explain how to create an online presence to promote your coffee shop.

(Total 25 marks)

7. An industrial company needs to purchase material from a new supplier. Using a practical example of a purchase, outline and explain the business buying process.

(Total 25 marks)