

# WOMEN'S UNIVERSITY IN AFRICA



*Addressing gender disparity and fostering equity in University Education*

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**FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES**

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**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL  
DEVELOPMENT STUDIES SPECIALISING IN MANAGEMENT & MARKETING**

**MAIN PAPER**

**MG323: INTERNATIONAL MARKETING**

**INTAKE 23: FOURTH YEAR SECOND SEMESTER**

**TIME: 2 HOURS**

**INSTRUCTIONS TO CANDIDATE**

Answer Question 1 and any other two

## Question 1

### NIKE –A GLOBAL SUCCESS

NIKE ([www.nike.com](http://www.nike.com)) is the largest seller of athletic footwear and athletic apparel in the

Nike sells their products to retail accounts, through NIKE-owned retail stores, and through a mix of independent distributors and licensees, in over 160 countries around the world. Nearly all the production of Nike products (especially footwear) is outsourced to foreign independent contractors. In footwear most of the production is outsourced to China, Vietnam, Indonesia and Thailand. Most of this apparel production occurred in Bangladesh, China, Honduras, India, Indonesia, Malaysia, Mexico, Pakistan, Sri Lanka, Taiwan, Thailand, Turkey and Vietnam.

In fiscal year 2012, Nike recorded revenues of \$ 24.1 billion. The net profit was \$2.2 billion. At the end of fiscal year 2012, the number of employees was about 30 000. Forty years of effort and hard work has created a symbol that is recognised across the globe- the Swoosh.

To be the biggest global sports brand, Nike focused on creating an innovative corporate culture, producing the best athletic shoes and conveying its deep beliefs and values to consumers. The company has created a culture that is based on its mission statement. The mission statement focuses on innovation and everyone is charged with being innovative. This focus has become razor sharp as Nike realises everything a company does communicate something about the brand. A brand is the conglomeration of all activities a company and its employees take. Nike has built up substantial brand equity that has taken time and resources, but must be maintained and strengthened in order to stay on top in this highly competitive market place. Producing a superior product means the difference between winning or losing by one second for athletes. That is Nike's main focus for product development. Partnerships with athletes are not just because of their status, but also because they are integral in the product development process. Every little difference in performance makes a difference for Nike because the company puts as much emphasis on the consumer as on the product. Athletic endorsements also do help the brand because of the association and another dimension to the company. To increase market share in Europe, Nike needed to produce a strong soccer product, which it did with the help of star global soccer athletes.

The last element adding to Nike's growth is greater reach into diverse market segment. The three main segments are 1. Performance athletes, 2. participant athletes and 3. those that influence the world and the culture of sport. A different promotional strategy is executed for each segment with many advertisements focusing on lifestyle first and the product second.

Additionally, market research helped the company to develop the pyramid of influence, which showed that top athletes influence the majority of the market. Consequently, the company spent millions on celebrity sports endorsements. All of Nike's advertising, sponsorship and other communication channels are integrated to tell a story about the Nike brand.

**Required:**

- a) Explain the factors behind Nike's globalisation strategy. [10]
- b) Discuss how Nike's growth can be attributed to its targeting of diverse market global segments. [10]
- c) Explain why Nike penetrated the European soccer footwear market. [10]
- d) Examine the key driving forces behind Nike's international competitiveness in soccer footwear. [10]

**Question 2**

Explain how Hofstede's cultural typologies can help global marketers better understand foreign culture. [20]

**Question 3**

Explain why international marketing research is generally considered to be more complicated than domestic marketing research. [20]

**Question 4**

A country's natural (physical) environment influences its attractiveness to global marketers. Discuss using a nation of your choice. [20]

**Question 5**

The fast moving consumer goods (FMCG) company that you work for is planning expanding its market by exporting to South America. You have been requested to assist by identifying the non-tariff barriers the company might encounter in assessing this market. [20]

**Question 6**

Explain the five stages of economic development by Walt Rostow. [20]

**END**