



SCHOOL OF BUSINESS
Nurturing business innovators

JANUARY- APRIL TRIMESTER 2016 EXAMINATIONS

**EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION
DAY/EVENING PROGRAMME**

BMK 305: ADVERTISING & SALES PROMOTION

DATE: APRIL 2016

TIME: 2 HOURS

INSTRUCTIONS:

- 1. ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO.**
 - 2. MARKS ALLOCATED TO EACH QUESTION ARE SHOWN AT THE END OF EACH QUESTION.**
 - 3. BE ORGANISED AND NEAT.**
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QUESTION ONE (30 Marks)

Study the case below, then respond to the questions that follow:-

Adidas Originals

Company Background

Since it was established in Germany in 1949, by Adolf Dassler, Adidas has been synonymous with the sporting industry. Today, Adidas is a global public company and is one of the largest sports brands in the world. It is a household brand name with its three stripes logo recognized in markets across the world. The company's product portfolio is vast, ranging from state-of-the-art sports footwear and clothing to accessories such as bags, watches, eyewear and other sports-related goods and equipment. Employing over 46,000 people worldwide, the Adidas Group consists of around 170 subsidiaries including Reebok, Taylor Made-Adidas Golf, Rockport and

CCM-Hockey. The Group's headquarters are in Herzogenaurach, Germany. In the second quarter of 2013 the Group's revenue was €3.383 billion.

The Brand

Adidas has been selling sports apparel for 90 years and has been the official sponsor of the World Cup since 1970. It has more than 38,000 employees throughout the world. Currently, one of its most outstanding products is the F-50 soccer shoe. It's the world's lightest, weighing 165g, and was recently worn by the most important players in the World Cup. A special version was made exclusively for the Argentineans player Lionel Messi, who was selected as the FIFA World Player of the Year in 2009. The brand also sponsored 12 of the 32 teams that qualified for the 2010 tournament.

The Adidas brand is built on a passion for sports excellence and innovative design to help athletes perform to the best of their ability. It is therefore no surprise that Adidas has supported many iconic athletes to achieve great things at the Olympic Games. In the UK, Adidas has partnered and supplied Team GB since 1984. The company's heritage with the Olympic Games dates back to the Games in Amsterdam in 1928 when Adidas' running shoes were debuted. Footwear and clothing by Adidas has been seen on athletes at every Olympic Games since.

Objective

In early 2010, Adidas Originals launched a global, cross-media campaign designed to reinforce its position as the brand's premier lifestyle offering. Originals is the category through which Adidas has reintroduced or reinterpreted many of its most recognizable "heritage" products, such as the white-and-green Stan Smith tennis shoe. But it is also intended to meet the fashion and style needs of today's pop-consumed, trend-savvy 14- to 25-year-olds. The brand was seeking to establish an identity that was clearly aligned with its youthful consumer base through original audio-visual content and tone of voice, but that was only half of the battle. Adidas also needed a home base from which it could display and distribute all its exciting new content. What's more, it was looking to build a network of appropriate consumers made up of its target group to become ambassadors for Originals throughout their spheres of influence.

Adidas Originals settled on building this hub with its Facebook Page – the free public profile that enables companies to share their business and products with consumers on an ongoing basis. One of the company’s main goals was to increase the number of people who connected to its page. “Facebook was the ideal place because through its Page, the brand can tell a rich, engaging, continuous story, says Chris Barbour, Adidas’ global head of digital marketing for the sport style division, “while also leveraging the unique targeting capabilities of Facebook’s advertising offers to ensure that it is driving fan growth with the ideal consumer set.” The hope was that increasing engagement with its connections on Facebook would pay off in brand loyalty and in more traffic to its website and stores.

Approach

The brand campaign Adidas Originals launched in early 2010 was intended to reinforce its image and identify through a series of content pieces, launched episodically each month on You Tube, blogs and other online media outlets and on Facebook. The campaign ran in 11 countries including Brazil, France, Germany, Hong Kong, Italy, Korea, the Netherlands, Spain, Taiwan, the United Kingdom, and the United States. Each piece of content was created to highlight and support a particular collection including the Originals Star Wars collection (shoes inspired by the sci-fi classic) in January, the Augmented Reality collection (shoes with code in their tongues that unlocks access to interactive experiences) in February its Women’s collection in March.

For each of these monthly peaks, Originals purchased a burst of Facebook Premium Video Comment Ads targeted against very specific consumer attributes. The company took advantage of Facebook’s anonymized targeting capabilities to aim its advertising at people who listed “Star Wars”, “science fiction”, fashion, “Lady Gaga” and other keywords in the likes & interests section of their profiles. The advertisements were intended to prompt users to view the entertaining content, comment on it and spread it virally to their friends on Facebook.

The ads for the Originals Star Wars collection, for instance, featured arch-villain Dart Vader with the text telling users “the Death Star is waiting for you to choose your next target.” Clicking on the video advertising took people to a highly engaging application that handed them control of the deck of the Death Star. Integrating a maps app, users could blast a street anywhere in the world, ultimately revealing the Adidas Trefoil. The originals Women’s advertisement, meantime, teased users with the text “Who needs a catwalk?” Clicking on it led to a kinetic video in which

Adidas models filmed other models, singers and actresses to showcase the new line of seductive streetscape. To maximize exposure, Adidas ran several reach blocks, media buys on Facebook's homepage that guarantee an advertisement reaches 100 percent of its target audience over a 24-hour period.

All the content had a key purpose: driving people to become connected with the Originals Page, where the brand could continue the conversation with them about new products, events, sports and other topics relevant to its customers. "One of the things that make Facebook so powerful for advertisers is that it doesn't require consumers to learn how to interact with your brand," says Chris. It's natural—the platform and its extensions present opportunities for brands to become a part of the innate, familiar ways that consumers are already communicating with each other."

Conclusion

Adidas has therefore been recognized, as one of the leading sports brands in the world, with a broad and unique product portfolio spanning apparel and footwear for professional athletes, to authentic street-wear and premium fashion apparel. The global brand, headquartered in Germany, currently focuses on five global priorities. Football, running, Training, Basketball and the originals label, positioned as "the iconic sportswear brand for the street." Recognized by its distinct Trefoil logo, Adidas Originals has many dedicated retail locations around the world.

(Adapted from strategic marketing case studies: Adidas, 2015)

- a) Critically analyze the **Cost/Benefit** of an *e-marketing campaign*, such as the one utilized by Adidas Originals in 2010. **(10 marks)**
- b) Using current examples discuss the benefits of integrating all marketing communication. **(20 Marks)**

QUESTION TWO (20 MARKS)

"As the fastest growing medium in history, the Internet offers incredible opportunities for a wide range of people in both business and advertising, despite the unknown factors of the medium. For advertisers, there is a whole new potential customers out there waiting to be engaged. But for the advertising historical television-oriented creative's, just learning to use the new medium effectively is a challenge, especially with the medium's ever-changing and ever-

evolving technological landscape. What interesting is that this is exactly the same challenge that took place when TV was first introduced some 50 years ago. Without question we are witnessing a creative revolution that will continue well into the new millennium”.

Discuss the advantages and disadvantages the internet offers advertisers over traditional media.

(20 marks)

QUESTION THREE (20 MARKS)

A written statement of the media strategy is an integral part of the media plan. Without one, it is difficult for the client and agency management to analyze the logic and consistent of the recommended media schedule.

In the light of the above statements, analyze the factors that influence media strategy decisions and over which the media planner has little or no control as well as their importance in developing an effective media strategy.

(20 marks)

QUESTION FOUR (20 MARKS)

The famous researcher and copywriter David Ogilvy said one of the first decisions in marketing and advertising is almost the most important: how to position the product. Position is important for both the advisor and the customer because it helps differentiate products from the competition.

Discuss the statement above in the light of the distinct approaches to develop a position strategy.

(20 marks)