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MBA

Paper: MBA 907

INTERNATIONAL MARKETING

Paper ID-A2527

Maximum Marks:60 **Time 3 hours**

NOTE:

1.Attempt any four questions from section A. Each question is of 5 marks.

2. Attempt four questions from section B, by selecting one question from each unit. Each question is of 8 marks.

3. Section C contains one case study which is compulsory and is of 8 marks.

SECTION A

Q1.(i)Why a firm enters international business?

(ii)Distinguish between a joint venture and strategic alliance.

(iii)How international marketer determines which legal system will have jurisdiction when legal dispute arises?

(iv).What are some of unique characteristics of Indian culture vis- à-vis US culture?

(v).What are the steps a firm can take to motivate the channel members to perform effectively?

(vi).Discuss various types of letter of credit.

Section B

Unit 1

Q2.Explain the concept of international marketing? Discuss the challenges that firms face in international marketing.

Q3.How the firms should do market segmentation and positioning in international market? How is it different from domestic market?

Unit 2

Q4. Discuss the link between the new world trade system and the 4Ps of marketing product, price, place and promotion.

Q5.Critically examine the role of marketing research in international market. What factors make conducting international marketing research more difficult than domestic marketing research?

Unit 3

Q6..What are various incentives offered by the government to the Indian exporters to improve their export performance?

Q7.What are functions of export promotion councils? To what extent they have been able to achieve their objectives?

Unit 4

Q8. What are the factors that make it feasible to offer a standardised product? Offer your comment for product adaptation?

Q9. What are different distribution channels you can adopt in international market? What criterion you will refer to while selecting middlemen abroad for industrial products manufactured by your company?

SECTION C

Q10. CASE STUDY

ABC Computers Ltd

ABC was one of the three top personal computer manufacturers. With 40% of the market share, it dominated the sector. Its rivals, DEF and XYZ, had 30% and 25% of market share, with numerous small manufacturers making up the rest.

Like its principal rivals, ABC's manufacturing base was in the low cost production economies, namely China. DEF manufactured in Malaysia and XYZ in Taiwan. None of the companies owned the means of production, outsourcing these to approved manufacturers. All manufacturers maintained a rigorous quality control process. ABC practised a 'standard' pricing policy across the globe, as did XYZ. DEF adjusted its price according to local conditions. All three companies sold globally, although most sales came from the EU, USA, Australia and more affluent Asia Pacific countries. ABC and DEF maintained a regionally based organizational structure, whereas XYZ was more customer-based.

The principle differences between the three manufacturers lay in the marketing of their respective products. ABC used specialist computer stores, DEF used discount electrical retailers and XYZ used direct sales utilizing catalogues, newspapers and the internet. ABC and DEF offered 100% and 90% mark-up respectively to their retailers, whilst XYX competed on price. Retail prices were difficult to compare due to the make up of the package but, overall, ABC were the cheapest for approximately equivalent packages, with XYZ next and DEF slightly more expensive. Comparisons were difficult due to 'bolt-ons', like software, which were at the discretion of the retail outlet manager. XYZ had to maintain the fulfilment capability. ABC spent heavily on dealer support, mainly on television advertising, DEF on joint advertising with the retailers and XYZ on newspaper and direct mail catalogue advertising. Advertising and promotion budgets were £50 million, £30 million and £25 million for ABC, DEF and XYZ respectively, about 5% of sales value.

Consumers, who were price and product specification conscious, tended to rank after sales service as very important in the purchase decision. From this perspective, ABC easily outscored its rivals, with XYX perceived the weakest in that category. ABC mainly targeted the family enthusiast market, DEF the same, but XYZ mainly the institutional market, schools, offices, etc.

In 2004, ABC decided to 'shake up' the market, with the sole intention of gaining market share from its rivals and establishing its position as number one in the personal computer market. Having reached a new manufacturing volume sales agreement with its Chinese manufacturer, it cut the price of its machines by 20%, targeting its core market and also the institutional market dominated by XYZ. It backed the price cut with a £15 million advertising campaign, emphasizing its service backup, in the trade press, direct mail shots to major institutions like government purchasing agents, hospitals and schools, and newspapers. It encouraged direct enquiries to its sales offices, having worked out a deal with its traditional distributors to give them a percentage share of the direct sales revenue.

Case study discussion questions

1 What are the likely consequences of the global price cutting decision by ABC on (a) customer behaviour, (b) retailer behaviour, and (c) long-run market share and profitability?

2 How should DEF and XYZ respond to ABC's price cut?

End