



ZIMBABWE EZEKIEL GUTI UNIVERSITY

---

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

---

DEPARTMENT OF ECONOMICS AND BUSINESS SCIENCES

EXAMINATION PAPER

COURSE CODE : CMA403  
COURSE TITLE : INTERNATIONAL MARKETING  
DURATION : 3 Hours  
DATE :

**INSTRUCTIONS TO CANDIDATES:**

1. No cell phones are allowed in the examination venue.
2. Answer any **FOUR (4)** questions.
3. Begin each question on a new page.
4. The number of marks for each question or part question is shown in brackets [ ]

## SECTION A

### Case study

One pundit suggested that nations with McDonald's don't attack one another. Perhaps Yugoslavia was the exception that proves the rule? During most of the 78-day air war against Yugoslavia in 1999, McDonald's kept the burgers flipping while NATO kept the bombs dropping. After only one night of air strikes, mobs of youths, whipped to patriotic fervor by the state-controlled media's attacks on the "NATO criminals and aggressors," targeted six McDonald's stores, smashing windows and scribbling insults on doors and walls.

McDonald's Corporation was forced to temporarily close its 15 restaurants in Yugoslavia. Weeks later, when local managers flung the doors open again, they accomplished an extraordinary comeback using an unusual marketing strategy: They put McDonald's U.S. citizenship on the back burner. Within a week after the attacks, they had launched a campaign to identify the plight of ordinary Serbs with the Mac. "McDonald's is sharing the destiny of all people here," read a sign at one branch.

A key aspect of the campaign was to present McDonald's as a Yugoslav company. Restaurants promoted the McCountry, a domestic pork burger with paprika garnish, and lowered its price. Pork is considered the most Serbian of meats. In a national flourish to evoke Serbian identity and pride, McDonald's produced posters and lapel buttons showing the golden arches topped with a traditional Serbian cap called the *sajkaca* (pronounced shy-KACH-a). The managing director said McDonald's needed to get Serbs to view the company as their own. He masterminded the campaign to "Serbify" McDonald's. It was in this vein that he and his team decided to redesign the logo with the Serbian cap cocked at a haughty angle over one arch.

Traditional national emblems, like the *sajkaca*, a strong, unique Serbian symbol, had undergone a revival in recent years with the rise of Serbian nationalism. "By adding this symbol of our cultural heritage, we hoped to denote our pride in being a local company."

Additionally, more than 3,000 free burgers were delivered to the participants of the Belgrade marathon, which was dominated by an anti-NATO theme. At the same time, the company

announced that for every burger sold, it would donate one dinar (about a nickel) to the Yugoslav Red Cross to help victims of NATO's air strikes. It also handed out free cheeseburgers at anti-NATO rallies. Once the war was over, the company basked in its success. Cash registers were ringing at prewar levels.

McDonald's restaurants around the country were thronged with Serbs hungry for Big Macs and fries. And why not, asks 16-year-old Jovan Stojanovic, munching on a burger. "I don't associate McDonald's with America," he says. "Mac is ours." This claim is music to McDonald's ears. "We managed to save our brand." And in 2009, McDonald's began negotiations to open its first store in previously war-torn Bosnia/ Herzegovina. May the peace persist.

*Sources: Robert Block, "How Big Mac Kept from Becoming a Serb Archenemy," The Wall Street Journal, September 3, 1999; John Kozak, "McDonald's Can't Serve Up World Peace," The Guardian, April 26, 2005, p. 27; "McDonald's Arrives in Sarajevo, Bosnia and Herzegovina," Property Xpress, October 9, 2009, online.*

### **Question 1**

- a. Discuss the international marketing strategies used in this case. **[10 marks]**
- b. What impact does country of origin have on products in the case? **[10 marks]**
- c. Explain why ethnocentrism could have an influence in the above case? **[5 marks]**

**[Total 25 marks]**

SECTION B

**Question 2**

Using examples, examine the reasons why some marketing strategies fail in international markets.

**[Total 25 marks]**

**Question 3**

- a. Account for the reasons why countries trade? **[10marks]**
- b. Briefly outline any three (3) determinants of culture which affect decision making in international marketing as put forward by Geert Hofstede. **[15 marks]**

**[Total 25 marks]**

**Question 4**

- a. What impact does 'Country-of-Origin have on consumers' choice of products? **[10 marks]**
- b. Giving relevant examples discuss the rationale behind strategic alliances. **[15 marks]**

**[Total 25 marks]**

**Question 5**

Using suitable examples, discuss the impact of Free Trade Zones to a country like Zimbabwe.

**[Total 25 marks]**

**End of paper**