



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW AND BUSINESS INTELLIGENCE

DEPARTMENT OF ENTREPRENEURSHIP, MARKETING AND ECONOMICS

EXAMINATION PAPER

COURSE CODE : CBM424

COURSE TITLE : MANAGEMENT OF INTERNATIONAL
BUSINESSES

SPECIAL REQUIREMENTS :

DURATION : 3 Hours

LEVEL : 4.1

DATE : APRIL 2024

30 JUL 2024

INSTRUCTIONS TO CANDIDATES:

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

Question 1

Read the case study below and answer the following questions

Pepsi Goes International – Its Global Marketing Plans In the 1940's itself PepsiCo started branching out into the international arena. At first it was into Latin America, the Middle East and the Philippines. Here too Coke had the early bird advantage. Yet the product soon gained popularity. With the Arab countries boycotting Coke, Pepsi enjoyed a monopoly for many years in the Middle East. In the 1950's Pepsi went to Europe and this included Russia, with whom there existed a Cold War by USA. Though there were initial difficulties, getting into Russia was a major breakthrough which the company exploited. The company posted pictures of the then leaders of the United States and Russia sipping the drink. Its arch rival, Coca Cola, was able to enter the Russian markets only after more than 25 years after Pepsi's entry. In many of the countries that Pepsi ventured into comparative advertising was prohibited and in many countries it was not an accepted concept. For example, Pepsi tried its "Pepsi challenge" promotional gimmick in Japan. However, the country and its people were not aware of comparative advertising and as such the campaign did more harm than good. Hence in Japan they had to break their tradition of running with the global campaign and come up with a campaign that the Japanese would identify with and was more Japanese. The "Pepsiman" was a superhero like figure that was devised by a Japanese person for the Japanese market. The commercial was an instant hit and helped improve Pepsi's share in the Japanese market by as much as 14%. From Japan Pepsi learned a valuable lesson – the same ad will not have the same effect everywhere. When it comes to cross national advertising, there is always the inherent risk of alienating the people.

QUESTION ONE

- 1 a) what challenges Pepsi had to face, If Pepsi would not follow the cultural factors in international marketing environment? (12 marks)
- b) What strategies were used by PEPSI to enter into the global market. (7 marks)
- c) If you were the manager from the Coca cola company what strategies were you going to employ to outperform Pepsi. (6 marks)

SECTION B Answer any 3 questions. Each question carries 25 marks

QUESTION TWO

Explain the internationalisation stages and modes of entry into international business.

(25 marks)

QUESTION THREE

Briefly discuss international initiatives to combat the effects of environmental change caused by globalization

(25 marks)

QUESTION FOUR

You are the marketing manager of a food products company that is considering entering the African market. The retail system in Africa tends to be very fragmented. Also, retailers and wholesalers tend to have long-term ties with African food companies; these ties make access to distribution channels difficult. What distribution strategy would you advise the company to pursue? Why?

(25 marks)

QUESTION FIVE

International business environment is very uncertain, then why do companies want to engage in international business?

(25 marks)