



DEPARTMENT OF BUSINESS STUDIES

COURSE: INTERNATIONAL MARKETING

COURSE CODE: CMA403

DURATION: 3 HOURS

13 JUNE 2018

INSTRUCTIONS TO CANDIDATES

1. No cell phones are allowed in the examination venue.
2. Answer all questions in Section A 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 []

SECTION A

Case study

GLOBAL COMMERCE CAUSES PEACE

Global commerce thrives during peacetime. The economic boom in North America during the late 1990s was in large part due to the end of the Cold War and the opening of the formerly communist countries to the world trading system. However, we should also understand the important role that trade and international marketing play in producing peace. Boeing Company, America's largest exporter, is perhaps the most prominent example. Although many would argue that Boeing's military sales (aircraft and missiles) do not exactly promote peace, over most of the company's history, that business has constituted only about 20 percent of the company's commercial activity. Up until 2002, of Boeing's some \$60 billion in annual revenues, about 65 percent came from sales of commercial jets around the world and another 15 percent from space and communications technologies. Unfortunately, these historical numbers are being skewed by U.S. military spending and the damage done to tourism by terrorism. Even so, the company still counts customers in more than 90 countries, and its 158,000 employees work in 70 countries. The new 787 Dreamliner includes parts from around the world, including Australia, France, India, Italy, Japan, Russia, and Sweden. 2 Its more than 12,000 commercial jets in service worldwide carry about one billion travelers per year. Its NASA Services division is the lead contractor in the construction and operation of the 16-country International Space Station, first manned by an American and two Russians in the fall of 2000. The Space and Intelligence Systems Division also produces and launches communications satellites affecting people in every country. All the activity associated with the development, production, and marketing of commercial aircraft and space vehicles requires millions of people from around the world to work together. Moreover, no company does more to enable people from all countries to meet face-to-face for both recreation and commerce. All this interaction yields not just the mutual gain associated with business relationships but also personal relationships and mutual understanding. The latter are the foundation of global peace and prosperity. Another class of companies that promotes global dialogue and therefore peace is the mobile phone industry. During 2007 the number of mobile phone subscribers exceeded 3.0 billion, and this number is expected to grow beyond 4.5 billion by 2012. Nokia (Finland), the market leader, is well ahead of the American manufacturers Motorola and Apple, Samsung (S. Korea), LG (S. Korea), and Sony Ericsson (Japan/Sweden). Individuals and small companies also make a difference—perhaps a subtler one than large multinational companies, but one just as important in the aggregate. Our favorite example is Daniel Lubetzky's company, PeaceWorks. Mr. Lubetzky used a fellowship at Stanford Law School to study how to foster joint ventures between Arabs and Israelis. Then, following his own advice, he created a company that combined basil pesto from Israel with other raw materials and glass jars supplied by an Arab partner to produce the first product in a line he called Moshe & Ali's Gourmet Foods. The company now sells four different product lines in 5,000 stores in the United States and has its headquarters on Park Avenue in New York, as well as business operations in Israel, Egypt, Indonesia, Turkey, and Sri Lanka. Again, beyond the measurable commercial benefits of cooperation between the involved Arabs, Israelis, and others is the longer-lasting and more fundamental appreciation for one another's circumstances and character. International marketing is hard work. Making sales calls is no vacation, even in Paris, especially when you've been there 10 times before. But international marketing is important work. It can enrich you, your family, your company, and your country. And ultimately, when international marketing is done well, by large companies or small, the needs and

wants of customers in other lands are well understood, and prosperity and peace are promoted along the way. 5

Sources: <http://www.boeing.com> and <http://www.peaceworks.com> —both are worth a visit; mobile phone sales data are available at <http://www.gartner.com> (all accessed in 2010).

Question 1

- a. Briefly outline the international marketing strategies used in this case. [10 marks]
- b. What were the challenges faced by Boeing Company? [5 marks]
- c. What are the effects of international marketing to stakeholders? [10 marks]

[Total 25 marks]

SECTION B

Question 2

Using examples, briefly outline the Stages of International Marketing Involvement.

[Total 25 marks]

Question 3

- a. Briefly outline any barriers to Standardization [10marks]

b. Why is important to observe the business customs in international marketing? [15 marks]

[Total 25 marks]

Question 4

a. Using examples outline any five forces favoring a globalized product strategy.

[10 marks]

b. Giving relevant examples briefly outline the alternative market-entry Strategies a company of your choice can use in entering a new market.

[15 marks]

[Total 25 marks]

Question 5

Using suitable examples, advise a new international marketer on how to managing price escalation in country like Zimbabwe.

[Total 25 marks]

End of paper