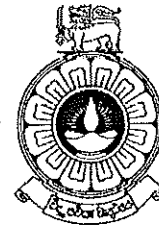


THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/
PUBLIC ADMINISTRATION
FINAL EXAMINATION – 2019
MSP A313/MCP 2613– INTERNATIONAL MARKETING
DURATION: THREE (03) HOURS



Date: 04.09.2019

Time: 9.30AM to 12.30PM

Answer ALL questions in Part A (Compulsory) and any FOUR (4) questions in Part B.

Part A carries 40 marks and Part B carries 60 marks.

Incomplete answers and illegible handwriting will face the risk of losing marks.

PART A

Read the below article and answer all questions given at the end.

Cultural Differences in Business

Many people agree with the phrase that 'the world is getting smaller' - it is hard to disagree.

Advances in transport and communications technology combined with the development of a global, interconnected economy have resulted in people from different nations, cultures, languages and backgrounds now communicating, meeting and doing business with one another more than ever.

There are some that claim this new found intimacy has led to a greater understanding of 'the other', 'the foreign' and 'the alien' and as a result our cultural differences are diminishing. We are all becoming closer.

However, in reality the opposite is true. As we come together our cultural differences become accentuated as we start to realise that the rest of the world is not reading from the same book. One area where this is felt most painfully is in business. Why? Because it usually ends up in an expensive mistake that could/should have been avoided! And businesses don't like losing money!

Very few businesses can escape the need to at some point in time deal with foreign colleagues, clients or customers. Business is international and if an organisation wants to develop and grow it needs to harness the potential an international stage offers. Twenty years ago, British, European and American organisations doing business abroad had very little competition due to the lack of rival industrialised nations. Back then it was easy to do business 'our way'.

Today some of the world's largest economies include Japan, China, Mexico, Brazil, India and Korea. As a result, there has been a small shift from 'our way' to 'let's try and understand your way' to find a middle-way. Why? Because western organisations are feeling the impact a lack of cultural sensitivity can and does have upon business performance.

Source: <https://www.commisceo-global.com/blog/cultural-sensitivity-in-business-1>

1. The socio-cultural environment is probably the most challenging of the macro-environmental forces affecting a business engaged in international marketing operations.
 - a) Explain what is meant by the “Socio-Cultural Environment” and describe its complexity in an international marketing environment. (10 Marks)
 - b) Why is the socio-cultural environment considered as the most challenging macro-environmental force to an international marketer? Explain with specific reference to the marketing mix, using appropriate examples. (15 Marks)
 2. With reference to the article above, explain the concept of “Convergence and Divergence” and how international marketers can use this concept effectively yet efficiently to manage cultural sensitivity in satisfying needs and wants of consumers. (15 Marks)
- (Total 40 Marks)**

PART B

Answer any 4 questions.

1. Assume that you are the International Marketing Manager of an export-oriented company involved in manufacturing ornaments and kitchen utensils made out of coconut shells. Due to increasing cost of direct labour, you have been assigned with the task of identifying alternative foreign countries for setting up manufacturing at a lower cost. Using Porter’s Theory of National Competitive Advantage (also known as Porter’s Diamond), explain how you would select such a country. (15 Marks)
2. Organisations can be clustered into FOUR groups, also known as the EPRG Framework, based on how they view different markets of the world. Explain the EPRG framework and using an example of your choice, justify which one of the FOUR types of organisations it belongs to. (15 Marks)
3. Market research is considered a critical process in international marketing. Many organisations and brands have failed in foreign markets due to the lack of their sensitivity to differences among foreign markets.
 - a. What is market research and how does it help international marketers to achieve a higher probability of success in foreign markets? (10 Marks)

b. Why are some organisations reluctant to commission market research?

(05 Marks)

(Total 15 Marks)

4. A firm expanding internationally must make several key strategic decisions. The timing of entry into the foreign markets is one among them. Thus, a company can select either Early Entry or Late Entry.

a. Describe Early Entry and Late Entry in international marketing.

(05 Marks)

b. Explain the advantages and disadvantages of Early Entry and Late Entry for a company planning to enter a foreign market.

(10 Marks)

(Total 15 Marks)

5. A company presently with vast experience in Exports is considering a more committed involvement in the foreign market that it serves. Assuming you are assigned with the task of recommending the most suited strategy from among Franchising, forming Joint Venture and Acquiring a compatible overseas company, which would you recommend and why? Provide your recommendation and justification by identifying the advantages and disadvantages of each strategy.

(15 Marks)

6. Write descriptive notes with examples where relevant on any THREE (3) of the following.

1. Benefits of digital marketing versus traditional marketing
2. Describe THREE pricing strategies used in international trade
3. Global product / communication planning strategic alternatives
4. The relationship between Channels of Distribution and Price Escalation
5. The impact of geopolitics on international marketing

(3 X 5 Marks)

(Total 15 Marks)

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