

THE OPEN UNIVERSITY OF SRI LANKA
BACHELOR OF MANAGEMENT STUDIES
DEGREE PROGRAMME - LEVEL 06
FINAL EXAMINATION - 2012
INTERNATIONAL MARKETING –MCU 4206
DURATION – THREE (03) HOURS



DATE: 17th March, 2012

TIME: 9.30 a.m - 12.30 p.m

Instructions

Answer four (04) questions in all including Question number one (01).

1. Read the following case study and answer the questions given at the end

Van Heusen

The history of the Van Heusen brand can be traced back to 1881 when Moses Philips and his wife Endel started to mend shirts for coalminers in Pottsville, Pennsylvania, USA. Soon they started to sew shirts and sell them in pushcarts to the local miners. The business was quite successful and the couple later moved to New York City to expand its market at the suggestion of their son Isaac. The business then started to expand at the national level. The Philips' family placed the first-ever advertisement for a dress shirt in a newspaper. In Holland, John Manning Van Heusen (Manning) created a new process which created a soft-folding collar but still captured the stiff-collar look which was in vogue in those days...

Van Heusen Brand in India

The Van Heusen brand entered the Indian market in 1990. Madura FL had secured the license to perpetually operate the brand in India and South East Asia from PVH. Van Heusen was initially positioned as a premium and fashionable men's wear brand targeted at young office goers or as 'fashion for the corporate world'. Van Heusen was well received in the market from the time of its launch since no other premium brand served the needs of the young office-goers at that time. The Van Heusen shirt was marketed as having the image of a 'Classic British Corporal'. Van Heusen was positioned uniquely in the Indian market. Unlike other ready to wear men's apparel brands available in India at that time which were targeted at customers aged above 35, Van Heusen was targeted at the younger customers aged from 25 to 45...

VDot

Though Van Heusen India was targeted at men between 25 and 45 years, the number of people below 25 was increasingly rapidly in India. By one estimate, more than half of India's population was under 25. Van Heusen India launched a new sub brand targeted at men below 25 years of age called VDot as an extension in 2006. VDot was a club-wear brand which could be used for other casual occasions like movie going, family parties, and picnics. VDot was basically a denim collection with trendy designs. But, the VDot brand was differentiated from regular jeans wear by being promoted as bold and attractive casuals made using denim, polyester and other types of cloth...

Van Heusen Woman

The number of women entering the work force in India had increased after the economic reforms initiated in the early 1990s. There were no formal wear brands to cater to the needs of office going women in India. Van Heusen launched a new sub brand for women called 'Van Heusen Woman' in the year 2006. The new brand was initially started with six outlets across the key metros in India. Van Heusen offered complete wardrobe solutions to women with both formal and casual wear to suit different occasions. It was the first brand in India to offer a wide range for women across seven product categories and three accessories categories...

Van Heusen Sport

To provide more apparel choice to its consumers, the Van Heusen brand was extended and a new casual wear sub brand with a sporty look called Van Heusen Sport was launched in March 2011. The new sub brand was inspired by sports and was meant for events like corporate outings and Sunday parties. Like its formal wear, the new casual wear sub brand was also exclusively aimed at young corporate users. According to the company, unlike the other traditional sportswear apparel brands, the new Van Heusen Sport blended some fashionable modernity with the 1960s chic look...

Looking Ahead

Madura FL had aggressive expansion plans for the Van Heusen brand in India. It planned to increase the reach of the Van Heusen brand by increasing the number of its stores from 135 to 150 by the end of 2011 and to launch 50 new stores every subsequent year. It also planned to change the look and feel of its current stores...

(Source : www.icmrindia.org/casestudies/catalogue/Marketing/MKTG284.htm)

Questions.

1. a) Identify and discuss the factors that helped the Van Heusen Company to move its operations to the Indian Market. (20 marks)
- b) What is the entry method that Van Heusen has adopted to reach the Indian market? Explain with reasons why is it a good method to enter a foreign market. (10 marks)
- c) Advise how Madura FL could make use of research in its expansion plans. (10 marks)

(Total 40 marks)

2. Explain what a Multi National Cooperation (MNC) is, and discuss the impact of such an organization on the operations of a local firm in the same industry. (20 marks)
3. Why is it necessary to plan your exports? Briefly explain each of the steps of the export planning process. (20 marks)
4. Write short notes on the following topics.
 - a. Market Audit
 - b. Regional co-operation
 - c. Country category effect
 - d. Incremental internationalization process (20 marks)
5. Explain how a letter of credit is processed in international transactions and discuss why an exporter should or should not use a letter of credit. (20 marks)

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