



THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC
ADMINISTRATION

FINAL EXAMINATION – APRIL 2006
MCP 2613 – INTERNATIONAL MARKETING
DURATION : THREE (03) HOURS

Date : 23rd April 2006

Time: 9.30 a.m. 12.30 p.m.

ANSWER QUESTION 1 (COMPULSORY) AND ANY THREE (03) OTHER
QUESTIONS.

1. Read the case on IBM International given below and answer the two questions.

IBM International

IBM is the dominant computer company in Europe, but since the early 1980s its efforts to penetrate European telecommunications markets have met with stiff resistance from state governments and local manufacturers. IBM executives hope to meet the challenge by entering into joint ventures with the very forces that are hampering their overseas efforts.

In Europe, government run telecommunications authorities (PTTs) want to monopolize their countries telecommunications in order to recoup the cost of computerizing their telephone systems. Local manufacturers stand to gain huge contracts if IBM is denied a market in their country.

IBM executives intend to avoid a clash with the PTTs and manufacturers by billing themselves as “partners” in telecommunications services rather than as equipment suppliers. Their strategy calls for cooperative ventures with government agencies and manufacturers on a country-by-country basis.

A previous effort by AT & T to invade the Italian telecommunications market indicates that IBM is in for a rough time. In 1982, using a strategy similar to IBMs, AT & T tried work a deal with STET, Italy’s state holding company for telecommunications. The negotiations eventually fell through because AT & T didn’t provide STET with enough export rights.

IBM hopes to negotiate a number of joint ventures, including making a deal with Britain’s Telecom to link London’s clearing banks in a network of point-of-sale terminals; providing software to Germany’s PTT for a nationwide videotext network; providing France’s PTT with a computerized directory assistance system for telephone operators: and, with STET, manufacturing hardware ranging from semi-conductors to office automation gear.

PTT insiders say a major battle is brewing between IBM and Europe’s telecommunications authorities. IBM executives cannot afford to ignore the European telecommunications market and have decided that they must negotiate their way into it.

Source: “IBM’s struggle to Sign Up Local Partners”, Business Week, March, 1984.

- i. What environmental issues are influencing IBM's success in Europe?
- ii. From what you have learned in International Marketing, what strategic options are open to IBM? Which do you recommend?
(40 marks)
02. The concept of Global Marketing Strategy (GMS) is attracting considerable attention in the business world. What risks and rewards would a GMS entail for a company that manufactures and markets value added tea in the global market? What are commendations would you make to the management of the company? Explain the reasons for your answer.
(20 marks)
03. Explain the reasons for growing interest in Global marketing among the developing countries today?
You may use Sri Lanka and other developing countries you are familiar with in explaining your answer.
(20 marks)
04. a. Why might a successful global marketer like Honda want to manufacture its automobiles in another country/other countries?
(10 marks)
- b. Why does international trade occur, and what is its' effect on the economies of respective countries? You may take Sri Lanka as a specific example in explaining your answer.
(10 marks)
05. Assume that you are the Marketing Research Manager for Nestle-Sri Lanka, and you have been asked to identify critical items that need to be taken into account when conducting a marketing research survey to understand the potential for instant coconut milk powder packets in selected foreign markets. What special problems would you expect to encounter in designing a consumer survey to study the consumption patterns across national boundaries?
(20 marks)

- Copyrights reserved -