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THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS/PUBLIC
ADMINISTRATION
FINAL EXAMINATION - 2014 DECEMBER
MCP 2613 - INTERNATIONAL MARKETING

DATE : 22.12.2014

TIME : 9.30 A.M. - 12.30 P.M.

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 case and answer all questions at the end of the case.

INTERNATIONAL EXPANSION STRATEGY OF WAL-MART

Wal-Mart Company has aggressively entered into the international market by opening up new stores in many countries of the world. In the current situation, this company has more than 8,500 departmental and warehouse stores in 15 countries. The main area of concern is how this company has been able to succeed in foreign countries. This has been contributed to by the international business strategy that is adopted by this company. In order to compete stiffly with other companies producing similar products in other countries, Wal-Mart has adopted productive business strategy where in each country its stores have a different name and hence products produced are of different quality according to the preferences of customers of that particular country.

It has been put forward by Joan (2002) that, international business is very competitive and hence only those countries that have good business strategies are able to compete stiffly and make profits. Wal-Mart operates under its name in the United States of America but under different names in other countries of the world. This indicates that Wal-Mart strategic choices are different in each and every country it operates in order to compete with its competitors. For instance when this company entered into Korean market in the year 1998 and therefore started offering high quality products to the Koreans in order to compete with Korean companies. The major customers of this company in China were the Chinese citizens and hence on realizing that Chinese customers preferred choosing their own live fish and other seafood, Wal-Mart stores in this country started to display uncovered meat and installed fish tanks so that Chinese may see and chose their favourites. This approach is helpful as it determines how customers of different countries will be treated. This is so because the way Wal-Mart Company operates in China is different from the Korean one because customers are different and hence should not be generalized with a global approach. This aspect, as indicated by Wal-Mart Corporate (2011), increased the company's sales drastically.

Wal-Mart operates in different countries by locating the company autonomously in separate countries as people are very different in different countries. Each group of people are served according to their tastes and preferences. This approach is very advantageous as it helps in ensuring that most of the local people are reached and served. Under this business strategy, Wal-Mart

Company is able to respond to national operational, market requirements, flexibilities, and product qualities in order to satisfy customers of different countries differently. This approach has assisted Wal-Mart Company to get a lot of profits especially bearing in mind that governments of different countries are different. On this basis, customers from different countries are served differently according to their likes. This approach requires a lot of marketing research in order to make sure that cultural factors of citizens of a country are thoroughly researched.

In conclusion, Wal-Mart Company has been able to successfully enter into the global market because of the use of its business strategy. This strategy involves that customers of different countries are treated differently and hence productivity and profitability are high.

Source: <http://public-company.ezinemark.com/wal-marts-major-international-strategy>

1. International marketing operations can be classified into clusters depending on their overall approach to business in each country and the unique characteristics of each approach. These include International, Multinational, Global and Transnational organisations. Explain each of these organisation types and, based on the unique characteristics of each type, which type of organisation does Wal-Mart fit into? Justify your answer with evidence of such characteristics from the above article.

(20 Marks)

2. Explain the EPRG Framework (Ethnocentric, polycentric, regiocentric and geocentric organisations) by clearly differentiating each approach with examples.

(12 Marks)

10 Ethnocentric, polycentric, regiocentric and geocentric organisations have very different views of the world. Which category does Wal-Mart come under? Explain with examples from the article given above.

(08 Marks)

(Total 40 Marks)

PART B

Answer any 4 questions.

1. An international marketing organisation looking to enter new markets can use one of several entry options. Explain THREE such market entry strategies available to any medium scale organisation, listing the advantages and disadvantages of each such option.

(15 Marks)

2. International business is largely different from domestic marketing operations as it is impacted by several macro-environmental factors, commonly known as PEST factors, which vary from country to country. Explain with examples as to how any organisation is affected by these different forces and how an organisation planning to enter new markets could avoid failure by studying them.

(15 Marks)

3. Geographic expansion is one of the major opportunities of global marketing. However an organisation contemplating geographic expansion will have to consider different strategic alternatives in how it either extends or adapts its offering to consumers in the new market. Explain with examples the framework available to marketers in deciding its global product planning strategic alternatives. **(15 Marks)**
4. "Today the growing importance of global marketing stems from the fact that driving forces have more momentum than the restraining forces leading to global integration". Discuss FIVE of these driving forces with examples related to an industry of your choice. **(15 Marks)**
5. (a) What is international marketing research and how is international marketing research used in the entry evaluation process when an organisation intends to expand into new markets? Use examples to elaborate your answer. **(12 Marks)**
- (b) What are the main sources of information available to an international marketer seeking to carry out preliminary desk research on new potential markets? **(3 Marks)**
- (Total 15 Marks)**
6. Write descriptive notes with examples on any THREE of the following with specific reference to international marketing.
1. Political Risk
 2. Customer value and the value equation
 3. Three types of competition in international marketing
 4. The self-reference criterion and its importance in international marketing
 5. Market allocation versus command allocation
- (15 Marks)**

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