



**THE OPEN UNIVERSITY OF SRI LANKA
COMMONWEALTH EXECUTIVE MASTER OF BUSINESS / PUBLIC
ADMINISTRATION
FINAL EXAMINATION – JULY 2018
MCP 2613/MSP A313 – INTERNATIONAL MARKETING
DURATION – THREE (3) HOURS**

DATE: 29.07.2018

TIME: 9.30 A.M – 12.30.P.M

Instructions:

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.

McDonald's – Jamaican Market Entry

After ten years of operation in Jamaica, McDonald's closed its eleven stores there in 2005. Even though the company was able to keep a foothold in the country for a decade, it proved unable to maintain its business there in the long term.

Considering the fact that McDonald's is one of the most successful and internationally recognized companies in the world, it would seem odd that the company would fail in Jamaica. However, that is exactly what happened.

Lesson Learned – Choose new markets wisely.

When McDonald's entered the Jamaican market, KFC and Burger King were already well established in the country, and McDonalds struggled to supplant their more entrenched competition. Consumers there also allegedly preferred larger burgers and felt that McDonald's burgers did not compare favourably in that regard to their competition.

When the Jamaican economy continued to slow, McDonald's found themselves struggling to bring in new consumers, or draw in customers from their competitors. They therefore decided to leave Jamaica altogether, rather than continue to spend in a market that was not ideal for their products.

When you add all of these factors up, Jamaica was not a very good market for McDonald's to target. It just goes to show that proper market selection is critical, even for the largest, most successful companies.

Source: <http://www.tradeready.ca/2015/trade-takeaways/4-lessons-learned-famous-market-entry-failures/>

1. a) Describe the 4 key questions that an organisation should ask itself during its international market entry planning phase.
(8 Marks)
 - b) Any organisation planning to enter international markets must follow a robust market entry evaluation process. Explain the entry evaluation process that McDonalds should have followed in order to avoid failure in the Jamaican market. Use examples to illustrate each step of the process.
(20 Marks)
2. At the time of McDonald's entry to Jamaica, Burger King was already present and well established in the Jamaican market. What first mover advantages and disadvantages would Burger King be faced with as an early entrant? Use examples to explain.
(12 Marks)
- (Total 40 Marks)

PART B

Answer any 4 questions.

1. Organisations that operate internationally face a wide range of trade barriers imposed by the different countries they operate in.
 - a. Briefly describe the different types of trade barriers imposed by countries and the rationale for imposing trade barriers.
(5 Marks)
 - b. Discuss the importance of economic cooperation between nations in promoting international trade while securing individual country interests. Use examples to illustrate your answer.
(10 Marks)

(Total 15 Marks)
2. You are appointed as International Marketing Manager for a Sri Lankan furniture manufacturer considering entry into several foreign markets. Using Porter's Five Forces explain the key factors that you would consider as part of your decision-making process to enter these markets.
(15 Marks)

3. Your company is planning entry into a foreign market that requires you to manufacture in the Host Country to avoid severe import restrictions for your product category. Explain with good reasoning, THREE modes of entry which would be considered by you as those that will facilitate overseas manufacture, and briefly describe the advantages and disadvantages of each option, recommending the best option among those three modes.

(15 Marks)

4. Cultural barriers across nations pose many challenges for international marketers of goods and services. Many large organisations and brands have failed in some of their international market entry efforts due to their lack of attention to these cultural barriers. Using an example of your choice, discuss the cultural barriers with respect to the 4Ps of a brand that is considering entry in to a foreign market of your choice.

(15 Marks)

5. Digital marketing is the process of building and maintaining customer relationships through online activities to generate sales and/or capture customers that are searching on the Internet for answers.

- a. Discuss the advantages and disadvantages of digital marketing versus traditional marketing.

(5 Marks)

- b. Using an example of your choice, discuss how digital media formats such as FaceBook can be used to compliment the traditional marketing efforts of a brand marketed internationally.

(10 Marks)

(Total 15 Marks)

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

1. Letters of Credit in international trade
2. Political Risk in international business
3. The World Trade Organisation and its role in international trade
4. Ethnocentric versus Polycentric organisations
5. Convergence and divergence of markets and its implications on marketing

(3 X 5 Marks)

(Total 15 Marks)

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