

00680

**MBA/MPA PROGRAMME  
COMMONWEALTH EXECUTIVE**

**Term-End Examination**

**December, 2010**

**E-13 : INTERNATIONAL MARKETING**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage 70%)*

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- Note :**
- (i) *Answer any three questions from Section-A.*
  - (ii) *Section-B is compulsory.*
  - (iii) *All questions carry equal marks.*
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**SECTION-A**

1. (a) In the context of India, identify the driving forces and the restraining forces for International Marketing.  
(b) With the help of suitable examples, explain in what ways do uncontrollable factors in the local environment - affect the International Marketing effort.
  
2. You are a manufacturer of computer hardware and are analysing international marketing opportunity in Africa. What are the components of political environment that you should study before committing yourself to a given country ? Explain.

3. As a global marketer of ready-made clothes for young adults, what are the bases of segmentation that you would utilize to segment your potential markets ? Justify your answer with the reasons for your choice.
  
4. (a) What are the pricing alternatives available to global marketers in case of
  - (i) Consumer goods ?
  - (ii) Industrial goods ?(b) Comment upon dumping as a pricing strategy.
  
5. Write short notes on *any three* of the following :
  - (a) Patterns of international organisational development for global marketing
  - (b) Importance of strategic alliances for International Marketing
  - (c) Transfer pricing
  - (d) Channel constraints in international distribution
  - (e) Product standardisation versus adaptation as international product strategy

## SECTION - B

6. Read the case study given below and answer the questions given at the end of the case :

In 1998, Daimler Chrysler introduced a new car, a new brand, and a new look with new technology in nine European Union countries. It was named "Smart" and was certainly distinctive looking.

The Smart car was only 2500mm long, 1515mm wide and 1529mm high. It could seat two adults or one adult and two children. It weighed 720 kg, has a 22 litre gas tank and gave hundred kilometres per 4.8 litres. It is always two toned in colour. It has a frame called a Tridion safety Cell, which comes in silver colour, and removable panels, which can be changed in less than an hour, in such colours as mad red, hello yellow, jack black, aqua orange, scodic blue, and boomerang blue green or orange. The optional leather seats are papaya coloured. If you are thinking that the interchangeable panels and the wild colours remind you of a Swatch watch, you are correct, as the Swatch watch was the initial inspiration for developing this car. In the early stages of the project, Daimler Benz and SMH (Maker of the Swatch watch) formed a joint venture, the car was called a "Swatchmobile".

The Swatchmobile concept was based on Nicolas Hayak's (Chairman of SMH) conviction that consumers become emotionally attached to cars just as they do to watches. His vision was of high safety, ecology and a very consumer friendly area to sit in. Like the Swatch, the Swatchmobile was to be affordable, durable, and stylish. Hayak noted that safety would be a key selling point, declaring "this car will have the crash security of a Mercedes." Furthermore, the car was to emit almost no pollutants, thanks to its electric engine. The car would also be capable of gasoline powered operation, using a highly efficient miniaturised engine. Hayak predicted worldwide sales would reach one million units, with the U.S. accounting for about half the market.

In 1998, shortly after introduction, the joint venture between SMH and Daimler Benz ended. Daimler Benz bought out SMH's stake. Hayak was disillusioned with Daimler Benz, and Daimler Benz found Hayak difficult to work with.

Smart car has two major criticism: safety and price. Despite development of a crash management system that "enables small cars to be just as safe as larger ones", during its first winter (1999) on the road, there were reports of several accidents. In response, the company had developed "Trust Plus", a software package that would cut power if the wheels started to slip.

As for the price, the car originally sold for USD 10,500. After a period of disappointing sales in Italy and France, the price was reduced to USD 9300. Although many buyers of the Smart car have high incomes or already own two cars, they are concerned about the price value relationship.

**Questions :**

- (a) Is the Smart car an international or a global product? Do you agree with the European - only launch ? Justify your answer.
  - (b) Identify the target markets in which you would introduce this car. What sequence of countries would you recommend for the introduction ?
  - (c) How would you position the Smart car in the target markets selected by you ? Indicate the communication appeal that you would like to use.
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