

**MANAGEMENT PROGRAMME**

00228

**Term-End Examination**

**June, 2010**

**MS-64 : INTERNATIONAL MARKETING**

*Time : 3 hours*

*Maximum Marks : 100.*

*(Weightage 70%)*

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*Note : (i) Attempt **any three** questions from **Section-A**.*

*(ii) **Section-B** is **compulsory**.*

*(ii) All questions carry **equal** marks.*

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**SECTION - A**

1. (a) Why has there been such an increase in interest by business firms in international marketing ? Will this continue to increase ? Why, or why not ?  
(b) What is the basic objective of setting up of Export Promotion Councils ? Explain their major functions.
  
2. (a) Explain the meaning of the following statement : 'If a company is to be successful in foreign markets, it's management must have a good understanding of all aspects of the environment within which it will be operating'.

- (b) Explain the following Incoterms with the help of examples :
  - (i) Ex-works
  - (ii) CIF
  - (iii) DDP
  
- 3. (a) Explain the alternative product - communication strategies available to an international marketer.
- (b) Outline the procedure for conducting International Marketing Research, giving suitable examples.
  
- 4. Write short notes on *any three* of the following :
  - (a) Regional Economic Groupings
  - (b) Commercial Invoice and Proforma Invoice
  - (c) International media strategy
  - (d) Containerizations
  - (e) Transfer pricing

## SECTION - B

5. Study the case given below and answer the questions given at the end.

### STAR ENGINEERING

The annual planning process was well under way at the Mumbai headquarters of Star Engineering. In two week's time the final international marketing plan must be presented to the board of directors.

Star Engineering was established in 1950. It had grown from a local to a regional and then a national company. In the 1980s the company became active in exporting. It had been particularly successful in the Middle East and in South East Asia. Competition was particularly strong in the United States and in Japan. Because of this, star had, in the past, made a policy decision to avoid entering these two markets. Star currently has 65 percent of the Indian market, in total worth \$200 million. In the middle East, it has 20 percent of a market worth approximately \$100 million, while in South East Asia it has 25 percent of a market worth \$ 180 million. The main strategic thrust of the planning process this year is an expressed corporate aim to move towards world leadership, or, as the company chairman preferred to call it, to become the world star, instead of a rather modest world player.

Company sales turnover last year had grown by only 1 percent, to \$ 210 million. The world recession impacted particularly severely on the civil engineering industry, Star's main customer group, so in all the circumstances a 1 percent increase was a very creditable performance. Net profits, on the other hand, were reduced by 11 percent to \$ 16 million.

During the late 1990s Star Engineering began a process of becoming a more international company. Initially all non-Indian sales came from exporting. However, sales offices were set up in Dubai and Singapore. Later, a distribution depot was established in Singapore. This helped sales through improved customer services and the reassurance to customers created by Star's tangible presence.

In the future the company intends to manufacture in several other sites in addition to India. This would create some benefits for Star's international performance, but would also involve increased risks, particularly those created by political change.

The company needs to develop a more international marketing culture. Currently, it is unsure how to proceed ?

**Questions :**

- (a) Discuss the marketing implications of the process of increased international involvement of Star Engineering.
  - (b) Comment upon the cultural implications of the proposed organizational change.
  - (c) What approach would you propose to Star Engineering for evaluating existing and new overseas markets given its existing level of expertise and involvement ?
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