I. What is International Marketing and how does it differ from domestic marketing?

II. All questions carry equal marks.

III. Answer any FIVE questions.

PART A — (5 x 6 = 30 marks)

Maximum : 100 marks

Time : Three hours

(2012-13 Batch onwards)

GLOBAL MARKETING MANAGEMENT

International Business

Third Semester

M.B.A. DEGREE EXAMINATION, JUNE 2014.

MIB 3004
6. What are the reasons for the success of global brands?

7. What are the advantages of international advertising?

8. What is global retailing?

   PART B — (5 × 10 = 50 marks)

   Answer any FIVE questions.

   All questions carry equal marks.

9. Compare and contrast standardized, concentrated and differentiated global marketing.

10. Identify the five basic segmentation strategies.

11. Discuss the causes of political risk in International Trade

12. Explain how foreign laws can affect the four P's marketing?

13. What criteria should global marketers consider when making product design decisions?

14. Discuss the various types of pricing strategies and objectives available to global marketers.
other Latin American countries. Some products are shipped from Latin America to the United States, where they are distributed through various retail channels. These channels consist of independent retailers, supermarkets, and other types of retailers. The U.S. pharmaceutical companies (USPs) are a U.S. firm with substantial sales in Latin America.

Compliance

PART C — (20 marks)

Distribution arrangements improve the efficiency of the channel, minimizing costs associated with physical distribution. Each company has a different distribution network, and this affects the cost of doing business in Latin America.

Interventional Trade

Directly explain the impact of policies on sales promotion in the local market.
USP's Latinian plant is operated by the pharmaceutical division, it is engaged in the production and especially the compounding of USP's ethical drug line. It does no work for other USP divisions (cosmetics, proprietary medicines, and animal health). All the other divisions, which also sell in Latinia, export their finished products from plants in the United States. The Latinian plant employs 330 people, of whom only two are North Americans — the general manager, Tom Hawley and the director of quality control, Frixis Massialas.

USP's cosmetics and toiletries business accounts for $150 million in sales and is handled by a separate division — USP's 70 foreign markets. One of the division's better foreign markets is Latinia, where it has sales of over $8 million and an acceptable market position. Cosmetics and Toiletries has a marketing subsidiary in Latinia to handle its business there. Jim Richardson, an American, heads the subsidiary. The rest of the staff are Latinians.

Jim Richardson was very disturbed by the latest news received from the Latinian Ministry of International Trade. Tariffs were being increased on many "nonessential products" because of the balance-of-payments pressures the country had been experiencing for the past year and a half. For USP's Cosmetics and Toiletries, specifically this meant a rise in the tariffs it pays from 20 percent to 50 percent ad valorem. The 20 percent duty had posed no particular problem for Cosmetics and Toiletries because of the prestige of the imported product and the consumer franchise it had established. Richardson explained. He believed, however that the 5 percent duty was probably an insurmountable barrier.

Cosmetics and Toiletries competition in Latinia was about evenly divided between local firms and other international companies from Europe and North America. Jim believed that local firms, which had about 40% of the market, stood to benefit greatly from the tariff increase unless the international firms could find a satisfactory response. When Jim received the news of the tariff increase, which was to be imposed the first of October — one week away — he called a meeting to consider what Cosmetics and Toiletries could do. Deborah Neale, manager, Cosmetics marketing, and Emilio Ilanes, manager, Toiletries marketing, met with Jim to discuss the situation.

Several different courses of action were proposed at the hastily called meeting. Deborah suggested, "We could continue importing, pay the high duty and change the positioning strategy to appeal to high-price, premium market." Another idea was to import the primary ingredients and assemble and package them in Latinia. (duties on the imported ingredients ranged between 10% and 35% ad valorem). Emilio suggested asking cosmetics and toiletries in the U.S for a lower price on the products shipped to Latinia so that the duty would