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I.B.O.-2

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QUESTION PAPER

June – 2023

(Solved)

INTERNATIONAL MARKETING MANAGEMENT **I.B.O.-2**

Time: 3 Hours]

[Maximum Marks: 100

Note: Attempt any **five** questions. All questions carry equal marks.

Q. 1. What do you mean by international marketing involvement? Describe important reasons for a business firm to go international. Support your answer with suitable example.

Ans. Ref.: See Chapter-1, Page No. 5, 'International Marketing Involvement' and Page No. 22, Q. No. 8.

Q. 2. An Indian firm desires to export iron-ore, jewellery and spices. What orientation from among the EPRG framework should the company follow for achieving better results? Give reasons for your answer.

Ans. Ref.: See Chapter-2, Page No. 37, Q. No. 3.

Q. 3. What do you mean by International Market Segmentation? Explain briefly the bases of International market segmentation with examples.

Ans. Ref.: See Chapter-4, Page No. 53, 'International Market Segmentation'.

Q. 4. Differentiate between licensing and franchising. Explain their relative advantages and disadvantages as international market entry strategies.

Ans. Ref.: See Chapter-6, Page No. 79, (ii) Licensing and (iii) Franchising and Page No. 87, Q. No. 3.

Q. 5. Describe the phases of the international product life cycle. How does it help to the planning of the product? Discuss.

Ans. Ref.: See Chapter-7, Page No. 102, Q. No. 3.

Q. 6. Discuss the functions and importance of packaging. Explain the special considerations in packaging and labelling in international marketing.

Ans. Ref.: See Chapter-8, Page No. 117, Q. No. 4.

Q. 7. (a) Explain the objectives of International marketing communication.

Ans. Ref.: See Chapter-11, Page No. 159, Q. No. 3.

(b) Discuss the key issues in international marketing communication.

Ans. Ref.: See Chapter-11, Page No. 153, 'Key Issues in International Marketing Communication'.

Q. 8. Write short notes on the following:

(a) International marketing of services

Ans. Ref.: See Chapter-15, Page No. 204, 'Introduction', Page No. 209, Q. No. 9 and Page No. 210, Q. No. 12.

(b) Emerging trends and issues in international marketing

Ans. Ref.: See Chapter-16, Page No. 220, 'Introduction' and Page No. 227, Q. No. 4.

(c) Domestic marketing planning vs. International marketing planning

Ans. Ref.: See Chapter-14, Page No. 201, Q. No. 1 and Page No. 194, 'International (Global) Market Planning'.

(d) Complexities in International marketing research

Ans. Ref.: See Chapter-17, Page No. 232, 'Complexities in International Marketing Research'.

(e) Guidelines for Report Writing

Ans. Ref.: See Chapter-19, Page No. 268, 'Guidelines for Report Writing'.

(f) Census vs. Sample method of data collection

Ans. Ref.: See Chapter-18, Page No. 258, Q. No. 10.

■ ■

QUESTION PAPER

December – 2022

(Solved)

INTERNATIONAL MARKETING MANAGEMENT I.B.O.-2

Time: 3 Hours]

[Maximum Marks: 100

Note: Answer both Part-A and Part-B as per instructions.

PART-A

Q. 1. Write short notes on the following:

(a) Transfer pricing

Ans. Ref.: See Chapter-9, Page No. 126, Q. No. 16 and Page No. 133, Q. No. 7.

(b) Personal selling in international market

Ans. Ref.: See Chapter-13, Page No. 179, 'International Sales People'.

(c) Guidelines for framing questionnaire

Ans. Ref.: See Chapter-18, Page No. 244, 'Questionnaire'.

(d) Relationship marketing

Ans. Ref.: See Chapter-13, Page No. 180, 'Relationship Marketing'.

Q. 2. Differentiate between the following:

(a) Standardization and Adaptation of products

Ans. Ref.: See Chapter-7, Page No. 99, Q. No. 2.

(b) Franchising and Joint venture

Ans. Ref.: See Chapter-6, Page No. 79, 'Franchising' and 'Joint Venture'.

(c) Direct exporting and Indirect exporting

Ans. Ref.: See Chapter-6, Page No. 78, 'Exporting'.

(d) Warranty and Guarantee

Ans. Ref.: See Chapter-8, Page No. 114, Q. No. 13.

PART-B

Note: Attempt the following questions.

Q. 3. (a) What are the factors to be considered for determining pricing decisions in international marketing?

Ans. Ref.: See Chapter-9, Page No. 126, Q. No. 1.

(b) Discuss the different methods of pricing in international marketing?

Ans. Ref.: See Chapter-9, Page No. 130, Q. No. 4.

Q. 4. (a) Discuss the advantages of having an agent in the export market.

Ans. Ref.: See Chapter-10, Page No. 145, Q. No. 5.

(b) How would you select and motivate overseas agent?

Ans. Ref.: See Chapter-10, Page No. 139, 'Criteria for Selection of Channel'.

Q. 5. You are the marketing manager of an old established company manufacturing light automotive tyres and tubes in the country. In view of the severe slump in the domestic market, the management has asked you to explore overseas markets.

What are the factors on which you would collect data and information to short list priority markets and what criteria would you adopt in selecting the target market?

Ans. Ref.: See Chapter-4, Page No. 53, 'Bases of International Market Segmentation' and Page No. 55, 'International Market Targeting'.

Q. 6. "One of the critical decisions in international marketing is the mode of entering the foreign market."

Examine each of the market entry modes and the associated risks and advantages.

Ans. Ref.: See Chapter-6, Page No. 84, Q. No. 1.

Q. 7. (a) What are the basic objectives and advantages of branding?

Ans. Ref.: See Chapter-8, Page No. 106, 'Branding'.

Sample Preview of The Chapter

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INTERNATIONAL MARKETING MANAGEMENT

International Marketing: Basic Concepts

1

In this chapter we shall study the following:

- (i) Marketing concept
- (ii) Difference between selling and marketing
- (iii) International marketing
- (iv) Importance of international marketing
- (v) Reasons for entering international markets.
- (iii) Development of products and services for satisfying the needs of the target customers.
- (iv) Satisfying needs of target customers better than the competitors.
- (v) Ensuring reasonable profit by performing all these activities.

INTRODUCTION

The concept of **marketing** can be viewed from social and managerial perspectives. At its simplest, marketing can be defined as an exchange transaction that takes place between the buyer and seller. Marketing occupies an important position in the organisation of business unit. Traditional view of the marketing asserts that the customer will accept whatever product the seller presents to him. But this point of view of marketing has now changed. The modern concept may be viewed from the customer's point of view. Marketing is centered around the customer. Producer does not produce whatever he likes but whatever consumer wants. **Philip Kotler** has rightly remarked "*Marketing is analysis, organising, planning and controlling of the firm's customer-impinging resources, policies, activities with a view to a profit.*" Thus, the prime objective of marketing is the satisfaction of consumers' needs.

Following are the essential elements of marketing:

- (i) Identifying the customers who are chosen as the target of marketing efforts.
- (ii) Understanding the needs and wants of target customers.

Marketing management is that part of business management which is concerned with marketing. According to **Stanton**, "*Marketing management is the marketing concept in action.*" According to **Philip Kotler and Gary Armstrong**, "*Marketing management is the analysis, planning, implementation and control of programmes designed to create, build and maintain beneficial exchanges with target buyers for the purpose of achieving organisational objective.*"

Following are the **objectives** of marketing management:

1. Creation of customers: The first objective of marketing management is to create the demand of the product through various means. For this purpose, marketing manager attempts to find out the preferences and tastes of the customers so that goods produced are in accordance with the needs of the customers.

2. Market share: Marketing helps the business organisation to establish itself in the market. Various methods of sales promotion are used to make the goods popular. Goods of high quality are offered to the customers at reasonable price and aggressive selling

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efforts are made. All these activities help a firm to capture reasonable share in the market.

3. Goodwill: Marketing helps a business firm to build goodwill in the market. The basic objective of marketing is to popularise products. By building the goodwill, a firm increases its operations and turnover.

4. Consumer satisfaction: Modern marketing is customer-oriented. Marketing tries to realise long term goals of profitability, growth and stability through satisfying customer's wants.

MARKETING PHILOSOPHIES OR CONCEPTS

Philip Kotler has shown five competing concepts for carrying out marketing activity in any organisation:

1. Production concept: Production concept of market philosophy believes that customers are interested only in low priced, easily and extensively available goods; and finer points of the product are not very important to them. Hence, they believe that they must concentrate only on efficient (economical) and extensive (large scale) production.

A company which believes in this approach, concentrates on achieving high production efficiency and wide distribution coverage resulting in lower cost of production.

2. Product concept: The product concept implies that consumers favour those products that offer the most quality, performance, and features. Managers also believe that consumers appreciate quality features and shall be willing to pay 'higher' price for the 'extra'

quality in the product or service made available to them. Those companies which believe in product concept, concentrate on product and its improvement.

3. Selling concept: Selling concept assumes that effective selling can push its output into the hands of customers. In other words, it assumes that consumers on their own will not buy enough of organisation's products, unless the organization undertakes aggressive sales and promotional efforts. Hence some companies believe that aggressive permission and selling is the curse of the business success, and without such method they cannot sell and survive.

4. Marketing concept: Modern concept of marketing based on consumer satisfaction. All activities of an organization are directed to satisfy the consumers. Companies produce to satisfy consumers' needs and requirements. The consumer is treated as a king who dictates. "Make what you can sell instead of trying to sell what you can make" is the approach in marketing concept.

5. Societal marketing concept: Societal marketing concept is an extension of modern or marketing concept. Societal marketing concept emphasises social welfare along with the interests of the firm and its customers. This concept includes social implications in the decision-making. According to this concept, firms should consider the welfare of the society as well as consumer satisfaction.

Following table presents the comparative view of different marketing concepts:

Concepts	Stage 1	Stage 2	Stage 3	Result of Stages 1-3	Profits
Production Concept	Vague idea about customer wants	Mass Production	Mass Distribution	Product availability at a low price	Profits through mass Standardisation
Product Concept	Vague idea about customer needs	Superior Products by R & D	Distribution without proper marketing-mix	Superior performance product availability	Profits through 'Marketing Myopia'
Selling Concept	Vague idea about customer needs	Mass production and distribution	Maximum use of Selling techniques	Product availability; Buyer inertia	Profits through Hard-sell
Marketing Concept	Analyse target market	Know-what customer needs	Integrated Marketing	Product as per customer requirements	Profits through customer satisfaction
Societal Marketing Concept	Analyse target market & know customer needs	Study Customer Needs in the light of ecological impurities	Integrated market with ecological constraints	Product as per customer requirements and ecological constraints	Profits through human satisfaction.

Marketing and Selling: In common parlance, people often take selling and marketing to be the same. But it is not so. A seller and a marketer differ in terms of what they want to do and how they do. The goal of selling is not the same as that of marketing. Selling and marketing differ terms of their goals and the means to be employed in

achieving them. Selling means the process of distribution of goods and services irrespective of consumers' needs. Marketing means the process of production and distribution of such goods and services as are needed and desired by the customers. Following table shows the distinction between marketing and selling:

<i>Basis of Difference</i>	<i>Selling</i>	<i>Marketing</i>
1. Focus	Selling focuses on sellers' needs <i>i.e.</i> , increase in the sales volume.	Marketing focuses on customers' needs and desires <i>i.e.</i> , consumer satisfaction.
2. Scope	Selling is a narrower concept. Selling is a part of marketing.	Marketing is a wider concept. Marketing includes selling.
3. Basis	Selling is based on profit through sales volume.	Marketing is based on profit through consumer satisfaction.
4. Approach	Selling is a piecemeal approach to achieve short term goals.	Marketing is an integrated approach to achieve long term goals.
5. Process	Selling is concerned with the goods already produced.	Marketing begins before the production and continues even after the sale has been completed.

Strategic concept of Marketing: Strategic concept of marketing as propounded by **Wawen J. Keegan**, envisages that a marketer must know the customer in a context including the competition, government policy and regulation and the broader economic, social and political macro forces. In international marketing strategic concept of marketing means working closely with home-country government trade negotiators and other officials and industry competitors to gain access to a target country market.

Following are three principles of strategic marketing:

- (i) Customer value and the value equation.
- (ii) Competitive or differential advantage
- (iii) Focus or the concentration of attention.

Marketing Mix: Marketing mix may be defined as the set of controllable marketing variables/activities that the firm blends to produce the response it wants in the target markets. Marketing mix refers to set of four Ps—product, price, promotion and place that a firm blends to produce the response it wants in the target group.

According to **Stanton**, “Marketing mix is the term used to describe the combination of four inputs which constitute the core of company’s marketing system—the product, the price structure, the promotional activities and the physical distribution.”

Following are the components or elements of marketing mix:

(a) Product mix: Product mix refers to the activities relating to the product, service or idea to be offered. Product mix involves planning, developing and producing the right type of products and services to be marketed by the firm. Product strategy includes decisions about quality, size design, package design, branding, trade marks, warranties, guarantees, product life cycles, new development, etc.

(b) Price mix: Price mix refers to the decisions relating to the price charged for the product, service or idea. A marketing manager has to consider a number of factors while determining the price of the product, *e.g.*, cost of production, middlemen’s margin, cost of physical distribution, selling expenses, price of competing brands, price-elasticity of demand, etc.

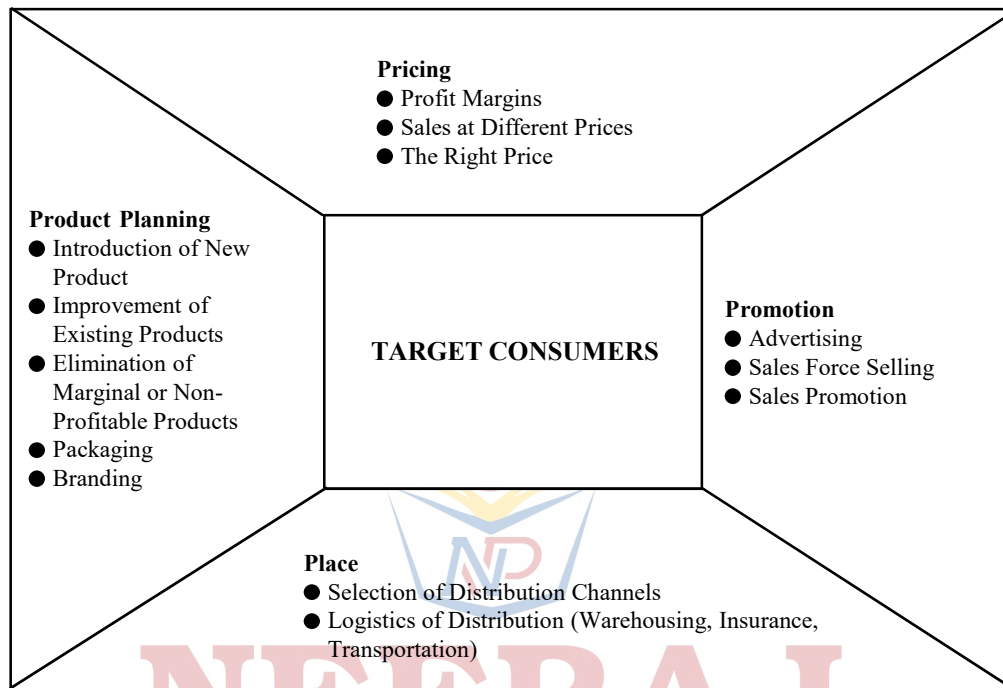
(c) Promotion mix: Promotion deals with the informing and persuading the customers regarding the firms product. Promotion mix involves decision with respect to following:

- (i) Advertising
- (ii) Publicity
- (iii) Personal selling
- (iv) Sales promotion
- (v) Public relations.

(d) Place or physical distribution mix: Finally, a marketing manager has to develop an institutional structure for making his products available to his customers at the right place and at right time. Physical distribution includes all those activities involved in moving products or services from producer to consumer.

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Following figure shows the components of marketing mix:



International Marketing: International marketing is the multinational process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. International marketing consists of finding and satisfying global customer needs better than the competition, both domestic and international, and of coordinating marketing activities within the constraints of the global environment. Thus, international marketing is the coordinated marketing process undertaken in several countries. The difference between domestic marketing and international marketing arise entirely from the differences that exist in the national environment within which the marketing effort is directed and the differences that arise in the organization and programme because of operations being conducted simultaneously in different markets.

Following terms are also used in the context of International Marketing:

1. Domestic Marketing: Domestic marketing is the marketing that is targeted exclusively on the home country market.

2. Export Marketing: Export marketing is the first stage when a firm thinks of the exploring market opportunities outside the country. In export marketing,

there is no direct marketing effort in the foreign country. The emphasis is on expanding the market size by exporting to other countries a firm involved in export marketing maintains a department with international sales force in the organizational structure.

3. International Marketing: In International Marketing, the focus of a firm changes from just exporting to marketing in foreign countries. A firm makes full-fledged marketing efforts in the foreign countries. The marketing mix developed for the home market is extended into the foreign markets. An international company normally relies on the international division structure for carrying out the international business. An international company establishes subsidiaries in the foreign countries to undertake marketing operations.

Multinational Marketing: Multinational marketing means adaptation of the domestic marketing mix (product, price, promotion and place or channels of distribution) suitable to the market differences in each country of operation. When a company decides to respond to market differences, it evolves into a stage three multinational or multi-domestic. Such a company formulates a unique strategy for each country subsidiaries are formed in each country or group of countries to handle all marketing operations in that country. Each foreign subsidiary is managed as if it were an independent unit.