



EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

FINAL YEAR - FIRST SEMESTER EXAMINATION IN B.B.A SPECIALIZATION
IN MARKETING – 2008/ 2009 (SEP – 2009)

MKT 4143 – INTERNATIONAL MARKETING

Answer All Questions

Time: 03 Hours

INSTRUCTIONS TO CANDIDATES

Answers to Section A, B and C must be written in the answer book.

SECTION A

Question 01

ESPN's Worldwide Reach

It began by mistake. Back in the late 1970s, Bill Rasmussen decided to launch a cable station to broadcast Connecticut-area sports. With the assistance of his partners, Rasmussen leased a building in Bristol from which to broadcast and then bought satellite time. Only after signing the agreement did he learn that his satellite coverage was national – and his small – scale plan of New England sports coverage began to grow. The early name of the channel – Entertainment and sports programming network – proved too much of a tongue twister and, in 1985, they settled on the ESPN acronym as the corporate name.

Since those early days during which the network scrambled to televise whatever it could – form a men's pro, slow-pitch softball game to its first NHL game in 1979-the organization has grown dramatically, filling what Will Burckhardt of ESPN says is now a saturated market for televised sports in the United States and rapidly moving overseas. "We reach 150 to 155 million households around the world (excluding United States); that encompasses about 180 markets and territories," says Burckhardt. ESPN reaches all seven continents, including one of the scientific stations located in Antarctica. The expansion has taken place over the last 15 years, beginning when ESPN provided groundbreaking coverage of the America's Cup international sailing race from Australia in 1987. That race seemed to be a turning point not only for ESPN, but for cable broadcasting itself. From there, ESPN purchased a majority interest in the European Sports Network (called Eurosport) and began service to 25 Middle Eastern and North African Nations. In addition to its European market, ESPN's largest international markets have become China, India and Argentina.

Marketing around the world is not easy. For instance, although India has a huge middle-class population, middle class in that country means that a family might earn about \$ 1,800 per year, as opposed to an American middle-class family's earnings of \$ 35,000 per year. The task of attracting viewers to pay for television is more difficult in India. In addition, the infrastructure for cable television is very different from that of United States, which requires more effort for marketers. India has tens of thousands of cable entrepreneurs servicing approximately 100 customers each, instead of a giant like AOL, which serves 13 million. So ESPN thinks that serving India is worth the effort and tailors its programming to the single most-watched sport in the nation: cricket.

In the beginning South American markets, where sports fanatics thrive, viewers can watch a wide variety of kinds of programming – Argentine rugby, Argentine polo, Brazilian basketball, and Brazilian tennis, to name a few. But Burckhardt emphasises that ESPN starts with a regional market strategy, “building a bed of programming from which you then start to localize.” Currently, most broadcasts are in English or the local language, but dealing with some countries where multiple local dialects is extremely difficult. In addition, consumers in smaller markets want to see broadcasters of their own nationality instead of ESPN's standard crew of broadcasters. “There is no question that people in Mexico would prefer all of our commentators to be Mexican, instead of some who are Argentine,” remarks Burckhardt. ESPN simply cannot afford to provide this degree of customization yet.

Ultimately, ESPN's goal is to reach as many households worldwide as possible, despite the difficulty in penetrating new markets. In spite of victories like the Masters broadcast, perhaps one of the greatest challenges to ESPN is that the company must, in large part, make its way through cable and satellite television operators before its programming ever reaches the consumers themselves. Those operators conduct business in different ways, they lack rating systems, and some even replace ESPN programming with home-grown shows. Then there are political challenges, such as when ESPN was thrown off Chinese cable after the United States mistakenly bombed a Chinese embassy in Eastern Europe. And there are legal tangles in every country that need to be dealt with, as well. But sports is an international language that tries to provide entertainment without political ramifications, and people everywhere love to watch it. “we are obviously not trying to promote any kind of political message through showing

American basketball game,” says Burckhardt. And perhaps that is the key to ESPN’s success – its ability to bring sport to everyone, everywhere, anytime.



Questions:

- a) How have environmental forces affected ESPN’s worldwide marketing efforts? (4 Marks)
- b) Why is it important for ESPN to be global? (5 Marks)
- c) What might be some barriers to trade for ESPN? (5 Marks)
- d) How would you describe ESPN’s global marketing strategy? (6 Marks)

(Total 20 Marks)

(Section A Total Marks = 20)

SECTION B

Question 2

- a) Define the term “**International marketing**”? And briefly explain **why** do companies go to international markets? (04 Marks)
- b) Briefly explain the **six criteria** for selecting a **market entry mode**. (05 Marks)
- c) List out and explain the **alternative entry strategies** available for expanding markets internationally. (06 Marks)

(Total 15 Marks)

Question 3

- a) Define the term "**Culture**". And list out types of culture researched by Ge Hofstede with examples.

(05 Mark

- b) List out the **environmental influences on pricing** decisions?

(04 Mark

- c) "International **pricing standardization** is not an easy task for international marketers". Elaborate on this statement.

(06 Mark

(Total 15 Mark

Question 4

- a) List out the reasons for **failure of international marketing planning**?

(04 Mark

- b) What are the major challenges in the international business environment?

(05 Mark

- c) Explain how do **electronic marketing technologies** assist in **developing and enhancing relationship** with customers?

(06 Mark

(Total 15 Mark

(Section B Total Marks = 4



SECTION C

Question 05

5.1 Differentiate the export marketing and international marketing in the given table below.

Issues	Export Marketing	International Marketing
Time horizon	a).....	b).....
Target market	c).....	d).....
Dominant objectives	e).....	f).....
Entry mode	g).....	h).....

(4 Marks)

5.2 In which of the following societies do people not like taking risks?

- a) Societies with low uncertainty avoidance
- b) Societies with high certainty avoidance
- c) Societies with low certainty avoidance
- d) Societies with high uncertainty avoidance

(2 Marks)

5.3 By 2050, _____ will be the most populace world region

- a) Asia
- b) Africa
- c) Europe
- d) North America
- e) Latin America

(2 Marks)

5.4 What are the 4C's in international marketing environment?

(2 Marks)

5.5 _____ help both buyers and sellers protect themselves against price and supply fluctuations?

- a) Manufactures
- b) Distributors
- c) Producers
- d) Both b and c

(2 Marks)

5.6 List out four of the possible public sources available for international research purpose.

(4 Marks)

5.7 Which of the following is readily available and cost effective?

- a) Secondary
- b) External data
- c) Primary data
- d) Internal data

(2 Marks)

5.8 _____ is formed when two or more countries agree to remove all barriers to trade between them, while establishing a common external tariff against other nations.

- a) Economic union
- b) European Union
- c) Custom union
- d) Common market

(2 Ma

5.9 Which of the following would be considered to be an uncontrollable element in a foreign environment?

- a) Channels of distribution
- b) Research
- c) Economic forces
- d) Promotion
- e) Product elements

(2 Ma

5.10 Fill the blanks given in the table

Firms Condition	Conducive	Non-conducive
Decision Maker		
Foreign oriented	a).....	b).....
Domestic oriented	c).....	d).....

(4 Ma

5.11 List out four e-commerce applications in international marketing?

(2 Ma

5.12 If a company adopts a concept wherein it views an entire set of country markets as a single unit, identifying groups of prospective buyers with similar needs as global market segments and developing a marketing plan that strives for standardization wherever it is cost-effective and culturally effective, the company has adopted what is called the:

- a) Marketing concept
- b) Societal marketing concept
- c) Global marketing concept
- d) Multi-domestic marketing concept
- e) Domestic marketing extension orientation

(2 Ma

5.13 List out the non-tariff barriers in international business environment?

(3 Ma

5.14 "When assessing the feasibility of foreign expansion, an organization must consider the national culture of its target country". Give two reasons for such an assessment.

(2 Ma

(Section C Total Marks =