

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – • EXAMINATION – SUMMER 2016

Subject Code: 2830501

Date: 04/05/2016

Subject Name: International Marketing

Time: 10.30 AM TO 01.30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q. 1 (A) Multiple Choice Question

06

1. The total number of unduplicated individuals exposed to a particular vehicle at least once during a specified period time is known as
- A. Effectiveness B. Frequency
C. Reach D. Duplication

- Which of the following can be renewed indefinitely?
2. A. Patent B. Copyright
C. Trademark D. IPR

- A strong orientation towards home country is an indication of
3. A. Ethnocentris B. Geocentrism
C. Polycentrism D. All

- Cash market where foreign exchange is available for immediate delivery
4. A. Options B. Futures
C. Forward D. Spot

- When a seller provides machinery and agrees to buy the related output made by that machinery, this countertrade is known as
5. A. Barter B. Offset
C. Counter D. Buyback
purchase

- When a marketer sells its products at a loss to drive out its competition, this dumping is known as
6. A. Predatory B. Reverse
C. Persistent D. Quick

- Q.1 (b)** Explain the following terms: **04**
1. IPR 2. Caribbean Basin Initiative
3. SRC 4. Shrink Wrapping
- Q.1 (c)** International Marketing is nothing but domestic marketing on a large scale. Do you agree or disagree. Justify your answer. **04**
- Q.2 (a)** Explain Factor Endowment Theory. **07**
- (b)** Explain Leontief Paradox **07**
- OR**
- (b)** Explain Tax Rates: Specific, Ad Valorem & Combined. **07**
- Q.3 (a)** What are measures that can be undertaken to minimize political risk? **07**
- (b)** Distinguish amongst Patent, Trademark & Copyright. As a painter, in order to protect your painting from being used by others, which form of protection will you apply for? **07**
- OR**
- Q.3 (a)** Why is it difficult for an MNC to deal with bribery? **07**
- (b)** Explain Big Car Syndrome and Left-hand drive syndrome. **07**
- Q.4 (a)** Explain various shipping documents. **07**
- (b)** Do you think there is a market for an international newspaper? Justify your answer. **07**
- OR**
- Q.4 (a)** Explain Indirect Channel Agents. – EMC, Co-operative exporter and Purchasing Agent. **07**
- (b)** Supposedly U.S. dollar is considered a global currency. All other currencies are demolished. Do you think this will be a practical decision? Justify your answer **07**

Strategy : Unilever vs. Nestle

Unilever:

Unilever was established in 1948 and produces house hold products like; detergents, toiletries, cosmetics, and food products. Unilever is a large corporation that has over 500 firms worldwide. Their products are sold in more than 170 countries. Unilever originated in Europe and then expanded to the United States, starting with two U.S. factories. They can be located in parts of Asia, Africa, North America, the Middle East, Western Europe, and South America. Unilever has a very impressive portfolio that includes eleven brands that annually gain revenue of more than one billion dollars each.

Unilever is aiming for global processes and alignment of their human resource activities. “Unilever is working with Accenture to identify supply opportunities within the marketplace and will look to develop longer term relationships with a rationalized base of preferred suppliers. We seek to do business with those who can supply goods and services in a reliable and cost effective manner.” (2010) there is even a way to apply to be one of Unilever’s suppliers that will provide human resource goods and services. Unilever gained a lot of their success because of the ability to adapt to new markets and technology.

Even while the company was facing struggles such as the Great Depression of the 1930’s, they were concentrating on diversification and expansion of their food markets. Unilever put great efforts into research and development. Unilever’s marketing efforts only varied slightly from the 1950’s until the 1980’s. In this time frame Unilever focused on technology, new products, new global markets, and keeping up with the world economies expansion. By the time the 1980’s arrived Unilever was one of the biggest global corporations which allowed them to focus their marketing efforts on their existing portfolio. By the 1990’s Unilever chose to keep its focus on its portfolio and even eliminated some of their brands so they could keep a strong focus on the top global sales products. In the 2000’s the company implemented a new five year strategic plan that focuses on the needs of consumers and a better future.

Nestle:

Nestle is one of the largest consumer packaged goods company in the world that focuses on increasing the nutritional value of the food that is consumed while increasing the taste. The company is classified as a nutrition, health, and wellness company. Nestle was a Swiss company that was founded in 1866,

Just like Unilever, they devote a lot of time to research in development. Nestle invest around 1.5 billion in research and development every year. Nestle markets nearly ten thousand different products to 130 different countries across the globe.

Nestle has always been about nutrition, so their global marketing over the years has been based off of demographics that show the changes in living standards and life styles. In the long history of the company, the times have changed. People live longer, and the global population has increased. This has had a huge influence on the way the Nestle runs their business and what products have been the main marketing focal points.

Nestle and Unilever both focus on health and wellness, but instead of focusing on the actual needs of the consumers like Unilever, Nestle focuses on their corporate wellness unit to bring good food, and good life to all of the consumers. Other words, they devote more time and effort into ingredients than the actual consumer.

The two corporations also differ in marketing because Unilever is sticking to its profile and even eliminated products, but Nestle is creating and enhancing hundreds of Nestle products. Nestles' packaging plays a big role in their marketing. Each package has what is called the "Nestle Nutritional Compass", to show consumers what they will benefit if they purchase the product. Nestles' philosophy is that nutritional information is not enough. The compass has three elements: Good to Know; which gives factual information on nutritional contents. Good to remember; which gives tips for healthy lifestyles, cooking, and diet. Good to talk; which invites the consumer to call the Nestle consumer service team or log on to the Nestle website. (2006)

Just like Unilever, Nestles marketing strategy is looking towards the future of their products. They are working on products that will be geared towards gestational issues, Alzheimer's, diabetes, obesity, and other items that will contribute to the health and wellness of the consumers.

1 What is the basic difference between the management strategies adopted between Unilever & Nestle ? Discuss this keeping in view the vision of the companies. (07)

2 Unilever tends to be more generalised whereas Nestle tries to practice a focused approach on nutrition. What will be its implications on the pricing strategy of products? (07)

Today Procter & Gamble is one of the most successful foreign marketers in China. They hire and develop local managers, heavily utilize research to study Chinese families in their daily life, and then integrate this information into its advertising, as well as formulating some products using local flavors, colors, and textures.

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QUESTIONS

1. Why was it necessary for Procter & Gamble to invest time and money into a 'pre-launch' period? (04)
2. What would the potential dangers if they just 'rushed into' the market? (04)
3. Do you think that most companies take this slower approach, or are more anxious to get into the market? (04)
4. What do you understand by the word 'glocal'? (02)
