

Jagan Institute of Management Studies
End-Term Examination, December, 2016 – January, 2017
Trimester V – PGDM 2015-17

International Marketing Management
ET_PG_IMM_2912

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Comment on any **FOUR** of the following:
- a) Profit is the only motive for which MNCs move to foreign markets.
 - b) Protectionism policy is good for the economic growth of the countries.
 - c) Direct Investment is an entry mode in which a firm has minimum level of control, risk and profits, in the foreign markets.
 - d) Consumer and Personal care products require a very high degree of adaptation, when marketed outside the home country.
 - e) Companies usually employ indirect mode of distribution, when product is of high value and involves complicated technology. **16**
- Q 2** Explain the important International marketing concepts under the EPRG Framework. Why it is that ethnocentric approach is not the best strategic option for firms marketing FMCG products, considering the cross cultural diversities? Give examples to support your answer? **13**
- Q 3** Explain the various methods of entering foreign markets by any Multinational corporation. Assuming you are hired as a consultant by a refinery firm or a fast food chain to advise them on entry strategies - what would you recommend for both and why? **13**
- Q 4** Distinguish between any **TWO** of the following giving suitable examples
- a) International and Domestic Marketing.
 - b) Direct and Indirect Exporting.
 - c) Product Standardization and Adaptations. **13**
- Q 5** Elaborate on the advantages of global advertising strategy? Highlight the importance of using a customised advertising solution for international brands? Discuss with reference to advertising strategies in India by brands like HUL, McDonalds, and Vodafone? **13**

Q 6 US president elect, Donald Trump threatened to pull the U.S. out of the World Trade Organization (WTO) if membership in the global trade body interferes with his plan to impose penalties on companies that move American production offshore. The bold warning came as Mr. Trump was discussing his plan to impose taxes or tariffs on U.S. companies that move manufacturing abroad. WTO is the Geneva-based trade club that includes most nations around the world and adjudicates trade disputes over agreed-upon tariffs and rules. “It doesn’t matter,” Mr. Trump said, “We’re going to renegotiate or we’re going to pull out. These trade deals are a disaster. World Trade Organization is a disaster.”

Trade barriers imposed on MNCs often impact their business operations in different countries. Discuss in brief the various Tariff and Non-Tariff barriers in the International trade and the reasons for their imposition. **13**

Q 7 Read the passage below and answer the questions given at the end.
The first set of Nokia feature phones - Nokia 150 and Nokia 150 Dual SIM - from HMD Global's stable will be rolled out in India, besides other markets of Europe, West Asia and Africa in the first quarter of 2017. The phones could be priced at less than Rs. 2,000. Espoo, Finland-based HMD Global, which bought out Microsoft Corp’s feature phone business along with contract manufacturer Foxconn for \$350 million this month, started with feature phones, or basic phones, on Tuesday, 13th Dec.’16, but will launch Nokia branded smartphones by June. “HMD will bring a new generation of mobile phones to consumers through an existing feature phone business and new smartphone range,” the company said in a statement. The two new models will beef up the existing Nokia feature phone portfolio, which comprises Nokia 105, Nokia 216 and Nokia 230 to further strengthen its portfolio. "Nokia has always had an emotional appeal, so it won’t be difficult for them to return, more so with feature phones,” said Jaipal Singh, analyst at IDC India. The demand for feature phones still continues in markets like India. But, at a time when Reliance Jio is coming out with 4G feature phones, should Nokia only focus on 2G feature phones, is something they will have to find an answer to," Singh said. The new phones costing about \$26 (Rs. 1,750) address a large global populace, specifically in markets like India and Africa, where feature phone users make up the bulk of the entire mobile phone user base, although the market is constantly shrinking. In India, 65% of the country’s 1 billion plus mobile phone users are still using feature phones, as per Counterpoint Research, while in Africa, the feature phone penetration is as high as 70%, as per data from telecom operator

Orange. On the other hand, smartphone shipments in India grew 11% to 32.3 million units in the quarter to September, as per IDC, while overall mobile phone market (smartphone and feature phones) shipment closed at 72.3 million units in the quarter, up 18.1%. HMD Global, which has a brand licensing agreement with Nokia for mobile phones and tablets, highlighted that the phones feature a ‘familiar’ user interface, which suggests that the phones might resemble their predecessors to a lot of extent. The devices have a 1020 mAh battery that can last up to 22 hours with talk time, and 31 days at standby (single SIM). The phones also have 2.4-inch screens and are equipped with a VGA camera with LED flash. The company will rely on Nokia’s massive and deep brand equity to sell devices in markets like India, where the product line up will be available on ecommerce platforms and in brick-and-mortar stores, including Nokia branded retail stores. HMD Global CEO Arto Nummela had told ET earlier this month that India will play a critical role in Nokia's “next phase of journey” while the brand will compete fiercely in the global smartphone market, currently dominated by Samsung and Apple.

Questions:

- a) Discuss whether the pricing policy adopted by HMD global is right for Indian market. Since the phones are being launched in Europe, West Asia and Africa also, explain what different pricing strategies are available for the company to adopt in these markets.
- b) Considering that Feature phone market is fast shrinking in the developing markets, is it the right decision for the firm to re-launch them in India? Comment.

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