



**THE UNIVERSITY OF THE WEST INDIES
FIVE ISLANDS CAMPUS**

Semester II

Examinations of APRIL/MAY 2023

Course Code: MKTG3001
Course Title: International Marketing Management
Date of Assessment: May 11th 2023
Time: 9:00 AM
Duration: TWO (2) HOURS

INSTRUCTIONS TO CANDIDATES:

This paper has 6 pages and 8 questions.

YOU ARE REQUIRED TO ANSWER ANY THREE FROM SECTION A AND ALL QUESTIONS IN SECTION B

THIS ASSESSMENT IS WORTH 60 % OF YOUR FINAL GRADE.

Section A (Answer any three (3) Questions)

1. Culture has been referred to as a “way of living”. Using Geert Hofstede Cultural Dimensions, use this statement as a guide for an international firm. Give examples to support your answer. (25 marks)
2. In an ideal world, companies would like to manufacture a standardized product. Discuss the factors that support the case for a standardized product and the circumstances that are likely to prevent its implementation. (25 marks)
3. Identify the main market entry methods used in International Marketing. For any two market entry methods, highlight the pros and cons of their implementation. (25 marks)
4. Pricing is one of the most complicated areas encountered by international marketers. What are some of the pricing considerations for a company going global? (25 marks)
5. Marketing communication is frequently the most difficult of the international marketing mix for an organization to plan and control. Discuss giving examples. (25 marks)

SECTION B (ANSWER ALL QUESTIONS)**CASE STUDY: Starbucks in China; Adapting Global Brands for success in China**

How can a company like Starbucks sell coffee to a nation of tea drinkers? What should Western marketers do when the mention of “office supplies” generates blank stares abroad? And how can firms tap into the purchasing power and desires of a huge, growing youth population? These were among the challenges discussed at a recent conference held in New York City titled, “Branding in China and India: The Reality and Future.” Jointly hosted by the Centers for International Business Education and Research at Columbia University, the University of Pennsylvania and the University of California at Los Angeles, the event featured panelists from well-known global enterprises who shared their advice for successfully taking brands across national borders.

“Multinationals adapt locally all the time,” says Wharton management professor Mauro Guillen, who moderated a panel on branding trends and issues in China. “The problem is that it may complicate logistics. So it needs to be managed, but it is both a necessity [for growth] and a way of making money.”

Creating a Latte Culture

What does the world’s most famous coffee retailer bring to the table in a land where green tea is the beverage of choice? “Our core strategy is to achieve presence in China through the ubiquity of our stores,” said Mark Aoki-Fordham, director and corporate counsel at Starbucks Coffee Company. Since homes in China tend to be small, Starbucks positioned its cafes as an attractive place to spend time between home and work, becoming a “critical meeting place and social nexus,” he said. In addition, the company focuses very heavily on customer service in China and offers a variety of green tea-based beverages as well as food and other products. Even the buildings themselves give a nod to their environment: “Architecturally we make sure our locations are integrated into their surroundings,” said Aoki-Fordham.

Nonetheless, getting consumers to crave a cappuccino fix hasn’t been easy. “We are still trying to educate Chinese customers about why our coffee is a good beverage to drink at all times of day — and we’ve found that they are not the most loyal,” Aoki-Fordham noted. “They love our brand; they’ll come in and buy a cup of coffee, and they’ll keep the cup with our logo facing forward as they walk, but they’ll refill it throughout the day with other brands of coffee!”

To increase brand visibility and foster more loyalty, Starbucks has engaged in a number of marketing programs in the country, even remaining true to its U.S. image as an advocate of sustainable practices. “As corporate social responsibility is a cornerstone of our brand, we engage in relevant community-based programs, even though such activities are not so big in China,” Aoki-Fordham said. The company also does

local integrated marketing. “We have innovative online contests and allow people to design cards and send them to friends; we even have a soap-opera episode campaign on video screens in Shanghai subways,” he said.

But are the Chinese really inherently less loyal to brands than other consumers? Panelist Roger McDonald, outgoing executive director for global accounts at Xerox Corporation, offered an explanation: “Where are they going to go for information? They have no references — their parents didn’t have those brands. They have to try the brands out themselves. So the question for the marketer is: Are you getting your message out, and is the client experience a good one? Remember that there is no history [in China] of elders or peers to [recommend] brands as there might be elsewhere.”

Jessica Zoob, senior vice president at American Express, had some advice for how brands could help boost their purchase potential in the Chinese market. She noted that the brand a customer ultimately chooses can depend heavily on what happens inside a retail location. “Loyalty scores in China tend to be bigger for stuff that lasts than for fast-moving consumer goods. [Consumers] are particularly interested in domestic brands, and the relationship between a retailer and the consumer is very transactional.” She added that customers often go into a store intending to buy a particular brand and end up purchasing something entirely different. “In China, the salesperson at the point of purchase has tremendous influence over products, so it’s important to control what’s happening because of this last-minute switching.”

Zoob also emphasized the need to promote a product’s functional attributes over emotional ones. “Explain the ‘what’ and ‘why’ of a product. Customers might not know what some products are, like dandruff shampoo.” She added that it is important to “be Chinese” — to pay attention to what works in that marketplace, like endorsements by personalities like Yao Ming (used by Visa) or Henry Kissinger (used by American Express). Western marketers also need to think “in [terms of] dynasties,” she said. “Everything in China is long term — that’s how the government thinks, and you have to have a different mindset.” In other words, brand building in China takes time, and clout in the marketplace isn’t achieved overnight.

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1. What were some of the challenges Starbucks faced when entering the Chinese market? (10 marks)
2. What was Starbucks’ strategy for creating a premium experience in China? (5 marks)
3. Describe using examples how Starbucks successfully implemented a product adaptation strategy. (10 marks)

END OF QUESTION PAPER