



EXAMINER'S REPORT

MAY 2001

INTERNATIONAL MARKETING MANAGEMENT & STRATEGY

Question 1

- (i) Few candidates achieved more than a pass mark in this question. The question was specific and to the point and asked about the role of Bord Failte in responding to the need to **re-position Ireland in international tourism markets**. Most papers contained long descriptions of the role of Bord Failte in the promotion of Ireland as a tourism destination with little or no reference to the problems of **re-positioning**.
- (ii) The objective of this question was to try to determine if candidates were aware of the implications of the changeover to the Euro for the Irish tourism industry and the processes which were already in place to help the industry cope with the changeover. Generally, the question was answered in an adequate fashion even though only a handful of papers mentioned the role of the Euro Changeover Board of Ireland (ECBI). Most papers concentrated on the topic of price transparency and what Bord Failte might do to ensure that Irish service providers understood the implications of this. It was surprising how many candidates adopted a very negative attitude to Irish tourism and to the level of service, quality and value for money of Irish hotels and service providers. While pragmatism is acceptable in a student of marketing, negativity is not. The effective marketer who is not an optimist and a seeker after opportunity is a contradiction in terms.
- (iii) Most candidates who answered this part of the question handled it well. The role of research as a precursor to planning and action was well set out in papers. Many candidates also highlighted the need for on-going research necessitated by the lack of homogeneity and the diversity of tourist customers and markets. Many papers instanced the research carried out by Bord Failte as part of their efforts to counter the fall off in bookings from U.K. and U.S. because of the foot and mouth epidemic.

Question 2

Most candidates who answered this question did very well. Candidates who listed criteria under the headings "Basic Provisions", "Sales Terms" and "General Provisions" as set out in the recommended text, pages 248 and 249 earned extra marks.

Question 3

This question was by the far the most badly answered in the examination. It is taken for granted that students who have reached the Diploma stage know what the BCG Matrix is about and its applications and limitations. Most candidates who tackled this question expounded at some length on the structure and components of the matrix itself but almost no one made any effort to apply the theory to international marketing. Almost no one tackled the limitations of the BCG matrix as applied to international marketing although this is the main thrust and content of the exposition set out in the essential text Chapter 4, pages 145 and 146. The application of the matrix to export market selection or the decisions about different strategies for different country/market situations was commented on in only very few cases even though these issues are dealt with at length in the essential text pages 145 to 149. As a result, most candidates who tackled this question failed to gain more than a bare pass mark. Chapter 4 of the essential text goes very much to the heart of International Marketing strategy and students should take the contents very seriously.

Question 4

Many candidates interpreted this question as being about methods of payment only. Most papers consisted only of descriptions of the various methods of payment with little mention of those that protect the exporter/international marketer against credit risk and how they do so. Only a handful of candidates mentioned Export Credit Insurance as protection against credit risk. Even fewer candidates tackled the more simple issue of exchange risk by mentioning being paid in the exporter's currency, a third currency, rise and fall clauses, forward contracts or simply allowing credit for only very short periods of time. Only one candidate mentioned the more complex foreign currency accounts or hedging instruments. Three candidates mentioned invoicing in Euros by firms doing business within the EU currency zone. The issues are dealt with reasonably well in Chapter 10 of the essential text. However, there is need for students to read outside the essential text to understand all the various options. The Examiner bore all the shortfalls in the essential text in mind while marking scripts. The need to understand credit and exchange risks and the various means of protecting against them is set out very clearly in the relevant section of the **Student Yearbook**. The syllabus as published in the Student Yearbook should be regarded as the ultimate study guide and not the textbook itself.

Question 5

Most candidates who attempted this question did very well and were quick to point out that the smaller firm would be more likely to suffer from lack of financial, managerial, manufacturing and brand/technical reputation than their larger counterparts. In most cases candidates were able to match the restrictions faced by the smaller firm with appropriate entry strategies. Chapters 6, 7 and 8 of the recommended text cover these issues extremely well and the contents of these chapters would be particularly important for the Irish marketer.

Question 6

Many candidates answered at length and expounded on all the **promotional** options available to the overseas marketer. These expositions on publicity/public relations, personal selling and sales promotions was a waste of time and effort as the question was specific in asking about evaluation overseas **advertising** media. The materials for a good answer are set out in Section 12.3 and 12.4 and Exhibit 12.3 of the essential text.

Question 7

As usual, this question helped many candidates top up their marks. As a matter of information, the pages in the essential text containing the question topic are given in brackets below.

1. Transfer Pricing (386)
2. Trading Company (221)
3. Certificate of Origin (502/503)
4. Experience Curve Effect (311)
5. Globalization (5)
6. Turnkey Operation (287)

Question 8

This was the first time E- Business technologies have figured in these examinations and the results were very positive. Very few candidates who attempted this question failed it and most papers showed that candidates had a good insight into the role and function of intranets and extranets in the modern E- Business environment. Many candidates were able to relate the applications of these technologies to marketing. The only issue that was, by and large, skimpily addressed was the issue of costs. Few people mentioned the role of the technologies in reducing operating costs and increasing/protecting cost competitiveness. It should be noted that this area is likely to become more and more important in international marketing and that – as is already beginning to happen – mention of the technologies will be expected to crop up in questions not directly related to E- Business. This will apply particularly to the product and promotions aspects of the international marketing mix.