



EXAMINER'S REPORT

MAY 2003

INTERNATIONAL MARKETING MANAGEMENT & STRATEGY

Question 1

Most candidates who attempted this question did very well provided they had read the Institute notes and the relevant materials in the recommended text. Many papers contrasted the differences between large and small enterprises in their setting up and administering of WEB sites. Alternatively, papers tended to illustrate how small and large companies took advantage of the technologies to set up WEB sites, intranets and extranets to help them gain market exposure, competitive advantage, better communications and supply chain efficiencies. Either of these approaches were very acceptable to the Examiner. A small number of candidates relied on general knowledge and obviously had not studied the topic at all. Without exception, candidates who tried to bluff their way through let themselves down very badly. Students should note that it is almost impossible for anyone to bluff their way through an examination at this level. The information required to pass the type of question asked is simply too specific and is very much derived from the standard texts.

Question 2

This question earned good marks for almost everyone who attempted it. The issues are straight forward and are well laid out in sections 2.4.2 of the recommended text and again in section 4.3.1. Students should note that, being the first chapter in the textbook, it is easy to overlook the importance of Chapter One. However, the ability of this chapter to deliver a comprehensive understanding of the whole internationalisation process and its importance in putting the more applied aspects of international marketing in context is invaluable to the student. In the context of the May 2003 examination Chapter One contains a lot of material which could be beneficially worked into answers to Question 2. Students should note the importance of Chapter One for examinations in the future.

Question 3

Surprisingly, this was not a popular question despite the fact that it asked about a topic which could have been anticipated by students who had read the Institute's "Guide to Global Management". Any supplementary notes published by the Institute should receive special attention from students. As supplementary readings they are intended to make up for some shortfalls and 'non-Irish' elements in the recommended text. As such, the notes are deemed to be very important by the Examiner. It should be anticipated that at least one question on the examination paper will normally arise directly from materials published in the two sets of notes. With very few exceptions, candidates who had studied the notes received very good marks. Those who were able to show with examples how small Irish firms could gain competitive advantage by applying the four building blocks did especially well.

Question 4

This question was intended to give students an opportunity to draw widely from various different sections of the recommended text. Chapter 8 would have been particularly pertinent to any answer. In fact, the results were somewhat disappointing. Almost all candidates had a very simplistic view of foreign manufacturing e.g. it was seen simply as a mode of entry into a foreign market rather than an opportunity to gain competitive advantage in the home and other markets through the lowering of costs. Many candidates did not tackle the issue of management of overseas manufacturing enterprises and the difficulties for the investor in managing a foreign production facility, in a foreign environment, where customs and practices may be quite different from those which apply in Ireland. Nevertheless, most candidates who attempted this question clocked up at least a pass mark. Students of international marketing should realize that Ireland is now a reasonably mature economy and that Irish marketers have become much more competent in the fields of international direct investment. The number of SMEs as well as large companies such as Magees of Donegal, Waterford Glass, etc. involved in overseas manufacturing is growing rapidly.

Question 5

Most candidates who mentioned costs, competition and demand when answering this question obtained a pass mark. However, candidates who went on to show how costs escalated as items such as export documentation, shipping, insurance, channel, customs clearance costs made their impact obtained added marks. Additional marks were also earned by candidates who were able to give examples of how competition and demand affected prices for various products/services in overseas markets. A small number of candidates who mentioned the pricing difficulties encountered by exporters of agricultural commodities such as beef, skim milk powder earned particularly good marks. Candidates should take every opportunity to examine opportunities afforded by simple straightforward questions such as this, to earn extra marks by giving examples. Students should also try to relate answers to this type of question to overseas and export markets and not confine themselves to general pricing concepts that do not have an international marketing dimension.

Question 6

As always, this question served candidates well and allowed them to clock up valuable marks.

1. Pro forma invoice (p.p. 574-575 of essential text). Students might like to note that the information given in the text book is a little deficient. One of the main uses of the pro forma in international trade – especially when consignments are going to less developed countries - is that it is used to generate import licences and to obtain the necessary foreign exchange from the importer's bank to pay for the consignment.
2. Platform countries – (p.327 of the essential text)
3. Dumping – (p.p. 51-52, 110, 446-447, 452 and 454 of essential text)
4. House organ - (p.527 of essential text)
5. Paris Union - (p.423 of essential text)
6. Maquilalora operations – (p.54 of essential text)

Question 7

This general question served candidates well and most of those who attempted it obtained at least a pass mark. Most papers gave examples of how each of the four elements of the

promotional mix might be used to achieve particular marketing objectives. However, there was a major failure to illustrate how each of the elements might be affected by market conditions overseas or in specific markets. There was, for example, little mention of how legislation in certain countries affected sales promotion activities – especially promotional pricing. (P.448 essential text). Also, the impact of advertising legislation and the scarcity of advertising media on promotions objectives were mentioned in few papers. (P.532,533 essential text).

There was an almost total failure to mention how various types of promotion might be used to stimulate activity in the channels of distribution – e.g. trade fairs were mentioned in few papers. The fact that so much promotions activity in overseas marketing is aimed at stimulating channel rather than end user response should not be overlooked by students. Some candidates interpreted promotional activities to mean only sales promotion activities – the various types of promotools such as samples, SELs, brochures, etc. The Examiner was quite happy to accept this narrower than intended interpretation of the question and to award marks accordingly.

Question 8

Questions relating to export documentation, methods of payment, quotations and shipping/freight/transportation have been asked frequently enough in the past to alert students to the importance of these topics from the examination point of view. It was, therefore, disappointing to find that answers to Question 8 of the May paper were not dealt with particularly well. The Examiner is always conscious of the complexity of international trade documentation and of the fact that this is a very ‘applied’ part of the programme. However, students are expected to be able to manage the practical aspects of international marketing as well as write about the more theoretical aspects. Students should, therefore, expect questions similar to Q8 to crop up occasionally in future examination papers.