



EXAMINER'S REPORT

MAY 2006

INTERNATIONAL MARKETING MANAGEMENT & STRATEGY

General Comments

It is becoming more noticeable that students are neglecting basic examination technique to an increasing degree. Two issues in particular seem to cause problems for students.

1. Questions are not being numbered at all or questions are incorrectly numbered requiring the examiner to read half way through a question in order to find out which one is being answered or – more irritating still – requiring the examiner to revise marks because the questions which is being assessed is not the one numbered by the student.
2. Students still persist in not reading questions properly. As usual, many students produce a load of material – often very good material – which has little or nothing to do with the question which was asked.

Question 1

This question was asked as part of the assessment of a student's ability to answer questions on the international marketing mix. It was generally well answered. Students should note that every paper contains a few questions on the international marketing mix. In the context of countertrade, students can expect to be asked to explain why countertrade continues to be popular as a method of payment (page 501 of the essential text), list the types of countertrade and show – perhaps with some examples - that they understand how the various methods operate.

Question 2

This question seems to have foxed many students even though it could have been approached in a number of different ways. This is the first examination that has tackled the area of global marketing which was included in the syllabus for the first time in the last academic year.

For this reason, Tables 1 and 2 may be of interest to students. Table 1 sets out some of the major differences between multi-domestic MANAGEMENT and global MANAGEMENT and Table 2 sets out some of the major difference between multi-domestic MARKETING and global MARKETING.

Table 1 - Differences between Multi-domestic Management and Global Management

	Multi-domestic Management	Global Marketing Management
Management orientation	Oriented to operating in readily available markets: progressive expansion: risk averse or conscious of maintaining risk at reasonable levels	Focused on global coverage: geometric market expansion: business risk tolerant: always conscious of risk to corporate image of failure and impact of unfavourable comment by stock market analysts
Resources	Management options often limited by the availability of resources: resource availability usually constrained by available funds and modest ability to raise investment and recruit expertise:	Management decision making aimed at taking advantage of every available opportunity to expand market coverage: capable of buying-in expertise, technology and resources: considerable ability to raise funds and investment
Marketing Mix	Management oriented towards developing and selling products and services rather than brands: willing to modify products and services as necessary: oriented towards modifying prices and terms of trade so long as profits are generated in each market: channel design opportunistic rather than strategically long term: willing to adapt distribution systems from market to market: to market conditions: promotions aimed at generating and maintaining sales: limited use of ICT for marketing and communications.	Unless a specialist (Nike, Nokia or MacDonalds) management willing to add to and take from a very wide portfolio of products and services: major emphasis on selling, developing and protecting brands: emphasis on maintaining a standardized products and services: every effort made to standardize price and discount policies across all markets: standardized distribution systems strategically designed for survival and effectiveness in the long term: standardized promotion methods and messages aimed at maintaining brand equity: extensive use of ICT for marketing, communications and co-ordination.
Competitive orientation	Competition regarded as coming from local competitors: major efforts to avoid head on competition with major multinationals and globals: unwilling to engage in price or promotions wars.	Competition regarded as arising mainly or only from other globals: willing to engage in major marketing wars to protect position.
Innovation	Opportunistic innovation	Continuous innovation and new product and brand development
Objectives	Each individual market is regarded as a separate profit centre and each separate market expected to be profitable.	Willing to take losses in individual markets in order to offset competition: stock market valuation rather than bottom line often the major objective: short term share quotation more important than investment in long term individual

		brand equity especially if there is a large portfolio of brands.
Relationships	Personal and opportunistic relationships with members of supply and distribution chains: management always conscious that the ability to influence people is limited.	Business like and arms-length relationships with members of the supply and distribution chains. Management always conscious of power and the dependence of people.
Markets	See Table 2.	

Table 2 - Differences between Multi-domestic Markets and Global Markets

	Multi-domestic Markets	Global Markets
Market boundaries	Markets are defined within nation state and country borders	Markets transcend country borders
Customers	Customers preferences and expectations are largely local in origin	Customers preferences and expectations transcend national and cultural borders and standardized products and services are expected to be available worldwide
Segments	Segments are defined locally – usually within national borders	Segments transcend national and even regional borders
Interdependence	Each local market operates in relative isolation of the rest. Strategies are not coordinated across markets	Local markets have very limited self determination and must conform to the major elements of centrally determined policy
Strategies	Many elements of strategy are locally focused and locally formulated.	Almost all elements of strategy are standardized and determined centrally

Question 3

This was the question on e-business that has become a feature of all examination papers in recent years. It posed few difficulties for students who had read the Institute’s reading on the topic but immediately exposed the students who had not done so. Students should be careful not to confine their studies of e-business just to the Institute’s readings: the e-business materials contained in the essential text are also relevant and examinable.

Question 4

This was a well answered question especially by students who were able to set out the diagram shown in Table 8.1 on page 250 of the essential text. Students should study this type of table and illustration carefully because, presented on an answer paper, it immediately earns extra marks.

Question 5

Again, this was a straight forward question and posed few difficulties for students. Students who included relevant examples scored particularly well in terms of marking.

Question 6

This question posed major problems for most students. Almost everyone who attempted this question answered it from the point of view of selling and the sales presentation. Almost no one actually attempted the question in terms of the materials set out in pages 308 to 312 in the essential text. The step up to global means that topics such as negotiation assume major importance as negotiation has now to consider issues far more complex than those involved in selling. The global marketing manager must negotiate agreements on strategic compliance within his/her own organization, the terms of long term strategic alliances with joint venture partners, relationships with the governments of sovereign states, the supply of critical raw materials and resources, and many other things. Students must take the step in the complexity of international marketing studies resulting from the inclusion of global marketing management into account, and recognize the need to study the essential text in some detail.

Question 7

With very few exceptions this question was extremely badly handled by students. The main problem seems to have been that the word 'communications strategies' were taken to be the same as the words 'marketing promotions strategies' which they are not. Because of the change in textbook and the move towards the more complex area of global marketing the examiner took a very lenient view on this occasion and was prepared to mark papers leniently. However, in the future, students must take careful cognizance of the materials contained in Chapter 10 of the essential text and in particular of the steps involved in formulating communications strategies shown in Figure 10.2 on page 312 of the essential text.

Question 8

This question provided a safety net for many students whose papers were on the margins of pass/failure. The attention of students is drawn to the Glossary and the Index at the back of the essential text as indications of the topics that might come up in this type of question in the future. However, the attention of students is also drawn to the need to be able to write more than just the 'bare bones' answers to each of the items in the question – 120 words means 120 words.