

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End-Semester Examination, May-2019

Course: GLOBAL MARKETING
Course Code: MKTG3007
Time: 02 Hours

Semester: VI
Programme: BBA-AM
Max. Marks: 100

Instructions: This question paper consists of four sections viz. A, B, C and D respectively. Section A & D is compulsory. Attempt **any four** questions from section B and **any three** questions from section C. **Be precise in answering the questions and adhere to the time limit.**

SECTION A (2*10=20MARKS) ATTEMPT ALL QUESTIONS

S. No.	Define the following	Marks	CO
Q 1	The study of international marketing should focus primarily on a) Product b) Place c) Promotion d) Pricing e) All of the above	2	1
Q2	This kind of international marketing study contrasts two or more marketing systems to identify similarities and differences. a) Domestic marketing b) Foreign marketing c) Comparative marketing d) Extensive marketing	2	1
Q3	For practical purposes, the difference between the concept of international marketing and the concept of multinational marketing is a) Significant b) Insignificant c) Meaningful d) Adequate	2	1
Q4	A strong orientation toward the home country is an indication of a) Ethnocentricity b) Polycentricity c) Geocentricity d) Regiocentricity	2	1
Q5	This world organization monitors trade and resolves disputes. a) WTO b) IMF c) UNCTAD d) WORLD BANK	2	1
Q6	This is not a characteristic of "centrally planned economies." a) A communist philosophy	2	1

	<ul style="list-style-type: none"> b) An active government role in economic planning c) Bureaucratic political/economic systems d) Market-oriented economy 		
Q7	<p>Disney (U.S.A.) does not own the Disneyland amusement park in Japan but receives royalties because of this type of arrangement.</p> <ul style="list-style-type: none"> a) Exporting b) Joint venture c) Licensing d) Manufacturing 	2	1
Q8	<p>When consumer need is similar across countries but use conditions for a product vary, this strategy should be used.</p> <ul style="list-style-type: none"> a) Product extension-communications adaptation b) Product adaptation-communications extension c) Product invention d) Dual adaptation 	2	1
Q9	<p>Global branding is a branding alternative that bears great advantages such as:</p> <ul style="list-style-type: none"> a) elimination of brand confusion, easy identification and recognition b) reduction of advertising costs c) uniform world-wide image d) all of the above 	2	1
Q10	<p>Which of the following represents a company's effort to identify and categorize groups of customers and countries according to common characteristics?</p> <ul style="list-style-type: none"> a) Global market research b) Global positioning c) Global targeting d) Global market segmentation 	2	1

SECTION B (5*4=20MARKS) ATTEMPT ANY FOUR QUESTIONS

S.No.	ANSWER THE FOLLOWING QUESTIONS BRIEFLY	Marks	CO
Q1	By using examples, review the key variables that affect the international marketer's choice of distribution channels in context of automobile sector	5	1
Q2.	Throw some light on various approached of global marketing in automobile industry	5	2
Q3	Draw up a list of the respective pros and cons of licensing.	5	2
Q4	How do high-context cultures differ from low-context? What strategies do automobile companies adopt to cater these culture countries?	5	2 & 3
Q5	What are the factors that international managers of automobile industry should consider in determining the economic and political risks associated with a country?	5	1 & 2

SECTION-C (10*3=30MARKS) ATTEMPT ANY THREE QUESTIONS

S.No.	ANSWER THE FOLLOWING QUESTIONS IN DETAIL	Marks	CO
Q1	The entertainment industry has been warring for years to combat computers and the Internet to copy and transmit music and movies. The biggest winner has been consumers who pay very little or nothing to get their favorite movies due largely to the Internet sector's innovations. There are over 12,000 cases with the entertainment industry suing	10	2 & 3


	<p>individual users. Recently, The U.S. Supreme Court ruled in favor of copyright holders and against two companies that distribute peer-to-peer (P2P) software, which allows users to share files online with others. Tens of millions of Internet users regularly use P2P to exchange music and, to a lesser extent, films. It seems that with continuous technology introduction, free downloads will continue to increase. The real challenge for content providers is to use new technology to create value for customers and to make those who fail to use legitimate content feel bad about it.</p> <p>Do you think entertainment companies should craft ways to use innovative technology to realize their wares in ways that will also allow copyright to be protected? Since the Internet has no virtual borders, what should entertainment companies do to secure their global market, especially in those countries that have weak intellectual property protection?</p>		
Q2	What do you understand by the term “Global Convergence”? Do you think that Global convergence of needs have significant impact on global marketing strategies. Give reasons.	10	2 & 3
Q3	Foreign investment is quite crucial for any developing country. In view of above statement explain in details the advantages and disadvantages of foreign direct investment.	10	2 & 3
Q4	A company decides to enter international markets. It decides to produce a product in a foreign country and market it there. However, the company is not interested in investing in manufacturing facilities in a foreign country. Identify the entry modes suitable for the company in this regard and explain them briefly. Explain in context of automobile sector	10	1 & 3
SECTION-D (15*2=30MARKS)			
S.No.	Read the following case and the questions that follow	Marks	CO
	<p style="text-align: center;">CAN McDONALD’S DE-THRONE THE COLONEL IN CHINA</p> <p>McDonald’s opened its first restaurant in China in Shenzhen in 1990. McDonald’s expansion since then has been rapid: it had 750 outlets by the end of 2005 and planned to have 1,000 restaurants by the time of the Beijing Summer Olympics in 2008, for which McDonald’s is a sponsor. Contrary to KFC, which is opening outlets in second and third tier cities, McDonald’s prefers to grow within the large cities. Tim Fenton, McDonald’s executive in charge of Asian operation, says: “When you start to get out of the bigger cities you start to fragment your transportation infrastructure.”</p> <p>However, although McDonald’s may be the undisputed fast food brand in the Western world, it is far behind Yum! Brands in China. Yum! Brands operates Pizza Hut (180 restaurants) and, most importantly, KFC. KFC has over 1,500 outlets in China and a broader geographic coverage than the Golden Arches. Yum! may have had a first-mover advantage: it was the first fast-food restaurant chain to enter China in 1987 (Pizza Hut was introduced in 1990). The fact that most Chinese consumers prefer chicken to beef also helped Yum! to build up a successful business in China. KFC has also a much more localized menu than McDonald’s featuring items such as a “Dragon Twister,” egg tarts, and congee. David Novak, Yum! Brands chief executive, predicts that KFC’s China business is on track to become as big as McDonald’s in the USA.</p>		

Still, McDonald's is not willing to cede China to the Colonel. One way that McDonald's is trying to narrow the gap is by adding drive-through restaurants. KFC was the first western fast-food chain to open a drive-through in China in 2002. McDonald's opened its first one in November 2005. The three it had by early 2006 were outperforming average volume of existing restaurants by 50–80 percent. The chain plans to open 12 to 15 drivethroughs every year for the coming three years. The company hopes to benefit from the rapid growth of car ownership.

McDonald's will also introduce menu changes. The company believes that there are three basic customer tiers: value conscious diners; less price-sensitive diners loyal to the core menu items of Big Macs and fries; upper-level consumers who are willing to buy premium items. In China, McDonald's launched nine products priced at 60 US cents or less. It will also launch a rice burger, first introduced in Taiwan, targeted at higher spending consumers.

Clearly, McDonald's remains a brand to watch in China, in spite of the strides made by Colonel Sanders' KFC army. Fears triggered by bird flu might convince Chinese consumers to enjoy a Big Mac or rice burger instead of the Colonel's fried chicken. Nutritional concerns that have cast a shadow in developed markets are less of an issue in China. As Tim Fenton pointed out: China is obviously the biggest opportunity that we have going right now."

	<p>Still, McDonald's is not willing to cede China to the Colonel. One way that McDonald's is trying to narrow the gap is by adding drive-through restaurants. KFC was the first western fast-food chain to open a drive-through in China in 2002. McDonald's opened its first one in November 2005. The three it had by early 2006 were outperforming average volume of existing restaurants by 50–80 percent. The chain plans to open 12 to 15 drivethroughs every year for the coming three years. The company hopes to benefit from the rapid growth of car ownership.</p> <p>McDonald's will also introduce menu changes. The company believes that there are three basic customer tiers: value conscious diners; less price-sensitive diners loyal to the core menu items of Big Macs and fries; upper-level consumers who are willing to buy premium items. In China, McDonald's launched nine products priced at 60 US cents or less. It will also launch a rice burger, first introduced in Taiwan, targeted at higher spending consumers.</p> <p>Clearly, McDonald's remains a brand to watch in China, in spite of the strides made by Colonel Sanders' KFC army. Fears triggered by bird flu might convince Chinese consumers to enjoy a Big Mac or rice burger instead of the Colonel's fried chicken. Nutritional concerns that have cast a shadow in developed markets are less of an issue in China. As Tim Fenton pointed out: China is obviously the biggest opportunity that we have going right now."</p>		
Q1	Do you agree with the steps McDonald's plans to take to expand its business in China (adding drivethroughs, focus on big cities, localize menu)?	15	2 & 3
Q2	What other remedies would you prescribe if you were in Tim Fenton's shoes?	15	2 & 3

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SECTION A (2*10=20MARKS) ATTEMPT ALL QUESTIONS

S. No.	Define the following	Marks	CO
Q1	This world organization monitors trade and resolves disputes. a) WTO b) IMF c) UNCTAD d) WORLD BANK	2	1
Q2	This is not a characteristic of "centrally planned economies." a) A communist philosophy b) An active government role in economic planning c) Bureaucratic political/economic systems d) Market-oriented economy	2	1
Q3	Disney (U.S.A.) does not own the Disneyland amusement park in Japan but receives royalties because of this type of arrangement. a) Exporting b) Joint venture c) Licensing d) Manufacturing	2	1
Q4	When consumer need is similar across countries but use conditions for a product vary, this strategy should be used. a) Product extension-communications adaptation b) Product adaptation-communications extension c) Product invention d) Dual adaptation	2	1
Q5	Global branding is a branding alternative that bears great advantages such as: a) elimination of brand confusion, easy identification and recognition b) reduction of advertising costs c) uniform world-wide image d) all of the above	2	1

Q6	Which of the following represents a company's effort to identify and categorize groups of customers and countries according to common characteristics? a) Global market research b) Global positioning c) Global targeting d) Global market segmentation	2	1
Q7	Which of the following represents a company's effort to identify and categorize groups of customers and countries according to common characteristics a) Global positioning b) Global market segmentation c) Global targeting d) Global marketing research	2	1
Q8	Being a global organization means: a) creating standardized products for homogeneous markets. b) customizing the product range for each segment in part. c) creating both standardized and customized products. d) any of the above.	2	1
Q9	Which term refers to the phenomenon in which the world's population shares commonly recognized cultural symbols? a) global village b) multicultural village c) global city d) monopolistic market	2	1
Q10	A true multinational organization will often adopt a _____ strategy. a) Synchronized b) Focused c) Standardized d) Multidomestic	2	1

SECTION B (5*4=20MARKS) ATTEMPT ANY FOUR QUESTIONS

S.No.	ANSWER THE FOLLOWING QUESTIONS BRIEFLY	Marks	CO
Q1	How Indian two-wheeler market differs from global two-wheeler market. Explain briefly	5	1
Q2.	What are the challenges of Electric vehicles in Indian market as compared to developed global market?	5	2
Q3	Is Tata Nano a threat to premier bike segment in India? Yes/No. Support your answer with valid justifications	5	2
Q4	What do you understand by the term convergence of global needs? How far is this phenomenon helpful for global companies?	5	2 & 3
Q5	What are the factors that international managers of automobile industry should consider in determining the economic and political risks associated with a country?	5	1 & 2

SECTION-C (10*3=30MARKS) ATTEMPT ANY THREE QUESTIONS

S.No.	ANSWER THE FOLLOWING QUESTIONS IN DETAIL	Marks	CO
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Q1	Countries showing strong uncertainty avoidance such as France, Germany, and Italy have witnessed a rise in the consumption of mineral water since 1970. In fact, according to one study, the correlation between mineral water consumption and the uncertainty avoidance score for 1996 was almost 0.75. What might explain the linkage between uncertainty avoidance and mineral water consumption. What other products might find opportunities in strong uncertainty avoidance countries?	10	2 & 3
Q2	In a host of emerging markets (e.g., India, Brazil, Thailand), 50+ percent of the population is under 25 years old. One marketer observes: “teenagers are teenagers everywhere and they tend to emulate U.S. teenagers”. Is there a global teenager segment? Do teenagers in, say, Beijing really tend to emulate L.A. teenagers? Discuss.	10	2 & 3
Q3	One of the cultural dimensions singled out by Hofstede is the individualism/collectivism distinction. What would this categorization imply in terms of setting up a sales force for international marketers? For instance, what incentive schemes might work in an individualist culture? Collectivist? Support your answer in terms of an automobile company	10	2 & 3
Q4	One of the many advantages of globalization suggested is economy of scale and scope. There is, however, a counterargument to this advantage. Mass customization production techniques could lead to erosion of scale and scope economies with the added advantage of being able to customize products, if not for individual customers, definitely for individual markets. Discuss the strengths and weaknesses of this counterargument in the context of automobile industry.	10	1 & 3

SECTION-D (15*2=30MARKS)

S.No.	Read the following case and the questions that follow	Marks	CO
	THE KFC PROBLEM KFC, a fast-food operator, faced immense resistance from some politically active consumer groups when it opened its operations in India. One group proclaimed that opening KFC outlets in the country would propagate a “junk-food” culture. Others proclaimed that this was “the return of imperialistic powers” and was an attempt to “Westernize the eating habits” of Indians. Overzealous local authorities in the city of Bangalore used a city law restricting the use of MSG (a food additive used in the chicken served by KFC) over a certain amount as a pretext for temporarily closing down the outlet, despite the fact that the authorities did not even have the equipment to measure the MSG content in the proportions stated in the law. In the capital city of New Delhi, a KFC outlet was temporarily closed down because the food inspector found a “housefly” in the restaurant. While both of these issues got resolved through hectic consultations with these consumer groups and through legal orders issued protecting the interests of the outlets, they do reflect how political and social concerns of even a small segment of the population can adversely affect the operations of companies in foreign markets		
Q1	If you were the country manager of KFC in India, what steps would you have taken to avoid these problems?	15	2 & 3
Q2	Do you agree with the statement of “junk-food culture” given in the case? If yes then what option you could suggest KFC for healthy and delicious food. If no then give reasons in support of your answer.	15	2 & 3