

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION 2014

IDE

TITLE OF PAPER : INTERNATIONAL MARKETING
COURSE : BA 423
DEGREE AND YEAR : BCOM 6
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION

SECTION A (COMPULSORY)

READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW

BRANDING IN AFRICA: OLD RULES DON'T APPLY

International brands that try to “bulldoze” their way into African markets without thought for local culture or consumer habits are bound to fail, says Gary Harwood, of Johannesburg agency HKLM. “Just because a brand is successful in the UK, does not mean it will fly in Uganda,” he says. “Many imported brands and cultures are not welcome because they are perceived to be invasive and insensitive. A brand’s attitude is as important as the product or service itself”. There has never been a better time to take brands to Africa, says Harwood, whose agency conducts much of its business outside SA. At a time when many mature markets are struggling to grow, Africa is seen as one of the last untapped frontiers for marketers. It may be off a small base but consumer spending is expected to show strong growth in coming years.

However, Harwood says Africa’s diversity and unique challenges demand a different way of thinking. “There is no standard response to branding in Africa. The continent is both predictable and unpredictable and none of its populations or its places are homogeneous. Diversity presents opportunity but marketers have to truly know and understand the continent’s myriad nuances”.

Overseas marketers won’t understand local markets by sitting in air conditioned offices in capital cities. The rural pace of the hinterland is different from the urban energy of the cities. Both should be treated with equal respect.

“Seeing is believing,” says Harwood. “Journey deep into the regions to experience your intended brand spaces first- hand.” Africa’s cultural complexity is unlikely to respond to anodyne global marketing messages, “Brands that balance local relevance and context with international aspirations are irrefutably more successful,” says Harwood. Many Africans seeking a better life respond better to optimistic, positive marketing messages.

Other tips for success in Africa? Don’t clutter the market. A single, “monolithic” brand is preferable to multiple small brands that risk confusing consumers. Be true: African consumers expect brands to do what they promise. Community upliftment and engagement should be part of the activities. Marketers should tear up the familiar rule

books. While TV, radio and print campaigns may all have their place, success demands innovation and “local brand activations that inspire and engage”.

Finally, says Harwood, don’t ignore the way digital technology, particularly mobile phones is transforming lives in Africa. “The spread and reach of the new media channels present huge opportunity. Marketers need to invest time and effort in determining the ideal mix”.

QUESTIONS 1

- a) The writer of the above article seems to be advocating for local brands or localized branding. Explain Why? (10 MARKS)
- b) Discuss the advantages and disadvantages of product/brand standardization or extension. (20 MARKS)
- c) Another aspect of branding is the country-of-origin-effect. Explain how the country-of-origin-effect can influence the sales of certain products in Africa. (10 MARKS)

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

- a) Compare and contrast standardized, concentrated, and differentiated global marketing. Illustrate each strategy with an example from a global company. (15 MARKS)
- b) Explain with examples the difference between high-tech product positioning and high-touch product positioning. (5 MARKS)

QUESTION 3

- a) Explain the role of the World Trade Organization in facilitating global trade relations among nations. (8 MARKS)
- b) Identify the main preferential trade agreements in Africa. (12 MARKS)

QUESTION 4

Discuss the difference between ethnocentric, polycentric, and global pricing strategies? Which one would you recommend to a company that has global market aspirations? (20 MARKS)

QUESTIONS 5

Explain why PR is important for global companies and then discuss some of the ways PR practices vary in different parts of the world? (20 MARKS)