



**UNIVERSITY EXAMINATIONS: 2013/2014**

**EXAMINATION FOR THE MASTERS OF BUSINESS ADMINISTRATION**

**MKT 506 INTERNATIONAL MARKETING (EVENING)**

**DATE: APRIL, 2014**

**TIME: 3 HOURS**

---

**INSTRUCTIONS: Answer Question One and Any Other Three Questions**

---

**QUESTION ONE (31 MARKS)**

**Marketing for an International Fast Moving Consumer Goods Company**

Large multinational corporations may still need to tailor their products and services to local market needs. Unilever is one of the world's biggest consumer products companies. It seeks to establish its brands on a global basis and support them with state of the art research and development. However, it is acutely aware that markets differ and that, if it is to be global, it has to be prepared to adapt to local market conditions. It also recognises that if it is to have global reach, it has to be able to market its goods in poorer areas as well as richer areas. Indeed it estimates that by 2010 half of its sales will come from the developing world – an increase of over 30 per cent from the equivalent figure in 2000. In the rural areas of India, Hindustan Lever is setting about marketing Unilever's branded goods in ways suited to local conditions. Much of the effort goes into marketing branded goods in local *haats* or market places, where Unilever representatives sell the products from the back of trucks using loudspeakers to explain the brand proposition.

Local executives argue that, poor as people are, they 'aren't naturally inclined to settle for throwaway versions of the real deal – if the companies that make the real deal bother to explain the difference'. To help develop the skills to do this Lever management trainees in India begin their career by spending weeks living in rural villages where they eat, sleep and talk with the locals: 'Once you have spent time

with consumers, you realise that they want the same things you want. They want a good quality of life.’ The same executives have innovated further in the way goods are marketed. They have developed direct sales models where women, belonging to self-help groups that run micro credit operations, sell Lever products so as to make their collectives’ savings grow. Where television viewing is uncommon Hindustan Lever marketing executives have also mounted thousands of live shows at cattle and trade markets, employing rural folklore. The aim here is not just to push the Lever brands; it is to explain the importance of more frequent washing and better hygiene. Indeed sales personnel attend religious festivals and use ultraviolet light wands on people’s hands to show the dangers of germs and dirt.

But it is not just the way the goods are marketed that is tailored to rural India. Product development is also different. For example, Indian women are very proud of the care of their hair and regard hair grooming as a luxury. However, they tend to use the same soap for body washing as for washing their hair. So Lever has dedicated research and development efforts into finding a low-cost soap that can be used for the body and for the hair and which is targeted to smaller towns and rural areas. As Keki Dadiseth, a director of Hindustan Lever, puts it: ‘Everyone wants brands. And there are a lot more poor people in the world than rich people. To be a global business . . . you have to participate in all segments.’

**Required:**

- a) What are the challenges a multinational such as Unilever faces in developing global brands whilst encouraging local responsiveness? (11 Marks)
- b) Using relevant examples, mention at least FIVE segmentation techniques which this organization can use as it decides to come and invest in Africa (10 Marks)
- c) Multinationals have been criticised for marketing more expensive branded goods in poorer areas of developing countries. What are your views of the ethical dimensions to Hindustan Lever’s activities? (10 Marks)

**QUESTION TWO**

- a) Distribution system of an organization may as well be referred to the blood system in a human body. Discuss (11 Marks)
- b) Using the product mix concept, explain how an organization like Bidco oil can sustain its leadership in the consumer good market in East Africa. (12 Marks)

### **QUESTION THREE**

- (a) Consumer behavior is all about the process of buying, using relevant examples, explain the strategic options an organization like Toyota Kenya can use on every stage of the process. (13 Marks)
- (b) Identify and explain the process of international marketing research. (20 Marks)

### **QUESTION FOUR**

- (a) Cooper Motor Corporation is in a 'catch 22 situation' in Kenya, it has realized that the demand for their premium brand or cars is waning yet they have not broken even after their recent heavy investment in the market, they need to recoup their investment in the shortest time possible, What price mechanisms would you advice them to opt for? (13 Marks)
- (b) Explain how international segmentation of marketing can be done. (10 Marks)

### **QUESTION FIVE**

- a) Marketing Communication is much more than window dressing, evaluate giving critique were necessary the communication element used by KCA University. (12 Marks)
- b) 'Marketing begins and ends with consumer'. Rationalize the statement by explaining the process of marketing research. (11 Marks)

### **QUESTION SIX**

- a) Describe the packaging techniques and method KETEPA may use for their raw tea and ready to drink iced tea as they prepare to begin exporting both the products to south Sudan in the next quarter. (12 Marks)
- b) Explain the significance of labeling for a branded product. (11 Marks)