

CHUKA



UNIVERSITY

## UNIVERSITY EXAMINATIONS

### EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

**BCOM 423: INTERNATIONAL MARKETING**

**STREAMS: BCOM**

**TIME: 2 HOURS**

**DAY/DATE: FRIDAY 06/12/2019**

**8.30 AM – 10.30 AM**

#### INSTRUCTIONS:

**Answer Question One and any other Two Questions**

#### QUESTION ONE

Read the Case below and answer the questions that follow:

#### HOW TO EXPORT HOUSES

Prefabricated houses are not new. Some well-known mail-order retailers started selling such houses in the US decades ago. One advantage of this type of houses is quick assembly. Another incentive is the lower price achieved through mass production. Another advantage is better quality control. The major disadvantage is the products image. There is no prestige in living in a prefab house and the uniform look does not enhance consumer perception. Thus, the negative image for this housing strategy is quite overwhelming.

In Japan, where land and housing costs are outrageous, prefab houses are a necessity to many. One Japanese firm that has acquired technical know-how in manufacturing prefab houses is Misawa Homes. One of its popular designs is house 55. This model has ten capsules requiring five large containers for transportation. The model's advantage is that assembling can be accomplished in two hours. Another strength is its price – 20% lower than conventional prefab houses and 30% less than wood houses. The model was exhibited in trade fairs in Europe and received a great deal of interest. Encouraged by the response Misawa homes wanted to export its house 55 houses to Europe and the United States.

Required:

- (a) Briefly explain two strategies that Misawa can use to enter overseas markets with prefabricated houses. [10 marks]

- (b) Describe ten factors that may pose problems in European and US markets for prefab houses. [10 marks]
- (c) Explain five non-tariff barriers that Misawa homes is likely to encounter in exporting its house 55 houses to US and European markets. [10 marks]

### QUESTION TWO

An examination of international market environment indicates whether a company can successfully enter a foreign market. Discuss this statement with reference to:

- (a) Legal environmental factors [10 marks]
- (b) Cultural environmental factors. [10 marks]

### QUESTION THREE

- (a) As a newly recruited export manager for a firm operating in European market, describe the benefits of international marketing to the host country. [10 marks]
- (b) Briefly explain the arguments advanced to justify the imposition of tariff and non-tariff barriers. [10 marks]

### QUESTION FOUR

A local manufacturing firm based in Kenya is considering doing business in Malaysia and Indonesia as per their strategic plan. The firm has sought your advise as an international marketing expert. Briefly explain to the CEO and the BOD, the most appropriate international marketing entry strategies they can successfully adopt. [20 marks]

### QUESTION FIVE

- (a) Discuss the factors that may force a company to modify its package for overseas market products. [7 marks]
  - (b) Briefly explain why standardization of advertising strategy may not be effective in international markets. [6 marks]
  - (c) What measures can developing nations devise to minimize dumping. [7 marks]
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