CHUKA UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 423: INTERNATIONAL MARKETING

STREAMS: BCOM (ODEL) **TIME: 2 HOURS**

DAY/DATE: WEDNESDAY 07/08/2024 **2.30 P.M. – 4.30 P.M.**

INSTRUCTIONS

- **Answer question one and any other two questions**

Question one

Case study

How to export prefabricated houses

Established mail order retailers started selling prefabricated houses in the US many years ago. The advantages of this type of house is quick assembly, lower price achieved through mass production and quality control. The disadvantages are the product image, lack of prestige and uniform look which does not enhance consumer perception.

In Japan, where housing costs are outrageous, prefab houses are a necessity. One Japanese firm that has acquired technical known-how in manufacturing prefab houses is Misawa homes whose popular designs 55 which require five large containers for transportation and assembling on be done in two hours. The models price is 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 interest. Encouraged by the response Misawa homes wanted to export its 55 houses to Europe and US.

Required

a) Discuss the market considerations that Misawa should make before entering the new markets. (10 marks)

b) Briefly explain ten external environmental that may pose problems in European and US markets for 55 houses. (10 marks)

c) Discuss non-tariff barriers Misawa homes is likely to encounter in exporting its 55 houses to Europe and US. (10 marks)

Question two

a) As a CEO of an exporting firm, explain to the BOD any two market entry strategies they can employ to enter foreign markets. Justify your choice of such strategies. (14 marks)

b) Suggest measures that developing countries can device to minimize dumbing. (6 marks)

Question three

a) With the aid of practical examples, explain the arguments advanced to justify the imposition of tariff and non-tariff barriers to international marketing. (12 marks)

b) Discuss eight benefits of internal marketing. (8 marks)

Question four

a) Discuss the major product decisions that a firm can make in order successfully enter international markets. (10 marks)

b) Briefly explain the reasons for standardization of communication strategy in international markets. (10 marks)

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