

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**SUPPLEMENTARY EXAMINATION 2010**  
**FULL-TIME AND I.D.E.**

TITLE OF PAPER : INTERNATIONAL MARKETING  
COURSE : BA 423  
DEGREE AND YEAR : BCOM 4  
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****CONDOMI AG “Evaluating its ‘entry mode’ strategy in Africa”**

Condomi AG is one of the world’s leading condom manufacturers. Founded in 1988, Condomi opened the first condom only shop in Cologne/Germany. With a very young and fun oriented marketing approach, Condomi embarked on its success story. In only a few years, Condomi was operating a chain of franchise shops and had developed its own brand. In 1997, Condomi incorporated a well-established condom manufacturing plant (in operation since 1929) located in Erfurt/Germany. Since 1999 Condomi holds a majority interest in unimil S.A. the leading Polish condom manufacturer.

**The marketing strategy for Africa**

An estimated five million people have HIV/AIDS in South Africa – one in nine of the population – and condoms form a major part of the prevention programme. Condomi is actively developing its condom social marketing in Africa. Condomi has developed its own innovative approach to condom social marketing in developing countries.

Condomi defines social marketing in this way: The aim of social marketing is to change people’s attitude and behaviour towards safe sex, we believe that educating the population is extremely important. In this way, both the target group and the whole population can benefit.

Condomi’s social marketing drive is based on increasing condom accessibility and acceptability within the target markets/regions. Condomi is working to reduce the number of new HIV infections, by promoting the use of condoms and offering partnerships in social marketing related projects, focusing on primary prevention. Condomi has produced culturally adapted information brochures on HIV/AIDS in local African languages. Condomi constantly tries to destigmatize the use of condoms in African countries and influence behavior towards convincing people to use condoms naturally to protect themselves from HIV/AIDS. Condomi’s marketing campaign in Africa (especially South Africa) is about targeting companies which purchase condoms for distribution to their employees and as novelties for business partners. In connection with this Condomi will

offer consulting on HIV/AIDS issues. Condomi works closely with domestic and international AIDS relief organisations, as well as with family planning organisations and countless health organisations and advisory services. Condomi is one of the pre-qualified suppliers of UNFPA. Their activities currently focus on Africa and provide an example of the economic and ethical values that Condomi stands for.

Currently most African countries have to import almost all their complete demand for condoms, e.g. for South Africa the total demand is estimated at about 500 million condoms for the year 2002.

Condomi will help to create a network between NGO's (Non Government organisations), government organisations, private institutions and businesses involved in the fight against HIV/AIDS. Condomi is a member of the Global Business Coalition on HIV/AIDS.

Socio-cultural adaption is an integral part of Condomi's social marketing approach. Condomi has therefore developed a series of training tools for certain cultural target groups, e.g. within South Africa, i.e. Xhosa, Zulu, Sesotho and Afrikaans. The slogan '**be safe and have fun**' is of key importance in the way Condomi promotes its products. Destigmatisation, done in a culturally sensitive manner, is important to them. All of their activities focus on these basic doctrines.

#### ***The latest development***

After having considered a joint venture solution (involving local production of condoms) in the Republic of South Africa, Condomi has now decided that all the African countries will be sourced with condoms from the production plants in Germany and Poland.

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Source: adapted from Keegan video guides 2004

### **QUESTION 1**

- a) Identify the major opportunities and threats to a company operating in Africa, like Condomi? **(20 MARKS)**
- b) Discuss the different entry modes for Condomi in Africa and identify which one is best suitable. **(20 MARKS)**

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

Evaluate the options of product standardisation and product differentiation for the international marketer. Which option would you select and why? **(20 MARKS)**

**QUESTION 3**

a) Why is sovereignty an important consideration in the political environment of global marketing? **(8 MARKS)**

b) Explain how the demand for Emalangi is determined in the Forex market. **(12 MARKS)**

**QUESTION 4**

Discuss the non-tariff barriers governments may use as a deterrent to trade. **(20 MARKS)**

**QUESTIONS 5**

a) What are the various types of duties that export marketers should be aware of? **(10 MARKS)**

b) Discuss the consequences of gray markets on global marketers. **(10 MARKS)**