

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION 2013

I.D.E.

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****AFRICA LOSING OUT BILLIONS IN TRADE**

Washington - Africa is losing out on billions of dollars in potential earnings every year because of high trade barriers on the continent, the World Bank said Tuesday. "It is easier for Africa to trade with the rest of the world than with itself," the World Bank said in releasing a new report that examines the barriers that stifle cross-border trade within Africa. The report comes on the heels of an African Union summit in Ethiopia at which leaders called for a continental free-trade area by 2017.

The World Bank stressed it was even more urgent that Africa improve trade flows because of the sharp economic slowdown under way in the eurozone, an important trade partner under pressure from the bloc's debt crisis. The World Bank estimates the eurozone slump could shave Africa's growth by up to 1.3 percentage points this year.

"While uncertainty surrounds the global economy and stagnation is likely to continue in traditional markets in Europe and North America, enormous opportunities for cross-border trade within Africa in food products, basic manufactures and services remain unexploited," said the Washington-based lender. The report argues that the situation deprives the continent of new sources of economic growth, new jobs, and an opportunity to make important strides in reducing poverty.

"Trade and non-trade barriers remain significant and fall most heavily and disproportionately on poor traders, most of whom are women," Obiageli Ezekwesili, the Bank's vice president for Africa, said in a statement.

She added that leaders needed to "create a dynamic regional market on a scale worthy of Africa's one billion people and its roughly \$2 trillion economy." Trade between African states currently stands at 10% of the region's total trade. In comparison, 40% of North America's trade is with regional partners and the rate soars to 63% in Western Europe.

Aside from red tape, poor infrastructure, especially roads and railways, is a key obstacle. Transport cost in Africa is more than 60 percent higher than the average in developed countries owing to the poor infrastructure.

"Policymakers have to move beyond simply signing agreements that reduce tariffs to drive a more holistic process to deeper regional integration," the World Bank report said, citing an array of barriers that make Africa's borders "very thick" relative to other parts of the world.

The international border running through Kinshasa-Brazzaville, Africa's third largest urban area, for example, is a huge bottleneck in trade between the Republic of Congo and the Democratic Republic of Congo, it said. Though the two cities are regional trade hubs, trade between them is "pitifully small," said the report, co-authored by Paul Brenton and Gozde Isik. The report notes that passenger traffic is about five times smaller than that between East and West Berlin before the fall of the Berlin Wall. If people traveling between San Francisco and Oakland, California, a similar distance, had to pay the same level of fees, they would pay between \$1 200 and \$2 400 for a return trip, it said. The exorbitant prices largely stem from lack of competition in river crossing services granted to the countries' national operators.

In another example, the report said most traders on the border with the Democratic Republic of Congo and neighboring countries in the Great Lakes region are women, who say they "routinely" encounter violence, threats, demands for bribes, and sexual harassment at the hands of customs and other government officials at the border.

Even within the regional bloc the Southern African Development Community, barriers remain formidably high. South African supermarket chain Shoprite Holdings spends \$20 000 a week on import permits to distribute meat, milk and plant-based products to its stores in Zambia alone, the report said. Another South African retailer took three years to get permission to export processed beef and pork from South Africa to Zambia.

Adapted from <http://www.fin24.com/Economy/Africa-losing-out-billions-in-trade-20120208>

QUESTION 1

- a) Identify the major challenges to trade in Africa as discussed in the case. **(15 MARKS)**
- b) Discuss the different types of trade and non-trade barriers that are hindering trade among African countries. **(15 MARKS)**
- c) With reference to the case how can Africa improve trade among member countries? **(10 MARKS)**

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

Identify and discuss some of the forces that have resulted in increased global integration and the growing importance of global marketing. **(20 MARKS)**

QUESTION 3

- a) In what ways can global brands and global advertising campaigns benefit a company? **(10 MARKS)**
- b) How does the "standardized versus localized" debate apply to advertising? **(10 MARKS)**

QUESTION 4

- a) Discuss the difference between existing, latent, and incipient demand and how might these differences affect the design of a marketing research project? **(10 MARKS)**
- b) Explain with examples, what global consumer culture positioning (GCCP) is, and then discuss the other positioning strategies that global marketers can use. **(10 MARKS)**

QUESTIONS 5

- a) Discuss the factors that influence distribution channel structures and strategies for global marketers? **(10 MARKS)**
- b) What special distribution challenges exist in Japan? What is the best way for a non-Japanese company to deal with these challenges? **(10 MARKS)**