

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SECOND SEMESTER MAIN EXAMINATION 2017
FULLTIME AND I.D.E.

TITLE OF PAPER : GLOBAL MARKETING MANAGEMENT
COURSE : BA 323/ IDE BA426
DEGREE AND YEAR : BCOM 3 & IDE 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

IMPOSE 50% TARIFF ON POULTRY IMPORTS, URGES MALEMA

Cape Town - The Economic Freedom Fighters (EFF) called on Trade and Industry Minister Rob Davies to impose a 50% tariff on all chicken importers to protect South African poultry farmers and their workers. In a letter addressed to Davies, EFF leader Julius Malema said the "massive oversupply" of imported chicken has made it impossible for local chicken producers to continue to operate, let alone compete internationally.

"If government does not intervene immediately with decisive measures, we will witness the demise of the poultry industry," Malema said. According to him, poultry imports increased by 2.6% on a monthly basis to 50 324 tonnes in October 2016, representing a 33.2% increase compared to the same period in the previous year.

As a result of these increases, Malema said, more than 1 500 poultry farm workers have lost their jobs in 2016. "In addition, well over 3 000 poultry farm workers are in the process of being retrenched as companies are closing down."

City Press earlier reported that the poultry industry in South Africa has been making substantial losses, because it has to compete with lower priced imported poultry, which will lead a number of retrenchments in the sector.

Malema said Davies and government should treat this situation as an emergency. "[The Minister] must limit the import of chickens from other countries, particularly the European Union and Brazil."

Government recently received approval to implement a 13.9% safeguard duty on frozen chicken legs imported from the European Union, which will apply until July 3 2017. The Food and Allied Workers Union (Fawu), however, was of the view that the provisional import duty was far too low and that the figure should be closer to 40%.

In an interview with Fin24 published earlier, Fawu general secretary Katishi Masemola said the EU is the "main bone of contention". He argued that poultry imported from Brazil and the United States (US) had a minimal impact on the local industry, compared to the EU. According to Masemola, the EU exports and dumps boned chicken, or legs and thighs, at extremely low prices in South Africa.

In his letter to Davies, Malema said South Africa should have a trade policy that protects not only the poultry industry, but the entire food production economy in the country.

"We need a policy framework that guarantees South Africa's food sovereignty as a matter of urgency."

As an intermediate intervention, Malema said, a 50% tariff should be imposed on chicken imports across the board. In addition, poultry farmers should introduce share schemes through which workers should own at least 50% of all poultry production in the business.

Malema also urged Davies to direct retailers to clearly indicate the country of origin on the packaging of imported meat products. "This will help conscious buyers to distinguish between dumped chicken and locally produced chicken."

QUESTION 1

- a) Explain what dumping is and then discuss its effect on pricing decisions.
(20 MARKS)
- b) Do you agree with the The Economic Freedom Fighters' (EFF) request on the minister of Trade and Industry Minister Rob Davies to impose a 50% tariff on all chicken importers to protect South African poultry farmers and their workers? Explain your answer.
(10 MARKS)
- c) Malema also urged Davies to direct retailers to clearly indicate the country of origin on the packaging of imported meat products. How can buyer attitudes about a product's country of origin affect the purchasing of that product?
(10 MARKS)

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

Explain the difference between a product and a brand and then discuss how local, international, and global products differ? Give examples. (20 MARKS)

QUESTION 3

In recent years, many exporters have been forced to finance international transactions by taking full or partial payments in some form other than money. A number of alternative finance methods, known as *countertrade*, are widely used. Explain what countertrade is and then discuss the different forms of countertrade. (20 MARKS)

QUESTION 4

- a) What is meant by the phrase global strategic partnership? In what ways does this form of market entry strategy differ from more traditional forms such as joint ventures? (10 MARKS)
- b) What is cherry picking? What approaches can be used to deal with this problem? (10 MARKS)

QUESTIONS 5

- a) Explain the possible reasons for international marketing communication failure giving examples. (10 MARKS)
- b) Explain what global consumer culture positioning (GCCP) is and then discuss other positioning strategies global marketers can use. (10 MARKS)