

UNIVERSITY OF ESWATINI
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
RE-SIT/SUPPLEMENTARY SEMESTER MAIN
EXAMINATION 2019
FULLTIME AND I.D.E.

TITLE OF PAPER : GLOBAL MARKETING MANAGEMENT
COURSE : BUS 324/ IDE BA323
DEGREE AND YEAR : BCOM 3 & IDE BCOM 5
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

GROWTH THROUGH MARKET EXPANSION – THE NANDOS' EXAMPLE

Nandos' is a well-known South African-based fast-food operator selling its renowned flame-grilled peri-peri chicken in 26 countries through 1 010 outlets in locations as far as Fiji, Singapore and Bangladesh. Nandos' did not have it easy in the international market. The brand had to be repositioned and changes had to be made to the layout of the stores in the international market. Nandos' only use South African art in all its international stores, providing an indigenous South African flavour to these stores. Using the South African layout did not work in other countries. Nandos' now have over 300 restaurants in the UK where it is doing well in the face of the poor economic situation and high labour costs. Nandos' is also selling its special sauces in the giant supermarkets in the UK such as Sainsburys and Tesco.

Nandos' followed the franchising route in allowing its brand to grow in the international market. There is tight control by top management regarding the operational running of the franchise. This refers to procurement agreements and signage for the outlets. Nandos' advertising style of tackling issues of the day in various countries has been one of its outstanding trademarks and has kept Nandos' in the news, sometimes for the wrong reasons. The same marketing communications strategy that is used in South Africa has been followed in other countries but has backfired in some instances. In the case of Australia, making fun of Shane Warne in a humorous way has backfired as Warne is a legend in this country and Nandos' was seen as an upstart outsider (being from South Africa). Also in Zimbabwe, a Nandos' advertisement impersonating Robert Mugabe was taken off the air after threats were received.

Nandos' has different target markets in different countries in Africa. This is due to income disparities in these countries. In Botswana, Nandos' is very much a middle-class

brand, while further north, Nandos' is seen as more of a once a month treat to consumers, while it also gathers big support from expatriates who are seeking a quality fast-food experience similar to what is available in South Africa.

QUESTION 1

- a) Discuss the advantages and disadvantages of the franchising route followed by Nandos'? **(20 MARKS)**

- b) What other entry strategies can Nandos' use to expand to other nations? **(20 MARKS)**

SECTION B (ANSWER ANY THREE QUESTIONS)

QUESTION 2

For any company seeking marketing opportunities outside its home country, it is expedient that it first performs a country evaluation before entering that market. Discuss the factors that must be considered when performing a country's evaluation? **(20 MARKS)**

QUESTION 3

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? **(10 MARKS)**

b) What is cherry picking? What approaches can be used to deal with this problem? **(10 MARKS)**

QUESTION 4

With reference to the case in Section A above, what type of pricing strategy should Nandos' follow in different parts of Africa? How would this differ from country to country? **(20 MARKS)**

QUESTIONS 5

With reference to the case in Section A, in your opinion, can Nandos' adopt a standardised marketing communication approach across the world? Give reasons for your answer. **(20 MARKS)**