Total marks for this paper is 100 marks.

There are two parts in this question paper. All questions in Part One are compulsory.

It includes a mini case.

Part Two includes 6 Essay Type Questions. Answer 03 questions from this part.

Instructions to candidates

1. State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.

2. Always start answering a question on a new page.

3. You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.

4. Answer the questions using:
   - Effective arrangement and presentation
   - Clarity of expression
   - Logical and precise arguments
   - Clear diagrams and examples where appropriate

5. Illegible handwriting and language errors will be penalised.
PART ONE

Answer all questions

Question 01: Case Study

It is tough to attribute the origin of doughnuts to any particular region, and in that it stayed true to the notion of the American melting pot. However, it is said that the first doughnut came to the United States with the Dutch settlers under the name olykoeks or “oily cakes.” Since then, the public snack has come a long way and if the makers were to see doughnuts being sold in countries throughout the world today, they would be amazed at how a simple treat can morph from culture to culture and over continents and in some instances become something Westerners could readily recognize. The global market entry experiences of Dunkin’ Donuts, an American doughnut chain, offer us good insights into how the American-style food had to be tweaked to suit different tastes as they ventured into Asian markets.

Dunkin’ Donuts started off as a doughnut shop in Quincy, Massachusetts in 1950. It had by the end of 2012, 10,500 Dunkin’ Donuts stores worldwide, including more than 7,000 franchised restaurants in United States, in addition to more than 3,000 international shops in 30 countries. However, all these expansions have not come easy. In the early 2000s, it opened several stores in Beijing but soon had to retreat from the Chinese market. According to one source, the American version of doughnuts is like bread to the Chinese, which could not justify a higher price. It is also too sweet for the Chinese taste.

However, with the help of a Taiwanese franchise partner, Dunkin’ Donuts is back in China, opening seven stores in Shanghai in 2010. The re-entry was made possible by tapping the expertise of the Taiwanese partner which was familiar with Chinese tastes. Upon its advice, Dunkin’ Donuts adapted its product and communication strategies for its re-entry. It used rice flour instead of wheat flour to give the doughnuts a chewy texture much like the sticky rice desserts that many Chinese preferred, and the sugar level was also lowered. Knowing that the Chinese loved fillings, the doughnuts sold in the Chinese stores have red bean paste, some are stuffed with vanilla pudding, some sliced in half to add a wedge of cheesecake, while some have toppings such as ham and cheese, red spaghetti sauce, salmon, spicy beef and seaweed flakes. Besides customizing the taste, the doughnuts are also shaped differently; for example, some could be shaped like pearl bracelets, displayed in showcases to look like deep-fried jewelry, and known by a different name—Tian tian quan or “sweet sweet rings.” According to the Taiwanese partner, Dunkin’ Donuts is thus, marketed as something special, as a new form of enjoyment rather than just doughnuts.

It was a different story for Dunkin’ Donuts’ entry into India in 2012, where it offered the same American version of its doughnuts. Pursuing a dual extension strategy (same product and communication strategy used in the American market), Dunkin’ Donuts targeted the higher-
spending urban Indians who were familiar with western snacks for its entry into the Indian market.


a) According to the case, what is the main reason behind worldwide success of Dunkin’ Donuts? Explain.  
(06 Marks)

b) Describe the product strategy of Dunkin’ Donuts used during its re-entry to the Chinese market.  
(10 Marks)

c) Explain why Dunkin’ Donuts failed in the Chinese market?  
(12 Marks)

d) Discuss possible reasons for using different strategies in Chinese and Indian markets by Dunkin’ Donuts.  
(12 Marks)

(Total 40 Marks)
PART TWO

This part includes SIX Essay Type Questions
Answer THREE questions

Question 02
a) Discuss the importance of *global marketing* for a business organization operating in the present market context.

(08 Marks)

b) Assume that you are a consultant in international trade to the Ministry of International Trade, Sri Lanka. Currently, the ministry is conducting a special programme with the purpose of educating Sri Lankan exporters on trade restrictions prevailing in different foreign markets.

As the resource person of this programme, write a brief report to distribute among exporters on “*Different trade restrictions (tariff and non-tariff) Sri Lankan international marketers may face in different foreign market places*”.

(12 Marks)

(Total 20 Marks)

Question 03
a) “Perhaps the greatest threats to the operations of global corporations, and those that are most difficult to manage, arise out of the political environment in which they conduct their business.”

Discuss possible political influences on any global player operating in the Sri Lankan market, taking Sri Lanka as the *host country*.

(08 Marks)

Figure – 1 shows scores of some dimensions of the Hofstede’s Cultural Index for *India* (Power Distance, Individualism, Masculinity and Uncertainty Avoidance).

Discuss possible marketing implications that can be gained from the index by any global marketer that expects to operate in India.

*Figure 1: Dimensions of Hofstede’s Cultural Index for India*
Question 04
a) “As a global marketer, assuming that buyers in different countries engage in exactly the same buying processes and apply exactly the same selection criteria can be disastrous.” Do you agree with the above statement? Justify your answer.
(08 Marks)
b) Describe advantages and disadvantages of the ‘country-of-origin’ for a global marketer by using appropriate examples.
(12 Marks)

Question 05
‘The Batik’ is a well-established batik wear manufacturer and a retailer in the Sri Lankan market. Currently, ‘The Batik’ offers a wide range of products including frocks, sarongs, sarees, shirts and other ready-made garments. With the successful performance in the local market, ‘The Batik’ is to expand its operations in international markets.
a) Briefly explain the criteria ‘The Batik’ need to consider when selecting target countries to expand its operations.
(08 Marks)
b) Assume that initially the company expects to enter three (03) country markets; USA, India, and China. Considering their given unique characteristics, identify and discuss suitable entry strategies for ‘The Batik’ to enter to given countries.
I. USA – ‘The Batik’ is not in a position to establish its own operations in USA due to higher cost and unfamiliarity.
II. India – India has put some restrictions on 100% foreign owned investments.
III. China – As a policy, currently China is liberalizing its economy
(12 Marks)
Question 06
a) Reflect Interior (Pvt) Ltd is a well-established customized furniture marketer operating in the Sri Lankan market. Currently, Reflect is in a process of expanding its operations to a few international marketplaces. In the international market, Reflect Interior (Pvt) Ltd expects to cater unique furniture requirements of business markets and the company plans to employ international selling to reach its business customers.

Illustrate factors that a company like Reflect Interior (Pvt) Ltd need to consider in international selling.

(08 Marks)
b) “It is a very clear fact that global advertising is playing a significant role in building global brands for ages in the market place”. Referring to global examples, elaborate the above statement.

(12 Marks)
(Total 20 Marks)

Question 07
Write brief descriptions on four (04) of the followings.

a) WTO
b) Born-global firm
c) International transfer price
d) Parallel imports/ gray markets
e) Piggybacking

(Total 20 Marks)

(Total 60 Marks)

(Total 100 Marks)

-END-