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 booklet and on each and every additional paper attached to it. Your name must not appear anywhere in the answer booklet 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

When Steve Jobs died in October 2011, the world lost a towering figure of the modern business era. Apple, the company Jobs cofounded, was a pioneer in the consumer electronics world; with key product introductions included the Apple II (1977), the Macintosh (1984), iPod and iTunes (2001), the Apple Store (2001), iPhone (2007) and the iPad (2009). At the time of Jobs’ death, Apple was the most valuable tech company in the world. By September 2012, Apple stock had soared to record levels, briefly rising above $700 per share. In addition, Apple had amassed more than $100 billion in cash, most of it held abroad as foreign earnings. Meanwhile, once-dominant tech industry giants such as Nokia, Sony, Dell and BlackBerry were struggling.

Despite strong sales in 2012, for the iPhone 5, industry observers began to wonder whether Apple’s hot streak of hit product introductions was starting to cool off. Apple’s reputation was based on its proven ability to disrupt existing markets (for example, the music and telecommunications industries) and create new markets with technical and design innovations. However, in some circles the 2012 launch of the iPhone 5 was viewed as an evolutionary, rather than a revolutionary, breakthrough. In fact, many consumers opted to buy the slower, cheaper iPhone 4 or 4S rather than upgrade to the iPhone 5.

As growth in the key smartphone sector began to slow, Apple was being challenged by various competitors. First and foremost was Samsung Electronics, a division of a Korean industrial giant Samsung Group, whose products range from semiconductors to household appliances to smartphones. Samsung’s popular Galaxy series of phones are powered by Android, an operating system developed by Google. Some Galaxy models, including the Galaxy Note (also known as a “phablet”), have larger screens than the iPhone, a point of difference that has helped drive sales. The rivalry has been heated, with the two sides squaring off in court over alleged patent infringement.

China and Europe are two of Samsung’s key markets. In 2012, Samsung launched the Galaxy S III in Europe. In 2013, Samsung staged a lavish event at Radio City Music Hall in New York to launch the Galaxy S 4. Why the change? As J.K. Shin, the executive in charge of Samsung’s mobile business, noted, “We’re a global player in the smartphone market and a global company, and the U.S. is an important market for us . . . I’m not satisfied with our U.S. market share.”

In many developing countries, there is strong demand for inexpensive mobile phones. Some Android-based models from Samsung and other companies sell for much less than the iPhone 5. Apple does not offer a lower-cost version of the iPhone. In the United States, wireless carriers such as Verizon and AT&T usually subsidize the price of the iPhone for consumers who sign a multiyear service contract. That is why an American iPhone 5 sells for $199. By contrast, in other countries consumers pay the full price of the iPhone but are not tied to a contract. Moreover, the iPhone 5 is the same in every world market. By contrast, Samsung makes several versions of the Galaxy S 4—using different processors, for example—to suit the needs of different regions.
Not surprisingly, smartphone makers are setting their sights on China, India, and other emerging markets. For example, Greater China, which includes China, Hong Kong and Taiwan, is now Apple’s second-largest market. While Apple currently commands almost a 50 percent share of the market for phones selling for $480 and up, CEO Tim Cook is not satisfied. Distribution is critical and Cook is aggressively expanding the number of outlets in China that sell iPhones. Negotiations are ongoing with China Mobile, the largest carrier in the region and the world’s largest carrier overall.

As growth in China and Europe slows, India, the number 3 smartphone market, is becoming increasingly important. Here, however, Apple lags far behind Samsung in terms of smartphone shipments. Samsung offers an Android phone for about $100; by contrast, Indian consumers pay $500 for an iPhone 4 and about $850 for the iPhone 5.

Famously, Steve Jobs downplayed the importance of formal market research, saying that consumers don’t know what they want. By contrast, Samsung Electronics relies heavily on market research; 60,000 staff members work in dozens of research centres in China, Great Britain, India, Japan, the United States, and elsewhere. Samsung designers have backgrounds in such diverse disciplines as psychology, sociology and engineering. Researchers track trends in fashion and interior design. Also, Samsung spends more on advertising and promotion than Apple. For example, Samsung has a major presence at the SXSW Interactive, Film and Music conference held each March in Austin, Texas. In 2013, Samsung sponsored the TechSet Blogger Lounge and presented a concert showcase by Prince; Samsung users got preferred access to tickets. Although many SXSW attendees use iPhones and iPads, Apple has no visible corporate presence at the conference.


a) “Assume that Apple has decided to offer low-priced versions of their existing products targeting developing countries, with the purpose of increasing sales and overcoming competition”. Do you agree with the above decision? Justify your answer.

(08 Marks)

b) Assess the effectiveness of Apple’s strategy in the present competitive market context.

(08 Marks)

c) Assess the effectiveness of Samsung’s global marketing strategy against Apple. Was it successful? Discuss.

(12 Marks)

d)

i. Explain the importance of market research for companies such as Apple or Samsung in the current marketing environment.

(06 Marks)

ii. What kind of information, these smartphone marketers may gather from consumers through market research?

(06 Marks)

(Total 40 Marks)
PART TWO

This part includes SIX (06) Essay Type Questions
Answer THREE (03) questions

Question 02
a) Explain the differences between ‘domestic marketing’ and ‘global marketing’.
   (08 Marks)

b) “Sereen Beauty Products (Pvt.) Ltd. is a well-established Sri Lankan company manufacturing and marketing cosmetics and personal care products in the domestic market. Having identified severe competition and decreasing profits in the local market, Sereen has decided to enter to the global marketplace”.

Discuss possible trade barriers (restrictions) a company like ‘Sereen’ may encounter in the global marketplace.
   (12 Marks)
   (Total 20 Marks)

Question 03
a) Given below are the scores of four (04) dimensions of the Hofstede’s Cultural Index for United Kingdom. Describe possible marketing/ managerial implications that can be gained from the index by any global marketer expects to operate in UK.
   I. Power distance score – 35
   II. Individualism score – 89
   III. Masculinity score – 66
   IV. Uncertainty avoidance score - 35
   (08 Marks)

b) “Culture can be introduced as one of the key influencing forces on global marketers”. Elaborate the validity of this statement using appropriate examples.
   (12 Marks)
   (Total 20 Marks)

Question 04
a) “To develop better strategies, global marketers need to understand consumer market clearly.”

Describe three (03) aspects global marketers need to examine to understand consumer markets.
   (08 Marks)

b) Assume that ‘Zara’ is a popular tea brand in Sri Lanka. By identifying opportunities in the global marketplace, ‘Zara Tea’ wishes to expand its operations to a global marketplace. However, ‘Zara Tea’ has not yet being identified by its target markets.

You are required to advise ‘Zara’ regarding the importance of identifying target market/s through market segmentation for a such company and briefly explain suitable variables ‘Zara’ can consider to segment the market.
   (12 Marks)
   (Total 20 Marks)
Question 05
a) “Some actions of host governments create difficult conditions for global marketers”. Briefly describe four (04) such actions of host governments.

b) From December 2019, COVID 19 virus has been spreading across the globe to more than 200 countries in the world. Some individual economies and broadly, the global economy was severely hit by COVID 19.

Identify and discuss the impacts of COVID 19 pandemic on different aspects of global marketing and provide your suggestions to overcome such negative impacts (as a professional marketer).

(08 Marks)
(12 Marks)
(Total 20 Marks)

Question 06
a) “It can be identified that some global marketers use ‘country-of-origin perception’ to market their brands”. Discuss the validity of the above statement with appropriate examples.

b) “Until recently, most global strategists focused on the multi-national companies (MNCs) from the United States, Europe and Japan. But, MNCs now find themselves competing with firms from emerging markets.”

Illustrate the above statement by using your knowledge regarding emerging markets and competitors from emerging markets.

(08 Marks)
(12 Marks)
(Total 20 Marks)

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

a) Comparative Advantage Theory
b) General Agreement on Tariffs and Trade (GATT)
c) Polychronic cultures
d) Counterparry
e) Consumer ethnocentrism

(05 Marks * 4)
(Total 20 Marks)
(Total 60 Marks)
(Total 100 Marks)

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