



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 03
No. of Questions: 05
Total Marks : 70

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL SECOND SEMESTER END EXAMINATION – FEB/MAR. 2023

Three Hours

MKT 32523 – International Marketing

Academic Year 2021/2022

Instructions

➡ Answer all questions

01.

The worldwide aloe vera market is estimated at USD 80 million in 2022 and is expected to expand to USD 183 million by 2028, with a CAGR (Compound Annual Growth Rate) of 11.30% over the next six years. Consumers are increasingly choosing healthier, natural, and organic drinks as they pursue a better lifestyle across all age groups. Furthermore, the movement in consumer preference from high-calorie carbonated drinks to healthy plant-based drinks presents the market with attractive developments. Consumers throughout the world have been increasingly health-conscious in recent years, fueling demand for plant-based healthy drinks. As a result, the demand for aloe vera beverages is rapidly increasing. The global market for aloe vera-based beverages is divided into four product categories: hot drinks, bottled drinks, juice concentrates, and aloe vera water. The types of distribution channels include supermarkets and hypermarkets, convenience and grocery stores, specialty shops, and others. Also the international market for aloe vera is segmented into North America, Europe, Asia-Pacific, South America, the Middle East, and Africa.

- a. Assume you are an SME in Sri Lanka that sells aloe vera beverages to the domestic market and is now looking to expand into the international market. Discuss possible motives for internationalization.

(10 Marks)

- b. Suppose you are interested in selling aloe vera to the United States and Japan. Describe the cultural differences between the United States and Japan using Hofstede's cultural typology.

(10 Marks)

- c. Discuss the challenges that the Sri Lankan firms may have to face when promoting aloe vera beverages in the international market.

(10 Marks)

(Total = 30 Marks)

02.

- a. Briefly explain the difference between Absolute Advantage and Comparative Advantage.

(04 Marks)

- b. "International product life cycle theory assists organizations in understanding how and why they should expand into the international market". Explain the International Product Life Cycle theory using examples.

(06 Marks)

(Total = 10 Marks)

03.

- a. Explain two main reasons why organizations move towards standardization of products in international marketing.

(04 Marks)

- b. "The adaptation decision of a firm aids in the development of its competitive position in its international market". Discuss the validity of this statement by providing examples for adaptation.

(06 Marks)

(Total = 10 Marks)

04.

a. Briefly explain four ways in which a firm can reduce the export price of their products.

(04 Marks)

b. "Wide cross-border price differences can occur even within the same geographic area due to different drivers of foreign market pricing". Do you agree with this statement? Explain.

(06 Marks)

(Total = 10 Marks)

05.

a. Global marketing channels exist to provide customers with value. Briefly explain four types of utilities in the global marketing channels.

(04 Marks)

b. A fast food retailer operating in India is trying to enter the global market. Discuss the global retailing strategies the firm can utilize when entering the global market.

(06 Marks)

(Total = 10 Marks)
