

24/3/14

K.E.S Shroff College of arts & Commerce

Preliminary Examination

TYBMS- SEM VI  
2 Hours

Marks: 60

Time:

International Marketing

SECTION I

Q1) Explain the following concepts

(15)

- 1) Market segmentation
  - 2) Break even pricing
  - 3) Trade Barriers
  - 4) Direct exporting
  - 5) Product packaging
- Q2) Case study

The Japanese carmaker Toyota was a latecomer to the China market. Within its global strategies, North America is the top priority, followed by its home country Japan.

China has been included in Toyota's top development strategy in recent years with its first China-made VIOS sedan produced in Tianjin in October 2002.

Considering China is an immature auto market, the company has adopted a three-stage development plan -- first to establish a local sales network and launch brand promotions, then to build auto parts manufacturing bases, and, finally, to establish joint ventures (JVs) with local players and produce automobiles.

About 57 per cent of respondents said Toyota adopted the right strategy for expansion in China and avoided possible risks.

Although a latecomer, Toyota has jumped to the front in terms of imported car volume -- 50,000 units annually. It has 57 JVs and wholly funded auto parts companies scattered across China.

Now, the company is stepping into the most important and critical stage -- speeding up the localization of its products, since its rivals, such as Honda and General Motors, are accelerating their penetration into China.

After the market entry of the Prado and Land Cruiser with China's First Automobile Works, its new product with Guangzhou Automobile Manufacturing Co -- Camry, which was a great success in the United States -- is also being developed.

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About 80 per cent of the respondents predicted Toyota will continue its brilliant performance in the US market, since the company has established a far-reaching sales network (35.6 per cent) and its product brands are highly recognized by Chinese customers (52.9 per cent).

However, there are also unsatisfactory results of the development strategy. Seventy-five per cent of the 104 senior company managers surveyed said Toyota only wants to sell cars in China, but does not want to share technological know-how.

Some 40.4 per cent of respondents said the company does not give enough attention to China market.

Forbes magazine commented on Toyota's success in the US auto market, saying that once the company sets goals, it will manage to exceed the targets. What is more challenging to its rivals is Toyota's strategy to realize these goals.

That assessment may well apply to its China expansion. Although Toyota missed the first opportunities, it will likely catch up if it pays more attention to the China market and introduces high-end brands.

- 1) What are the factors responsible for successful entry of Toyota into international market?
- 2) Why China market is not accepting Toyota?
- 3) How can Toyota build up more sales in Chinese market?

## SECTION II

Attempt any three

- Q3) What is international Marketing? Explain the advantages of it? (10)
- Q4) What are the various incentive available for Indian exporters? (10)
- Q5) Discuss various export pricing methods (10)
- Q6) Enumerate the steps of entry into foreign market (10)
- Q7) short notes (10)
- 1) Trading blocs
  - 2) WTO