

EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
Final Year First Semester Examination in Bachelor of Business
Administration (Honours) in Marketing Management - 2021/2022
(February, 2024) - Proper

MKT – 4103 Global Marketing

Answer all five questions.

Time: 03 Hours

Q1. Read the following case study and answer the questions below:

Keeping with the Times—McDonald’s, I’m Lovin’ It!

McDonald’s, the world’s largest restaurant chain with over 30,000 outlets in more than 115 countries, brings to mind many terms: golden arches, Big Macs, McNuggets, affordable meals, brand value, and American capitalism, to name just a few. How McDonald is become one of the world’s best-known brands? Needless to say, being in the food industry entails different menus for different parts of the world based on varying tastes and preferences. At the time, McDonald’s made its foray into foreign markets it was almost impossible to have a mass marketing or global strategy in terms of McDonald’s menu items. Therefore, the company adopted a strategy to appeal to those different preferences. According to the company, the secret to its successful brand is a type of multi domestic strategy, which the company used successfully by being able to offer different menus in different countries.

Previously, McDonald’s even extended this strategy to marketing for its restaurants in foreign markets. Remember the yellow and red-garbed clown that attracted kids to McDonald’s? McDonald’s had maintained the same image for years and by the start of the twenty-first century, it was not working anymore. Additionally, the growing health consciousness among consumers the world over caused the restaurant chain to suffer decreasing profitability. Nevertheless, by 2005, the year that marked its fiftieth anniversary, McDonald’s was on its way to regaining its stardom.

Companies must eventually stay up to date with the environmental changes that are occurring. Today, many firms are shifting from a multi domestic or multinational strategy to a more global one. It is believed that one reason for this is the growing convergence in consumer behaviour, especially for food and apparel. For example, consumers all over the world are moving toward a healthy lifestyle that includes a healthy diet and exercise. For firms, a global strategy allows them to minimize overall costs, and specifically marketing costs, by repeating commercials with few alterations, justifying high advertising expenditure to release a perfect ad. McDonald’s is one of several companies that have adopted a global marketing strategy. McDonald’s has had to revive its global business over the past five years, one of the ways to do it being to replace its previous shoddy image with a hip new one.

In the year 2003, the company launched its first truly global marketing campaign called “I’m lovin’ it.” The new promotion effort aimed at changing the company’s image in markets all over the world sends the same message to its global consumers with small changes for local

tastes and preferences. Thus, even though there is still a significant divergence in McDonald's menus, the new global marketing campaign instilled a distinct global brand value in the minds of consumers. McDonald's invested heavily in the campaign, employing celebrities, such as singer Justin Timberlake and popular music group Destiny's Child who draw a global audience, to appear in its advertisements. In addition, McDonald's introduced more healthy foods in its menus such as salads. The "I'm lovin' it" marketing campaign was targeted at consumers in all age groups from kids and young adults to seniors. The conceptualization of the ad was also global. It was the brainchild of a Germany-based firm Heye and Partner; the company settled on this agency after consulting with several marketing agencies in many different countries. The campaign has been one of the most successful of its time. The strategy worked, and in just one year, the company's revenues were up by more than 10 percent. As for the novel marketing drive, the company won Advertising Age magazine's Marketer of the Year Award for 2004. As for its recent comeback, McDonald's is truly lovin' it.

Questions:

- a. Why do firms such as McDonald's need to have a global marketing strategy even though its national menus are localized? (07 Marks)
 - b. What alternative strategy could McDonald's have used to regain its market? (06 Marks)
 - c. For the future, how should McDonald's tap into the convergence among global consumers? (07 Marks)
- (Total 20 Marks)**

Q2.

- a. What do you understand by "Self-Reference Criterion" and "Ethnocentrism" in global marketing perspective? Briefly Explain. (06 Marks)
 - b. Describe the differences among ethnocentric, polycentric, regiocentric, and geocentric management orientations. (08 Marks)
 - c. Explain the nature of Global Competition in Sri Lankan Context? (06 Marks)
- (Total 20 Marks)**

Q3.

- a. Briefly describe the various types of local legal systems in Sri Lanka. How do differences in these legal systems affect international business? (08 Marks)
 - b. What is Host Country in Global Market? Differentiate the Host Country from Home Country. (06 Marks)
 - c. How has the recent economic crisis affected global industrial relations with particular focus on Sri Lanka? (08 Marks)
- (Total 22 Marks)**

Q4.

- a. **“Positioning refers to the act of differentiating a brand in customers’ minds in relation to competitors in terms of attributes and benefits that the brand does and does not offer”.**

Briefly discuss general positioning strategies used in global marketing. (06 Marks)

- b. Identify the different pricing strategies and objectives that influence decisions about pricing products in global markets. (06 Marks)

- c. Discuss the roles of information technology, management information systems, and big data in a global company’s decision-making processes. (08 Marks)

(Total 20 Marks)

Q5.

- a. Explain the advantages and disadvantages of using licensing as a market-entry strategy. (06 Marks)

- b. What are the six basic factors deemed to have significant impact on the success of Global Strategic Partnerships? (06 Marks)

- c. Review the basic product concepts that underlie a successful global marketing product strategy. (06 Marks)

(Total 18 Marks)