

IB Business Management – Marketing

4.7 International Marketing: Exam Practice Question



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4.7 INTERNATIONAL MARKETING: EXAM PRACTICE QUESTION

Read the case study information below and answer the questions that follow.

ZUMO THE ENERGY DRINK



Launched in the mid-1980s, this energy drink is aimed at fitness conscious men and women between 20 and 45. Zumo® is offered in four flavours and is distributed through supermarkets and sports clubs. Advertising is based on TV and radio media with endorsements from well-known European sports stars. It is currently sold only in Europe, where average incomes are high. It is priced above an equivalent non-energy soft-drink, such as Coca Cola, but is not as expensive as some energy drinks.

Zumposa® is the food and drinks company based in Valencia, Spain that produces Zumo.

The managers want to make Zumo® a global brand. They know Zumo® is seen as a Spanish drink which may not be suitable when developing a global brand image. The board of directors has decided to focus first on South America and Asia to launch a global campaign. The aim is for a ten per cent market share in the first year. Decisions are needed on:

- Price: should this reflect different average income levels in different countries?
- Flavours: does it keep the same flavours across the globe or adapt products to different markets?
- Packaging: should the design and colours on the cans and bottles be the same everywhere?

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- Advertising: should different adverts be used in each country or should a global advert be made with different languages added?
- Name and brand image: should these be changed or should a global image and name be established?

Source: www.BusinessManagementIB.com

QUESTIONS: 25 MARKS, 45 MINUTES

1. Define the following terms:
 - i. International marketing
 - ii. Global marketing

[4 marks]
2. Explain **two** different reasons why Zumposa® would want to enter new international markets.

[6 marks]
3. Outline **three** different strategic options for entering Asian and South American markets that Zumposa® could consider.

[3 marks]
4. Discuss the role of cultural differences **and** the implications of globalisation that Zumposa® should consider in its international marketing operations **and** strategy.

[12 marks]