

**MM04/eMM04  
INTERNATIONAL MARKETING MANAGEMENT**

**Time: Three hours**

**Maximum Marks : 100**

**Note :**

The paper is divided into three sections : Section A, Section B, Section C. There are seven questions in section A of 10 marks each. Attempt any four. Section B has 5 questions of 15 marks each . Attempt any three. All the questions of Section C ( Case Study) are compulsory . This section is of 15 marks

**SECTION A (10 Marks each)**

1. What are the different stages of International marketing development for any domestic organization?
2. Briefly explain the concept of EPRG framework?
3. Write a short note on Adam Smith's theory of Absolute Advantage?
4. Describe, in brief Heckscher-Ohlin's Modern theory of International trade?
5. Discuss the evolution of Multilateral Trading System?
6. Write a short note on the concept of Balance of Payments?
7. What do you mean by Tariff Barriers and Non-Tariff Barriers?

**SECTION B (15 Marks each)**

8. How does changes in technology influence Decision-making in International marketing ?
9. 'Under the important regional agreements in the world', explain the agreement on SAARC Preferential Trading Arrangement (SAPTA) ?
10. What are various sources of External secondary data for the purpose of International Market research?

11. Describe the steps involved in the international market entry evaluation process?
12. Write short notes on the following :-
  - a) New Trade Policy 1991
  - b) EXIM Policy 1992-97
  - c) Bill of Lading

**SECTION C (15 Marks)**  
**(Compulsory)**

India has traditionally been a global hub for the cutting and polishing of diamonds . Indian merchants especially in places like Surat , Navsari , Jaipur , Mumbai , etc. specialize in processing rough stones . They procure these stones from around the world , including Africa , cut , polish and re-export them as unbranded generic products. The diamond business in India is characterized by family –run enterprises. Despite the non-corporate culture , Indian diamond manufacturers have made a mark in global market cut and polished diamonds and have cornered a high market share of 85% . However the Indian diamond industry has so far limited itself to trading diamonds in international markets as a commodity.

India has the distinction of being the largest gold market of the world . The privately held gold in India is estimated to be over US\$ 200 million , i.e., about one-fifth of all the gold mined in the world . About 85 to 90% of gold bought in India is in the form of jewellery , which is India's national obsession. The total jewellery market in India may be segmented as follows :

- a) The wedding segment –addressing the newly wed
- b) The non-bridal segment –singles and post marital acquisitions
- c) The elite segment – the few super rich who acquire high-value pieces on a regular basis

Among the above three , the wedding segment constitutes the largest market segment . Over 80% marriages in India are arranged by parents , who also make the crucial jewellery purchase decisions . It is only rarely that groom or a bride makes his or her own decisions on purchase of jewellery . Even in the post marital segment , major purchases are generally made for a future wedding , whenever funds become surplus with a family .

However, the customers in India exhibit distinct motives for buying gold and diamond jewellery. The competitive position of gold and diamond jewellery in Indian market may be depicted as follows:

<b>Gold</b>	<b>Diamonds</b>
Traditional	Modern
Common	special
Old-fashioned	young
Investment	eternal
	Ultimate gift of love

Market research indicates the following two elements of marketing strategy.

- Persuade consumers to include diamonds in their gold jewellery purchases as an add-on , rather than as direct substitution.
- Persuade traders to increase the stock and display of diamond jewellery , in addition to the gold jewellery already on display.

The key opportunities for promoting diamond sales were identified as follows :

- The single largest opportunity for acquisition in the Indian market is wedding ceremonies , extending to occasional acquisitions that start with the birth of a female child . This acquisition is clearly in the form of a gift from the parents to their daughter.
- Post-marital opportunity –generally as a romantic surprise from husbands to their wives –constitutes a much lower share of the total acquisition.

The international positioning of diamonds as ‘a symbol of love’ has also been found appropriate and motivating in positioning diamond jewellery. However , in India , the two different target segments require different marketing communication for international positioning , ‘symbol of love’. As the major marketing opportunity exists in the wedding segment where the jewellery is gifted by parents to their daughters , the marketing communication conveys the idea that diamond jewellery is a symbol of ‘parental love’ for daughters , perceived to be working , confident , and capable women . The other marketing opportunity in the post-marital segment is addressed by positioning it as ‘symbol of romantic love’ where the relationship of the couple and the speciality of the occasion is conveyed. These two communication strategies for positioning diamonds as a category are used . As a result , the diamond segment witnessed market growth of about 90% between 1994 and 1997.

Since the jewellery market in India has so far largely been for non-branded generic jewellery , the concept of branding is not very popular among jewelers . Besides , as discussed, above even diamonds as a category are in a nascent stage in the Indian market. The size of the global diamond jewellery business is estimated to be at US\$ 70 billion . Of this, branded jewellery accounts for only

8% or US\$ 5.6 billion. However India's share in diamond jewellery exports is only 3% at US\$ 2.1 billion.

Indian diamond merchants are putting their heads together to build diamond jewellery brands for international markets. In 2000 , the Diamond Trading Corporation introduced three different brand categories called Nakshatra , Asmi and Agni . For promoting branded jewellery , the celebrity star Aishwarya Rai was roped in as a brand ambassador because of her global appeal.

**Questions:**

13.    (a)    Give reasons for building Indian brands in diamond jewellery segment in international markets . (7)
- (b)    How would you position branded Indian diamond jewellery in international markets ? Analyse the brand positioning strategy for a few selected markets using life-cycle approach. (8)