

# FACULTY OF MANAGEMENT EXAMINATION NOVEMBER 2015

## DEPARTMENT OF MARKETING MANAGEMENT

MODULE : INTERNATIONAL MARKETING

CODE : MMA8X05

DATE : NOVEMBER 2015 EXAMINATION

**DURATION** : 3 HOURS

TIME : 08H30 – 11H30

TOTAL MARKS : 100

**EXAMINER(S)** : Dr Frances Wright

(EXTERNAL) MODERATOR: Dr Tish Taylor

NUMBER OF PAGES TWO PAGES

### **INSTRUCTIONS TO CANDIDATES:**

- Please answer all the questions.
- This is an open book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Structure your answers by using appropriate headings and sub-headings.

#### QUESTION 1 (50 marks)

Write a 3-page motivation to convince management of the strategic importance of international marketing. [25]

Marks will be awarded according to the following rubric below:

Introduction	2
Definition of international	
marketing	5
Importance of international	
marketing	8
Explanation of what	
international marketing is	8
Conclusion	2

- 1.2 Management is concerned about coping with cultural differences and has asked that you write a report highlighting the various cultural dimensions which should be considered.
- 1.2.1. Give an explanation of cross-cultural analysis with specific focus on the high/low context approach. [10]
- 1.2.2. Provide recommendations to management as to how they can control the situation of managing diverse cultures [15]

QUESTION 2 (50 marks)

**CASE STUDY** 

Mo'men Fast Food Chain

#### Introduction

Mo'men, one of the biggest fast food chains in Egypt and the Middle East, started a small family business for takeaway sandwiches in 1088. The three founding brothers have chosen the brand name for two reasons; it is their family name and it reflects its belonging to the Arab Muslim world which differentiated them from the international brands in the market. In addition to the catchy brand name they chose, they offered a big variety of innovative sandwiches, high quality components and attractive distinguished packages. Not only that, but Mo'men established a research and development department to continuously seek new successful competitive products. After the success of the first Mo'men store in Heliopolis, the three brothers decided to open other branches throughout Egypt and to date have 30 restaurants

all over Egypt. They then decided to penetrate new international markets; however, they had to study each market independently before deciding to invest in it. Through acquisitions and joint ventures, today Mo'men is present in Sudan, Bahrain, Libya, Malaysi and UAE. This created the importance of having a control process in which standards are set, checked and corrective actions are taken when necessary. These quality and operation standards created by Mo'men and complying with the international criteria guaranteed that customers in each Mo'men restaurant receive the same level of quality, taste, freshness, cleanliness of products and service. This is how the chain managed to compete in the international market with all its diversified customers' tastes and needs.

#### Discussion

Mo'men administrators penetrated each market in a different way; however they managed to keep the same high quality products everywhere. They studied the potential market, identified its need and launched their products using integrated marketing plans.

One of the main competitive advantages of Mo'men lies in its wide variety of sandwiches achieved through different combinations of components. If offers six different food categories, each with a distinguished packaging and a big selection of items under each category. This diversity helps to satisfy customers' various tastes and needs in different local and international markets. Mo'men caters to the health conscious customer as well as those that are looking for a heavier meal.

The three hard working founders had carefully chosen the brand name suitable to the Egyptian Market where they first started. The name Mo'men translates into "faithful" and worked very well in Arab and Muslim countries; however, it may be a challenge in some markets. Non-Arabic speaking countries may find it difficult to pronounce and some may find it meaningless which may affect the power of the brand itself.

Before entering a new market, Mo'men studied it thoroughly by conducting market research; situation analysis and developed a rigorous marketing plan accordingly. It is therefore important to understand that domestic marketing differs from international marketing in many aspects.

When the three brothers market their restaurants in Egypt they may use a different marketing strategy to that of an international market. The expansion method used will also differ from one business to another. In some cases, Mo'men chose to enter the international market through existing players. For instance in 2007 in the UAE Mo'men entered into joint venture with Al Islami food and in Malaysia. They are seeking the acquisition of an already existing chain of 20 restaurants.

Securing the financial resources is another challenge for any international business. In order to expand, Mo'men had to secure the money for acquisitions and joint

ventures. For instance, in 2008, Actis, a private equity investor, invested USD 48.5million in the Mo'men group. Moreover, Mo'men brothers are planning to sell 40% stake in an initial public offering in 2012 and maintain effective corporate governance, which is a guarantee for the business transparency with shareholders.

- 2.1 What challenges did Mo'men experience in trying to expand internationally?

  Provide examples of other challenges they could they have encountered

  [15]
- 2.2 Mo'men achieved success despite the fact that they started expanding as an SME. What are the main reasons behind the success of Mo'men? [10]
- 2.3. Which environmental influences should Mo'men have considered before expanding internationally? In your conclusion mention whether you think they did consider all of these influences and which influences they did not consider?
- 2.4 What can Mo'men do with their brand to make it acceptable to the west?

[10]

Total: 100 marks

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