



UNIVERSITY
OF SKÖVDE

School of Technology and Society

WRITTEN EXAMINATION

Course: International Marketing

Sub-course

Course code: FÖ529G

Credits for written examination 10 ECTS

Date: 2026-02-27

Examination time: 08:15 -12:30

Examination responsible: AFM Jalal Ahamed

Teachers concerned: AFM Jalal Ahamed

Aid at the exam/appendices: German to English, French to English, Swedish to English, Korean to English

Other

- Instructions
- Take a new sheet of paper for each teacher.
 - Take a new sheet of paper when starting a new question.
 - Write only on one side of the paper.
 - Write your name and personal ID No. on all pages you hand in.
 - Use page numbering.
 - Don't use a red pen.
 - Mark answered questions with a cross on the cover sheet.

Grade points

Letter Grade	Explanation
A	Excellent (<i>Utmärkt</i>)
B	Very good (<i>Mycket Bra</i>)
C	Good (<i>Bra</i>)
D	Satisfactory (<i>Tillfredsställande</i>)
E	Sufficient (<i>Tillräckligt</i>)
F	Fail (<i>Otillräckligt</i>)

Examination results should be made public within 18 working days

Good luck!

Total number of pages



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Question #1

Explain the key elements of the sociocultural environment that influence international marketing.

[Hints: In your answer, you should:

- Describe culture and its importance in international marketing
- Explain major cultural elements (such as values, language, religion, customs, and social norms)
- Discuss cultural dimensions, with reference to Geert Hofstede's cultural dimensions
- Explain the concept of cultural distance
- Provide simple, relevant examples to support your explanation]

(16 points)

Question #2

2(a). A Swedish consumer-goods company sells a product domestically for SEK 120 (ex-works) and plans to export it to Japan. Explain the concept of price escalation in international markets and show, in a clearly reasoned way, how the export price can increase from the ex-works price to the final consumer price abroad. Your answer must identify at least four drivers of escalation (e.g., logistics, tariffs/taxes, margins, exchange-rate effects, compliance costs) and propose two realistic managerial actions to limit escalation without undermining brand positioning.

(6 points)

2(b). A premium European brand is launching a new product in a large foreign market with intense competition and fast-moving consumer demand. Choose and justify one international launch pricing strategy (skimming or penetration) and explain why it fits the situation. Your justification must link your choice to international marketing realities such as willingness to pay, competitive intensity, brand equity, market growth, risk of grey/parallel imports, and channel power)

(6 points)

2(C) A firm selling internationally must decide (i) which terms of doing business to use in contracts (e.g., responsibilities for transport, insurance, risk transfer) and (ii) how much pricing standardization vs. differentiation it can maintain across countries. Explain how contractual terms and distribution/channel structure influence the final price, the firm's control over price, and potential international pricing problems (such as inconsistent retail prices across markets and parallel trade). Use at least two concrete examples of mechanisms that change price or control.

(5 points)



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Question #3

Critically evaluate the selection and application of foreign market entry modes based on theoretical and practical perspectives. Answer the following:

- 3(a). Define and differentiate the three primary types of market entry modes: export, intermediate, and hierarchical modes. (7 points)
- 3(b). Which are the five export modes of indirect exporting? Why do manufacturing firms prefer to use direct export modes? (8 points)
- 3(C) Explain the factors influencing a firm's choice of entry mode, categorized into internal factors, external factors, desired mode characteristics, and transaction-specific factors. How do these factors collectively influence strategic decisions? (10 points)

Question #4

- 4(a) A consumer electronics firm is launching a smart home device in Sweden, India, and Brazil. Write an answer that explains the logic of standardization versus adaptation in international product strategy, then recommends an appropriate approach across the three markets using the product - communication strategy options (e.g., straight extension, promotion adaptation, product adaptation, dual adaptation, product invention). Your recommendation must be justified using relevant market factors (e.g., customer needs, regulations, infrastructure, usage conditions, culture, competition) (7 points)
- 4(b) Using an example of a streaming subscription service (e.g., music or video), explain the three levels of a product and illustrate each level with a concrete example. Then discuss how key service characteristics (choose three: intangibility, perishability, heterogeneity, inseparability) create challenges or opportunities in international markets, and what these imply for international marketing decisions (e.g., branding, service delivery, quality control, standardization vs. local tailoring). (7 points)
- 4(c) A mid-priced bicycle brand manufactured in Country A plans to enter two new markets where consumers strongly associate "high-quality bicycles" with Country B. Explain how the Product Life Cycle (PLC) can be used to guide international product decisions and also discuss limitations of PLC as a strategic tool. Analyze how country-of-origin effects may influence perceived quality, positioning, and purchase intention in the target markets. Finally, recommend a branding route for entry (e.g., own brand, co-branding, or private label) and justify the choice by weighing clear advantages and disadvantages (8 points)



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Question #5

Read the short case below and answer the questions based on the case and your understanding from the course

Background

In 2022, *Elena Marquez*, founder and CEO of *Aurora Roasters*, sat in her flagship café in Lisbon, Portugal, reviewing the company's performance. Founded in 2014, *Aurora Roasters* was a premium specialty coffee company combining small-batch roasting with café spaces that emphasized sustainability, barista craftsmanship, and a curated customer experience. The brand had grown steadily and now operated five profitable cafés in Portugal, all supplied by *Aurora's* central micro-roastery.

Aurora Roasters differentiated itself through ethically sourced beans, direct trade relationships with farmers, in-house roasting, and experiential cafés that offered tastings, workshops, and community events. However, the domestic market was becoming saturated, rental costs were rising, and *Elena* believed that long-term growth required international expansion.

The strategic dilemma

Elena narrowed her expansion options to two emerging markets: Mexico and Vietnam. Both markets showed strong growth in urban middle-class consumers, increasing café culture, and exposure to Western lifestyle trends. However, each market presented distinct institutional, cultural, and competitive challenges. *Aurora* could only enter one market initially due to financial and managerial constraints. *Elena* needed to decide where to expand and how.

Market option 1: Mexico

Mexico had a rapidly expanding urban café culture, particularly in cities such as Mexico City and Guadalajara. Coffee consumption was rising among young professionals, and specialty cafés were becoming social hubs. Mexico was also a coffee-producing country, which could reduce raw material costs and strengthen *Aurora's* sustainability narrative.

However, *Elena* was concerned about:

- Complex regulatory requirements at the municipal and federal levels
- Security risks and supply-chain reliability in certain regions
- Strong competition from both local specialty cafés and international chains

Foreign firms often partnered with local operators to navigate bureaucratic and cultural complexity.

Market option 2: Vietnam



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Vietnam was one of the world's largest coffee producers and had a deeply embedded coffee-drinking culture. In major cities like Ho Chi Minh City and Hanoi, premium and Western-style cafés were gaining popularity among affluent youth and expatriates.

Challenges included:

- Strong preferences for local coffee styles and flavors
- State influence in business regulation
- Restrictions and informal practices affecting foreign-owned service firms

Elena noted that some foreign brands succeeded by localizing their offerings, while others failed due to insufficient adaptation.

Strategic considerations

Aurora's business model relied heavily on:

- Skilled baristas and roasting expertise
- Brand storytelling and experiential consumption
- Tight quality control and consistency

Elena debated whether Aurora should enter through:

- A wholly owned subsidiary to protect know-how
- A joint venture or strategic alliance with a local partner
- A franchise-style model, despite risks to brand consistency

She needed to make a defensible, strategy-driven decision under uncertainty.

- 5(a) Using the Resource-Based View (VRIO framework), analyze two key resources or capabilities of Aurora Roasters and assess whether they provide a sustainable competitive advantage in international markets. (6 points)
- 5(b) Conduct a PESTLE analysis to evaluate the attractiveness of the selected market for Aurora Roasters. Briefly discuss two major opportunities and two major risks arising from this environment. (6 points)
- 5(c) Recommend one market (Mexico or Vietnam) for Aurora Roasters' first international expansion. Propose an appropriate market entry mode. Justify your recommendation using strategic fit, risk considerations, and long-term competitiveness. (8 points)