



## ASSIGNMENT MEMORANDUM

**SUBJECT : INTERNATIONAL MARKETING 1 (IM1)**

**ASSIGNMENT : 2<sup>ND</sup> SEMESTER 2011**

Unless otherwise indicated references are to the prescribed textbook: Cateora, P.R., Gilly, M.C., and Graham, J.L. 2009. *International Marketing*. 14<sup>th</sup> edn. McGraw-Hill.

### ASSIGNMENT [90]

Students should cover the following, giving comments as to the importance and relevance of the different items of information. Any additional or different information that students may suggest will be accepted provided a reasonable explanation of its importance and specific relevance is given.

It is important that students do not include information that is irrelevant to this particular product (for example, information on vehicles on the road is more important than very detailed demographic information).

- 1.1 General information about the country
  - a) The political and economical stability of the country.
  - b) Current business climate.
  - c) Description of the geography of the country, with special relevance to driving conditions.
  - d) Will the climate of the country of import necessitate modification to product packing to ensure safe carriage of any consignment along all legs of the voyage?
  
- 1.2 Information about the country's financial situation:
  - a) National currency, exchange rate and the stability of exchange rate.
  - b) The balance of payments and available foreign exchange reserves.
  - c) The foreign debt situation.
  - d) Availability of export credit insurance and the usual method of payment.
  - e) Structure of the country's banking sector and international trade services.

- 1.3 Some demographic details:
  - a) Population concentration, major towns and population centres.
  - b) Literacy levels would be important, because of the instructions accompanying car jacks.
  - c) The level of income and standard of living.
  
- 1.4 Information about the structure of the economy:
  - a) What are the chief sectors and what vehicles are used?
  - b) Do they represent a possible market for car jacks?
  - c) The condition of the country's roads.
  - d) The average age, condition, make and model of vehicles.
  
- 1.5 What is the automotive service sector like?
  - a) Are there distributors and outlets through which car jacks could be sold?
  - b) What is the distribution channel for car jacks?
  - c) To what extent would after-sales service be required and could this be provided by distributors in the market?
  
- 1.6 Competitive information:
  - a) Are car jacks produced locally or are they imported?
  - b) Who are the main suppliers and how competitive are they?
  - c) What are price levels?
  - d) What range of jacks is generally available to the market?
  
- 1.7 Technical product information:
  - a) Are there any technical and/or safety standards concerning car jacks?
  - b) Is there any environmental legislation likely to affect the distribution of the product?
  - c) Is there intellectual property protection in the foreign country and what are the requirements to ensure legal protection?
  
- 1.8 Logistics information:
  - a) Does the prospective market have any trade agreements with South Africa and other countries that affect import duties or market access?
  - b) Are there any restrictions on or licensing of imports?
  - c) What is the import duty and any other duties or taxes?
  - d) What is the basis of assessment?
  - e) What are the documentary requirements for imports into the country concerned?
  - f) What are the main ports of entry?
  - g) How easy is it to transport goods from South Africa to the markets?
  - h) What are the freight rates?
  - i) Are there any packaging, marking and labelling requirements for imports into the country?

- 1.9 Specifically investigate whether the company will benefit more from exporting car jacks as completed products or in a completely knocked down condition for local assembly.

**Reference: Cateora et al. 2009: Chapter 8, augmented with additional own research.**

**PRESENTATION [10]**