

The University of Agder
Faculty of Economics and Social Science

EXAM MF 401

Course code: MF 401
Course name: International Marketing

Date: March 2nd 2012
Duration: 4 hours

Number of pages incl. front page 3

Please use your best handwriting
You may use a dictionary to English from your native language

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“EcoSolutions GmbH”

Facts and fiction:

EcoSolutions GmbH is not a real company, however, the products and their designer are real.

Facts – the background:

Rochus Jacob was born 1983 in Oldenburg Germany. He studied Product Design at Offenbach Design Academy. During his studies he did an internship in San Francisco at One & Co and worked as a freelancer for IDEO Munich. He lives and works in New York where he is employed full time by Smart Design – a product design agency with global operations. In his professional career he has collaborated with firms such as Google, Microsoft, Samsung, P&G, Nike and Steelcase. His involvement in noncommercial projects with various institutions from Tokyo and Seoul allowed him to discover and research new product approaches at the interface between science, technology and design. With a holistic and user oriented approach Rochus Jacob is dedicated to developing meaningful service, interaction and products that have a positive impact on people’s lives. He tries to identify the fundamental essence of things to create useful and honest design.

A journalist: “Several of your pieces highlight electricity use. How do you think design can help change people's consumption habits?”

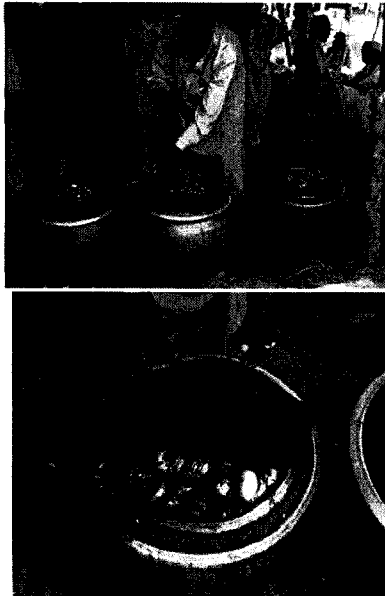
Rochus Jacob: “There is always a lot that can be done on the very forefront of product innovation to create products that are more efficient and resourceful. But on a larger scale I think there are already great long lasting products and alternatives out there, however, the biggest change in having an impact is teaching as many people as possible about good design and making the right product choices. There are enough designers and companies out there who get it right. It's more about communicating why a more expensive product could be a better investment over time than always buying the cheapest one.”

Products by Rochus Jacob have already received a number of awards internationally.

Two of his designs are 1) an energy saving Cooler and 2) a Rocking Chair, which generates electricity for its own lamp as described below.

The Cooler

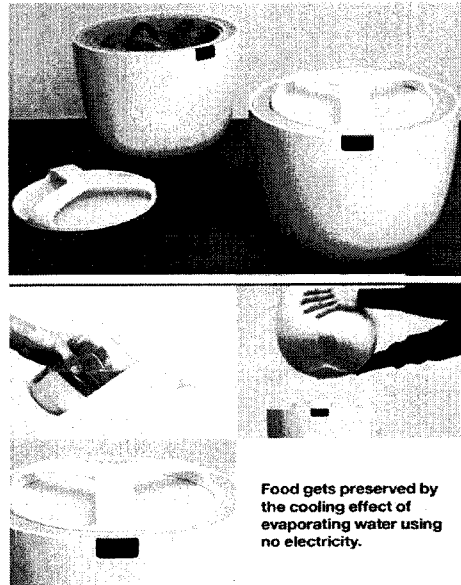
The inspiration



The Designer



The solution

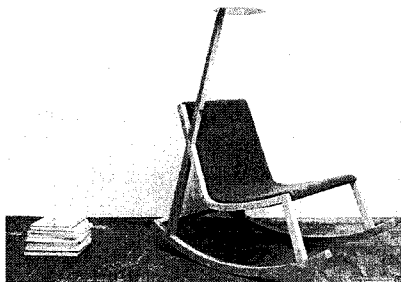


The thermodynamic cooler is a transfer and optimization of basic technology used mainly in emerging countries - to the high-tech kitchen. Food gets preserved by the cooling effect of evaporating water - using no electricity. The system is designed to be stackable, can be used as an alternative for a pantry, second fridge or an advanced fruit bowl. The design could help to reduce domestic energy consumption without radically compromising comfort. The cooler consists of two pots, one placed inside the other. The space between the two pots is filled with wet glass-foam, a waste product of the glass recycling process.

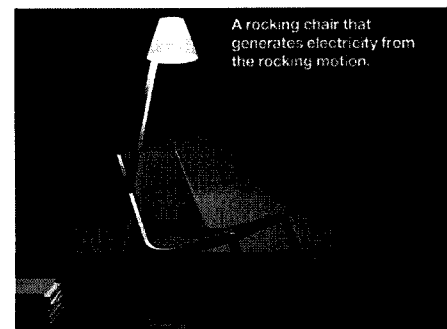
"I used this material instead of sand in the original version because it soaks in the water quicker and let the whole container become much lighter. The smaller inner clay pot, is covered with a damp cloth that is stretched over the lid. The water contained in the glass-foam between the two pots start to evaporate. By virtue of the laws of thermodynamics, the evaporation process automatically causes a drop in temperature of several degrees, cooling the inner clay pot, destroying harmful micro-organisms and preserving the perishable foods inside. To keep the cooling process active water needs to be added every couple of days, a green indicator highlights this for the user".

A full working prototype was realized, by working with professors of physics, using recyclable materials such as glass foam, clay and bio-plastics

2) The Rocking Chair



Day



Night

A rocking chair that generates electricity from the rocking motion.

The Rocking Chair's attached lamp is powered by your rocking back and forth, a good idea! The Chair's OLED lamp even senses when it's light or dark out. It has a battery pack which stores 'your rocking' in the daylight, so that it is fully charged when you need it during the darker hours of the day. Neither of these products is currently in production.

Fiction – the EcoSolutions GmbH case:

The designer, Rochus Jacob, is eager to have you help him get the products to the market. As a matter of fact, he is willing to give you a 30% share in his firm “EcoSolutions GmbH” located in Germany, in the expectation that your expertise will make his inventions profitable.

You realize that you have relatively few resources in the firm other than the patent for the product design and your own excellent marketing skills. You have also been able to find a financial backer who is willing to finance the project, if it looks promising, against a 30% share of the firm. It is up to you to make it look promising. You will need to design a value chain from the place of production to an end-user market in a country of your choice. Rochus Jacob and you agree on the vision for EcoSolutions GmbH: *economical solutions for a sustainable future through great design*. You have found out that the Cooler can be produced in China for US\$ 5.- and that the Rocking Chair can be produced in the Philippines for US\$ 30.-.

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Answer all four problems by a) presenting and b) applying relevant theory
Focus on only one of the two products in your exam; either the cooler or the chair.
You may choose the country where you want to introduce the product initially.
Make sure you define all relevant terms.
Each problem represents 25% of the exam.

The four problems are connected to one another, so make sure you read all the questions before you start your analysis. The segment you identify in problem (1) is important for problems (2), (3) and (4).

The problems:

1: Diffusion of innovations and market selection strategies (lectures and chapter 5)

Identify the market segment(s) you would like to try to approach initially in a country of your choice. Present and apply relevant theory.

2: Marketing research/information for international market decisions (lectures and chapter 6)

Develop a plan for marketing research, which will allow you to make good decisions for the firm when it comes to designing a value chain from the manufacturer to the end user segment(s). Present and apply relevant theory.

3: Marketing Strategy (lectures)

Develop a marketing strategy that will allow the firm to realize its vision, reach and serve the market segment(s) you identified in problem (1) above. Present and apply relevant theory.

4: Pricing decisions (lectures and Chapter 11)

What are the factors, which need to be considered when deciding on a price for the product? How would you price the product in your market segment? Why? Present and apply relevant theory.

Good luck!