

University of Agder
Faculty of Economics and Social Sciences

EXAM

Course code:	MF 401
Course name:	International Marketing
Date:	December 8th 2008
Duration:	0900 - 1300
Total number of pages	2
Aids:	Dictionary to/from your language to/from English
Notes:	Use relevant theories from Kotabe and/or lectures. Please answer all the questions. Use your best handwriting. Organize your answers well. Write in English or Norwegian

Good luck!

Alga-Aid Ltd. – a short case:

Alga-Aid Ltd. is a pharmaceutical company in Iceland, founded in 1948. The company is large by Icelandic standards and has annual sales of USD 100 million. Sales of imported pharmaceutical products represented USD 80 mill, and the rest came from local sales of products made by the firm in Iceland.

Alga-Aid Ltd. has conducted research into the healing capabilities associated with algae and minerals present in one of the company's geysers (hot springs) in Iceland. A particular alga in this geyser has the capability of increasing the speed with which open wounds are healed. The researchers have discovered that by applying the algae compound to a wound, it will heal 40% faster than the leading medication. The algae are plentiful and the production process is not expensive. This alga has not been found elsewhere.

The company has developed a bandage product with the algae compound contained in the bandage. They have one model, "SurgeAid", for use in hospitals under the supervision of doctors. Patients who have undergone major surgery, can leave the hospital up to four days earlier if they are treated with "SurgeAid" after their operation.

SurgeAid is also much needed in less developed countries with limited health care systems. Some of these countries experience a high degree of crime and violence often compounded by armed conflicts. Due to general poverty, there is not much money available to purchase needed medical equipment.

The company has also developed a model for home use, "HomeAid", intended for minor cuts and scratches. Both products have been tested at research hospitals in Iceland and in Germany and have been found to cause no side effects (except the smell of sulfur). Approval by EC authorities is expected within three months, and patents and trademarks have been secured.

- End of case -

Problems

I: What entry mode would you suggest that Alga-Aid Ltd. should use for SurgeAid to get a foothold in a target market in a developed country of your choice? (Select a country outside Iceland and select a target market).

1a) Present relevant theory

1b) Apply relevant theory to the problem above.

II: The managers of Alga-Aid Ltd. are wondering whether they need to change their HomeAid product- and communication strategies from one country market to the next. Kotabe discusses standardization and customization of communication and product strategies. What do you suggest that Alga-Aid Ltd. should do?

2a) Present relevant theory

2b) Apply relevant theory to the problems above

III: The managers at Alga-Aid are worried about grey marketing (or parallel imports). What would you recommend that the company should do to avoid these kinds of problems for "SurgeAid" and "HomeAid" in 1) rich countries and 2) poor countries?

3a) Present relevant theory

3b) Apply relevant theory to the problem above.

- *End of problems* -