

## EXAM

<b>Course code:</b>	<b>MF-401</b>
<b>Course name:</b>	International Marketing
Date:	11 March 2010
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Total number of pages	4 (including this front page)
Aids:	You may use a dictionary from/to your language to English
Note:	All problems are weighted equally – please use your best handwriting

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Final exam MF 401 International Marketing  
March 11<sup>th</sup> 2010

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**Pedal Power Inc.**

On December 14<sup>th</sup> 2009, The New York Times reported that **The Senseable City Lab** at Massachusetts Institute of Technology (MIT) had introduced the “Copenhagen Wheel” during the Copenhagen Conference on Climate Change. MIT is trying to do its part to help the environment by making bike riding easier and more enjoyable.

The bicycle looks normal, except for the rear wheel. The center of the Copenhagen Wheel, the hub, contains a large round device which can generate energy when you slow down, store the energy, and use it to power the bicycle as needed. The wheel's battery can store energy as you step on the brakes and then return that power back to help you climb a hill or boost your speed. A sensor inside the hub measures your effort when you ride. As you pedal forward, the sensor tells the wheel's electric motor to give you a boost. When you hit the brakes, the motor regenerates, slowing you down and recharging the batteries. The goal behind this design is to encourage people to bike farther distances, relying less on gas-guzzling transportation. The battery cannot be recharged electrically, it is only charged when the bicycle slows down or runs downhill.

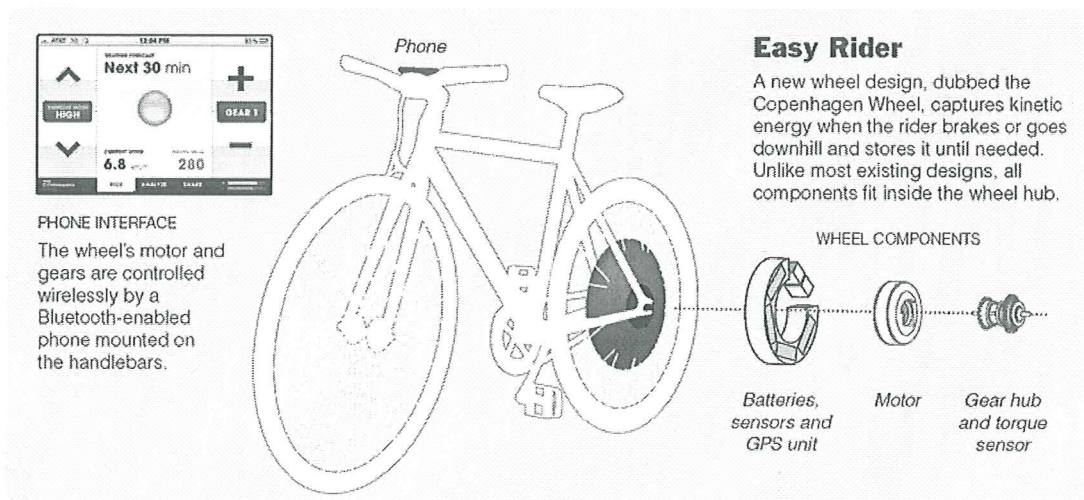
Beyond giving you an energy boost, the wheel has other secrets in its bright red hub. Using sensors and a Bluetooth connection, the wheel can talk to an iPhone mounted on the handlebars. Through an iPhone app, you can check your speed, direction, and distance traveled. The wheel can also monitor traffic conditions and smog and even keep track of your bicycling buddies.

So far there is only a dozen prototypes in existence. It is estimated that the Copenhagen Wheel will add \$ 300 to the cost of a bicycle and that it will add 2 kg to its weight.

Normal bicycles vary greatly in quality and price – from \$ 80 to \$ 10 000. A good and dependable bicycle runs about \$ 600 in Europe and North America. The f.o.b. costs from a producer in China is about \$ 100 for a \$ 600 bicycle.

Rechargeable electric bicycles are priced from \$ 300 fob (on board a ship) in China and retails for about \$ 900 and above, and have a range of about 30 km.

You are working for Pedal Power Inc., which has been selected by M.I.T. to introduce this innovation to interested customers in two different countries.



Source: M.I.T. Senseable City Laboratory

THE NEW YORK TIMES

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**Problems:**

I: Your boss has asked you to help out in the marketing process. She has asked you to make it simple because this is a simple standard product: "two wheels and pedals" she said. You protest - "but what about cultural differences?" Her comment was: "a bicycle is a bicycle no matter where you are". Argue your position.

1a) Present relevant theory

1b) Show how you would use the theory to advise Pedal Power.

II: Job number one is to identify appropriate international target markets, which will appreciate and purchase these innovative bicycles with the Copenhagen Wheel. Select two counties and a target market for each country.

2a) Present relevant theory

2b) Show how you would use the theory as you advise Pedal Power

III: Pedal Power's only assets consist of the rights to the invention and a few highly talented marketers. Job number two is to develop a market strategy, which includes all the activities needed for the successful production and distribution of the new bicycle in the two markets selected.

3a) Present relevant theory

3b) Show how you would use the theory to advise Pedal Power

IV: You quickly realize that you need to engage in a dialogue with the target markets, but you have limited resources. Present a communication strategy that could be used by your company in order to move your customers in the two markets through their decision process.

4a) Present relevant theory

4b) Show how you would use the theory to advise Pedal Power