

PGDM- IB (2016-18)
INTERNATIONAL MARKETING

Subject Code: IB-304

Trimester – III, End – Term Examination, March 2017

Time allowed: 2.5 hours

Max. Marks: 50

Roll No. : _____

Instruction: Students are required to write their roll number on every page of the question paper, writing anything except the roll number will be treated as Unfair Means. In case of rough work, please use the answer sheet.

Section A

Attempt only **THREE** questions.
Word limit: 200 words

Marks: 5*3=15

1. Products should be adapted physically and culturally for foreign markets. Comment on this statement
2. Entry into a developed foreign market will differ from entry into a relatively untapped market. Justify your stand on this comment.
3. In the last decade, there was a trend towards acquisitions and mergers, whereas in the last five years, the trend is more towards joint ventures. Why have international marketers become more enamoured with JVs as compared to M&As?
4. What do you understand by
 - a. Dual pricing
 - b. transfer pricing
5. Explain any one of the following
 - a. Types of Business Fraud
 - b. SPS Agreement

Section B

Attempt only **TWO** questions.
Word limit: 400 words

Marks: 10*2=20

1. Is digital marketing a good method of promotion for international marketing? Justify your stand with examples.
2. Explain the reasoning behind the various regulations and restrictions imposed on exports and imports of goods. Discuss the most frequently encountered trade restriction.
3. Price discrimination is a normal phenomenon in international marketing. Discuss the three levels of price discrimination with examples

Section C

Compulsory Case study

Marks: 15

CASE STUDY: CROSS-CULTURAL MISAPPREHENSIONS OVER THE SWASTIKA IN THE WEST

Confusions leading to severe problems in international business often arise due to lack of understanding of cross-cultural issues. The swastika (Fig. C5.1) is the most ancient surviving symbol, which dates to prehistoric times. The word 'swastika' is derived from the Sanskrit word *svastika*: from the roots, *su* or good, *asti*, meaning 'to be', and *ka* as a suffix. *Svasti* connotes well-being and is a widely used religious symbol in Hinduism, Buddhism, and Jainism. The Thai greeting *sawasdee* is also derived from the same root and carries the same implication. Over the years, the swastika symbol became common in various cultures around the world, with some modifications. It is known as *swastika* and *hakenkreuz* in Germany, *svastika* in Denmark



Fig. C5.1 Swastika: An ancient symbol of well-being, love, and luck in Hinduism and other oriental cultures

and Sweden, *svastica* in Italy, *wan* in China, *manji* in Japan, *fylfot* in England, *tetraskelion* and *gammadion* in Greece, and *swastika* in India.

The British author Rudyard Kipling was so strongly influenced by Indian culture that he had a swastika inscribed on all his books until the rise of Nazism made this inappropriate. The swastika was also a symbol used by Scouts in Britain, although it was taken off Robert-Baden Powell's 1922 Medal of Merit after complaints in the 1930s.

In the 1800s, countries around Germany were growing larger and forming empires; yet Germany was not a unified country until 1871. To counter the feeling of vulnerability and the angst of the youth, German nationalists in the mid-19th century adopted the swastika for its ancient Aryan origins, to represent a long Germanic/Aryan history. By the end of the 19th century, the swastika could be found on nationalist German *volkisch* periodicals and was the official emblem of the German Gymnasts' League.

In the beginning of the 20th century, the swastika was a common symbol of German nationalism and was placed in a multitude of places such as the emblem for the *Wandervogel*, a German youth movement, on Joerg Lanz von Liebenfels' antisemitic periodical *Ostara*; on various *Freikorps* units; and as an emblem of the Thule Society.

On 7 August 1920, the swastika (*Hakenkreuz*)¹⁵ was formally adapted by the Nazi Party at the Salzburg Congress. This

symbol became the official emblem of the Nazi Party and was used on the party's flag, badge, and armband. In *Mein Kampf*, Adolf Hitler described the Nazi's new flag as 'in red we see the social idea of the movement, in white the nationalistic idea, in the swastika, the mission of the struggle for the victory of the Aryan man, and, by the same token, the victory of the idea of creative work, which as such always has been and always will be anti-Semitic'.

Thus, from a symbol of well-being, love, and luck, the swastika was transformed by the Nazis into a symbol of hate, anti-Semitism, and death. The British documentary *Swastika*, directed by Philippe Mora and released in 1973, focused on German history during the Nazi era. The post-world war criminal codes in Germany and Austria made the public showing of the swastika (*hakenkreuz*), except for scholarly purpose, illegal and punishable. However, the swastika on Hindu, Buddhist, and Jain temples are exempt as no religious symbol can be banned in Germany.

Due to cross-cultural confusion over the swastika, Nintendo confessed that what is appropriate in one culture may not be for another. It had to withdraw a Pokemon Trading Card featuring *manji* (swastika) in 1999 from Western markets following a complaint by the Anti-Defamation League.

In December, 2002, Christmas crackers imported from China by Walpert Industries in Canada were found to display the swastika on miniature panda bears.¹⁶ The swastika mark was placed on the toy pandas due to lack of cross-cultural understanding by the Chinese manufacturer. Walpert personally called some of the people who received the bears with the swastika symbol and apologized. It also assured more stringent quality measures in the future.

In December 2003, Microsoft faced a problem with its Bookshelf Symbol 7 as the font's array of graphic symbols resembled the swastika. Microsoft offered an apology for its 'unintentional oversight' that caused two swastikas to be included in a font in its new Office suite. Microsoft also released a utility that allowed its users to remove the offending fonts.

In January 2005, the photographs of British prince Harry in a costume with a swastika armband taken at a birthday party in Wiltshire created a furore and the prince had to issue a statement apologizing for the offence caused.¹⁷ In 2006, a court in Stuttgart fined a 32-year-old man more than 7,000 euros (8,700 dollars) for selling anti-Nazi badges that showed a swastika with a line through it.¹⁸ The fashion firm Esprit was forced to recall 2,00,000 catalogues and came under investigation in Germany in October 2006 after accusations that British-made-buttons appearing in their new collection had swastika designs.

Handbags made by an Indian supplier, which had swastika symbol on it, had to be withdrawn from its stores¹⁹ in 2007 by the Spanish fashion chain Zara after a customer in Britain complained and asked for a refund when she spotted swastikas on her bag. Zara, owned by the world's second largest fashion retailer Inditex, which has more than 3,330 stores across 66 countries, had to apologize to everyone whom it offended.

In 2012, the singer Madonna sparked a controversy during a concert in Paris with swastika superimposed on her forehead.²⁰ The video with swastika had already appeared in her 30-nation MDNA tour. A major French political party threatened to sue Madonna who had to later drop the swastika from video footage and replaced it with a question mark.²¹

Recent attempts to ban the swastika in the European Union have witnessed severe opposition from various socio-cultural groups, especially the Hindus, the Buddhists, the Jains, and other oriental religious groups.²²

Questions

1. Carry out a cross-country comparison of the differences in perceptions and cultural implications of the swastika.
2. Critically evaluate how the use of swastika by the Nazis transformed its common perception to a symbol of hate rather than a symbol of well-being, love, and luck.
3. In your opinion, is the proposed ban on swastika on commercial products in the European Union justified? Discuss your views