



**ASSIGNMENT 1ST SEMESTER : EXPORT/INTERNATIONAL
TRADE STRATEGY (EIT)
INTERNATIONAL EXPORT
TRADE STRATEGY 3
(ETS301)**

DUE DATE : 3:00 p.m. 20 MARCH 2012

TOTAL MARKS : 100

INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from any IMM GSM office, or the relevant Student Support Centre, or can be downloaded from the IMM GSM website. It is essential that you study the complete instructions prior to beginning your assignment. The following points highlight only a few important notes:

1. You are required to submit ONE assignment per subject.
2. The assignment will contribute 20% towards the final examination mark, and the other 80% will be contributed by the examination, however, the examination papers will count out of 100%.
3. Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
4. Number all the pages of your assignment (e.g. page 1 of 4) and write your name and surname, student number and subject at the top of **each** page.
5. The IMM GSM requires assignments to be presented in a typed format, and on plain A4 paper. This assignment must be completed within a limit of 2000 words, excluding the bibliography. Students who exceed the word limit may find that only part of the submitted assignment will be marked.
6. A separate assignment cover, which is provided by the IMM GSM, must be attached to the front of each assignment.
7. Retain a copy of each assignment before submitting, in case the original does not reach the IMM GSM.
8. The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 p.m. on 20 March 2012. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 p.m. on 20 March 2012 and up to 5:00 p.m. the following day, after which no assignments will be accepted.
9. If you fail to follow these instructions carefully, the IMM Graduate School of Marketing cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IMM GSM website, www.immgsm.co.za on Friday, 4 May 2012.

SPECIFIC INSTRUCTIONS:

The Export/International Trade Strategy assignment and examination for the 1st semester 2012 is based on the attached case study **Allison Transmission: Creating a European Face**. Note that this subject does not have a specific textbook but requires you to apply the knowledge you have gained from all your studies with the IEX/IMM GSM, but especially the subjects International Communication, Introduction to International Trade, International Marketing I and II and Export Management.

Both in the assignment and the examination, it is important that your answers display an adequate understanding of applicable theory by outlining the theory first and then applying it to the specific situation described in the case study. Always justify any statements you make. With a case study, there are seldom right or wrong answers – it is your approach and the justification of your approach that is important.

Completion of this assignment will give you good experience in assessing strategic international marketing options and in formulating the research required for market development. It will also help you to understand the issues raised in the case study and therefore will help you in the examination at the end of the semester. This will be an open-book examination and you may take into the examination hall any material of your choice; you should take a copy of your assignment.

QUESTION 1**[70]**

Allison Transmission Europe was faced with two options that would enable it to create a 'European Face' and help it to further penetrate the European market as a region and generally to consolidate its position and build for the future.

One option was to go into a joint venture with Steyr-Daimler-Puch AG and the other was to establish a manufacturing unit in unused factory space in General Motors' Opel plant in Szentgotthard, Hungary.

Explain the advantages and disadvantages of these two types of market entry and the detailed foreign market information that would be required to enable a company's management to make an informed decision. Make your answer as relevant as possible to the Allison Transmission situation.

There is considerable overlap between the market research required for these two market entry options; it is recommended that you detail the common areas of research first and then give the additional research items specifically required for the two options.

(Note that on p. 13 in the case study, NPV stands for Net Present Value, which is an approach to financial analysis of a company.)

QUESTION 2 [20]

P. 10 of the case study makes several references to cultural aspects. The difference in business culture between Americans and, for example, the Swedes is noted. Also, the similarity between the Americans and the British is referred to.

- 2.1 Explain in detail how the business cultures in the United States and most countries of Continental Europe differ.
- 2.2 Explain the background to the perceived alignment of the business cultures of the United States and the United Kingdom.

PRESENTATION [10]

Your assignment should be presented as a business document, under appropriate headings and sub-headings. It should not exceed 2000 words in length.

ASSIGNMENT TOTAL: 100