**MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.**

1) In 2014 which country/bloc was the source of the largest number of major multinational enterprises?

A) European Union

B) USA

C) China

D) Singapore

E) Japan

Answer: A

Diff: 1

Topic: Introduction

AACSB: Application of knowledge

Objective: Explain the position and interests of individual countries such as Australia and New Zealand in international trade and how one country’s situation can differ from that of other countries

2) The transnational approach to international marketing is the most appropriate strategy for small to medium-scale exporters.

Answer: True  False

Diff: 2

Topic: Introduction

AACSB: Analytical thinking

Objective: Explain the position and interests of individual countries such as Australia and New Zealand in international trade and how one country’s situation can differ from that of other countries

3) Asia has the largest percentage of the world’s multinational enterprises (MNEs).

Answer: True  False

Diff: 1

Topic: Introduction

AACSB: Application of knowledge

Objective: Explain the position and interests of individual countries such as Australia and New Zealand in international trade and how one country’s situation can differ from that of other countries

4) The WTO replaced which of the following?

A) GATT

B) EU

C) GSM

D) WAP

E) ASEAN

Answer: A

Diff: 1

Topic: The new international marketing environment

AACSB: Application of knowledge

Objective: Recognise the diversity of stakeholders in the international marketing scene

5) Which of the following is part of the universal stakeholder model?

A) Customer satisfaction

B) Employee satisfaction

C) Financial performance

D) Employee orientation

E) All of the above

Answer: E

Diff: 2

Topic: The new international marketing environment

AACSB: Application of knowledge

Objective: Recognise the diversity of stakeholders in the international marketing scene

6) Holistic marketing involves:

A) relationship marketing.

B) pressure groups.

C) social responsibility marketing.

D) all of the above.

E) options A and C only.

Answer: E

Diff: 1

Topic: The new international marketing environment

AACSB: Analytical thinking

Objective: Recognise the diversity of stakeholders in the international marketing scene

7) Explain the difference between an ethnocentric approach and a polycentric approach to international marketing. Why might marketers choose to adopt a regiocentric or geocentric approach?

Answer: An ethnocentric approach results from management that believes the home country is superior and that the marketing undertaken in the home market should be applied to all offshore markets. A polycentric approach results from management that believes each country is different, with no country being necessarily inferior. Marketers often shift their approach to reflect changing circumstances, such as in economic and market development. With a regiocentric approach, a particular region (group of countries) is viewed as a market with integrated strategies developed that reflect both the differences and similarities between the home market and the region. For markets outside the region, management might still adopt an ethnocentric or polycentric approach. With a geocentric approach, the entire world is viewed as a market and a global approach is developed that is flexible enough to respond to local needs and wants as required.

Diff: 3

Topic: The new international marketing environment: What is international marketing?

AACSB: Written and oral communication

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

8) Discuss the various factors that might encourage a successful domestic firm to accept the risk inherent in going international and choose to sell its product in an overseas market.

Answer: International marketers balance the driving forces against the restraining forces when assessing each particular market. If the driving forces outweigh the restraining forces, a decision might be made to enter the market; if the restraining forces outweigh the driving forces, a decision might be made to forego the market or postpone entry. Driving forces include market needs (that transcend national boundaries), technology (which has no national boundaries), costs (economies of scale), governments (supportive policies) and information technology that have revolutionized communication (media overlaps national boundaries). Restraining forces include differences between markets flowing from economic development, the political system, legal requirements, societal expectations and cultural norms; government controls over entry and market access; and actual or perceived commercial, cross-cultural, country and currency/financial risk.

Diff: 2

Topic: The new international marketing environment

AACSB: Written and oral communication

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

9) The driving forces that can encourage business firms to undertake international marketing include:

A) market needs, legal differences and communications.

B) export commitment, technology and communications.

C) market needs, economies of scale and technology.

D) product enhancement, costs and economies of scale.

E) communications, legal differences and economies of scale.

Answer: C

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

10) Which of the following can be identified directly with international marketing?

A) Firms undertaking business transactions across national boundaries

B) Greater buyer awareness of and demand for new product innovations

C) The need for firms to adjust to macroenvironmental differences

D) All of the above

E) Options A and B only

Answer: D

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

11) International marketing is the process of planning and carrying out trading transactions across national boundaries. Which one of the following is NOT a valid form of international marketing?

A) An overseas joint venture

B) Exporting

C) A wholly owned overseas acquisition

D) Licensing

E) Each of the above is a valid form of international marketing.

Answer: E

Diff: 1

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

12) Which of the following is a driving force in international marketing?

A) Cross-cultural differences

B) Ethnocentric attitudes

C) Commercial risks

D) Cost

E) All of the above

Answer: D

Diff: 1

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

13) Most governments attempt to control the flow of trade into their country by regulating the trading conditions. This government regulation can be motivated by:

A) domestic-industry issues, including protection for local producers.

B) national sovereignty, including protecting national values.

C) local relevance, including changing designs to meet local needs.

D) all of the above.

E) options A and B only.

Answer: E

Diff: 3

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

14) There will always be differences between national markets, some of which can be significant enough to discourage a firm from entering an overseas market. Which of the following could be viewed as a restraining factor for international marketing?

A) Government tariff barriers

B) Controls to protect domestic industry

C) Government non-tariff barriers

D) Options A, B and C

E) Options B and C only

Answer: D

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

15) A restraining force on international marketing is that of real or perceived risk. Cavusgil categorises these as:

A) commercial risks.

B) financial risks.

C) cross-cultural risks.

D) country risks.

E) all of the above.

Answer: E

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

16) A firm that implements a polycentric management orientation towards its overseas marketing activities believes that:

A) each country is the same, although the home country is superior.

B) each country is different, but none is necessarily inferior.

C) each overseas operation needs to develop its own marketing approach.

D) the world is viewed as a single market that needs a specific strategy.

E) both B and C are correct.

Answer: E

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

17) The management orientation that views the home country as being superior to the overseas country, and believes that the marketing approach used in the home country should be applied to every other country is an example of a(n) \_\_\_\_\_\_\_\_ orientation.

A) geocentric

B) heliocentric

C) polycentric

D) ethnocentric

E) regiocentric

Answer: D

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

18) Which of the following is an example of a proactive internal marketing approach?

A) Utilising excess capacity

B) Reducing the advantage of seasonality

C) Diversifying risk

D) Unsolicited orders

E) Opportunities in foreign markets

Answer: A

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

19) Market needs and the creation of government policies that facilitate international involvement are two of the driving forces behind international marketing.

Answer:  True False

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

20) Economies of scale, gained by supplying more than just the domestic market, can drive down the costs of R&D, engineering and manufacturing.

Answer:  True False

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

21) An ethnocentric orientation towards foreign markets reflects the approach that the home country is superior and that its approach should be applied to other countries.

Answer:  True False

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

22) A regiocentric orientation views the region as the market, and ensures that the integrated strategies developed for the region take into account both the similarities and differences between the home market and the rest of the region.

Answer:  True False

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

23) Advances in communications technology have revolutionised international marketing activities.

Answer:  True False

Diff: 1

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Assess the driving and restraining forces that underlie the international marketing imperative

24) The small size of the domestic market is an example of a reactive–internal driver.

Answer: True  False

Diff: 3

Topic: The new international marketing environment: What is international marketing?

AACSB: Analytical thinking

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

25) Explain the different reasons a company might have for undertaking international marketing.

Answer: The reasons for undertaking international marketing can be either proactive or reactive and can come from either internal drivers or external opportunities. Proactive–internal reasons include management desire, unique features of the offering, the need to utilize excess capacity, the small size of the domestic market or stagnant or declining domestic markets. Reactive-internal reasons include diversifying risk and reducing the disadvantage of seasonality. Proactive-external reasons include opportunities in foreign markets and other sources of stimulus such as government export incentives. Reactive-external reasons include unsolicited orders from foreign customers.

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Written and oral communication

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

26) Since World War II, international trading has become more complex and:

A) interdependencies between firms in different countries are much greater.

B) an export approach is preferred to a holistic focus.

C) organisations are moving from foreign direct exporting to indirect exporting.

D) options A and C.

E) option A only.

Answer: E

Diff: 3

Topic: Approaches to international marketing

AACSB: Analytical thinking

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

27) When entering international markets, firms can take different approaches based on varying levels of commitment. Discuss the various approaches and when each approach may be appropriate.

Answer: With a domestic to transnational approach, a company often makes its first venture out of its home market through exporting, eventually becoming a transnational firm. With this approach, the company may chose to rely on overseas intermediaries or make a larger commitment to an overseas market by establishing its own offices there. The company might start with one offshore market and expand to more markets, or may make its first venture offshore to a number of markets simultaneously. With an indirect exporting to foreign direct investment approach, a company might choose to work initially with an export intermediary who handles all aspects of exporting then chose to export directly. If dictated by tariff or non-tariff barriers, the company might establish a manufacturing operation (joint venture, licensing or wholly-owned). With an export focus to holistic approach, the company takes into consideration not just exporting but also importing (e.g. lower-cost items from offshore). A range of variables will influence the level of commitment, including financial resources, management capabilities, government requirements and consumer demand.

Diff: 2

Topic: Approaches to international marketing

AACSB: Written and oral communication

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

28) A holistic approach to international business requires the marketer to:

A) satisfy the needs of both the individual consumer and the wider society.

B) adopt a strategy that concentrates the firm’s efforts in one market at a time.

C) market the product in those countries where there are fewer trade barriers.

D) develop several international markets simultaneously.

E) none of the above options is correct.

Answer: E

Diff: 3

Topic: Approaches to international marketing: From an export focus to a holistic focus

AACSB: Application of knowledge

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

29) Firms always use an export intermediary such as an export agent in foreign markets.

Answer: True  False

Diff: 3

Topic: Approaches to international marketing: From indirect exporting to foreign direct investment

AACSB: Analytical thinking

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

30) The theory of comparative advantage states that a nation can gain from international trade ONLY if it:

A) supplies products that other nations don’t produce.

B) has a disadvantage against other nations in the production of particular goods.

C) produces the best of everything.

D) exports products at a lower cost than other nations.

E) none of the above.

Answer: E

Diff: 3

Topic: Concepts underlying international marketing: Comparative advantage

AACSB: Analytical thinking

Objective: Identify underlying concepts of international marketing

31) The theory of comparative advantage is based on the idea that a country should focus on what it does best rather than trying to produce everything.

Answer:  True False

Diff: 2

Topic: Concepts underlying international marketing: Comparative advantage

AACSB: Application of knowledge

Objective: Identify underlying concepts of international marketing

32) In general, international trade in services has been in decline, while trade in primary industries has risen.

Answer: True  False

Diff: 1

Topic: The trading environment: Trade in services

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

33) In 2010 coal was Australia’s leading export.

Answer: True  False

Diff: 2

Topic: The trading environment: Major export activity

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

34) Historically, the main source of Australia’s exports has been the primary sector, but over the next decade, services are expected to produce the greatest level of growth.

Answer:  True False

Diff: 1

Topic: The trading environment: Trade in services

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

35) Exports in agricultural products, minerals and energy products are no longer the mainstay of Australia’s export activity.

Answer: True  False

Diff: 1

Topic: The trading environment: Major export activity

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

36) Explain how changes in the world trading environment, communication and transport and technology have facilitated international marketing.

Answer: Prior to World War II, many nations had discriminatory trading practices, including high tariffs or trade barriers. After World War II, efforts such as the General Agreement on Tariffs and Trade (now WTO) focused on liberalising world trade by, for example, reducing tariff and non-tariff barriers. The World Monetary Fund worked to overcome the limits on expanding liquidity imposed by an earlier reliance on gold and foreign exchange through its special drawing rights for settling transactions. The time and cost to transport goods has fallen substantially, making it possible to adequately serve foreign markets. Communication advances have allowed for electronic transmission of data and improved the ease and cost of staying in touch with overseas customers. The internet has made it easier to gather, analyse and disseminate information, creating *marketspaces* rather than *marketplaces*, allowing companies to access and service consumers around the world.

Diff: 2

Topic: The new international marketing environment: What is international marketing?

AACSB: Application of knowledge

Objective: Recognise the various approaches being adopted and evaluate the various classification systems that apply in international marketing

37) How does the theory of comparative advantage allow smaller economies to develop a niche position in the international trade market?

Answer: The theory of comparative advantage suggests that a country should focus on what it does best (comparative advantage) rather than trying to produce everything. It should then seek to trade with countries where there is demand for its products and that particular country has a comparative advantage in goods that its consumers demand. What matters in this theory is not the absolute cost but the relative efficiency. As such, smaller economies could focus only on the products where it has a comparative advantage (e.g. technology advantages, geographic/climate advantages).

Diff: 1

Topic: Concepts underlying international marketing: Comparative advantage

AACSB: Application of knowledge

Objective: Identify underlying concepts of international marketing

38) The product trade cycle, which is an extension of the product life cycle, relates to:

A) the emergence of the global village.

B) the WTO agreement that enables nations to trade goods and services.

C) the shift of product manufacture to lower-cost sources of production.

D) the increasing use of the internet for trading purposes.

E) none of the above.

Answer: C

Diff: 3

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Analytical thinking

Objective: Identify underlying concepts of international marketing

39) The product trade cycle is:

A) a major component of the overseas external environment.

B) the sequence of activities necessary to undertake international marketing.

C) a key element of holistic marketing.

D) a concept that incorporates the life cycle of markets.

E) none of the above.

Answer: D

Diff: 2

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Application of knowledge

Objective: Identify underlying concepts of international marketing

40) When a firm adopts an internalisation approach to international trade, it is attempting to gain advantage by:

A) making use of joint venture partners in the overseas market.

B) replicating its domestic operation in the overseas market.

C) buying only from its domestic suppliers.

D) employing an export merchant in the home country.

E) making use of agents in the overseas market.

Answer: B

Diff: 2

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Analytical thinking

Objective: Identify underlying concepts of international marketing

41) In the trickle down/waterfall pattern international, trade cycle moves in order through:

A) advanced, developing and less-developed countries.

B) less-developed, developing and advanced countries.

C) developing, less-developed and advanced countries.

D) developing, advanced and less-developed countries.

E) less-developed, advanced and developing countries.

Answer: A

Diff: 2

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Analytical thinking

Objective: Identify underlying concepts of international marketing

42) The product life cycle paradigm is a market-specific approach.

Answer:  True False

Diff: 2

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Analytical thinking

Objective: Identify underlying concepts of international marketing

43) Exporting a product to an overseas market cannot extend the life of a product in the decline stage of the product life cycle.

Answer: True  False

Diff: 3

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Application of knowledge

Objective: Identify underlying concepts of international marketing

44) From a macro perspective, high-income, mass-producing nations (such as the USA and Australi

A) were initially exporters of basic manufactures, but have ultimately become importers of such products.

Answer:  True False

Diff: 1

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Application of knowledge

Objective: Identify underlying concepts of international marketing

45) Explain the different stages for the international product trade cycle and provide two reasons why this cycle might encourage a domestic firm to enter an overseas market.

Answer: The product trade cycle is related to the product life cycle; however, instead of products, it looks at the life cycle of markets. The product trade cycle has four stages: export from the home market to an overseas market; production in the overseas market; export from the overseas market to nearby markets; and finally, export from the overseas market where production costs are cheaper to service the home market. Desire to increase sales (perhaps because of falling domestic sales) might prompt a company to look offshore while a shift to lower-cost production sources might prompt production in overseas markets.

Diff: 2

Topic: Concepts underlying international marketing: Product life cycle extension

AACSB: Written and oral communication

Objective: Identify underlying concepts of international marketing

46) The component parts of the wheel of international marketing are the:

A) rim, the hub and the centre.

B) hub, the spokes and the inner.

C) hub, the spokes and the rim.

D) hub, the spokes and the edge.

E) rim, the edge and the spokes.

Answer: C

Diff: 1

Topic: The wheel of international marketing

AACSB: Application of knowledge

Objective: Assess, from the firm’s perspective, the application of the ‘wheel of international marketing’

47) Companies that produce for the world market are most commonly referred to as \_\_\_\_\_\_\_\_ companies.

A) multi-domestic .

B) global

C) transnational

D) local

E) international marketing specialist

Answer: B

Diff: 2

Topic: The wheel of international marketing: The dilemma of definition

AACSB: Application of knowledge

Objective: Assess, from the firm’s perspective, the application of the ‘wheel of international marketing’

48) The hub of the wheel of international marketing consists of environmental factors that need to be taken into account when developing the firm’s international marketing mix.

Answer: True  False

Diff: 3

Topic: The wheel of international marketing: The rim

AACSB: Analytical thinking

Objective: Assess, from the firm’s perspective, the application of the ‘wheel of international marketing’

49) In 2014, which of the following nations was Australia’s top two-way trading partner?

A) Thailand

B) Republic of Korea

C) India

D) New Zealand

E) China

Answer: E

Diff: 1

Topic: The trading environment

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

50) In 2014, which of the following nations was New Zealand’s second largest two-way trading partner?

A) Thailand

B) Republic of Korea

C) India

D) Australia

E) China

Answer: D

Diff: 2

Topic: The trading environment

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

51) In 2014, Australia’s leading export was:

A) beef.

B) iron ore.

C) natural gas.

D) coal.

E) wheat.

Answer: B

Diff: 1

Topic: The trading environment: Major export activity

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

52) In 2014, which country was a major supplier of Australian imports?

A) Singapore

B) United States

C) Japan

D) China

E) All of the above

Answer: E

Diff: 2

Topic: The trading environment: Major import activity

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

53) The adoption of the internet has been fastest in countries that:

A) have English as the first or second spoken language and the organisation has a physical presence in the country.

B) have a high GDP and English is widely spoken.

C) are most closely aligned with the USA and there are a number of SMEs.

D) have a large number of intermediaries.

E) have few SMEs and English is widely spoken.

Answer: B

Diff: 1

Topic: The impact of the internet on international marketing

AACSB: Application of knowledge

Objective: Explain the beneficial role of international marketing in firms’ overall marketing activity

54) Outline the main trends in the Australian trade environment over the past 50 years. How do you see Australia’s trade developing over the next 20 years?

Answer: In the past 50 years, Australia has seen major increases in exports to countries undergoing economic growth and market development such as China and India. Australia remains an exporter primarily of commodities from the natural resources and agricultural sectors and an importer of manufactured goods (e.g. consumer goods and capital equipment). In line with global patterns, services are accounting for a growing percentage of Australia’s international trade, with strong growth in tourism and international education. Australia’s trade focus has progressively shifted from Europe and North America to Asia—a trend that is likely to continue into the future, despite recent issues such as China’s economic slowdown.

Diff: 3

Topic: The trading environment

AACSB: Application of knowledge

Objective: Recognise the importance of global trade and the role that marketing plays.

55) Explain the model of the wheel of international marketing and use an example to demonstrate its use in practice.

Answer: The wheel of international marketing links the hub (controllable variables of the firm’s marketing mix) to the spokes (regulations imposed by governments on exporting for commercial, economic, technological, political and legal reasons) that then connect to the rim (uncontrollable elements in the external international environment). The marketing mix variables at the hub need to be modified to take environmental factors into account with the amount of modification (sensitivity) varying depending on the nature of the product and the psychic distance between overseas and home markets.

Diff: 2

Topic: The wheel of international marketing

AACSB: Application of knowledge

Objective: Assess, from the firm’s perspective, the application of the ‘wheel of international marketing’

56) Which of the following is NOT a strength of the internet in terms of a marketing channel?

A) Does not overload businesses and consumers with information

B) Allows unprecedented one-to-one communications

C) Leads to cost-effective operations for marketers

D) Is an inexhaustible resource

E) Offers unique ways to present information

Answer: A

Diff: 2

Topic: The impact of the internet on international marketing

AACSB: Analytical thinking

Objective: Explain the beneficial role of international marketing in firms’ overall marketing activity

57) The explosion of electronic business questions a number of fundamental principles in international marketing including:

A) incremental internationalisation.

B) country screening.

C) barriers to internationalisation by SMEs.

D) the need for overseas intermediaries.

E) all of the above.

Answer: E

Diff: 2

Topic: The impact of the internet on international marketing

AACSB: Application of knowledge

Objective: Explain the beneficial role of international marketing in firms’ overall marketing activity

58) In 2015 the top country in terms of internet access was China.

Answer:  True False

Diff: 2

Topic: The impact of the internet on international marketing

AACSB: Application of knowledge

Objective: Explain the beneficial role of international marketing in firms’ overall marketing activity

59) With the advent of the internet, firms do not have to internationalise by moving from elementary modes of international behaviour to more advanced modes of international behaviour to the same extent.

Answer:  True False

Diff: 3

Topic: The impact of the internet on international marketing

AACSB: Analytical thinking

Objective: Explain the beneficial role of international marketing in firms’ overall marketing activity

60) How has the development of the internet changed the way a firm approaches international marketing? What strengths does the internet bring to an international marketer?

Answer: Adoption of the internet has been faster than the adoption of any other technology, providing a virtual alternative to 'real world' environments, and changing the ways companies do business and the ways that consumers shop. Success requires trust between vendor and customer, with security issues remaining a significant factor. The internet provides a range of advantages. For example, the internet equalises size advantages, overcoming the size disadvantages that stopped smaller companies looking offshore. The internet provides a cost-effective way for international marketers to find, service and communicate with customers offshore without the need for overseas intermediaries or an in-country presence.

Diff: 2

Topic: The impact of the internet on international marketing

AACSB: Application of knowledge

Objective: Explain the beneficial role of international marketing in firms’ overall marketing activity