

MARK 2020 – Mid Term**Name****Institution****Course****Professor****Date**

MARK 2020 – Mid Term**Winter 2022****INTERNATIONAL MARKETING****1. Importing and Exporting**

5 Marks

In recent weeks, Canada has had several border closures impacted by protests against COVID restrictions. Using recent media reports, identify:

i) A major product which Canada Imports which was affected by this closure

Imports are essential for the development of any given economic area. For this case, Canada is a significant importer of electronics from countries such as China, the United States, South Korea, and Taiwan, among other countries. Different electronics are imported, such as fridges, television sets, computers, mobile handsets, and household equipment. However, the COVID-19 border closure and several protests against COVID-19 restrictions initiated problems in terms of supply chain disruption. According to the Government of Canada (2020), before COVID-19, electronics and machinery account for 45% of imports. However, this has reduced with time. For the last two years, the electronic industry has had significant disruptions to its supply chain. Despite electronics being imported into the country, the number is not satisfactory. The number is limited compared to how it used to be before the onset of COVID-19. Lockdowns and social distancing measures to border closure have influenced the ineffectiveness of distribution chains.

Nevertheless, countries across the globe have continued to experience slowdowns in manufacturing due to labor and raw materials unavailability, affecting the manufacturing of electronics. This is a significant hit for Canada due to restrictions such as mandatory ship

quarantines. Also, there have been delays in vessels returning to the country to deliver electronics. The border closure have not been friendly considering that individuals have had to purchase the decreased numbers of electronics already in the market. Shortages of electronics has not only been experienced in Canada but across the world. The supply chain, however, has continued to improve with the restrictions taken down with time. With countries such as Canada gaining the right capacities in fighting the virus, the supply chain is taking shape and international trade continues to influence significant development in the electronic industry.

ii) A major product which Canada exports which was affected by this closure

Canada is renowned for its crude petroleum products as its leading export. According to Reuters (2021), Canada plays a vital role in the international energy sector. The country serves as the global fourth-largest crude producer. Out of its energy sector, Canada exports approximately 3.7 million BPD. The Western province of Alberta is the largest producer of this export. Therefore, during the pandemic, Canada still occupied the best position to provide the world with crude petroleum products. The border closure came with new implications for the country's energy sector. The plummeting commodity prices in the international community saw a decreasing impact on exports of energy products in Canada. Countermeasures such as border closure somehow affected how these products moved from one place to another (General Affairs Canada, 2021). However, it does not mean that it affected the export process negatively.

The country experienced an increase in exports in the first two months of 2020. Despite this improvement, the sector crashed in March 2020 because there was low demand for crude oil and petroleum gases exports. The reason was due to plunging oil prices. However, the last year and 2022 have seen a reduction in the prices of fuel across the globe. Petroleum has become affordable as countries continue to open their borders to new and old trade partners.

Nevertheless, governments are becoming positive that things will improve in the coming years despite the Ukrainian invasion by Russia, which continues to affect petroleum and gas prices across the world. It is the only problem that will somehow influence the developments associated with the prices of petroleum and gas across the globe.

2. Political Risk

5 Marks

Canada has historically had a reputation of being a “Safe” and Peaceful country.

Many of the examples of Political Risk discussed in the course did not seem to apply here. Recently, we have seen a number examples of Social Unrest, and other examples of Political Risk.

Identify 1 major example of Political Risk that we have seen in Canada in the last year, based on the definitions from the text. What was the risk? What was the event? How significant was the risk to Canada’s political system or social order?

One of the major protests that have struck Canada is the protest organized to fight old-growth logging. The occurrence of the protest was mainly associated with Western Canada. It is one of the biggest protests the country has experienced in its developmental history. The outcome has included arresting at least 866 citizens in the last year. Individuals have been protesting to protect the diminishing ancient forests in Vancouver. However, the protests have not been normal, considering that the involved activists employ guerrilla warfare methods to preserve the forests. An example includes the activists locking their bodies to the logging road. In turn, the police beat, dragged and pepper-sprayed them due to their continuous fight for the forest (Osborne & Gecco, 2021). The risks included body injuries resulting from the beatings that the activists received from the police. Also, individuals had to spend time camping out in the

remote Fairy Creek Watershed. This means that, if not careful, some of them suffered from the cold.

Regarding the risks it had to Canada's political system or social order, the government failed to support the issue, a factor that influenced activists to fight for the forest. This means that protest somehow influenced citizens to recognize government ignorance and indulgence in the region's logging activities. The outcome included many citizens coming out to criticize the government. Hence, it fell out of favor with the people. Even today, President Justin Trudeau is not as popular as he used to be before the protest and the occurrence of COVID-19. Individuals across the country have come together to prevent continuous logging that has affected the forest for the longest period. This is a calling that the government is ignoring environmental conservation despite launching international partnerships to fight climate change issues.

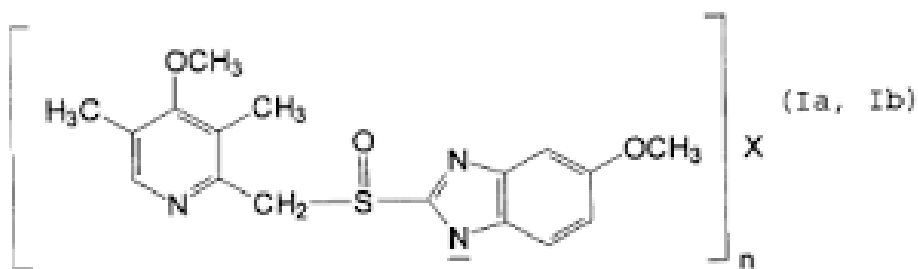
3. Intellectual Property

5 Marks

Identify an international example of “Intellectual Property” theft of a Canadian Patent, Trademark or Copyright. Specifically, find an example of where an international organization has taken a Canadian Patent, Trademark or Copyright and Pirated, Knocked off or imitated it without permission. Provide visuals.

Describe in what ways this can be considered Intellectual Property theft. Describe what the Canadian Intellectual Property owner is doing to prevent or resist further theft.

Note: You may not use the examples provided in Class – Ice Wine, Roots or Canada Goose.



Ia (+)-enantiomer

Ib (-)-enantiomer

Image showing the compound esomeprazole in Nexium as the patent issue.

On June 30, 2021, the Supreme Court of Canada stroke down the “promise doctrine” involving AstraZeneca Canada v Apotex. The issue involved the court clarifying various requirements that involved understanding issues related to patent utility involving the two parties. It meant that both AstraZeneca Canada and Apotex had to develop a realistic statement as evidence for utility in the patent disclosure. Without proper arguments, it was evident that any of them would risk losing their patents. The Supreme Court of Canada argued that the Promise Doctrine lacked substantiality in determining the strength of utility requirements under the Patent Act’s section 2 (Managing IP Correspondent, 2021). Hence, the doctrine was declared unsound and a baseless law. Also, the court argued that the doctrine served as excessively onerous. Hence, the court developed a two-step test that became important in determining the disclosure of an invention by a patent when it has sufficient utility.

To understand if one of the companies participating in intellectual property theft, the evidence provided by the court to the two companies was crucial. The court had to look at the subject matter associated with the invention between AstraZeneca Canada and Apotex. The focus was to determine if the invention and the associated subject matter were useful.

AstraZeneca had patented compound esomeprazole in Nexium. The court found the patent novel at trial, but it lacked utility, meaning invalid. However, the patent was valid. Therefore, the subject matter remained useful (Managing IP Correspondent, 2021). Since then, AstraZeneca has remained active in ensuring that it protects all its products and inventions with patents founded on utility. Issues such as the Promise Doctrine are considered when it comes to the establishment of patents and utilities. Nevertheless, the company has made it possible to remain secretive with its inventions.

4. Culture

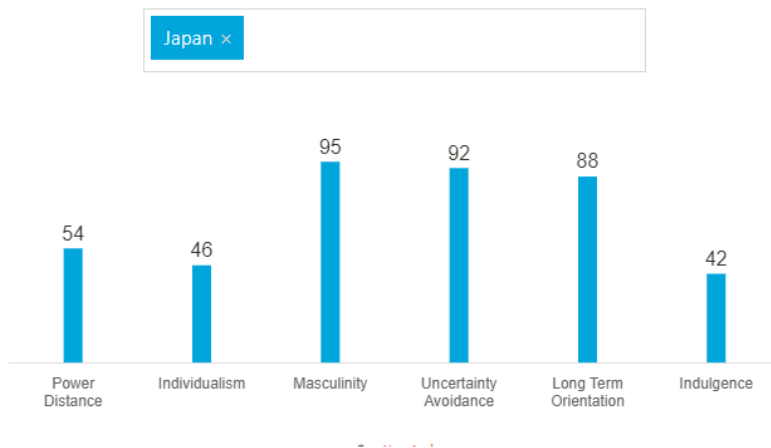
10 Marks

We discussed two theoreticians who developed models of defining Culture – Hofstede and Hall. Pick two contrasting countries (countries whose Hofstede scores and whose level of Hall’s Low vs High context are opposite) and discuss how this impacts Marketing in these countries.

For example – what are the implications of marketing to a country in which the culture is low context, future oriented, and nurturing; vs one that is high context, Indulgent and future oriented? (These are just examples of the type of inputs which might be part of your analysis).

From a Marketing perspective – what are the differences in how their culture might impact Marketing to these countries (eg are they resistant to new ideas? Does the marketing communication have to be direct and factual vs suggestive?)

Provide a screen shot of your Hofstede analysis from the website. You can use the slide from the text to define where the country stands in regards to Hall’s Context analysis or you may use your own analysis based on the criteria of “High vs Low” context provided.



Screen shot associated with Japan's Hofstede Cultural Model (Hofstede Insights, 2022)

In the Hofstede cultural model, Japan is the country of interest, while Switzerland is the selected country in Hall's low vs. High contexts. The above makes it possible for us to acquire the cultural context of the two countries to global cultures. To begin with Japan, there is a high level of inequality. The score is about 54 since the country is a borderline hierarchical society. Concerning individualism, Japan scores 46. Japan shows a collectivistic characteristic in how societal members relate to each other.

Regarding masculinity, the country experiences a low score. There is a high quality of life among societal members due to caring for each other. Uncertainty avoidance is high and scores at 92 because the country continuously experiences natural disasters, leading to its resilience (Hofstede Insights, 2022). About long-term orientation, it is high because the Japanese look at their life from a short moment. When it comes to indulgence, the country experiences restraint, making it a low score. Restraint means that they do not emphasize leisure time and gratification control.

When it comes to marketing, Japan can do well in feminine products. The main reason is that more women are prone to buy leisure and fashion-related products than men. Also, due to restraint in leisure issues, some products related to holidays and partying would not do well in

the market. The products would do well regarding cultural items such as flags and national emblems, considering that individuals are loyal to their country.

Switzerland operates as a low-context culture regarding Hall's cultural model. Therefore, the term "polychromatic" plays a major role in defining its position to the cultural types in these countries. Citizens share values that reflect history, religion, and economic development. Also, the country has remained focused on its development and not the rest of the world. This is one way it makes its culture more enclosed and specific to its people (Afrouzi, 2021). It also uses explicit language to promote its communication. In such a country, marketing does not enable products and services to move from one place to another. Individuals look at products as a necessity. Therefore, the country has limited marketing outcomes.

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