

Week 2 Tutorial slides

# International Marketing (PM 305)

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# Internationalisation

# Group Activity: Introduction to International Marketing

- Assigned cases from Chapter 1: Global Marketing, Warren J. Keegan, Mark Green
- Groups to take on and present on either:



# Acer Overview

- Taiwan's Acer is a leading marketer of notebook and desktop PCs.
- However, they have had very limited success in breaking into the all-important American market.
- Partly as a result, Acer refocused and concentrated its efforts on the growing Chinese market.
- They believe they have a much greater probability of success in China given the shared language and culture. They are attempting to “remake” themselves as a “local” company based in China.



# Acer Questions

1. Acer's strategy has been described as "divide and conquer." Explain.
2. How did the "global markets/local markets" paradox figure into Stan Shih's strategy for China?
3. Can Acer become the world's third largest PC company, behind Dell and Hewlett-Packard?
4. Even before the current economic crisis deepened, growth in the U.S. PC market had begun slowing. Despite strong competition from Dell and Hewlett-Packard, Acer's U.S. market share increased from 1% in 2004 to 3.3 % by the end of 2006.  
What are Acer's prospects for gaining further share in the United States?



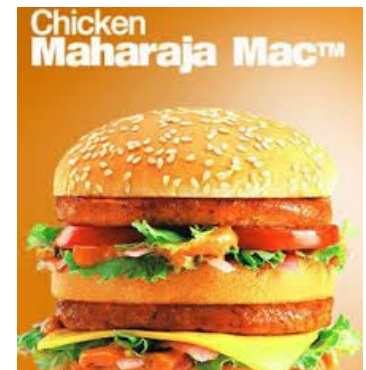
# Groups to Feedback



# McDonald's

## Expands Globally While Adjusting Its Local Recipe

- Today, McDonald's golden arches are one of the most recognized symbols in the world, just behind the Olympic rings.
- While growth within the U.S. has slowed, the picture outside the U.S. has appeared brighter, until recently.
- However, globally, taste profiles and consumer desires are changing.
- McDonald's has responded to these changes by altering their basic products (when necessary) to fit the requirements of the local markets. While not always successful, it has proven to be a winning strategy.



# McDonald's Questions

1. Identify the key elements in McDonald's global marketing strategy. In particular, how does McDonald's approach the issue of standardisation?



2. Do you think government officials in developing countries such as Russia, China, and India welcome McDonald's? Do consumers in these countries welcome McDonald's? Why or why not?

3. At the end of 2003, McDonald's announced it was selling the Donatos Pizza unit. Then, in 2006, the Chipotle chain was spun off. In light of these strategic actions, assess McDonald's prospects for success beyond the burger-and-fries model.



4. Is it realistic to expect that McDonald's—or any well-known company—can expand globally without occasionally making mistakes or generating controversy? Why do anti-globalization protesters around the world frequently target McDonald's?



# Groups to Feedback



# Learning Outcomes

- Understand the steps to developing international commitment
- Standardisation vs adaptation
- To learn how firms gradually progress through an internationalisation process
- Review and discuss the assignment criteria

# Think Global, Act Local (Glocalisation)

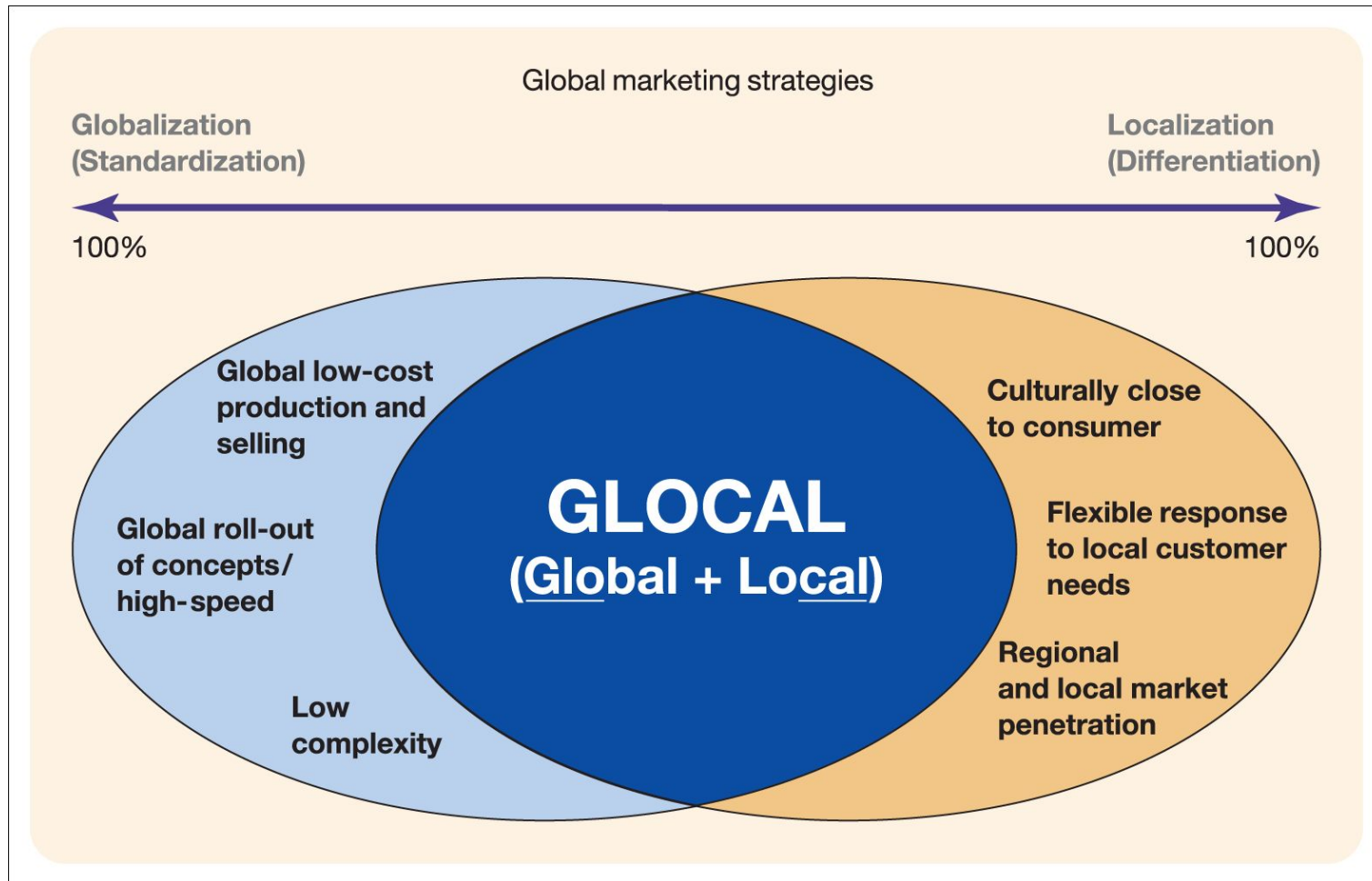
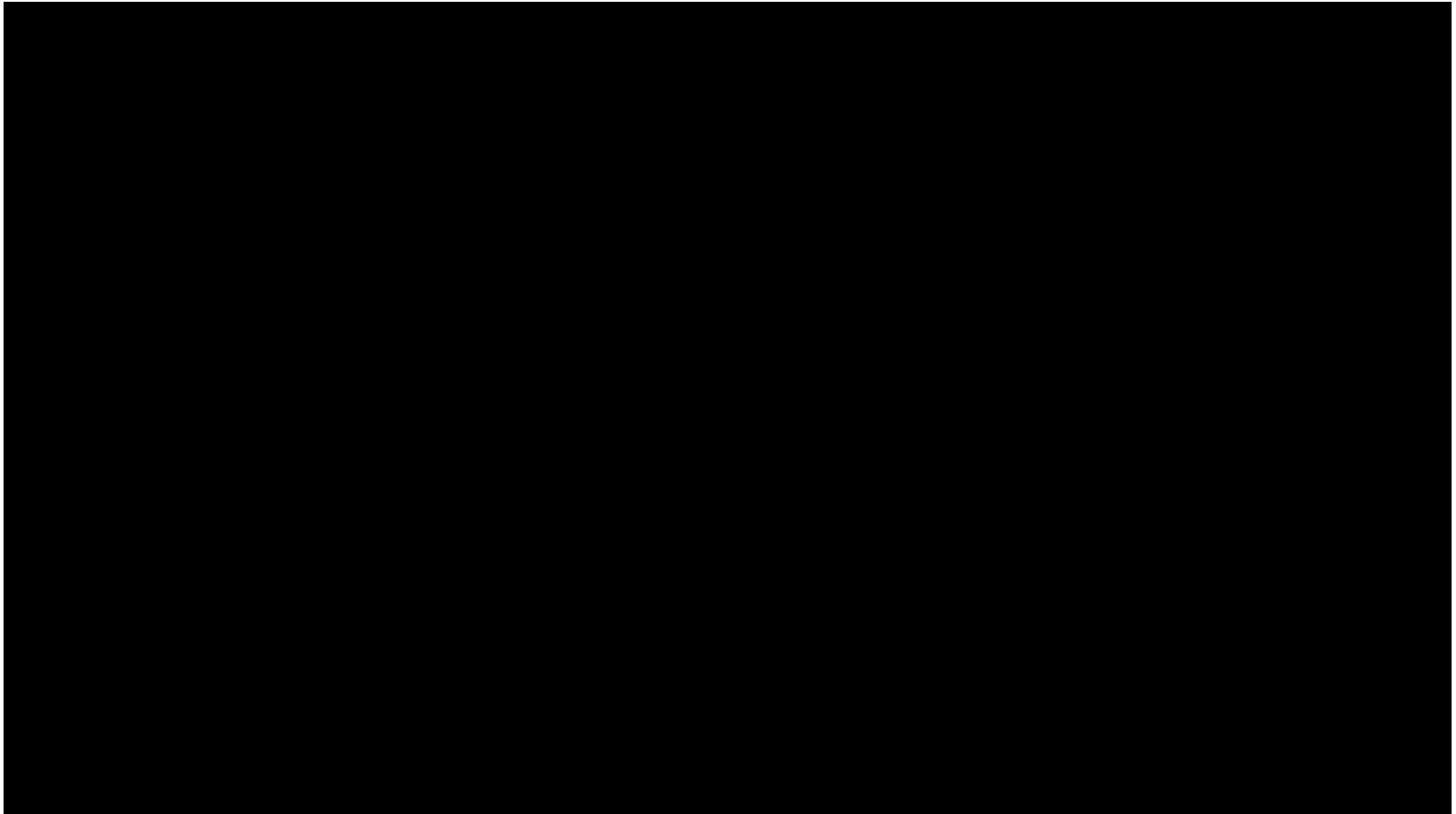


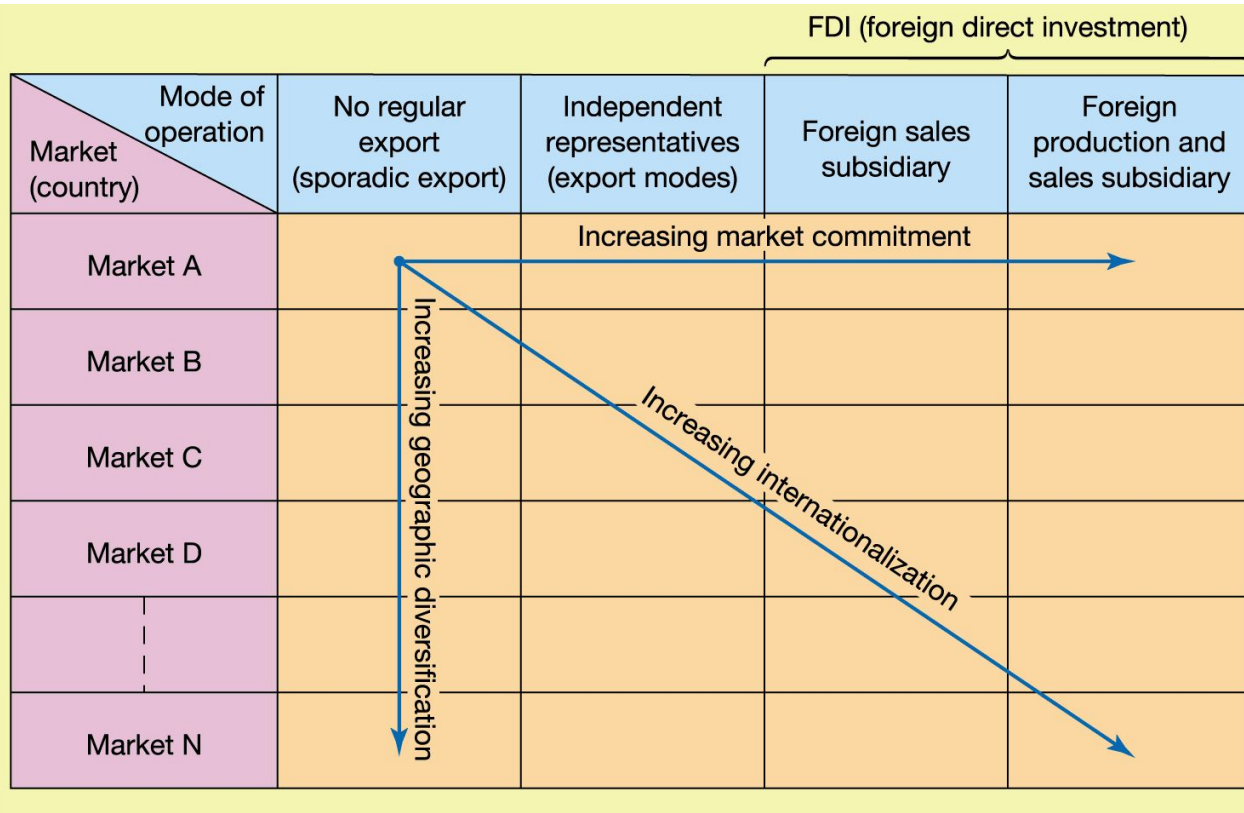
Figure 1.4 The glocalization framework

# McDonalds

## Global and Local Strategy



# An incremental approach to internationalisation



- Stage 1: no regular export activities (sporadic export)
- Stage 2: Export via independent representatives (export modes)
- Stage 3: Establishment of a foreign sales subsidiary
- Stage 4: Foreign production/manufacturing units

Source: adapted from Forsgren and Johanson, 1975, p. 16.

# Companies who have used the Uppsala model



**SONY.**



# Personal factors in internationalisation

- Positive perceptions of global environment
- Entrepreneurial orientation
- Innovativeness

# Born Global Firms

- Refers to a firm that from its 'birth' globalises rapidly without any preceding long term internationalisation period
- From inception, seeks to have significant *competitive advantage* from the use of *resources* and the *sale of outputs in multiple countries*



## Characteristics include:

- ❖ SMEs with less than 500 employees
- ❖ Annual sales under \$100million
- ❖ Reliance on cutting-edge technology
- ❖ Managed by entrepreneurial visionaries



# Born Global example



- Started with the PC mouse
- Founded by two Italians and a Swiss.
- Operations and R&D split between California and Switzerland
- Rapid expansion with production in Ireland and Taiwan
- Logitech captured 30 percent of the global computer mouse business by 1989, garnering the start-up a healthy \$140 million in revenues
- Logitech - industry leader in the design and manufacture of computer peripheral devices
- Manufacturing facilities in Asia
- Offices in North America, Europe, Asia-Pacific region;
- Employs more than 6,000 people worldwide

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# Tutorial

# Activity 1:

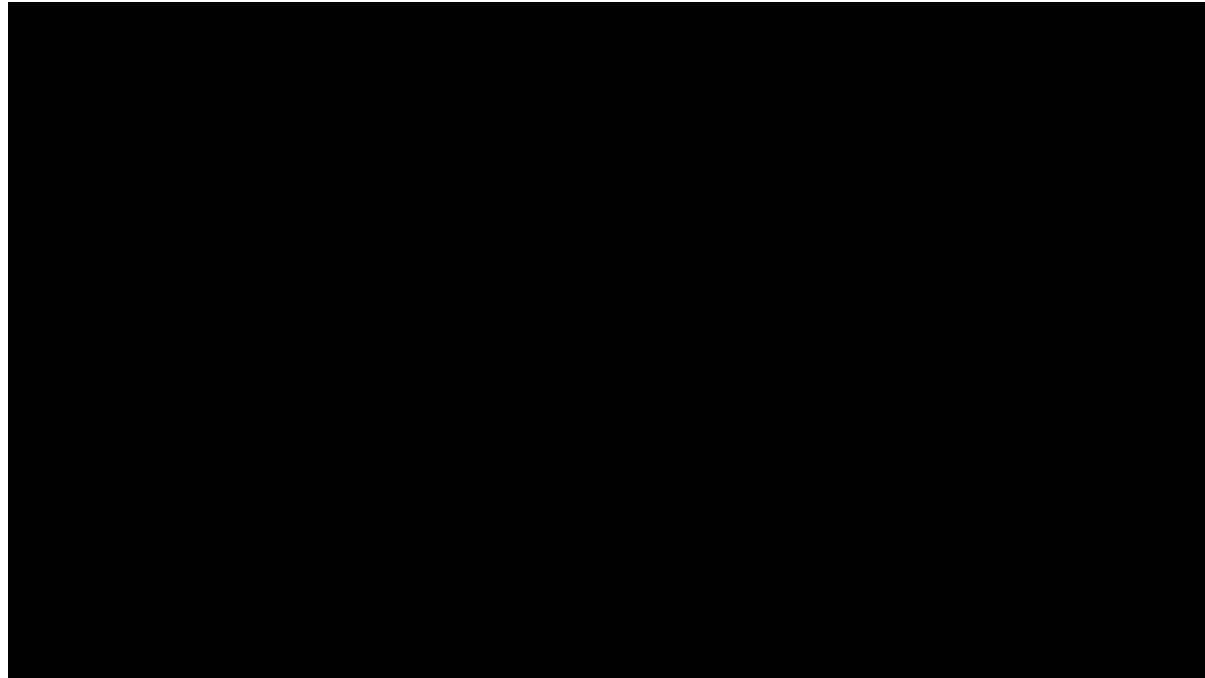
## Case Study Review Oreo

In groups identify and discuss:

The marketing mix elements Oreo

- adapts
- standardises

Feedback to class with examples

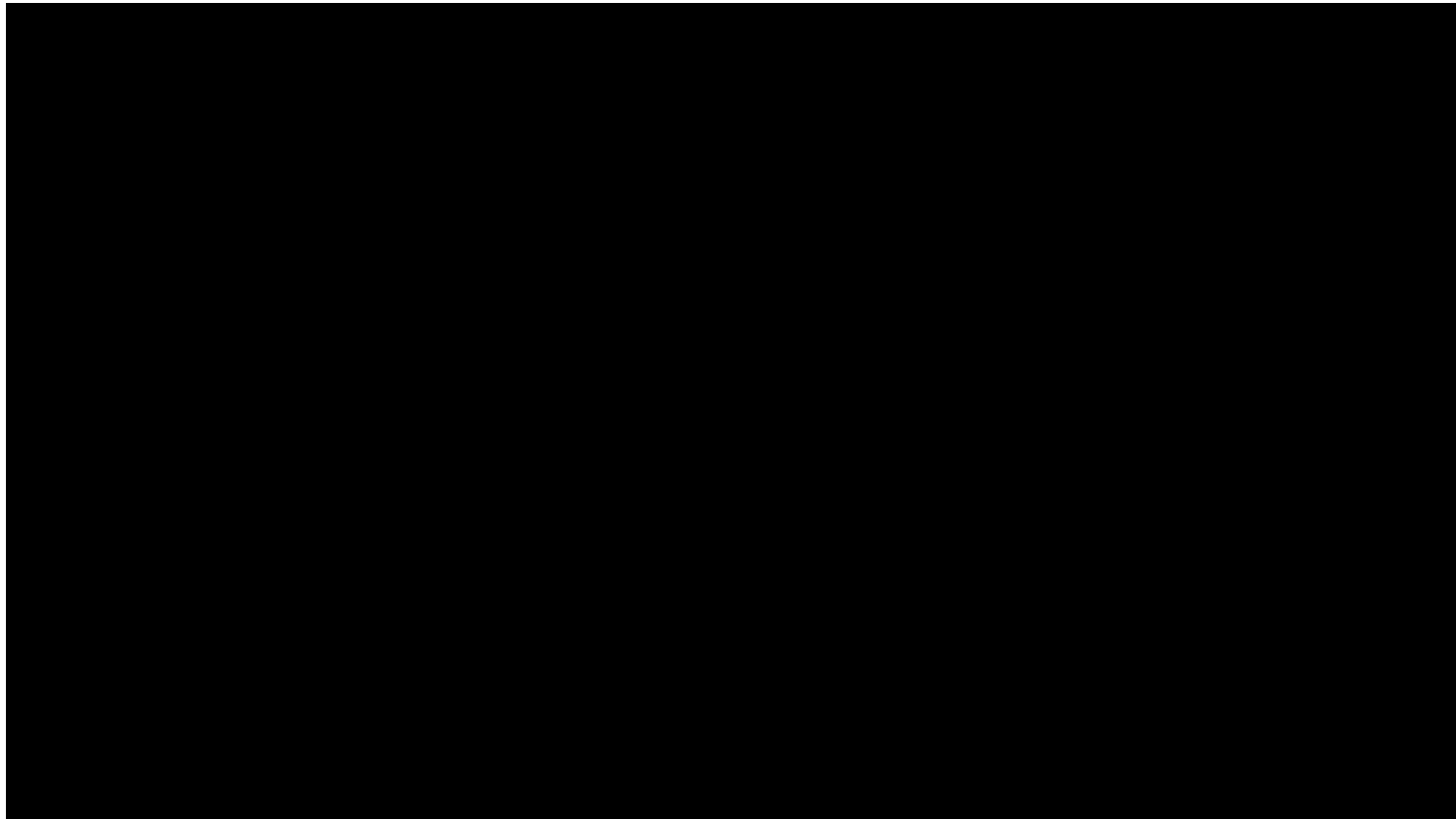


# Activity 2:

## Case Study Review Bubba Gump

A US-based restaurant chain is going international

[www.bubbagump.com](http://www.bubbagump.com)



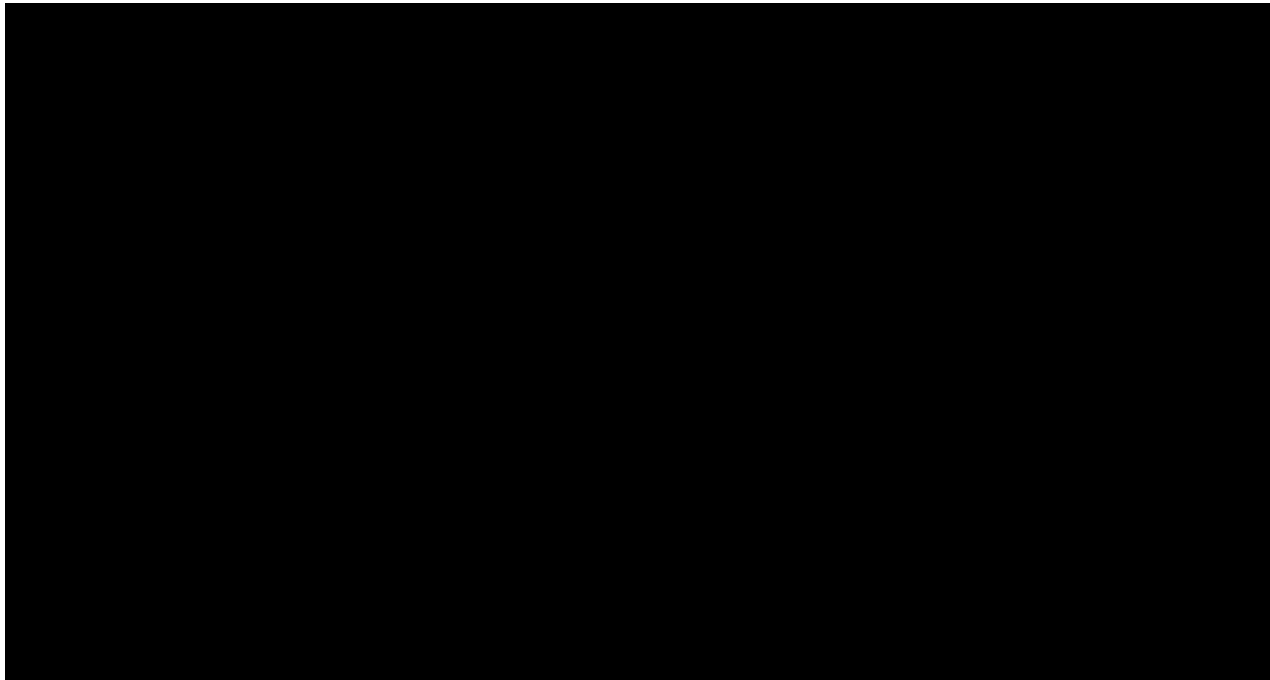
# Activity 2:

## Case Study Review Bubba Gump



1. What are Bubba Gump's 'key success factors' when going international?
2. Should Bubba Gump Shrimp Co. further internationalise their concept? Why or why not?
3. Over the next five years, Bubba Gump plans to open 35 to 50 new restaurants. What should be Bubba Gump's main criteria for selecting locations for these new restaurants?

## Pepsi Approach to Think Global, Act Local



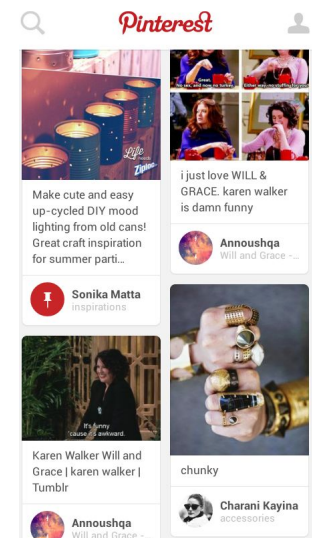
- Pepsi's marketing throughout the world, and this video shows how they differentiate packaging and advertising to adapt to the region in which they are marketing.
- It provides a good example of how companies cater their products to different regions

# Activity 4: Using Online Library and Mintel

- Access Mintel database on Online Library
- Identify and access relevant reports
- See what additional information is available using Discovery tool
- Look at development of resources on



*Pinterest*



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# Assignment



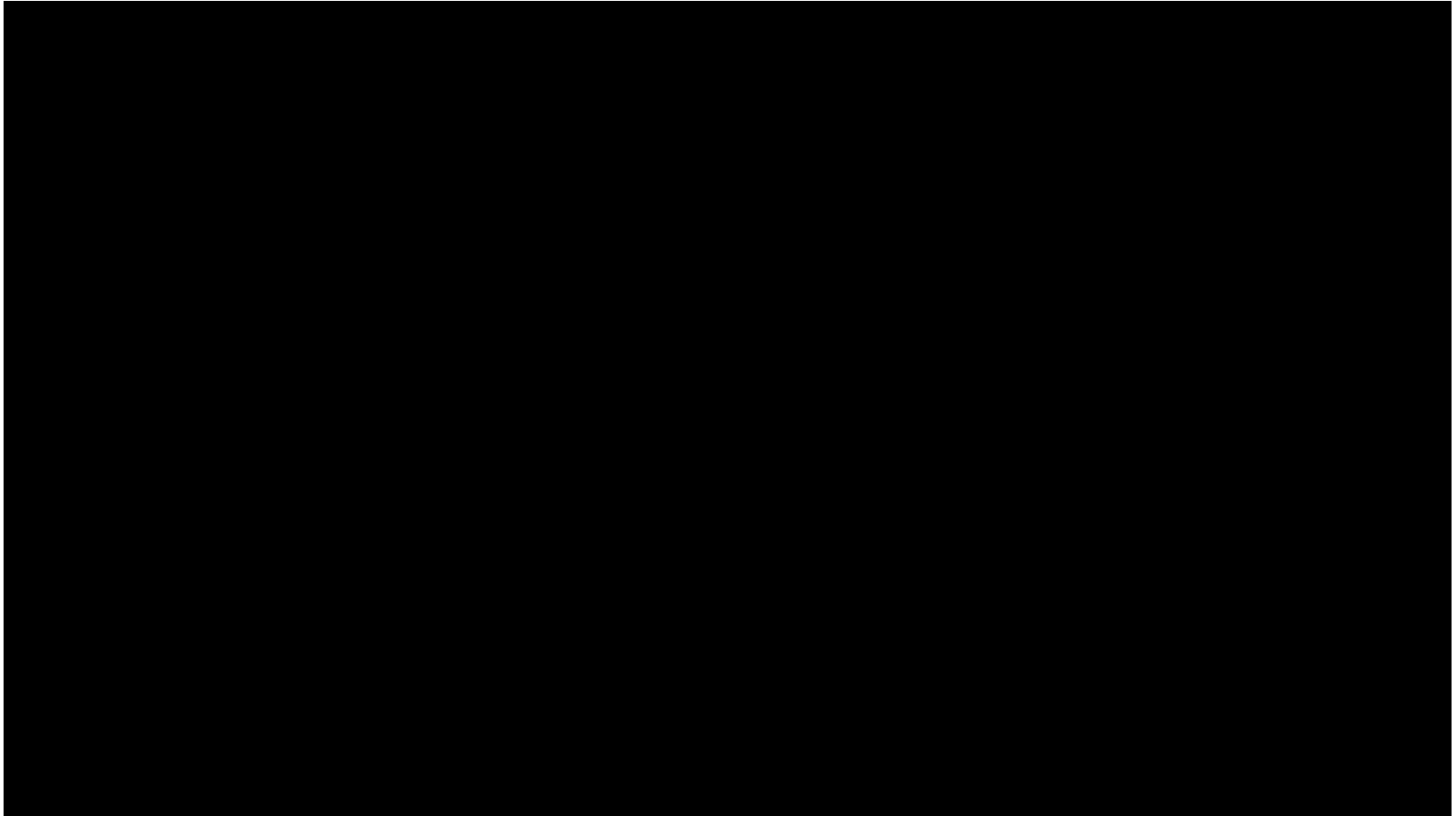
# Assignment

Assessment criteria Pitch	Explanatory comments on the assessment criteria	Maximum marks for each section
Research and analysis	<ul style="list-style-type: none"> <li>Market research and screening activity at macro and micro level to identifying and qualifying market potential</li> </ul>	30%
Constructive analysis and application of international marketing strategies	<ul style="list-style-type: none"> <li>Proposed and recommended international markets (minimum of 2)</li> <li>Identified and justified selected market entry strategy to gain overseas distribution into selected market</li> <li>Level of adaptation required and implications to the marketing mix due to differences in culture and consumer behaviour in selected market</li> <li>Application of academic models must be evident</li> </ul>	60%
Format and referencing,	Harvard referencing where relevant and appropriate. Appropriate report format	10%
Total		100 %



As a consultant of NEXT PLC you will prepare an International Marketing report that addresses the consultancy brief

# NEXT PLC



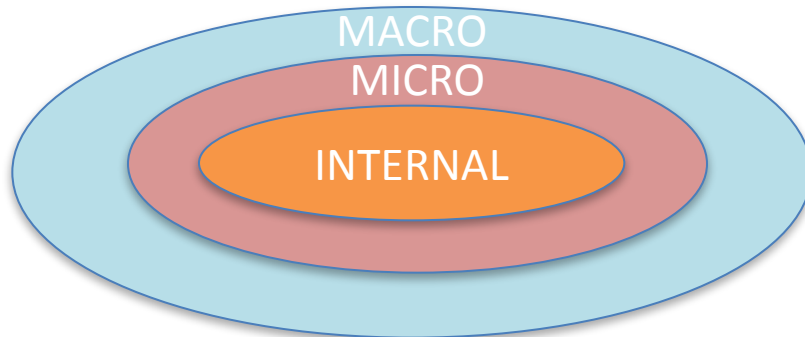
# Research

- The information in the assessment criteria is indicative
- You will need to carry out research and look at a range of resources to form your analysis



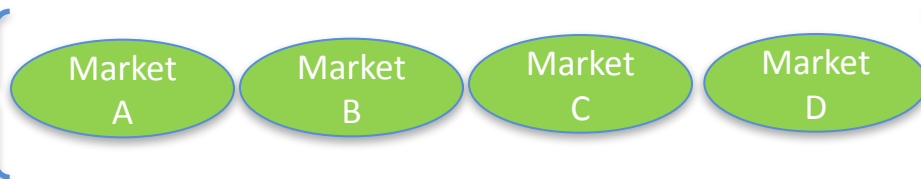
# Research and Analysis

Assessment criteria	Explanatory comments on the assessment criteria	Maximum marks for each section
Pitch		
Research and analysis	<ul style="list-style-type: none"> <li>Market research and screening activity at macro and micro level to identifying and qualifying market potential</li> </ul>	30%



## Analysis of macro and micro factors impacting on the retail market

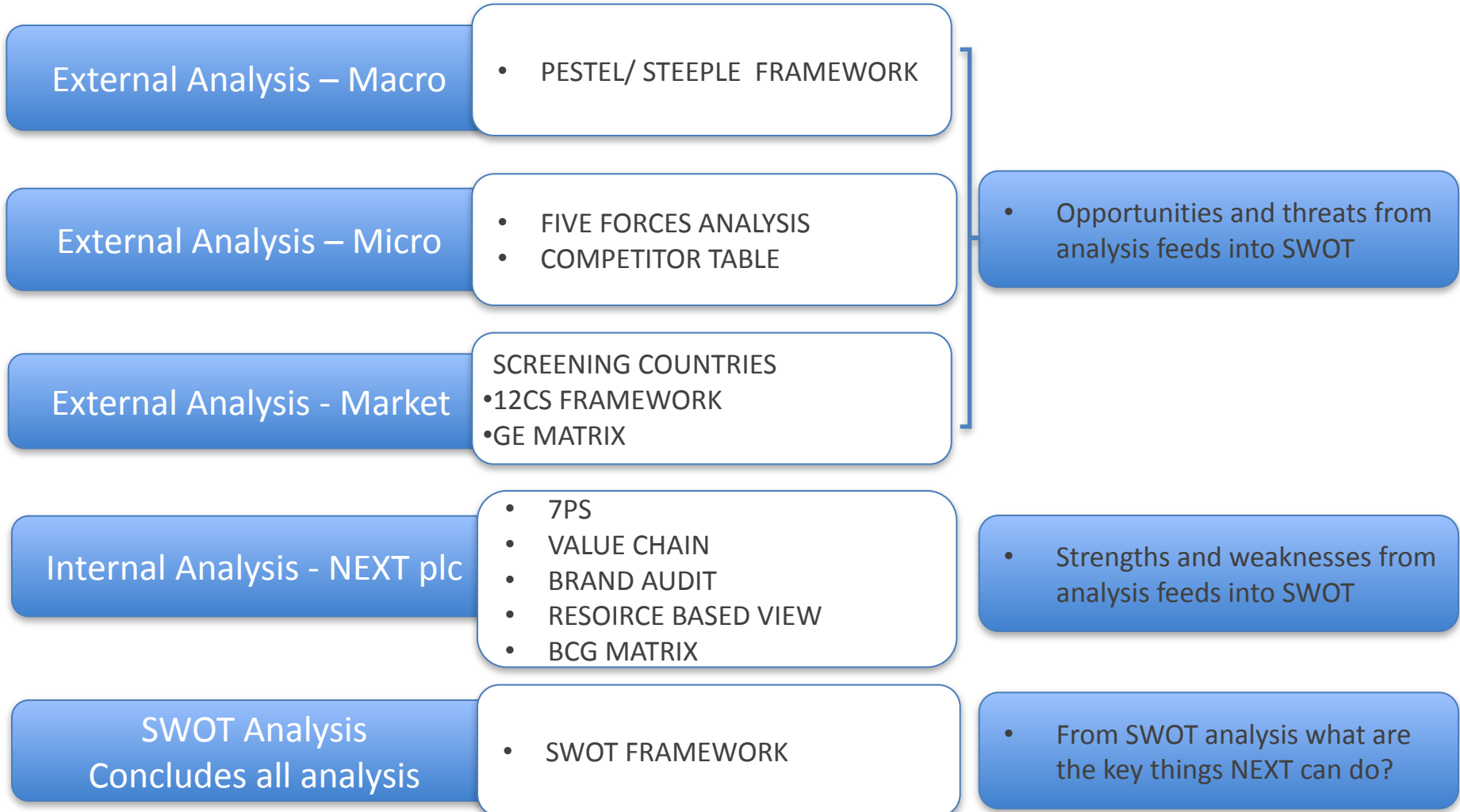
How will you go about analysing the marketing environment?



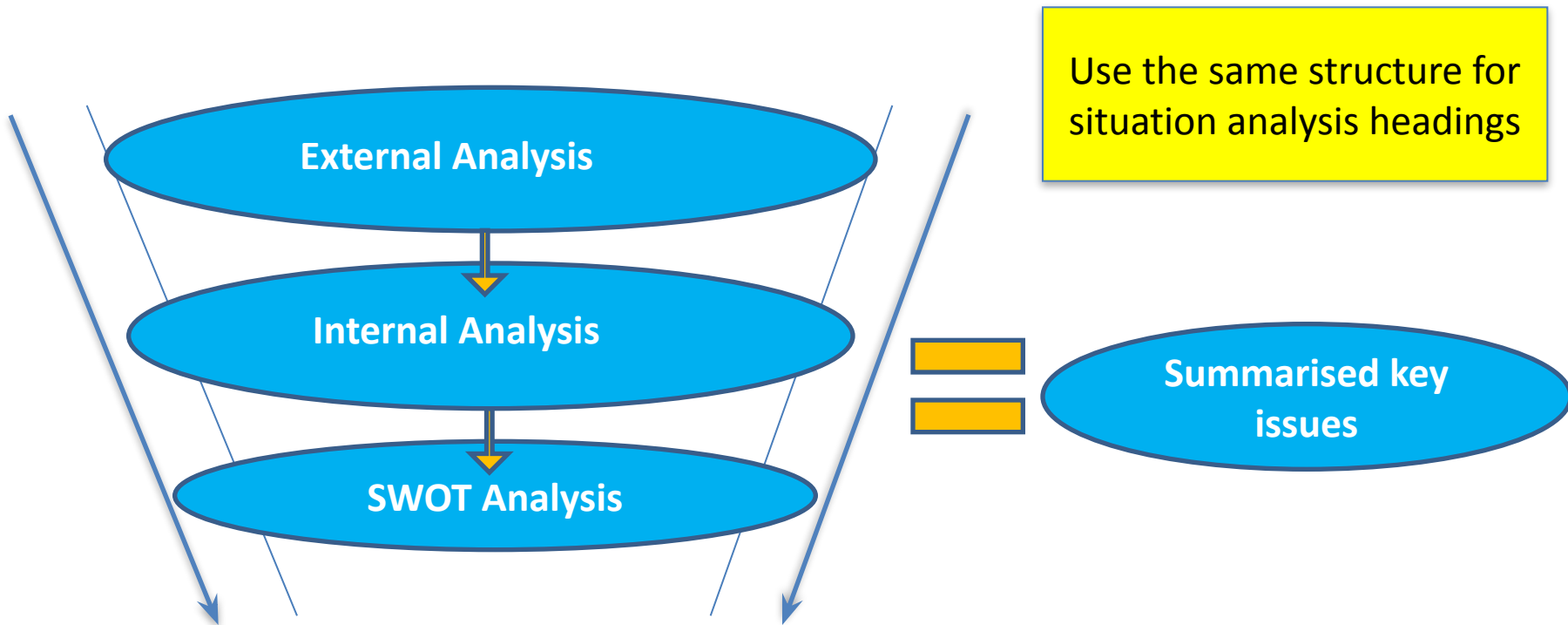
## An evaluation of market potential, to include an identified shortlist of markets with potential.

How will you go about screening/selecting international markets?

# Analysis and models



# Audit structure



- Audit will be in the appendix
- The situation analysis in the main body of the report will summarise audit findings and cross reference to the audit .....*“as can be seen in appendix 2 Internal analysis”*

# Analysis and Application

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- Using a clear and identified screening criteria, select two recommended market with clear justification as to why these markets have been selected.
- A recommended and justified market entry strategy to take Next into these markets

**Next**

# Analysis and Application: A process

- How might you develop a systematic screening process (stages of how you selected the 2 markets) ?
- Analysis of recommended international markets
- Application of 12c's Framework/GE - full analysis in Audit – cross reference from report to analysis





# Outline of the Marketing Mix – 7PS



Level of adaptation required and implications to the marketing mix due to differences in culture and consumer behaviour in selected market

- An outline of each of the 7Ps
- Demonstrate analysis and understanding of the cultural differences and consumer behaviour.
- What elements of Next PLC's Marketing mix will be standardised and adapted and why?

# Format - headings

Assessment criteria Pitch	Explanatory comments on the assessment criteria	Maximum marks for each section
Format and referencing,	Harvard referencing where relevant and appropriate. Appropriate report format	10%
Total		100 %

## HEADINGS

- Use numbers for all headings

## SUB HEADINGS

Should still be numbered

e.g.

**7.0 Marketing Mix**

7.1 Product,

7.2 Promotion,

7.3 Price,

7.4 Place

7.5 Physical Evidence

7.6 Process

7.7 People

	Headings	Content guide
	Contents page	
1.0	Introduction	<i>(what's the purpose of your report)</i>
2.0	Situation Analysis	<i>Evaluation of the environment and individual markets (cross reference to audit in appendices, summarises key aspects of your analysis)</i>
3.0	Summary of Key issues	<i>(from SWOT which are they key things you think they need to address to grow)</i>
4.0	Marketing objectives	<i>(what will be addressed: Financial, market, brand, mix) SMART Objectives</i>
5.0	Market screening (selection process)	<i>(discussion of markets of interest and why could also include potential market entry strategy for each market)</i>
6.0	Recommended Markets and Market entry strategies	<i>(which 2 markets, why chosen markets, culture evaluation and market entry modes for each, why chosen entry modes)</i>
7.0	Marketing Strategies	<i>(standardisation and adaptation)</i>
8.0	Marketing Mix	<i>(specific recommendations of each aspect of the mix to deliver strategic recommendation, demonstrates levels of standardisation and adaptation)</i>
9.0	Control and evaluation	<i>How will the marketing mix activity be measured?</i>
10.0	Summary	
11.0	References/bibliography	
12.0	Appendices	<i>(to include full marketing audit - as cross referenced within your situation analysis)</i>
12.1	Audit	<i>must contain a minimum of full Macro and Micro analysis, Internal analysis, Market screening/selection process</i>

# Format - Structure

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# Format - Style

Written in business English, please do not personalise

e.g. DO NOT WRITE – “*I recommend*” Write in third person : *It has been recommended that...*

Please ensure your report is coherent. Each section should link  
i.e.

- **What are the issues NEXT is facing from your analysis of their current situation?**
- **Which markets present opportunities and why based on market screening?**
- **Which 2 market do you recommend and why based on your analysis of the current situation?**
- **How will NEXT enter each of these markets? What will be the entry mode strategies? could the strategies present any challenges? How might these be overcome?**
- **What marketing mix do you recommend to deliver the recommended strategy? What elements of the mix will be standardised and adapted and why? How does this link to the culture and consumer behaviour of the market?**

# Referencing

Assessment criteria Pitch	Explanatory comments on the assessment criteria	Maximum marks for each section
Format and referencing,	Harvard referencing where relevant and appropriate. Appropriate report format	10%
Total		100 %

**You need to reference everything that is used that isn't your own work e.g. models, frameworks etc.**

You need to reference everything that is used that isn't your own work e.g. models, frameworks etc.

Please ensure you use Harvard referencing, there is guidance on GSM Learn (under the library section) and in the library.

Tools:

- Microsoft Word – references tab
- Cite this for me - <https://www.citethisforme.com/>
- Alphabetical order
- [www.international.com](http://www.international.com) – **NOT ACCEPTABLE**

Blah blah blah blah blah, blah blah blah blah blah blah. Blah blah blah blah blah blah blah. Blah blah blah, blah blah blah blah. According to Lee (2005), something very interesting was the result. Something something something something, something something. Blah blah blah blah blah. Smith (2005) reports on some key effects of e-something on something, and suggests another interesting point. Something something blah something.

However a recent study indicates something even more interesting: blah something blah something blah something (Jones *et al*, 2006). Blah blah, blah blah, blah blah blah.

Reference List

Jones, C., Smith, A., Garcia, D. & Lee, A. B. (2006). Challenges in e-something. *Something Interesting*, 40, pp50-55.

Lee, A. B. (2005). *An Organisational Theory Of Something*. New York, NY: Reference Books.

Smith, A. (2005). E-something. In: Black, A. & White, B. (Eds.), *An Introduction To Something*, 30-52. Edinburgh: Textbook.

# Submission Deadline

**DUE  
THURSDAY 10<sup>TH</sup>  
DECEMBER 2015  
SUBMISSIONS CLOSE AT  
12 MIDNIGHT**

**ALL SUBMISSIONS VIA  
TURNITIN**



# For Next Week

Please view government website supporting an initiative to help UK businesses expand internationally.

<http://www.greatbusiness.gov.uk/new-markets/>

Please review case study on website to be prepared to discuss in next weeks tutorial:

<http://www.greatbusiness.gov.uk/no-knotty-export-problems-for-tangle-teezer/>