

# INTERNATIONAL MARKETING

---

SUMMER SESSION 2017

---

*Week – By – Week Summary*

---

### CASE STUDY INTRODUCTION

#### What is a Case Study?

A case study is an account of specific situation and describes events, issues and consequences for students to discuss. They may be brief and cover only a few aspects of a problem or they can be quite extensive with detailed background on opportunities and challenges for a particular organisation in a particular set of market circumstances.

#### Purpose of Case Studies

The case study method of teaching is designed to give students a practical example of a business situation to which theory can be related to these situations. The use of this method is based on the belief that discussion of theory applied to real world situations will prepare students for a professional career.

The aim of this process for the student is to read through the situation and identify the problem the organisation is faced with, examine the causes and consider alternative courses of action to come to a set of recommendations.

Case studies have a lesson to impart and serve as an instrument for teaching an issue in international marketing. They usually focus on a specific issue, such as breach of copyright, rather than on a general issue, such as how to enter the Chinese market. Cases tend to concentrate on issues that, when explored in depth, are likely to be of value to practitioners of international marketing. Case studies are intended to enable students to develop cognitive skills via creative analysis, rather than via repetition of knowledge.

#### Analysis Process

There are two main kinds of case study analysis set for assessment tasks:

1. You may be required to answer a set of questions included at the end of a case study
2. You may be asked to discuss more general issues highlighted within the case

The process for dealing with either of these forms of assessment are similar.

##### 1. Read the Case

The first time you read the case, it is important to gain an overall impression of which organisations and industries/sectors it is describing. You will also look at whether the organisation is doing well or poorly and how it has performed in the past. There may be key strategies mentioned that have succeeded or failed, and you will be building initial impressions of the main issues and choices confronting the organisation. Note what extra information is provided in the form of tables and appendices.

##### 2. Define the issues

Read through the case study for a second time. This time, highlight information and make notes on what you find. Identify main problems and issues, and build ideas about the causes and consequences of the behaviour, events, or situations described in the case. It can be useful to write out a brief statement of the problem or issue.

If there are specific questions at the end, look for the answers as you read through the case. Take some time to look more closely at any exhibits, graphs, photos or tables that may be included and determine how their information adds to your knowledge of the situation.

##### 3. Analyse the Case Data

Begin with the organisation and investigate the company's history, development and growth. In learning how a company's past strategy and structure affect it in the present, you may determine:

- How and why it was found
- It's initial products and/or services
- How it makes new-product market decisions, and
- How it developed and chose specific international markets to pursue.

There may be expansion into new businesses or new markets that have the company particular knowledge and skills.

Based on this history and the information in the firm's current situation, begin to list the organisation's strengths and weaknesses. All organisations have limited resources and it is important to learn how they have allocated them in terms of financial, human and physical resources. Some questions to answer here are:

- Is the organisation experiences in entering international markets?
- Does it have strong cash backing?
- Is there excess capacity in it's manufacturing plants?
- What are the current strategies of the firm? This should include it's corporate mission, the strength and direction of growth, STP (Segmentation, Targeting and Positioning), and its marketing mix strategies in relevant markets.

The next step is to identify environmental opportunities and threats. Here you will apply the ideas you have learned about industries and the macro-environment to analyse the environment the company is confronting. You may wish to use the PESTEL format to organise your information. Other models that may be useful for this stage are Porter's Five Forces model and the life cycle model. Look at each of the elements of a model in turn (e.g. technological in PESTEL) to see whether it is relevant for the company in this particular situation. During this process, you should generate a list of opportunities and threats for the organisation that come from the macro environment.

Place the key strengths and weaknesses from inside the organisation in a table, accompanied by the opportunities and threats from outside the firm to form a SWOT analysis. This should be a summary of the analysis so far, and no new information should be added at this point.

Now the task is to interpret these ideas and look for the implications of these elements for the organisation's future. Some questions to ask include:

- Is the company in an overall strong competitive position?
- What is the company's competitive advantage? Is it sustainable?
- How did the key issue/problem arise?
- What can the company do to turn weaknesses into strengths and threats into opportunities?
- Does it have the resources to accomplish this change?

#### 4. Generate and Analyse Alternatives

Given the key issues you identified in step 2 and based on the implications of your SWOT analysis, it is now important to build a list of options for dealing with the current situation of the organisation.

With the picture in your mind of this organisation and its current situation, it is useful to brainstorm to generate ideas. This can be done individually or together if you are working in a group. At this stage, don't be afraid to include unrealistic ideas – they may hold the germ of a workable idea.

Another way to generate ideas is research. Can you find other companies that were in a similar situation – how did they choose to resolve it? Was it successful? What can you learn from their mistakes?

Be innovative – don't lock yourself into following what has been done in the past. No two situations will be identical – companies differ, competitive and other environmental factors will be different (e.g. technological change and cultural change) and will lead to a variety of possible solutions.

After brainstorming, you will need to look again at the ideas to see what fits the company and the solution best. This is where it is important to be realistic. Based on the strengths and weaknesses of the organisation, which of your alternative options will it be able to undertake

successfully? This is often based on a cost benefit analysis where you match the organisation's resources against the alternatives. Some questions to ask each alternative include:

- Does the company have access to adequate financial resources?
- Does it have previous international experience from which it has learned?
- Is the alternative a good fit with the company's mission and vision?

It is also important to assess the challenges or constraints placed on alternatives by the environment. Questions might include:

- What is the current economic climate in the market and host markets?
- Is there a possibility of political change that could affect business?
- Which competitors are already in the target market? What will their reaction be to your plans?

At the end of this stage, you should have more than one alternative that is workable for the organisation in the current situation. Often you will have developed three options – business as usual, business as usual plus and innovation.

The first of these, business as usual, is to continue with current strategies with no major changes. The second is to persist with current strategies but to include some changes to elements of STP and marketing mix strategies. The third option involved major changes in the organisations strategies that may include company mission, market selection and market entry as well as STP and marketing mix. When explaining these options, you should list some of the benefits and challenges for the organisation associated with each choice.

#### 5. Select a Preferred Alternative

From the options developed in step 4, you should have a preference as to which alternative will be of most value to the organisation. This section is a short statement of the preferred strategic alternative, justifying why it is better for the organisation than the other options.

#### 6. Develop Detailed Recommendations

It is now appropriate to give details of your recommended actions for the organisation. This should include an action plan, contingency plans and an outline of the implications of the preferred course of action.

An action or implementation plan outlines who should take an action, when the action should be taken, and how those actions will occur. For example, you might suggest that the marketing manager needs to develop a brief for a marketing research company by the end of month one.

Contingency plans are necessary to design responses for if/when things go wrong with the recommended alternative. These should be quite specific reactions to probable situation that may occur during implementation. For example, if the selected target market is politically unstable, how should the organisation respond if there is a change of government? What should be done if customer demand is significantly lower or higher than expected?

Finally, you need to outline the implications of your recommendation for the organisation. What results do you expect to gain in terms of customer acquisition, sales volume, market share, and other measures? You might also include the opportunity cost; that is, what will selecting this alternative mean in terms of other opportunities forgone.

### Main Points to Discuss

- **Why and how is IM different to domestic marketing?**
  - Information is harder to obtain for IM due to the larger scale, other cultures and traditions etc.
  - Different countries have different PESTEL environments.
  - People may not be prepared to provide information if they are your competitors, and as such information may be hard to obtain.
  - Languages may be different – making it hard to communicate.
  - Principles are the same – vision, mission, situation analysis, competitive advantage and differentiation, product/service development, marketing mix, implementation and adaption. However, evaluating each and all of these in an international environment is much more complex, due to the information you need to evaluate.
- **To who is IM important and what benefits does it bring?**
  - Companies looking to expand offshore – opportunities may allow for profitable growth.
  - Companies may reduce competitive pressures by going offshore
  - Consumers – products may be made available in other countries, thus increasing reach.
  - People are able to apply for more jobs and thus possibly increase their income and quality of life.
  - Cultures – new products can help to develop cultures, spread positive traits from one culture to another. We can also learn to appreciate other cultures.
  - Countries may be helped to develop more
  - Trade may occur in macro environments
- **What are some examples of the challenges that IM firms have in ‘getting-it-right’ – i.e. in making their IM operations competitive and profitable? → USE THE MARKET SCHEMATIC MODEL**
  - Companies may not research prior to relocating overseas. By assuming cultures and environments are the same, companies may suffer due to the shock differences that may not be apparent at first glance.
  - Colour in logos and brands may not translate well to other cultures. Likewise, with ingredients.
  - PESTEL environments may differ, providing challenges.
  - Customers must be segmented to analyse and select your target market in order to position advertising and products correctly and efficiently.
  - The market place – must ensure we know who is already in the market place. We must have a value to present in order to work against any resistance against your company.
  - Acquisitions and mergers may take place to help take the competitors on and complement competitors to buy market share.
  - What products are currently available, and what are you bringing to offer?

**LECTURES TWO – ELEVEN ARE NOT AVAILABLE IN SAMPLE**

# INTERNATIONAL MARKETING

---

SUMMER SESSION 2017

---

*Key Point Summary*

---

## Section One

Prepare a Market Segmentation Grid for an export opportunity, including the identification of target segments

- **Why do we need market segmentation and how do we do it?**

Market segmentation allows firms to break down the market to analyse the various needs of each group/category. By doing so, firms are able to target a more defined market, and correctly position a product or service to that market segment, in order to optimise results. You will also need to do a buyer criteria.

Market Segmentation can be broken down into 4 segments:

- Geographics
  - This looks at people who live, work, study and shop within a distance of a business.
- Demographics
  - Looks at the age, sex, income, job, and qualifications etc of these individuals within that particular area.
  - E.g. if people study, are they undergrad or postgrad; if they live nearby, do they live alone or with family or friends or for travel (i.e. hotel); if they work nearby, are they a start-up, do they work for a competitor etc. and what hours and days do they work?; and if they shop nearby, are they tourists looking in tourist shops, or do they go for cheaper shops or more expensive shops?
- Psychographics
  - This observes how a product or service will fit into or enhance a person's lifestyle.
  - It involves looking at what substitutes are currently available or how they currently satisfy their needs (i.e. do people eat out in a restaurant, order in, or go to a take away restaurant?)
- Behaviouristics
  - Here we analyse how the product or service fits into their purchasing hierarchy, so is it an essential product or service, or is it just a nice to have?
  - E.g. what types of coffee beans and coffee drinks do people buy?; Do people use an app to place their order? Etc.

- **Create a Market Targeting Grid.**

All Market Segments	1	2	3	4	5	6	7
<b>Approx' Size</b> (no' of potential customers)	45,000	12,000	7,000	94,000	500	31,000	2,500
<b>Key Trends</b> (say - last 3yrs)	↗	↗	→	↘	↗	↗	↗
<b>Forecasts</b> (say - next 3yrs)	↗	↗	↘	↘	↗	↗	↗
<b>Key Buyer Criteria</b>	Price	Quality	Service	Stock	Help Line 24/7	Tech' Support	Safety Record
<b>Key Competitors</b> (and how they compete)	A & D Price	B Quality	C & F Service Price	A Price Stock	B Tech' Support	A & C Quality Stock	D Safety Record
<b>Profitability</b> (High, Medium, Low)	L	H	M	L	M	L	L
<b>Target?</b>	NO	<b>YES!</b>	? ... More info	NO	NO	? ... More Info	NO

**SECTIONS TWO – FOUR ARE NOT AVAILABLE IN SAMPLE**