

Module Guide

Entry Strategies for International Markets

BBS_6_ESI

School of Business

Level 6

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1. MODULE DETAILS

Module Title:	Entry Strategies for International Markets
Module Level:	6
Module Reference Number:	BBS_6_ESI
Credit Value:	20
Student Study Hours:	200
Contact Hours:	60
Private Study Hours:	140
Pre-requisite Learning (If applicable):	Not applicable
Co-requisite Modules (If applicable):	Not applicable
Course(s):	4694_1 BA(Hons) International Business
Year and Semester Module Coordinator: MC Contact Details (Email, Room) Subject Area: Summary of Assessment Method:	Management (top up) Year 1 Semester 1 Dr Lakhdar Boukersi <u>boukerl@lsbu.ac.uk</u> , LRC 3 rd Floor International Business 100% Coursework . Group Presentation:30% and . 2000-word- Individual Research Project: 70%

External Examiner appointed for module: Mr Daniel Valentine

2. SHORT DESCRIPTION

This module studies the variety of strategies used by multinational firms to expand to enter for the first time or further expand into the international market. It considers different theories that account for the factors influencing a specific entry strategy into a foreign market. These strategies are discussed in the context of the growth of the multinational company and its role in stimulating global trade and investments over the past half century. The various options of exporting, licensing, joint ventures, franchising, and the establishment of subsidiaries through investment are all considered. Factors (political, economic, legal and cultural) influencing these entry decisions are also analysed in details at various points.

3. AIMS OF THE MODULE

The module aims to:

- Examine the changing nature and role of the multinational company in the global economy, with particular reference to the process of increasing globalisation
- Examine and explain from a theoretical stand the various entry strategies that can be adopted from both a business, economic and cultural view point
- Examine some of the main practical difficulties of adopting one as opposed to another entry strategy

4. LEARNING OUTCOMES

On completion of this module student will be able to:

4.1 Knowledge and Understanding

- A1: Identify and describe the nature of multinational companies and different forms of international business expansion, including equity and non-equity forms of involvement
- A2: Examine alternative theoretical explanations for the growth of the multinational company

4.2 Intellectual Skills

- B1: Compare and contrast alternative measures of multinational business activity and globalisation and data sources
- B2: Critically examine and discuss the relative merits and demerits of alternative theoretical explanations for entry of the multinational firm into foreign markets.
- B3: Assess the impact of various factors on the success or failure of entry into a foreign market

4.3 Practical Skills

- C1:Understand some of the procedures involved in entering a foreign market
- C2:Collect and assemble relevant factual and statistical secondary data from alternative sources in order to analyse and evaluate patterns of international business activity and trade
- C3:Undertake relevant background reading and literature searches on specific topics in the preparation of essays and seminar presentations

4.4 Transferable Skills

• D1: Develop proficiency in deducing patterns and trends from tabulated statistical data

5. ASSESSMENT OF THE MODULE

5.1 FORMATIVE ASSESSMENT

For the seminar sessions, students are divided into teams of 3 or 4 members. Each team is allocated a case study which they are required to prepare in advance and then discuss it together to brainstorm possible solutions or recommendations. The seminar leader provides guidance and direction on how to tackle the case study questions and a comprehensive feedback is given at the end. Roughly 4 or 5 case studies (see enclosed pack) highlighting issues related to Entry Strategies for International Market were set out to be covered during

the 12-week period. As a result of these case study discussions students would be able to have a clear understanding of what is required from them in the summative assessment.

5.2 SUMMATIVE ASSESSMENT

This module is assessed on a 100% coursework basis which consists of two components. In order to pass this module, students must achieve an **aggregate overall mark of 40%**.

- Component #1: Oral Group Presentation of a case study (30%)

The group presentation should not take more than 40 minutes, depending on team size, and it is based on a case study allocated in the formative assessment. Members of each team will be awarded the same mark for their group oral presentation, provided they equally contribute to preparing the presentation. If a student is reported for not contributing, s/he will be awarded a fail mark or assessed separately depending on the situation. Group Presentation Assessment Criteria are show in Appendix # A

- Component # 2: Individual Research Project (70%)

To complete the individual Project, each student is expected to select an international company *which should not be one of the case studies covered in the formative assessment which is part of component #1*. The chosen firm should be included in one of the selected sectors defined by the International Standard Industrial Classification of All Economic Activities (ISIC) and examine its situation in the context of entry strategies for international market which includes the following parts:

- A brief background of the company and an overview of its activities.
- A critical analysis of the company's expansion strategy or strategies in terms of its resources allocation and international market involvement. In other words, to demonstrate as to whether the firm relied on concentration, exploration, diversification or conglomerate strategy in expanding abroad and how such expansion fits the firm's competitive strategy such as frontal, flanking, encirclement etc.
- An in-depth evaluation of the company's foreign market entry strategy (ies) (exporting, licensing/franchising, joint-ventures/strategic alliances, acquisitions/wholly-owned subsidiaries' management contracts/countertrade agreements).
- A detailed analysis of those factors that motivated such entry strategy (ies), be it external or internal; and proactive or reactive
- The Individual Research Project should be around 2000 words with a "References" section, that is not part of the word count, using Harvard Referencing Style.

The selected sectors for this coursework are as follows:

- 1. Agriculture, forestry and fishing
- 2. Manufacturing
- 3. Water supply; sewerage, waste management and remediation activities
- 4. Wholesale and retail trade; repair of motor vehicles and motorcycles
- 5. Transportation and storage
- 6. Information and communication
- 7. Construction
- 8. Real estate activities

The full list by the ISIC Rev. 4 can be found here: <u>http://unstats.un.org/unsd/cr/registry/regcst.asp?CI=27</u>

6.0 FEEDBACK

Feedback will normally be given to students 15 working days after the final submission of their assignments or as advised by their module leader.

General feedback, applying to all students, will also be placed on the module VLE site within 15 working days.

7.0 INTRODUCTION TO STUDYING THE MODULE

7.1 Overview of the Main Content

This module falls into two parts. In the first one, a series of lectures and workshops will deliver the strategic tools necessary to conduct a situation audit and arrive at a set of strategic choices for market expansion. This will incorporate an understanding of the dynamics and market structure in the home market, as well as theories of global market evaluation. Students will then be taken through the principles involved in foreign market selection and entry strategies, in order to define, select and implement the most appropriate foreign market entry strategies such as Exporting (direct & Indirect), Contractual (licensing, franchising & counter-trade agreements) or Investment Market Entry Strategies (joint venture, strategic alliances, foreign direct investment: Greenfield investments, mergers and acquisitions).

7.2 Overview of Types of Classes

This module will be delivered via a weekly 2-hour lecture and a 2-hour seminar. Weekly lectures will provide the framework for the areas of study and seminars will enable students to practically put into practice and develop further the knowledge gained in the lecture.

Students are expected to undertake a significant amount of reading, the self-managed learning time is guided through a portfolio of readings outlined in the supporting documentation for this module.

There will be periodic evaluations to ensure students are developing the necessary skills and to provide feedback on progress.

7.3 Importance of Student Self-Managed Learning Time

Student responsibility in the learning and development process will be emphasised. Students are required to undertake directed self-study and prepare solutions/discussions to questions relative to various topic areas. Students will be encouraged to identify for themselves particular problems or difficulty and to use seminar discussions, where appropriate, for the resolution of these. Students must regularly access the Moodle site for this module. They should always consult the class/lecture material from the Moodle site, and do the recommended reading.

The programme of teaching, learning and assessment gives guidance on the textbook reading required for each week, the purpose of which is to encourage further reading both on and around the topic.

The module gives great importance of Student Self-Managed Learning Time The case study preparation involves a great deal of self-managed learning. All team members should meet to decide on how to schedule their meetings and each team member should <u>individually</u>:

- a- Read through the case several time, if necessary, and highlight salient issues.
- b- Conduct a detail SWOT analysis of the case at hand.
- c- Critically analyse each question within the context of the case.
- d- Identify and evaluate each alternative solution by listing the pros and the cons
- e- Recommend the best possible action plan(s).
- f- Endeavour to anticipate on future outcomes.

Based on the schedule specified in Item (1), all team members should meet to divide the questions and discuss the case in details. Together, they should formulate and evaluate all possible solutions and/or recommendations, prepare the presentation, identify visual aids to be used, and decide on the format of delivery for which the use of Power Point is recommended. Each member should be well prepared to tackle issues to be addressed by their peers in the classroom. Ideally, classroom presentations should not exceed 10 minutes per question to allow for classroom discussions to take place

This coursework assignment enables students to structure their time by means of diaries and planners; to prioritise their tasks; and to determine what is important and what is urgent. This is reflected in the organisation of team meetings to deliver coursework assignments

7.4 Employability

A knowledge and understanding of this module will equip students for a career in international companies playing a managerial role or in government bodies in administrative or advisory capacity or for a career in research working for international economic institutions or non-government organisations. Students will also find that the module provides a useful underpinning for further study towards a Masters qualification in international marketing, economics, management or business.

8.0 <u>THE PROGRAMME OF TEACHING, LEARNING</u> <u>AND ASSESSMENT</u>

SEMESTER ONE

WEEK	ТОРІС	READING (CORE)
1	Introduction to the module; Marketing and its core	Hollensen, Svend (Chap. 1)
	principles? What is International Marketing? Overview	Albaum, G., Strandskov, J. &
	of the international Marketing Process; Environmental	Durer (Chap. 1)
	Challenges. Overview of Foreign market entry	Root, F.R. (Chap. 1)
	strategies. What is strategy? Layout of the module	Bradley, F. (Chap. 1)
2	Motives of internationalisation; Assessing global	Hollensen, Svend (Chap. 9)
	opportunities and identifying target countries or	Albaum, G., Strandskov, J. &
	markets, international market selection process,	Durer (Chap. 3 & 4)
	international segmentation & targeting	Bradley, F. (Chap. 2 & 12)
3	International Market Expansion Strategies (IMESs);	Bradley, F. (Chap. 16) +
	factors underlying IMESs; incremental vs. simultaneous	Compiled from various articles
	expansion; opportunistic Vs. Systematic strategy;	
	concentration vs. diversification	
4	Exporting as a form of foreign market entry,	Hollensen, Svend (Chap. 10)
	characteristics of exporting, macro group vs.	Albaum, G., Strandskov, J. &
	Behavioural studies & export development process.	Durer (Chap. 6)
		Root, F R (Chap. 3)
		Bradley, F. (Chap. 13)
5	Forms of Exporting; types of Export Distribution	Albaum, G., Strandskov, J. &
	Channel, Merchants Vs. agents indirect vs. direct, co-	Durer (Chap. 7)
	operative channels, Export Management companies	Hollensen, Svend (Chap. 10)
	(EMCs) Vs. Trading Companies and Internet Exporting.	Bradley, F. (Chap. 13)
6	Licensing strategy; patents & trademarks, legal	Hollensen, Svend (Chap. 11)
	framework, benefits & problems factors underlying	Albaum, G., Strandskov, J. &
	licensing decision.	Durer (Chap. 8)
		Root, F R(Chap. 4)
		Bradley, F. (Chap. 14)
7	Categories of franchising, differences between licensing	Hollensen, Svend (Chap. 11)
	& franchising benefits and Caveats in using franchising	Bradley, F. (Chap. 14)
	as a market entry strategy.	

8	Joint ventures & strategic alliances, characteristics of traditional JVs, benefits and problems of traditional JVs, types of strategic alliances, motives behind strategic alliances	Hollensen, Svend (Chap. 11) Albaum, G., Strandskov, J. & Durer (Chap. 8) Root, F R (Chap. 5) Bradley, F. (Chap. 15)
9	Foreign direct investment (FDI), reasons underlying FDI as a form of market entry, benefits & problems, forms of FDI (Greenfield vs. acquisitions; Mergers & Acquisitions)	Hollensen, Svend (Chap. 11) Albaum, G., Strandskov, J. & Durer (Chap. 8) Bradley, F. (Chap. 15)
10	Management contracts and counter-trade agreements, Turnkey vs. product-in-hand projects, counter-trade defined, rational behind counter-trade, types of counter-trade	Hollensen, Svend (Chap. 11) Compiled from various articles
11	Global logistics; modes of international transport; international trade inventory; Modularisation & Postponement; Third Party Logistics	Albaum, G., Strandskov, J. & Durer (Chap. 13) Bradley, F. (Chap. 13)
12	REVISION	

9. STUDENT EVALUATION

Last year's students provided a positive feedback almost on all aspects of the module. The only point raised is how to improve Presentation skills as many Top-up and mature students have found it challenging to reconnect with classroom presentations after having interrupted their studies for a few years. Therefore, Improving Presentation Skills is the main action plan for this year.

For further information on student evaluation, please follow the steps below:

- 1. Open *Window Explorer* and click *Computer*
- 2. Then choose BUSAQD(hawk)
- 3. Choose *Public* and click on *MEQ SEM1*
- 4. Choose Entry Strategies for International Markets

10. LEARNING RESOURCES

Reading List

10.1 Core Readings

- Hollensen, Svend (2014), Global Marketing, 6th edition, Pearson Education Ltd.
- Albaum, G., Strandskov, J. & Durer, E (2008) *International Marketing and Export Management*, 6thedition, Prentice-Hall
- Root, F R (1998) Entry Strategies for International Markets, 2nd edition, Jossey-Bass

- Bradley, F. (2005) International *Marketing Strategy*. Harlow; Pearson
- Young, S. et al (1989) *International Market Entry and Development: Strategies and Management*, Harvester Wheatsheap Prentice-Hall,

10.2 Optional Readings

- Warren J. Keegan & Mark C. Green (2013), *Global Marketing*, 7th edition, Pearson Education Ltd
- Shekhar Chaudhuri, Rajan Das (2001), Entry strategies and growth in foreign markets: texts and cases in the Indian context, OUP
- Lymbersky, Christoph (2008), Market Entry Strategies: Text, cases and Reading in Market Entry Management; International Edition, Management Laboratory Press

10.3 Other Resources/Journal articles

- Whitelock, Jeryl (2002); "Theories of internationalisation and their impact on market entry"; *International Marketing Review* Volume: 19 Issue: 4
- Koch, Adam J. (2001); "Factors influencing market and entry mode selection: developing the MEMS model"; Marketing *Intelligence & Planning* Volume: 19 Issue: 5
- Nisar, Shaista et al. (2012; "Understanding the motives for SMEs entry choice of international entry mode"; *Marketing Intelligence & Planning* Volume: 30 Issue: 7
- Rodriguez, Carlos M. (2009);"Learning From Exporting: New Insights, New Perspectives"; International Marketing Review Volume: 26 Issue: 1
- Forte, Rosa & Carvalho, Joao (2013); "Internationalisation through franchising: The Parfois Case Study"; International Journal of Retail & Distribution Management Volume: 41 Issue: 5
- Majocchi, Antonio et al (2013); "Joint-ventures or non-equity alliances? Evidence from Italian firms"; *Management Decision* Volume: 51 Issue: 2
- Lu, Y., Karpova, E.E., Fiore, A.M. (2011), "Factors influencing international fashion retailers' entry mode choice", *Journal of Fashion Marketing and Management*, ISSN 1361-2026, Vol. 15 No.1, pp.58-75.
- Omar, Maklouba & Porter, Marc (2011); Reducing risk in foreign market entry strategies: standardization versus modification; *Competitiveness Review* Volume: 21 Issue: 4
- Tan, D. (2010); "Foreign market entry strategies and post-entry growth: acquisitions vs. greenfield investments"; *Development and Learning in Organizations* Volume: 24 Issue:
 2
- Kouznetsov, Alex (2009); "Country conditions in emerging markets and their effects on entry mode decisions of multinational manufacturing enterprises: Evidence from Russia"*International Journal of Emerging Markets* Volume: 4 Issue: 4
- Pehrsson, Anders (2009); "Barriers to entry and market strategy: a literature review and a proposed model"; European *Business Review* Volume: 21 Issue: 1
- Arto Ojala, Pasi Tyrväinen (2008); "Market entry decisions of US small and mediumsized software firms"; Management *Decision Volume*: 46 Issue: 2
- Blomstermo, Anders; et all (2006); "Choice of foreign market entry mode in service firms"; *International Marketing Review* Volume: 23 Issue: 2

- Pehrsson, Anders (2004); "Strategy competence: a successful approach to international market entry"; *Management Decision Volume*: 42 Issue: 6
- Ekeledo, Ikechi & Sivakumar, K. (2004); "International market entry mode strategies of manufacturing firms and service firms: A resource-based perspective"; *International Marketing Review* Volume: 21 Issue: 1
- Gorg, Holger (2000); "Analysing foreign market entry The choice between greenfield investment and acquisitions"; *Journal of Economic Studies* Volume: 27 Issue: 3

10.4 Plagiarism, Referencing & Turnitin

All materials about plagiarism, referencing and Turnitin can be found on the link below:

https://libguides.lsbu.ac.uk/marketing/referencing

Appendix # 1: Seminar Programme: S1, 2019-2020

Lectures	Monday	Seminar Activities	Seminar Teams	Workshops & Presentations Dates
1	23/09/19	Seminar 1 Module Detailed Description		25/09/19
2	30/10/19	<u>Seminar # 2</u> Team Organisation		02/10/19
		Seminar # 3 Case study Practice		09/10/19
3	07/10/19	<u>Seminar # 3</u> Workshop Case Study # 1 Discussions	Team # 1	16/10/19
4	14/10/19	Seminar # 4 Case study # 2 Workshop Discussions	Team # 2	23/10/19
5	21/10/19	Seminar # 5 Case study # 3 Workshop Discussions	Team # 3	30/10/19
6	28/10/19	Seminar # 6 Case study # 4 Discussions	Team # 4	06/11/19
7	04/11/19	Seminar # 7 Case study # 5 Workshop Discussions	Team # 5	13/11/19
8	11/11/19	Seminar # 8 Case study # 6 Workshop Discussions	Team # 6	22/11/19
9	18/11/19	Seminar # 09 Case Study # 1 Case Study # 2	Presentations	27/11/19
10	25/11/19	Seminar # 10 Case Study # 3 Case Study # 4 Case Study # 3	Presentations	04/12/19
11	02/12/19	Seminar # 11 Case Study # 5 Case Study # 6	Presentations	11/12/19
12	09/12/19		Submission of Individual Research Project	13/12/19

Appendix # 2: Case Study Detailed Assessment Criteria:

Coursework Assessment criteria	Total Mark (%)	Mark Out of 100%	Actual Mark
<u>Components #1</u> (C1) Group Oral Presentation: 30%			
 Team work organisation (structure, coordination, clarity) Clarity and coherence in delivery (pace, eye-contact &flow) Timing & quality of visual aids/graphics Awareness of theoretical concepts Ability & conviction in tackling questions 			
Total	100 %	MarkC1	Mark C1 X .30 =
Component #2 (C2) Individual Research Project: 70%			
 Rigour and coherence in Structuring; quality of writing skills and relevance in referencing 	10		
- Clarity in presenting firm's background and its business activities.	10		
 A critical analysis of firm's expansion strategy (ies) in combining its resources allocation and international market involvement to demonstrate its foreign expansion (concentration, exploration, diversification or conglomerate strategy) 	20		
 Clear demonstration as to how firm's expansion fits its competitive strategy (Cautious, frontal, flanking, encirclement) 	10		
 Depth evaluation of company's foreign market entry strategy (ies) (exporting, licensing/franchising, joint- ventures/strategic alliances, acquisitions/wholly- owned subsidiaries' management contracts /countertrade agreements). 	30		
 A detailed analysis of those factors that motivated such entry strategy (ies), be it external or internal; and proactive or reactive 	20		
Total	100 %	MarkC2	MarkC2 x.70 =
OVERALL TOTAL	100 %		Final CW Mark

This feedback form will accompany each coursework assignment when returned to students, no later than two weeks following submissions.

COMPONENT # 1: Group Oral Presentation (Total mark out of 100% x 30%)

• Team work organisation (structure, coordination & flow) (15%)

3-----12-----15

- **3** = No evidence of team work at all. Poor coordination between members and poor presentation structure
- **6** = Little evidence of team work with mediocre coordination between members with vague structure
- **9** = Some evidence of teamwork with appropriate coordination between members and appropriate presentation structure.
- **12** = Strong evidence of teamwork. Smooth coordination between members and wellorganised presentation structure.
- **15** = Excellent presentation throughout

Clarity and coherence in delivery (pace, eye-contact & degree of clarity) (15%)

3-----12-----15

- **3** = Very poor delivery: unclear, incoherent with no eye-contact as members heavily dependent on reading notes or slides
- **6** = Delivery little unclear and incoherent at times. Little eye-contact as some members are dependent on reading notes or slides.
- **9** = Good Delivery clear and coherent to some extent with a certain degree of eye-contact as only one member is dependent on reading notes or slides
- 12 = Very good delivery: Clear and coherent to a greater extent. Appropriate eye-contact as members are reliant on reading notes or slides only occasionally.
- **15** = Excellent delivery throughout: Clear, coherent, strong eye-contact as members are not reliant on reading notes or slides at all.
- Timing & quality of visual aids/graphics (15%)

3-----12-----15

- **1** = Presentation completed far beyond time allocated with no visual aids/graphics
- 2 = Presentation completed with few minutes beyond time allocated with poor visual aids/graphics (simplistic and crammed slides)
- **3** = Presentation completed within time allocated with decent visual aids/graphics (with slides being appropriate and illustrative to some extent)
- **4** = Presentation completed within time allocated with well-designed visual aids/graphics (with slides being creative and illustrative)
- **5**= Presentation completed within time allocated with excellent visual aids/graphics (with slides being highly creative and highly illustrative)
- Awareness & Application of theoretical concepts (20%)

4-----12-----16------20

- **4** = No awareness of relevant theories or concepts demonstrated; hence, no specific application of theory to practice (analysis of the question at hand)
- **8** = Little awareness of relevant theories or concepts demonstrated; hence, little application of theory to practice (analysis of the question at hand)

- **12** = Some awareness of relevant theories or concepts demonstrated; hence, appropriate application of theory to practice (analysis of the question at hand)
- **16** = Good awareness of relevant theories or concepts demonstrated; hence, Good application of theory to practice (analysis of the question at hand)
- **20** = Strong awareness of relevant theories or concepts demonstrated; hence, excellent application of theory to practice (analysis of the question at hand)
- Ability & conviction in tackling questions (35%)

7------28-------35

- **7** = Unable to answer the question properly as it is not addressed properly. Arguments are of little conviction.
- **14** = Answer to the question on the right direction but supporting arguments only fairly convincing.
- **21** = Appropriate answer overall; supported with appropriately convincing arguments
- 28 = Very good answer; supported with good and convincing arguments
- **35** = Excellent answer; supported with excellent and convincing arguments

Appendix # 3: Case study Pack (in separate document)

CASE STUDY # 1: Getting into the Egyptian market

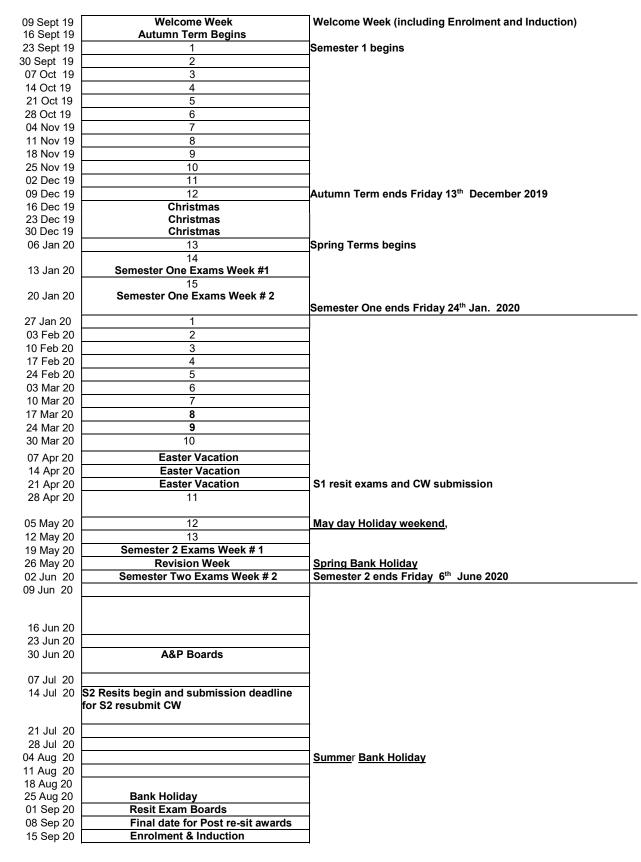
CASE STUDY # 2: Cochlear's Export success story

CASE STUDY # 3: Tesco's International Market Expansion

CASE STUDY # 4: Ikea's Global Expansion

CASE STUDY # 5: Starbuck Coffee: Expansion to India

CASE STUDY # 6: Haier



Appendix #4 ACADEMIC CALENDAR 2019-2020