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**London
South Bank
University**

Module Guide

Strategies for International Market Entry

BBM_7_SIM

School of Business

Level 7

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1. MODULE DETAILS

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|--|--|
| Module Title: | Strategies for International Market Entry |
| Module Level: | Seven |
| Module Reference Number: | BBM_7_SIM |
| Credit Value: | Twenty Credits |
| Student Study Hours: | 200 |
| Contact Hours: | 60 |
| Private Study Hours: | 140 |
| Pre-requisite Learning (If applicable): | None |
| Co-requisite Modules (If applicable): | None |
| Course(s): | MSc International Marketing MSc Marketing |
| Year and Semester | Year One Semester One |
| Module Coordinator: | Dr Charles Graham |
| MC Contact Details (Tel, Email, Room): | grahamca@lsbu.ac.uk |
| Subject Area: | Marketing |
| Summary of Assessment Method: | Coursework (50%) & Examination (50%) |
| External Examiner appointed for module: | Awaiting new appointment |

2. SHORT DESCRIPTION

This unit builds and consolidates knowledge and intellectual skills in the theory and practice of International Marketing Strategy. It opens with an analysis of consumer behaviour and competitive structure in established near-stationary markets. It then provides frameworks for the examination of foreign market selection and entry strategic options for international expansion. The unit is designed for postgraduate students contemplating a career in international business operations and/or practising marketing professionals who are already involved in doing business across regions and markets.

3. AIMS OF THE MODULE

The aim of the module is to develop a critical understanding of the key drivers of internationalisation, and of foreign market selection and entry as two strategic dimensions of growth. It seeks to increase the depth of knowledge and understanding of marketing principles by introducing the concept of marketing science. It explores the rationale that exists between international market selection and foreign market entry. The aim is to enable students to identify the right mix of foreign market entry strategies when expanding into diverse foreign markets, by understanding how to analyse, define and make strategic choices effectively.

4. LEARNING OUTCOMES

4.1 Knowledge and Understanding

On successful completion of this module, students will understand:

- A1. a range of strategic marketing tools necessary to develop, implement & control an international market expansion plan.
- A2. a range of metrics used to assess, control and predict marketing effectiveness
- A3. contemporary theories related to various foreign market entry strategies; that is, exporting, contractual and investment entry strategies.
- A4. the various environmental differences and similarities across foreign markets in which a company is set to operate in a sustainable manner.

4.2 Intellectual Skills

Students will be expected to demonstrate intellectual skills in:

- B1. the effective acquisition, evaluation, analysis and synthesis of marketing information relating to a complex strategic proposition.
- B2. analysing complex multiple market systems that would lead to the identification of the right market/company fit in terms of external factors and corporate characteristics.
- B3. evaluating complex international environment situations even when confronted to adverse situations when market data is scarce.
- B4. synthesising information in a systematic manner to facilitate the planning and implementation of the decision-making process related to foreign market selection and expansion strategies

4.3 Practical Skills

On successful completion of this module, students will be able to:

- C1. undertake a comprehensive review or audit of the market and marketing environment on a global basis to highlight market opportunities and threats.
- C2. use the right information to specifically understand changes occurring across markets
Implement foreign market entry strategies that are relevant to company's objectives and resources.
- C3. draw up a strategic plan to enable business firms to adapt their foreign market entry strategies to changes occurring in the global market environment.
- C4. create a strategic plan which will provide a coherent link between market expansion, foreign entry strategies and international distribution channels.

4.4 Transferable Skills

Students will acquire and develop transferable skills to be able to:

D1. assess attitude to change. Students learn to tolerate ambiguity, diversity and flexibility in their information processing abilities.

D2. manage time efficiently. This will enable 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.

D3. solve problems in a pragmatic manner. This is based on the view that there is no such a thing “as a best solution in tackling a case study”. This will equip students with the necessary tools to solve problems using quantitative skills and also distinguish between ideal and practical solutions.

D4. engage in constructive and effective communication. A student will be encouraged to be both a speaker and a listener and develop the ability to transmit clear and precise and persuasive messages.

D5. develop effective teamwork and independent learning skills. Students can interact with and within group in view to defining outcomes, specifying roles, negotiating and solving problems as if they were in a work situation. Such skills will contribute to their career preparation and development

5. ASSESSMENT OF THE MODULE

Formative Assessment

Formative assessment occurs on two occasions:

- (i) During the seminar workshop sessions. All students discuss the case studies together to brainstorm possible solutions and the seminar leader provides guidance and direction on how the case study questions should be tackled.
- (ii) After the classroom presentations, through further discussion each group is provided with more information on how to improve their summative assignments.

Summative Assessment

The summative assessment of the module is based on two components:

1. Case Study Based Coursework: **(50%)**
 - 30 minute group presentation: 40%
 - Individual report: 60%
2. Three-hour seen case study examination **(50%)**.

The overall pass mark for the module is 50 % with the minimum pass mark of 40% in any one component. No minimum mark is required for the sub-components of the coursework

The coursework assignment is case-study based and entails a teamwork subcomponent - a group classroom oral presentation - and an individual subcomponent - a written report in response to a single case study question submitted by each individual team member.

In coursework assessment, members of each team will be awarded the same mark for their group oral presentation, assuming that they equally contribute to the presentation. A student reported for not contributing may be assessed separately (Appendix #1 for assessment criteria)

The case study coursework assesses the following learning outcomes:

| | |
|-----------------------------|--------------------|
| Knowledge and Understanding | A1, A2, A3 |
| Intellectual Skills | B1, B2, B3 |
| Practical Skills | C1, C2, C3, C4 |
| Transferable Skills | D1, D2, D3, D4, D5 |

The examination at the end of the semester is for three hours and consists of 2 sections.

Section A contains 3 discussion questions - students attempt one only.

Section B is based on a seen case study with two compulsory questions.

The examination assesses the following learning outcomes:

| | |
|-----------------------------|------------|
| Knowledge and Understanding | A1, A2, A4 |
| Intellectual Skills | B1, B2, B4 |
| Practical Skills | C3, C4, C5 |
| Transferable Skills | D1, D2, D3 |

6. FEEDBACK

Feedback will normally be given to students 15 working days after the final submission of an assignment or as advised by their module leader, following the written format based on Case Study Assessment Criteria shown in Appendix 2. General feedback, applying to all students, will also be placed on the module VLE site within 15 working days.

7. INTRODUCTION TO STUDYING THE MODULE

7.1 Overview of the Main Content

The module falls into two parts. In the first 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

The module will be delivered over one semester, through a series of two-hour lectures and two-hour seminars. A blended-learning programme of active reading will guide students through selected current literature, and encourage the connections to be made between this and the unit case studies.

Case study preparation involves significant self-managed learning:

1. All team members should meet to decide on how to schedule their meetings and each team member should then individually:
 - Read the case several times highlighting salient issues only after the second reading.
 - Conduct a detailed SWOT analysis of the case at hand.
 - Critically analyse each question within the context of the case.
 - Identify and evaluate alternative solutions by outlining pros and cons
 - Be ready to recommend the most efficient and effective action plan(s).
 - Endeavour to anticipate its future outcomes.
2. Based on the agreed schedule for case study allocation all team members should meet to divide the questions and discuss the case in detail. Together, they should formulate and evaluate all possible solutions, 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. Classroom presentations should not exceed 30 minutes to allow for discussions to take place
3. After the class presentation, each team member should reflect on what has been learned through the session and think about how to improve the individual written report.

The 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

7.3 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 of 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 download the class/lecture material from the Moodle site, and do the recommended reading before each lecture/class.

Where appropriate, students are also expected to download the relevant seminar questions and study them in advance of each seminar, in order to derive maximum benefit from seminar time. 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.

7.4 Employability

The case study approach adopted in this unit is a widely adopted technique that brings commercial reality into the classroom. Seminar activities are interactive; and students are encouraged to vigorously express their views, opinions and objections through constructive participation and mutual challenge as if in a business work setting. Such an approach contributes to student learning and understanding of how things are operating in practice. As a result, students are ready, as soon as they complete the unit, to take part in and assist any strategic process which involves the decision of any firm contemplating expansion into international market in terms of selecting foreign markets and deciding on relevant entry strategies.

8. THE PROGRAMME OF TEACHING, LEARNING AND ASSESSMENT

Week 1 Lecture

Introduction to the module; Marketing and its core principles. What is International Marketing? Overview of the international Marketing Process; Environmental Challenges. Overview of foreign market entry strategies. What is strategy? Layout of the module.

Week 2 Lecture

Assessing global opportunities and identifying target countries or markets, international market selection process, international segmentation & targeting.

Week 3 Lecture

International market expansion strategies (IMESs); factors underlying IMESs; incremental vs. simultaneous expansion; opportunistic vs. systematic strategy; concentration vs. diversification; factors underlying foreign market entry strategies

Week 4 Lecture

Exporting as a form of foreign market entry, characteristics of exporting, macro group vs. behavioural studies, forms of exporting, export development process.

Week 5 Lecture

Types of export distribution channel, merchants vs. agents, indirect vs. direct, co- operative channels, export management companies (EMCs) vs. trading companies.

Week 6 Lecture

Licensing strategy; patents & trademarks, legal framework, benefits & problems, factors underlying licensing decision.

Week 7 Lecture

Franchising, categories of franchising, differences between licensing & franchising, benefits and caveats in using franchising as a market entry strategy.

Week 8 Lecture

Joint ventures & strategic alliances, characteristics of traditional JVs, benefits and problems of traditional JVs, types of strategic alliances, motives behind strategic alliances

Week 9 Lecture

Foreign direct investment (FDI), reasons underlying FDI as a form of market entry, benefits & problems, forms of FDI (greenfield vs. acquisitions; mergers & acquisitions)

Week 10 Lecture

Management contracts and counter-trade agreements, Turnkey vs. product-in-hand projects, counter-trade defined, rationale behind counter-trade, types of counter-trade

Week 11 Lecture

Global logistics; modes of international transport; international trade inventory; Modularisation & Postponement; Third Party Logistics

Week 12 Revision

9. STUDENT EVALUATION

The module was well received last year, achieving an 88% student satisfaction score.

10. LEARNING RESOURCES

Core Readings

Hollensen, Svend (2013), *Global Marketing*, 6th edition, Harlow; Pearson Education.

Johnson, J., Whittington, R & Scholes, K. (2011) *Exploring Corporate Strategy*. 9th edition Harlow; Pearson Education.

Lymbersky, Christoph (2008), *Market Entry Strategies: Text, cases and Readings in Market Entry Management*. International Edition, Management Laboratory Press

Warren J. Keegan & Mark C. Green (2013), *Global Marketing*, 7th edition, Harlow; Pearson

Further Reading

Bradley, F. (2005) *International Marketing Strategy*. Harlow; Pearson

Johansson, Johnny K. (2008); *Global Marketing: Foreign Entry, Local Marketing and Global Management*; 5th Edition, McGraw-Hill/Irwin

Root, F R (1998) *Entry Strategies for International Markets*, 2nd edition, Jossey-Bass

Young, S. et al (1989) *International Market Entry and Development: Strategies and Management*, Harvester Wheatsheaf. Harlow:Prentice-Hall,

Optional Readings

Albaum, G., Strandskov, J. & Durer, E (2008) *International Marketing and Export Management*, 6th edition, Harlow:Prentice-Hall

McLoughlin, D. and Aaker, D. (2010). *Strategic Market Management. Global Perspectives*. Chichester; Wiley.

Other Resources/Journal articles

- Arto Ojala, Pasi Tyrväinen (2008); "Market entry decisions of US small and medium-sized software firms"; *Management Decision* Volume 46 Issue 2
- Blomstermo, Anders; et al (2006); "Choice of foreign market entry mode in service firms"; *International Marketing Review* Volume: 23 Issue: 2
- Chen, Chuan & Messner, John (2011); "Characterizing entry modes for international construction markets: Paving the way to a selection model Engineering"; *Construction and Architectural Management* Volume: 18 Issue: 6
- Chen, Haiyang; et al (2006); "The influence of liability of foreignness on market entry strategies: An illustration of market entry in China"; *International Marketing Review* 23. 6
- Dacko, Scott G. (2002); "Understanding market entry timing decisions: the practitioner-academic gap" *Marketing Intelligence & Planning* Volume: 20 Issue: 2 2002
- 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
- Forte, Rosa & Carvalho, Joao (2013); "Internationalisation through franchising: the Parfois Case Study"; *International Journal of Retail & Distribution Management* Volume: 41 Issue: 5
- Gorg, Holger (2000); "Analysing foreign market entry – The choice between greenfield investment and acquisitions" ; *Journal of Economic Studies* Volume: 27 Issue: 3
- Koch, Adam J. (2001); "Selecting overseas markets and entry modes: two decision processes or one?"; *Marketing Intelligence & Planning* Volume: 19 Issue: 1
- Koch, Adam J. (2001); "Factors influencing market and entry mode selection: developing the MEMS model"; *Marketing Intelligence & Planning* Volume: 19 Issue: 5
- 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
- Lu, Y., Karpova, E.E., Fiore, A.M. (2011), "Factors influencing international fashion retailers' entry mode choice", *Journal of Fashion Marketing and Management*, Vol. 15 No.1, pp.58-75.
- Majocchi, Antonio et al (2013); "Joint-ventures or non-equity alliances? Evidence from Italian firms"; *Management Decision* Volume: 51 Issue: 2
- Moore, M. Christopher, et al. (2010) ; "Flagship stores as a market entry method: the perspective of luxury fashion retailing"; *European Journal of Marketing* Volume: 44 Issue: 1/2
- Nisar, Shaista et al. (2012); "Understanding the motives for SMEs entry choice of international entry mode"; *Marketing Intelligence & Planning* Volume: 30 Issue: 7
- Omar, Maktoba & Porter, Marc (2011); Reducing risk in foreign market entry strategies: standardization versus modification; *Competitiveness Review* Volume: 21 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
- Pehrsson, Anders (2004); "Strategy competence: a successful approach to international market entry"; *Management Decision* Volume: 42 Issue: 6
- Rodriguez, Carlos M. (2009); "Learning From Exporting: New Insights, New Perspectives"; *International Marketing Review* Volume: 26 Issue: 1
- Tan, D. (2010); "Foreign market entry strategies and post-entry growth: acquisitions vs. greenfield investments"; *Development and Learning in Organizations* Vol. 24 Issue: 2
- Whitelock, Jeryl (2002); "Theories of internationalisation and their impact on market entry"; *International Marketing Review* Volume: 19 Issue: 4

Appendix 1: SIME Seminar Programme: Semester 1 2016-2017

| Lectures/ Seminars | Seminar Teams | Seminar Activities | Presentation Dates | Report Submission Dates |
|-----------------------|------------------|---|-----------------------|-------------------------------|
| 1 | | Module Outline What is strategy? | 26/9/19 | |
| 2 | | Team organisation | 03/10/19 | |
| 3 | | Workshop Case Study Practice | 10/10/19 | |
| 4 | Team 1 | Case Study 1 Discussions | 17/10/19 | |
| 5 | Team 2 | Case study 2 Discussions | 24/10/19 | |
| 6 | Team 3 | Case study 3 Discussions | 31/10/19 | |
| 7 | Team 4 | Case study 4 Discussions | 7/11/19 | |
| 8 | Team 5 | Case study 5 Discussions | 14/11/19 | |
| 9 | | Case study review Discussions | 21/11/19 | |
| 10 | | <i>Presentations</i> Case Study 1 Case Study 2 | 28/11/19 | 12/12/19 |
| 11 | | <i>Presentations</i> Case Study 3 Case Study 4 Case Study 5 | 05/12/19 | 12/12/19 |
| 12 | Revision | Revision | 12/12/19 | |

Appendix 2: Case Study Assessment Criteria:

| Coursework Assessment criteria | Total Mark (%) | Actual Mark (%) | Feedback Comments |
|---|---|-----------------|-------------------|
| Group Oral Presentation: <ul style="list-style-type: none"> - Team work organisation (structure, coordination, flow) - Clarity and coherence in delivery (pace, eye-contact & clarity) - Timing & quality of visual aids/graphics - Awareness of theoretical concepts - Ability & conviction in tackling questions | 05 05 05 10 15 | | |
| Total | 40 % | | |
| Individual Written Reports: <ul style="list-style-type: none"> - Rigour and coherence in Structuring ; and logical sequencing of the report - Application of theory to practice (or relevant use of theory to support analysis - Analytical competence & strength of arguments & Depth in analysis. - Applicability of Recommendations - Writing skills (style, lucidity, attention to details, correct spelling & grammar) | 05 15 20 10 10 | | |
| Total | 60 % | | |
| OVERALL TOTAL | 100 % | | |

This feedback form will accompany each coursework assignment when returned to students. To allow for continual development, coursework assignments are returned no later than two weeks following submissions.