



Unit Guide

FOREIGN MARKET ENTRY

MMK-M-103

**Faculty of Business,
Computing & Information
Management**

Semester One

become what you want to be

TABLE OF CONTENTS

1.0	UNIT DETAILS	04
2.0	SHORT DESCRIPTION	04
3.0	AIMS OF THE UNITS	04
4.0	LEARNING OUTCOMES	05
5.0	ASSESSMENT UNIT	06
	5.1 Component # 1 Coursework	07
	5.2 Component # 2 Exam	07
6.0	FEEDBACK	08
7.0	INTRODUCTION TO STUDYING THE UNIT	08
	7.1 Overview of the main content	08
	7.2 Overview of types of classes	08
	7.3 Importance of student self-managed Learning time	09
	7.4 Employability	09
8.0	PROGRAMME OF TEACHING & LEARNING & ASSESSMENT	10
9.0	READING LIST	11
<i>Appendix # 1</i>	<i>Case study Evaluation Criteria</i>	<i>13</i>
<i>Appendix # 2</i>	<i>Seminar Programme</i>	<i>14</i>
<i>Appendix # 3</i>	<i>List of case studies</i>	<i>15</i>

1.0 UNIT DETAILS

- **Unit Title** : **Foreign Market Entry Strategies**
- **Level** : **M**
- **Reference Number** : **IMM-M-103**
- **Number of credits** : **1 ((15 CAT POINTS))**
- **Student Study hours** : **150**
- **Contact Hours** : **36**
- **Private Hours** : **114**
- **Course** : **MSc International Marketing**
- **Year and Semester** : **Semester One**
- **Unit Co-ordinator** : **Dr L. Boukersi**
- **UC Contact Details** : **London Road Building, Room # 316**
Tel: 020 7815 7773,
E-mail: boukerl@lsbu.ac.uk
- **Subject Area** : **Marketing**
- **Assessment Methods** :

- (i) **Coursework** (based on a case study) **40%**
 - a- Presentation (group work)..... 40%*
 - b- Written Report (individual)..... 60%*

- (ii) **3hour examination** (based on an unseen case study) **60%**

2.0 SHORT DESCRIPTION

This unit builds upon the student's level of knowledge and skill in International Marketing field. It examines specifically the concept of Foreign Market Entry as a strategic option for the international firm to expand abroad and how such a concept is inherent to two other strategic concepts; that is, International Market Selection and International Channels of Distribution. The unit is aimed at postgraduate students contemplating a career in international business operations and/or practising Marketing professionals who are already involved in doing business in foreign markets.

3.0 AIMS OF THE UNITS

The aim of this unit is to develop a critical understanding of the key issues of Foreign Market Entry as a strategic dimension of global marketing activities. It seeks to increase the depth of knowledge and skill in order to understand and confront the complexity inherent to three major issues in international marketing; that is, International Market Selection, Foreign Market entry and International Distribution. The aim is to enable students to identify the right mix of foreign market entry strategies when expanding into diverse foreign markets.

4.0 LEARNING OUTCOMES

A. Knowledge and Understanding

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

- A1. Demonstrate in-depth theoretical knowledge and understanding of relevant methodologies to assess the international market environment for the purpose of identifying and selecting foreign target markets.
- A2. Develop clear understanding of various theories and models of international market expansion strategies that fit target country/market requirements.
- A3. Acquire specialist knowledge and understanding of theories related to various foreign market entry modes; that is, exporting, contractual and investment entry strategies.
- A4. Gain clear understanding of theoretical concepts related to export channels of distribution to enable right combination of these channels with relevant entry strategies.

B. Intellectual Skills

Students will be expected to demonstrate intellectual skills in:

- B1. Critical, analytical and creative thinking to enable the identification of the right target/country markets and derive relevant foreign market entry strategies
- B2. Initiating and dealing with rational problem-solving situations by assessing both arguments and counter-arguments.
- B3. Analysing complex international environment situations even when confronted with limited amount of data.
- B4. Synthesising information in a systematic manner to facilitate decision making in terms of short, medium and long-term recommendations.

C. Practical Skills

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

- C1. Undertake a comprehensive review of the global market environment.
- C2. Identify the right market/company fit in terms of market opportunities and firm's resources.
- C3. Implement relevant foreign entry strategies to optimise chances of

securing successful international market expansion.

- C4. Draw up an action plan to enable business firms to adapt their foreign market entry strategies to changes occurring in the international market environment.
- C5. Create a strategic plan which will provide a coherent link between market expansion, foreign entry strategies and international distribution channels.

D. Transferable SKILLS

Students will acquire and develop transferable skills to enable 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 problematic situation 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. Develop constructive and effective communication. A student will be encourage to be both a speaker and a listener, and develop the ability to transmit clear and precise and persuasive messages.
- D5. Develop both 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 real job situation. Such skills will contribute to their career preparation and development.

5.0 ASSESSMENT UNIT

The overall assessment of the unit is based on two components:

Component # 1 - Coursework.....40 %

. *Group Oral Presentation: 40% (or 16 point)*

. *Individual Written Report: 60% (or 24 points)*

Component # 2 - Final examination.....60 %

The overall pass mark for this unit 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

5.1 Component # 1: Coursework Assignment

In this unit, the coursework assignment is based on a case study, which entails a teamwork subcomponent based on a group classroom oral presentation and an individual subcomponent based a written report, on a single particular question of the case study, submitted by each individual team member.

In terms of coursework 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 assessed separately (see appendix # 1 for assessment criteria)

This 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

5.2 Component # 2: Final Examination

At the end of the semester, student will take a three-hour examination, which consists of 2 sections.

Section # 1: It is based on 3 discussion questions from which students have to attempt **one** only.

Section # 2: It is based on an unseen case study with **two** compulsory Questions. Each question may consist of small parts. In addition to the 3-hour duration of the exam, 15 minutes reading time are also provided.

This 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,

6.0 FEEDBACK

Feedback is normally given on three 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 the assignment.
- (iii) Finally, a detail feedback is provided one/two weeks after the written reports are submitted. This time, feedback is more formal and given in a written format based on Case Study Assessment Criteria shown in Appendix #1.

7.0 INTRODUCTION TO STUDYING THE UNIT

7.1 Overview of the Main Content

Assessing global opportunities leading to identifying and selecting foreign target markets; review International Market Expansion Strategies in terms of resources allocation and international involvement in terms of number of markets; elaborate in details on Exporting (direct & Indirect), Contractual (licensing, franchising & counter-trade agreements) and Investment Market Entry Strategies (joint venture, strategic alliances, foreign direct investment: Greenfield investments, mergers and acquisitions); and International Distribution Channels involved in exporting as a foreign entry strategy.

7.2 Overview of Types of Classes

The teaching programme requires the following class contact time per week over a 10-week period:

- One two-hour lecture
- One one-hour-student led seminar.
- Guest speakers are also invited, when possible, to elaborate on topical issues related to the subject matter.

Seminar activities are student-led and case study-orientated. Each seminar group will be divided into five teams of three members each. Over the semester, each team will be allocated one case study, which has to be tackled, first, by means of group class-room presentation and, second, through individual written reports submitted, a week later. Each team member will be

assigned one single question of the case on which individual written reports are based.

7.3 Importance of Student Self-Managed Learning Time

The case study preparation involves a great deal of self-managed learning:

- (1) All team members should meet to decide on how to schedule their meetings.
 - (1) Each team member should individually:
 - 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.
- (2) 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, prepare the presentation, identify visual aids to be used, and decide on the format of delivery (Power Point or Over Head Projector). Each member should be well prepared to tackle issues to be addressed by their peers in the classroom. Ideally, classroom presentations should not exceed 30 minutes to allow for discussions with other students and seminar tutor to take place
- (3) After the class presentation, each team member should reflect on what have been learned through the presentation-discussion session and think on how to improve his/her individual written report.

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

This case study approach adopted in this unit through seminar activities is a closer way of bringing industrial reality into the classroom. Seminar activities are very interactive; and students are encouraged to vigorously express their

views, opinions and objections through constructive participation and mutual challenge as if they were in a real industrial work setting. Such an approach contributes tremendously to student learning and understanding of how things happen or operate in practice. As a result, students are ready to take part in and assist any strategic process which involves the decision of any firm contemplating expansion into international market.

8.0 PROGRAMME OF TEACHING & LEARNING & ASSESSMENT

Week #1

Lect.1 Assessing global opportunities and identifying target countries or markets, international market selection process, international segmentation & targeting

No seminar

Week #2

Lect. 2 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

Seminar 1: Seminar Organisation

Week #3

Lect. 3 Exporting as a form of foreign market entry, characteristics of exporting, macro group Vs. Behavioural studies, forms of exporting, export development process.

Seminar 2: Workshop 1: case study 1 Discussion

Week #4

Lect. 4 Licensing, patents & trademarks, legal framework, Benefits & problems, factors underlying licensing decision.

Seminar 3: Workshop: Case study # 2 Discussion

Week #5

Lect. 5 Franchising, categories of franchising, differences between licensing & franchising, advantages and disadvantages in using franchising as a market entry strategy.

Seminar 4: Case study 1 & 2 Presentations

Week #6

Lect. 6 Joint ventures & strategic alliances, characteristics of traditional JVs, benefits and problems of traditional JVs, types

of strategic alliances, motives behind strategic alliances

Seminar 5: Workshop: Case study # 3 Discussion

Week # 7

Lect. 7 Foreign direct investment (FDI), reasons underlying FDI as a form of market entry, benefits & problems, forms of FDI (Greenfield vs. acquisitions; Mergers & Acquisitions),

Seminar 6: Workshop: case study 4 Discussion

Week # 8 Reading Week

Week # 9

Lect. 8 Management contracts and counter-trade agreements, Turnkey Vs. product-in-hand projects, counter-trade defined, rational Behind counter-trade, types of counter-trade

Seminar 7: Seminar 4: Case study 1 & 2 Presentations

Week # 10

Lect. 9 International channels of distribution (ICD), objectives & Constraints, determinants of ICD, relationship between ICD, Foreign market expansion and foreign market entry.

Seminar 8: Workshop: Case study 5 Discussion

Week # 11

Lect. 10 Types of Export Distribution Channel, Merchants Vs. agents, indirect vs. direct channels, co-operative channels, Export Management companies (E.M.Cs) Vs. trading companies.

Seminar 9: Case study # 5 Presentation

Week # 12

Revision
Seminar 10: Revision

9.0 READING LIST

9.1 Core Materials

Root, F R (1994) *Entry Strategies for International Markets*, re and expanded ed., John Wiley & Sons Limited

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

9.2 Optional Materials

Bradley, F. (2005) *International Marketing Strategy*, 5th edition, Prentice Hall (Chapter # 13, 14, 15, 16 &17)

Svend Hollensen (2004) *Global Marketing: A decision-oriented approach*, 3rd edition, Prentice Hall (Chapter # 9, 10, 11, 12 &13)

Johny K. Johansson (2000), *Global Marketing: Foreign Entry, Local Marketing & Global Management* 2nd edition McGraw-Hill

Albaum, G., Strandskov, J. & Duerr, E (2005) *International Marketing and Export Management*, 5th Ed. Prentice-Hall

Jeannet & Hennessey (2004) *Global Market Strategies*, 6th ed. International Edition, Houghton Mifflin Co, London. (Chapter # 8 & 9)

Child, J. et al (2003) *the management of International Acquisitions*, Oxford University Press

Cateora, P. R; Graham, J.L.; Ghauri, P. N (2000) *International Marketing*, European ed. McGraw-Hill Publishing (chapter # 8, 11 & 15)

Keegan, W.J. (2005) *Global Marketing Management*, 4th ed. Prentice Hall Chapter # 8 & 9)

9.3 Other Reading

- Columbia Journal of World Business
- European Journal of Marketing
- Harvard Business Review
- International Business Asia
- Journal of International Business Studies
- Journal of Global Marketing
- Journal of World Business
- Journal of Management Studies
- Licensing Economics Review

- Management International Review
- Mergers & Acquisitions Monthly

Appendix # 1 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 & degree of 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"> - Structuring and logical sequencing of the main report components - Writing skills (style, lucidity, attention to details, correct spelling & grammar) - Use of relevant theory to support analysis (Application of theory to practice) - Analytical competence & strength of arguments (depth in analysis, use of analytical methods) - Originality & applicability of Solutions/ Recommendations 	05 10 10 20 15		
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.

APPENDIX # 2: SEMINAR PROGRAMME

Week	Lecture	Seminar Team	Seminar Activity	Presentation Date	Reports Submission Date
W1	1		No seminar	27 th September	
W2	2		Seminar Organisation	4 th October	
W3	3		<u>Case Study # 1</u> Classroom Workshop	11 th October	
W4	4		<u>Case Study # 2</u> Classroom Workshop	18 th October	
W5	5	Team # ... Team # ...	Case study # 1 Presentation Case study # 2 Presentation	25 th October	1 st November
W6	6		<u>Case study # 3</u> Classroom Workshop	1 st November	
W7	7		<u>Case study # 4</u> Classroom Workshop	8 th November	
W8	<i>Reading</i>	<i>Week</i>	<i>Reading Week</i>	<i>Reading Week</i>	
W9	8	Team #... Team #...	Case study # 3 Presentation Case study # 3 Presentation	22 nd November	29 th November
W10	9		<u>Case study # 5</u> Classroom workshop	29 th November	
W11	10	Team #...	<u>Case study # 5</u> Presentation	6 th December	13 th December
W12	11 Revision			13 th December	

Appendix # 3

List of Case Studies

- **Case Study # 1:** From Exporters to Global Producers: The Big Four Australian Companies
- **Case Study # 2:** Seven Eleven Japan
- **Case Study # 3:** IKEA: Expanding Through Franchising to the South American Market
- **Case Study # 4:** Volkswagen (VW) in China
- **Case Study # 5:** Schindler Elevators & Escalators