INTERNATIONAL MARKET ENTRY STRATEGIES

INSTRUCTOR INFORMATION

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TIME / PLACE:

- Dates: January 17-25, 2014
- Times: 10.00 am – 1.00 pm daily

READINGS:

There is no textbook for this course. Instead, students will be provided with a selection of articles, case studies and other materials (see references in the section on, Course Contents’, above) through Blackboard. Students are required to read all articles and cases prior to each class.

Course Description:

Markets for products, services and human resources have become increasingly global. In this context, and increasing number of companies and managers venture into new, foreign environments. This not only involves greater uncertainty and more difficulties in obtaining necessary information, it also requires answers to new questions companies have seldom encountered before, and the careful design of their entry into foreign markets. This course explores some of the most relevant questions, including – but not limited to – the following:

- What is the context of doing business internationally?
- What are typical barriers to entry?
- How can companies assess their own internationalization readiness?
- What makes a product a “good” product in international markets?
- How can companies select the ideal foreign target market?
- What is the best entry mode for foreign markets?

The course will make use of a number of case studies and guide students through some application of the content. At the end of this course, students will be able to design successful international market entry strategies.

DIDACTIC APPROACH:

This course rests on several components – self-study, lectures, interaction, as well as practice and application:

- Self-Study: Preparation in self-study by students before lecture to become familiar with new material and to stimulate thinking, generate ideas and questions.

- Lecture: Presentation of topics in class by instructor using PowerPoint slides.
- Student-Instructor and Student-Student Interaction: Discussion of selected questions and case studies, illustration with examples etc.
- Practice and Application: Application of concepts and techniques to practical examples.

ASSESSMENT:

Assessment in this course is based on multiple elements. Each form of assessment addresses different (sometimes multiple) learning outcomes, and each form of assessment requires a different set of knowledge, skills and abilities (for details on expected levels of performance and grading, please refer to the section on “Grading” in this syllabus):

Attendance and Participation: In any course, class attendance is an important element on the way to successful completion. Student participation will be graded based on individual self-assessment by each student.

Final Project “Blunders in International Business”: The final project will put students’ knowledge from theory into practical perspective. Through research in publicly available literature and/or proprietary databases students will identify companies‘ real failures in the internationalization process. This will help them to better understand how some of the challenging areas presented and discussed in the classroom play out in practice. The deliverable is a report that comes in two alternatives:

- **Alternative A** is company-centered: under this alternative, students write an in-depth report on one specific company‘s internationalization path. The focus of this report is the story of a failed attempt in international markets. It can cover one or more of the thematic areas covered in the class (e. g. Danone’s failure in China). Companies can be global or local.
- **Alternative B** is problem-centered: under this alternative, students select stories of failure in international markets from 3-5 companies. In a cross-case analysis students discuss similarities in differences between these cases. In this alternative, it is important that the discussed cases all center around the same topic (e. g. target market selection).

The final report is an individual report and has to be in written format, min. of 7 and max. of 12 pages (excluding title page, list of references or appendices), 1.5 spaced, Times New Roman 11 point. The deadline for the final report will be announced in class. All final project reports must be submitted electronically. Please use the following structure in your report:

1. Title page including your name
2. General introduction: in this section of the report please write about the general motivation for the project, the reason why and how you picked a particular thematic area (alternative B) or a particular company (alternative A)
3. Company (and/or „problem“) description and analysis. From a content point of view, please follow the logical structure below:

   Alternative A:
   - Start with a general description of the selected company (e. g. nationality, industry, products/services description, size in terms of sales or employees, additional contextual information relevant to understanding the company) and the industry the company is active in.
   - Next, tell the story of the failed internationalization attempt as you have researched it in the media. Cover as many facets as possible and, if possible, do contrast differing views.
   - Then, provide an analysis by focussing on the essence of the problem(s) the company has encountered. It may be helpful if you followed the thematic blocks covered during the class.

Alternative B:

- Start with a discussion of the thematic area you intend to work on (e. g. target market selection)
- Next, tell the stories of failure of 3-5 companies, one after the other. Provide some brief information on the discussed companies (e. g. nationality, industry, products/services description, size in terms of sales or employees, additional contextual information relevant to understanding the company).
- Then, provide a cross-case analysis by focussing on the essence of the problem the companies have encountered. Discuss the similarities in the cases and the differences between them.

4. Conclusion: in your conclusion, please sum up the complete paper, starting with a brief restatement of the objective, the company or the problems/challenges and the theoretical background that could have been of assistance to the company in preventing the failure(s) from happening.
5. List of References

GRADING:

Grading in this class will be based on the following elements and the grading scale provided below:

Percentage	Grade
>94%	A
90% to 93%	A-
87% to 89%	B+
84% to 86%	B
80% to 83%	B-
77% to 79%	C+
74% to 76%	C
70% to 73%	C-
67% to 69%	D+
64% to 66%	D
60% to 63%	D-
<60%	F

Assessment	Points
Participation (5 points for each morning)	25
Final Project	75
TOTAL POINTS	**100**

GRADING STANDARDS

Details on grading standards for each form of assessment can be obtained from the following grading rubric:

	Student Achievement			
	Below Average	**Average**	**Above Average**	**Outstanding**
Participation	Students don't participate frequently and actively and even when directed do not contribute to class substantively.	Students are largely passive, but do provide informed responses to questions when asked. Or, students are pro-active, but do not provide contributions of essential value.	Students participate frequently without the need for the instructor to stimulate their participation. Their contributions are substantive, but largely generic.	Students are very actively paticipating. They ask questions or make comments that help clarify and synthesize discussion, relate their ideas or experiences to current topics, contribute examples that are relevant, acknowledge and extend the ideas of others and relate content from class materials, readings and experiences to the discussions.
Final Paper	Students do not sufficiently follow the instructions for the final paper. Further, students show insufficient knowledge of the key concepts necessary to compose the final paper and /or lack the ability to provide structured, logical, rigorous and relevant discussion of their ideas and findings.	Students largely follow the instructions for the final paper. Further, students show average knowledge of the key concepts necessary to compose the final paper and /or limited ability to provide structured, logical, rigorous and relevant discussion of their ideas and findings.	Students closely follow the instructions for the final paper. Students show more than sufficient knowledge of the key concepts necessary to compose the final paper. The discussion of their ideas is somewhat structured, logical, rigorous and relevant, but is not outstandingly creative or critical.	Students follow the instructions for this assignment perfectly. Students show a perfect grasp of the key concepts necessary to compose the final paper. The discussion of their ideas is outstanding in terms of structure, logic, rigor and relevance.

OVERVIEW OF TOPICS AND SCHEDULE OF TOPICS AND ACTIVITIES

See final page of syllabus.

INSTRUCTOR BIO:

Gerhard Apfelthaler is a tenured professor in International Business and International Management and the Associate Dean for Graduate Programs at the School of Business at California Lutheran University in Thousand Oaks, California (United States), a senior partner at AT Consult, a consulting company with offices and affiliations in Europe, the US and Asia, and a shareholder and an Executive Advisor at CURE Pharmaceutical. Before that he has been the Chair of the Department of International Management at FH Joanneum University of Applied Sciences in Graz (Austria). Previously, he served as Commercial Attaché to the Austrian Embassy in Singapore, as Austria's Deputy Trade Commissioner to the United States, as Dean of International Business Studies at FHS Kufstein Tirol, and as coordinator of the international postgraduate program of the Community of European Management Schools (CEMS), among others. He has studied at the University of Vienna (Vienna/Austria), the Taiwan National Normal University (Taipeh/Taiwan), and the University of California at Los Angeles (UCLA), and the Vienna University of Economics and Business Administration (Vienna/Austria) from which he holds a doctorate in Economic and Social Sciences. He has published several books, among others "Management Internationaler Geschaeftstaetigkeit" (Managing International Business), Patentschutz in wichtigen Exportmärkten (Patent Protection in Important Export Markets), „Interkulturelles Management" (Cross-cultural Management), „Internationale Markteintrittsstrategien" (International Market Entry Strategies), or "US-Recht für Niederlassungsgruender" (US Business Law for Foreign Entrants). He has also published articles in leading academic journals including the Journal of World Business, the Journal of Small Business Management, the International Journal of Business and Economics, the Journal fuer Betriebswirtschaft, the Journal of International Learning. He is also a founder and the Associate Editor for the European Journal of International Management. Gerhard Apfelthaler has lectured at universities in a number of countries including Austria, Australia, Austria, Colombia, Iceland, Oman, Pakistan, Singapore, Thailand, and the United States. He regularly consults to companies on topics related to international business development, and he is a member of the Academy of Management, the Academy of International Business, the Strategic Management Society and the German "Verband für Hochschullehrer Betriebswirtschaft".

DISCLAIMER:

This syllabus may change from time to time to accommodate changing circumstances. Every effort will be made to alert students to changes that occur in a timely manner.

OVERVIEW OF TOPICS AND SCHEDULE OF TOPICS AND ACTIVITIES

No.	Topics	Readings	Case Studies	Assignments and Activities
1	Introduction to International Business; The Systematic Process of International Market Entry.	Yip, G. S.; Biscarri, J. & Monti, J. A. (2000). The role of the internationalization process in the performance of newly internationalizing firms. Journal of International Marketing, Vol. 8, No. 3, 10-35. Rowden, R. W. (2001). Research Note: How a Small Business Enters the International Market. Thunderbird International Business Review, 43(2), 257-268.	Sodacious Goes International. ECCH Case Study 510-063-1M	• Article Discussion • Case Discussion
2	Assessing Corporate Internationalization Readiness	Tan et.al. (2007) Before the First Export Decision: Internationalization Readiness in the Pre-Export Phase, *International Business Review,* 16, 294-309. Alexander, M. & Korine, H. (2008). When you shouldn't go global. Harvard Business Review, December, 70-77.	Auer Waffeln. An Austrian Company's Tale of Growth, Globalization and Decline. ECCH Case Study 510-075-1M	• Article Discussion • Case Discussion • Practical Application
3	The Product Adaptation Decision	Baalbaki, I. B. & Malhotra, N. K. (1993). Marketing Management Bases for International Market Segmentation: An Alternate Look at the Standardization / Customization Debate, International Marketing Review, Vol. 10, No. 1, 19-44. Schilke, O., Reimann, M. & Thomas, J. S. (2009). When does international marketing standardization matter to firm performance? Journal of International Marketing, 17(4), 24-46.	Wal-Mart's German Misadventure. ECCH Case Study 304-006-1. Wal-Mart's Withdrawal from South Korea. ECCH Case Study 306-601-1.	• Article Discussion • Case Discussion • Practical Application
4	Foreign Target Market Selection	Alon, I. (2004). International Market Selection for a Small Enterprise: A Case Study in International Entrepreneurship. Advanced Management Journal, Vol. 69, No. 1, 25-33 Cavusgil, T. S., Kiyak, T. & Yeniyurt, S. (2004). Complementary approaches to preliminary foreign market opportunity assessment: Country clustering and country ranking. Industrial Marketing Management, 33, 607-617.	R. R. Donnelley: Country and Opportunity Analysis in Eastern Europe. (HBS 9-799-083) McDonald's in Asia: Opportunities and Challenges. ECCH Case Study 307-380-1.	• Article Discussion • Case Discussion • Practical Application
5	Entry Mode Choice	Osland, G. E., Taylor, C. R. and Zou, S. M. (2001). Selecting international modes of entry and expansion, Marketing Intelligence and Planning, 19 (3), 153-161. Arnold, D. (2000). Seven rules of international distribution. Harvard Business Review, November-December, 131-137.	Concept Devices, Incorporated: International Market Entry. (HBS 0-582-052) Starbucks – Tata Alliance. Brewing a Fresh Strategy for India. ECCH Case Study 311-084-1.	• Articles Discussion • Case Discussion • Practical Application