

MNGT-C2001

International Business in the Era of Disruptions

Session 8 – International Marketing



**Aalto University
School of Business**

Rebecca Piekkari

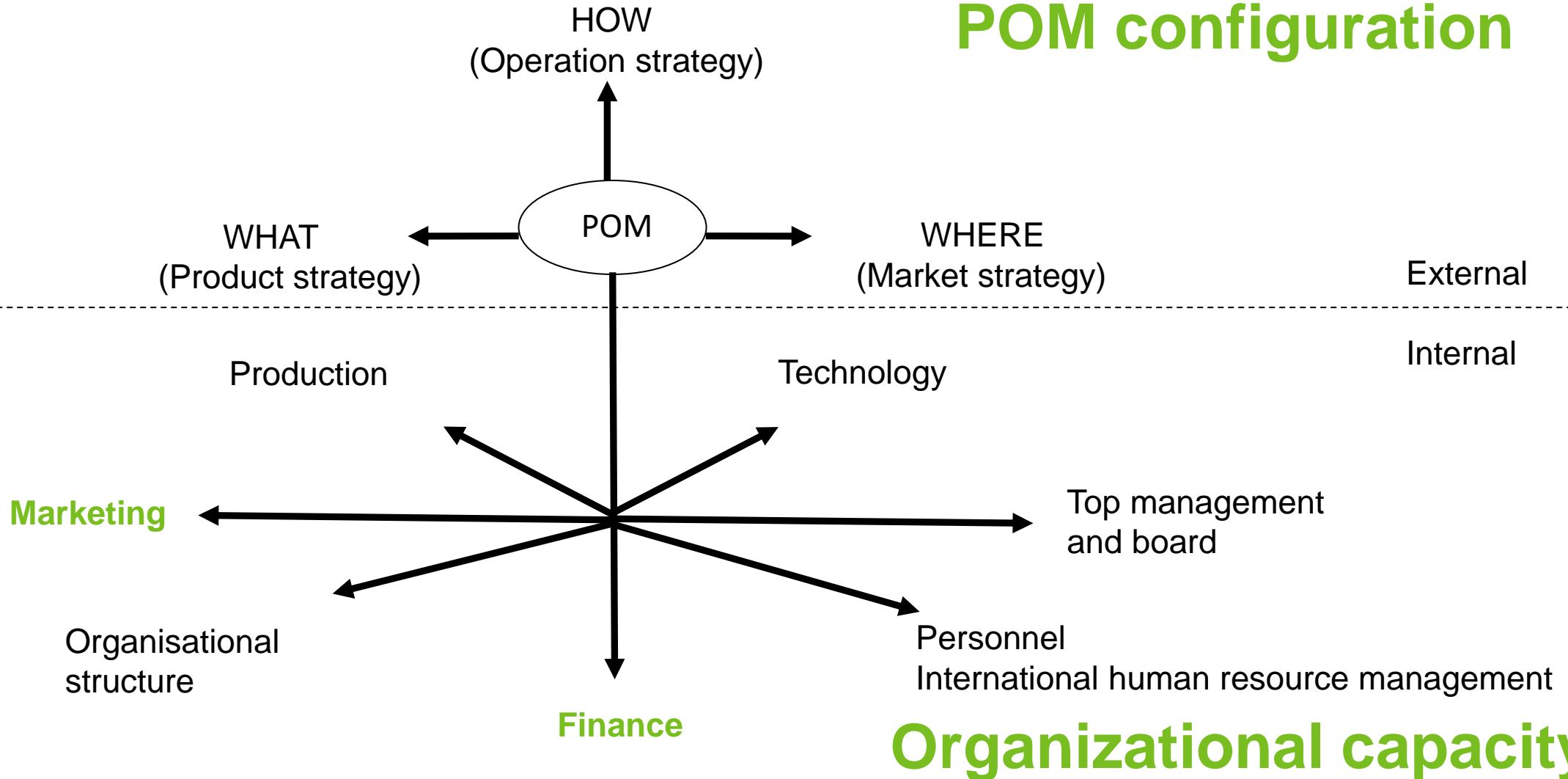
Alexi Niittymies

February 3, 2023

Toolbox: Internal and external facets of firm internationalization



POM configuration



What is good international marketing?



Aalto University
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“Marketing takes a day to learn. Unfortunately, it takes a lifetime to master.”

- Philip Kotler



Recap: Why do companies go abroad?

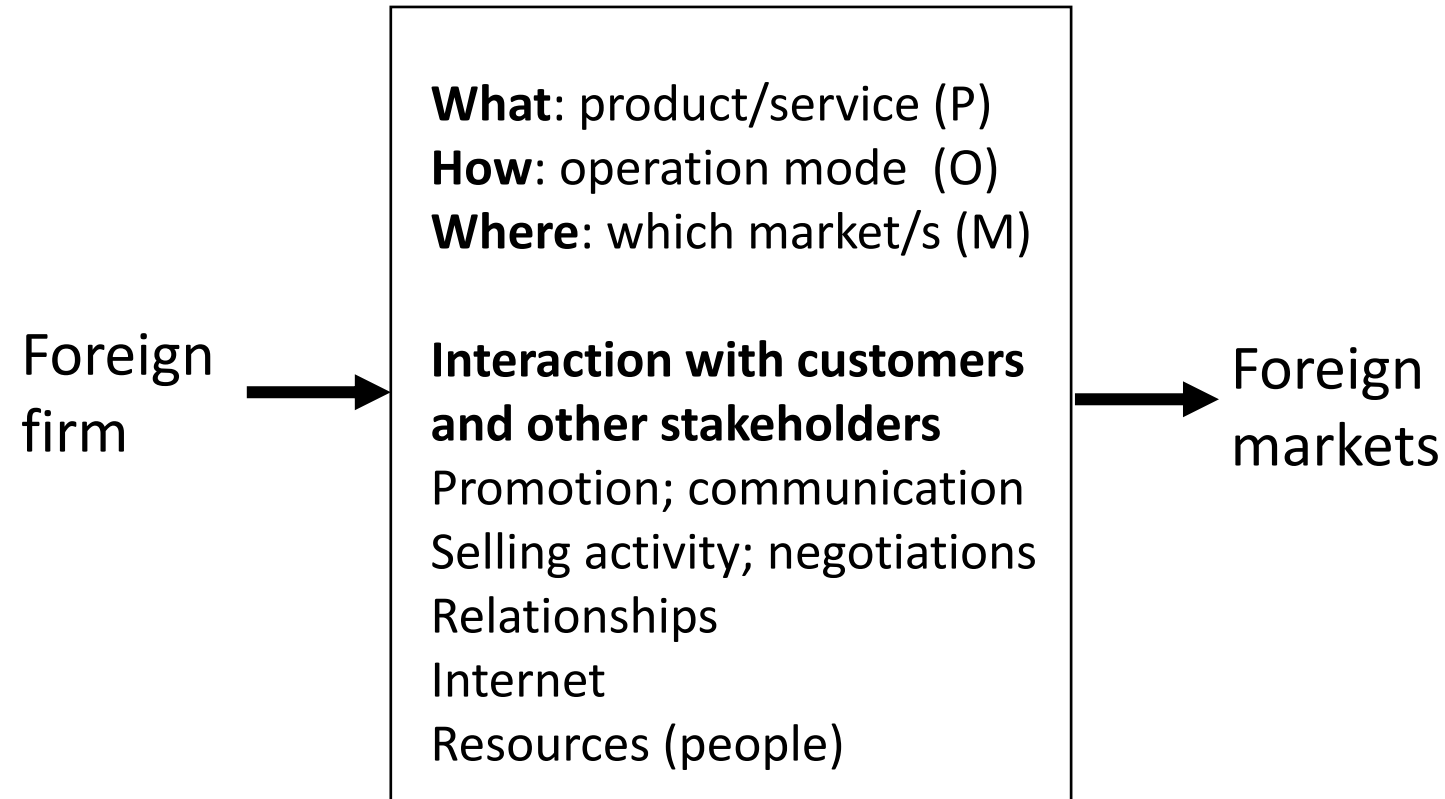


Because of...

- better growth opportunities
- higher margins and profit
- gaining new product ideas
- following current customers
- responding to competition
- being closer to supply sources
- gaining access to lower-cost or better-value factors
- learning about e.g. state-of-the-art technologies
- achieving scale economies
- tax benefits

Source: Cavusgil, Knight, Riesenberger (2017, pp. 46-47); Hill & Hult (2019)

Key international marketing decisions



Source: Adapted from Piekkari, Welch & Welch (2014, p. 149)

What is different about international marketing?

- Market(ing) research can be different and difficult
- Segmentation and positioning are not self-evident
- Competitors can be very different
- Regulation can be very different: standards, pricing, promotion,...
- Distribution channels may be very different
- Differences in how the sales function is organized
- Liability of foreignness and liability of origin effects



Challenges in market research

- Respondents may not be aware of all products available
- Concepts may have different interpretations: e.g. family
- Respondents may not know how to answer
- Respondents may not want / may not dare to answer
 - e.g. questions about income
- Some questions may seem inappropriate
 - e.g. hygiene...
- Language and translation problems



Positive impact of the country of origin

- German engineering
- French taste and luxury
- Italian style and design
- American size and way of life
- Swedish safety
- Swiss quality
- Changes in country of origin images
 - Japanese quality and attention to detail
 - Korean cars in the USA



Toolbox: Global Integration-Local Responsiveness (GI-LR) grid



Pressures for Global Integration
(Standardization)

High

Low

Low

High

Pressures for Local Responsiveness
(Adaptation)





Product adaptation

FOOD

McDonald's: vegetarian in India; salmon; McRuis etc.

Pizza: spices and size

Coca-Cola: more sugar in India

Size of packaging: bottles & refrigerators

HOME APPLIANCES

Standards measures, cm/inch,

Celsius/Fahrenheit

Size of homes

Language: e.g. displays (letters vs. signs)

Colours, design

FURNITURE

Tradition, style, measures, materials, colours

CARS

Climate, values (e.g. Korea vs. Sweden)



“If I am selling to you, then I speak your language, aber wenn du mir etwas verkauft, dann mußt du Deutsch sprechen“.

- Willy Brandt, former German Chancellor (2011)**



Services marketing

The 7 Ps of Services Marketing



Cross-border issues

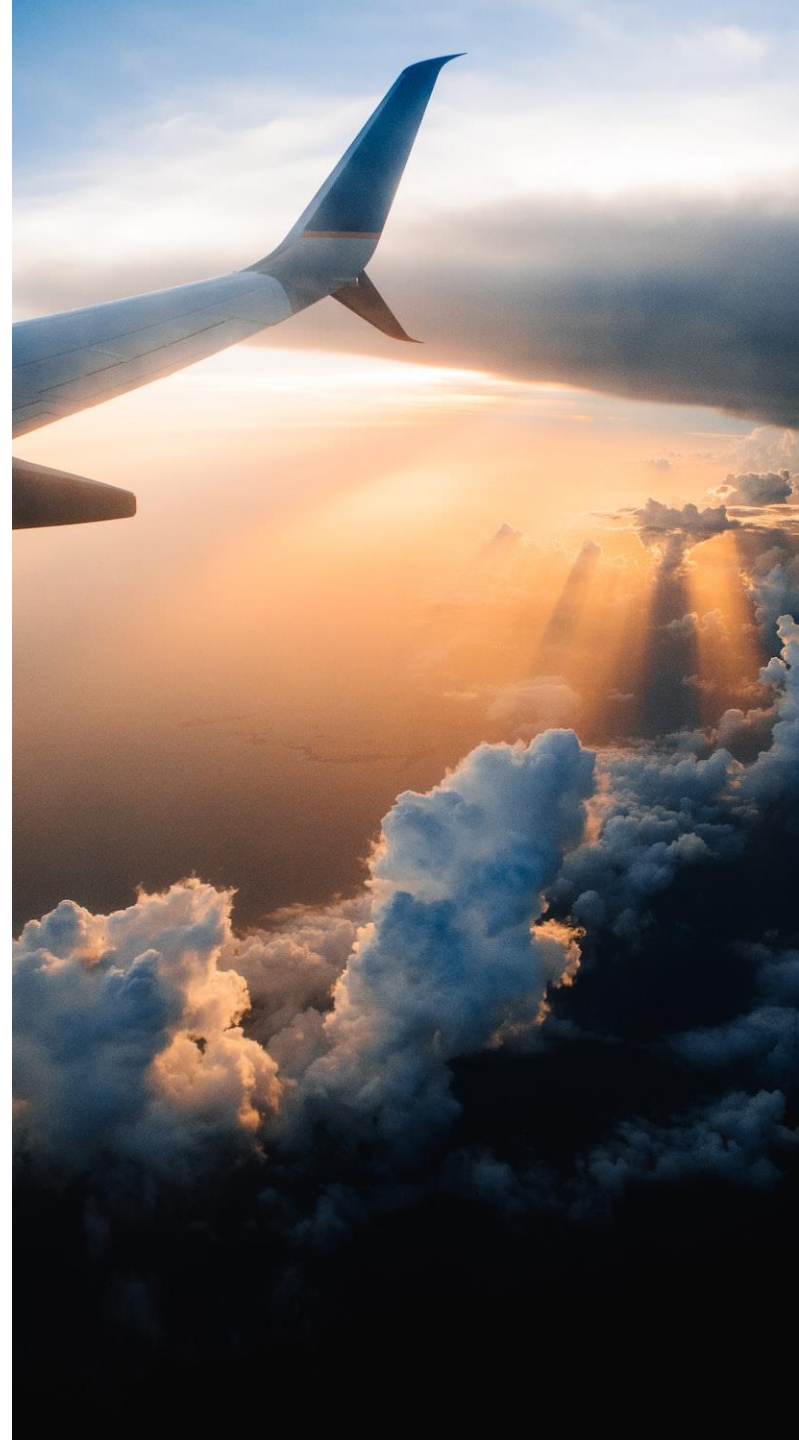
- **Context:** what the customer is used to
 - E.g. Finland a self-service society
- **How to convince of quality from a distance**
- **Services sensitive to culture and language issues**

Overall, services marketing demanding in terms of understanding the customer needs



Example: Development of high-quality travel services from the Finnish perspective

- Consumers from Asia are used to strong personnel input in services
- The concept of quality in services varies a lot by country
- What is impressive here may not be impressive somewhere else (cities, buildings)
- What is mundane here, can be extraordinary elsewhere (cold weather, silence, no people)
- Our value basis stands out: egalitarian, non-hierarchical; low-context
- Scale: look at Finland from 7000 km distance – difference between Espoo & Helsinki?
- Authenticity is important – we cannot pretend or mimic
- **Service quality: Difference between perceptions and expectations (SQ=P-E)**



International segmentation: Variables

Gender

Age

Income

Education

Ethnicity

Demographics

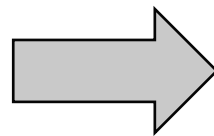
Geographic area

Psychographics

Geodemographics

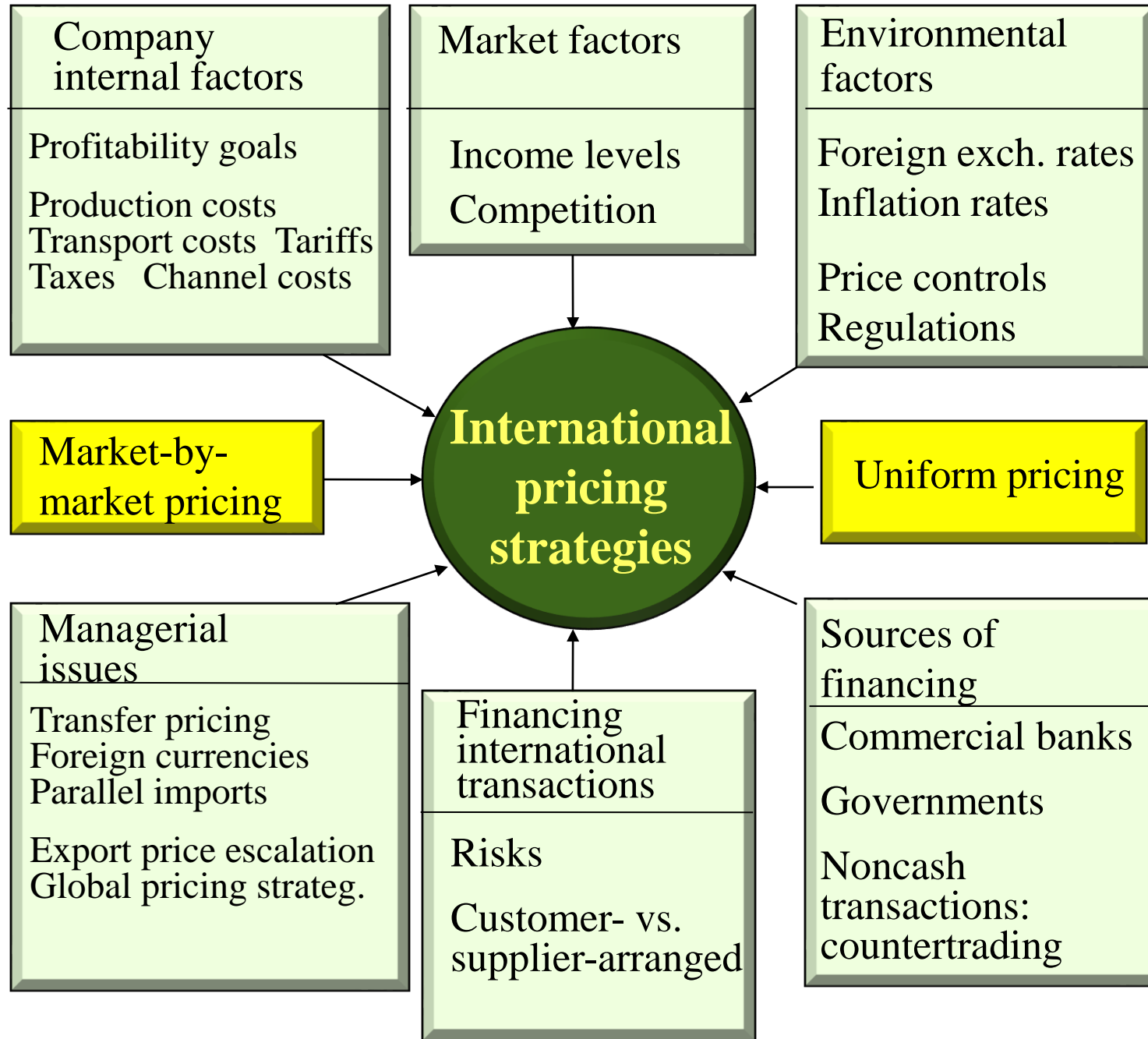
Benefit segmentation

Usage segmentation



What are the benefits sought?

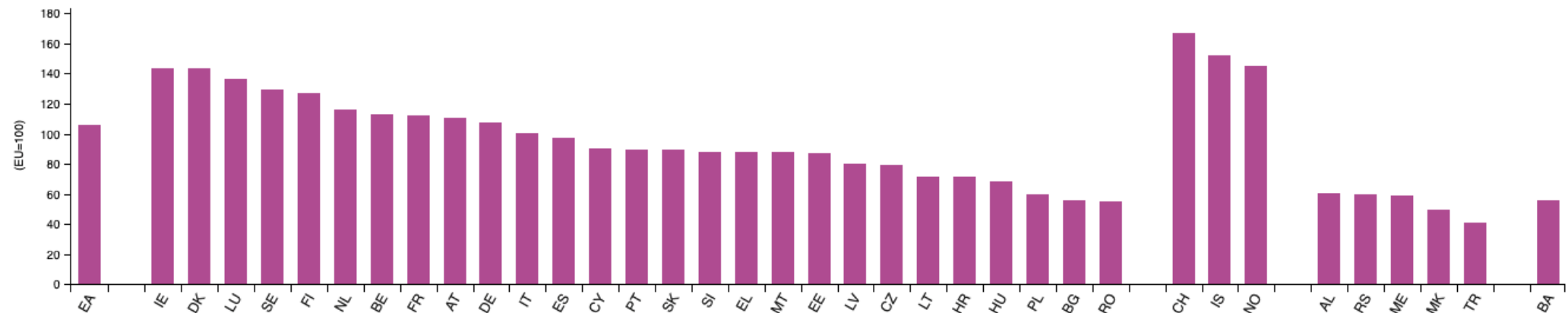
Toothpaste: primarily fresh breath in Portugal vs healthy teeth in Canada



Price level index for final household consumption expenditure (HFCE) 2021, EU = 100

Switzerland	167	Sweden	129,7	Lithuania	71,8	
Iceland	151,7	Finland	126,7	Croatia	71,4	
Norway	144,7	Netherlands	116,1	Hungary	68,3
Ireland	143,8	Belgium	113,1	Poland	60	
Denmark	143,1	France	112	Bulgaria	55,6	
Luxembourg	136,4	Austria	110,8	Romania	54,9	

Price level index for final household consumption expenditure (HFCE), 2021 Source: Eurostat 2022



A?



Summary: Key international marketing tasks

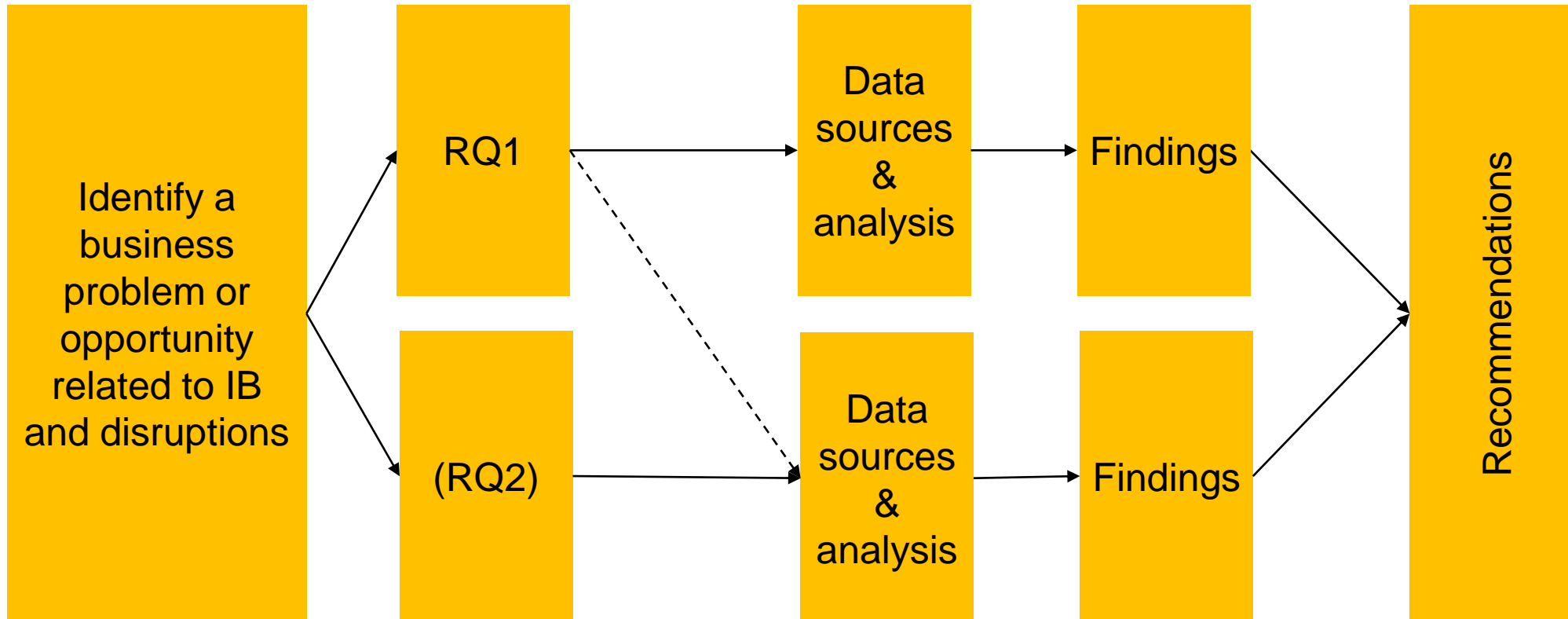
- Selection of target markets
- Choice of appropriate operation mode to penetrate the new market
- Adaptation of product/service offering and promotion
- Contracting and working with foreign intermediaries
- Adjustment of pricing policies to foreign markets
- Adjustment of other functions (R&D, production,...)
- Assessment and mitigation of political risks in new markets
- Coordination of activities across several foreign markets

Source: Hill & Hult (2019), Farrell (2015)

Guidance for your case studies

A potential structure for the case study

Student feedback from the Capstone course (Spring 2022):
I wish I would have learned the skills for project work already at the beginning of the master's degree.



Executive summary: Your elevator pitch!

- An executive summary gives an overview of your report in a concise way and makes the reader want to read the entire report
- It is often written for managers who are busy and need to get the critical information quickly in order to decide the appropriate course of action



" Take this report and reduce it to an *acronym*. "

In an executive summary...

You SHOULD include

- All crucial information your audience needs to know before they even have a chance to look at the document
- The purpose of the report, description of the major points, results, conclusions, or recommendations
- All relevant context – your summary should be able to stand on its own

You SHOULD NOT include:

- Unnecessary jargon
- Too much detail – remember, this is not a full report! The general rule of thumb is to keep the executive summary to 10% or less of the total length of the report (often max 1 page)
- Unprofessional writing or typos. Remember to proof read

Writing an executive summary

1. Start with reviewing the finished report and identify its purpose, major points, and key recommendations
2. Write an introduction where you clarify the purpose of the report and state its major points
3. Write a brief paragraph discussing each main point in the same order as they come up in the full report
4. Share your recommendations and discuss the benefits and possible risks tied to them



"Your report is organized, concise and error-free...have you been monotasking again?"



Aalto-yliopisto
Kauppakorkeakoulu

APA Format Citation

*How to cite sources using the American Psychological Association
citation formatting*

APA In-Text Citation

- In-text citations are used when referring to the texts of other authors, such as through direct quotes or by paraphrasing
- Always include the surname of the author and the date of publication only!

Ways to cite:

“Su (2018) states that...”

“For positivist qualitative research, one of the methodologies often used is that of grounded theory (Su, 2018, p.27).”

“Piekkari, Plakoyiannaki and Welch (2010) propose that...”

“Yin has had an influence on the research practice (Piekkari, Plakoyiannaki, & Welch, 2010).”

- For sources with 1-5 authors, always mention all the names when first referring to the source in the text
- After first reference, for sources with 3-5 authors cite with “et al”, i.e. **“Piekkari et al (2010) discuss...”** or **“Based on the review of 145 case studies (Piekkari et al, 2010)...”**
- For 6 or more authors, always use the “et al” citing, even when citing for the first time

INTRODUCTION

The case study remains a very popular – if not the most popular – research strategy that qualitative management scholars claim to be using (see e.g. Welch et al., 2013). Yet, as we will argue in this chapter, it is often poorly understood in management disciplines and, when applied, it rarely lives up to the ideals of how it has been defined. Perhaps this is why the case study, despite its indisputable popularity in management, is not well represented in methodological handbooks such as the present one. Numerous definitions of the case study exist: it is regarded as an empirical inquiry (Yin, 2014), a research strategy (Eisenhardt, 1989), a form of reporting (Wolcott, 2002) and even as an ideological commitment to qualitative positivism (Mir, 2011; Moore, 2011). In this chapter, we define the case study as a research strategy that involves more than the choice of method for data collection or analysis (Hartley, 2004). Rather, the case study ‘examines,

Source: Piekkari, R., & Welch, C. (2018). The Case Study in Management Research: Beyond the Positivist Legacy of Eisenhardt and Yin? In C. Cassell, A. L. Cunliffe, & G. Grandy (Eds.). *The SAGE Handbook of Qualitative Business and Management Research Methods* (pp. 345-358). London, UK: Sage Publications Ltd.

Examples of APA Referencing

Author's surname, initial(s). (Date published). **Title of source.** Location of publisher: publisher. Retrieved from URL.

Scientific Article

Piekkari, R., Plakoyiannaki, E., & Welch, C. (2010). 'Good' case research in industrial marketing: Insights from research practice. *Industrial Marketing Management*, 39(1), 109-117.

Book

Piekkari, R., Welch, D. E., & Welch, L. S. (2014). *Language in International Business: The Multilingual Reality of Global Business Expansion*. Cheltenham, UK: Edward Elgar Publishing Limited.

Edited Book

Cassell, C., Cunliffe, A. L., & Grandy, G. (Eds.). (2018). *The SAGE Handbook of Qualitative Business and Management Research Methods*. London, UK: Sage Publications Ltd.

Chapter in an Edited Book

Piekkari, R., & Welch, C. (2018). The Case Study in Management Research: Beyond the Positivist Legacy of Eisenhardt and Yin? In C. Cassell, A. L. Cunliffe, & G. Grandy (Eds.). *The SAGE Handbook of Qualitative Business and Management Research Methods* (pp. 345-358). London, UK: Sage Publications Ltd.

APA Reference

Author's surname, initial(s). **(Date published).** **Title of source.** **Location of publisher: publisher.** **Retrieved from URL.**

- Initials separated and ended by a period.
- Multiple authors separated by commas.
- Multiple authors with same surname and initials: add name in square brackets. E.g. “**Mendeley, J. [James]**”.
- If date unknown, use “(n.d)”.
- Note whether title an article or a book: different formatting!
- If location outside of the US, list city and country. E.g. “**Helsinki, Finland**”; if in the US, list city and state code. E.g. “**Los Angeles, CA**”.
- URL needed only for online sources (not articles found in journals or books, even if read online).
- **Pay attention to the details!** Commas, capital letters, brackets, full stops, italics, etc...
- https://libguides.up.edu/apa/journal_articles

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Source: Piekkari, R., Plakoyiannaki, E., & Welch, C. (2010). ‘Good’ case research in industrial marketing: Insights from research practice. *Industrial Marketing Management*, 39(1), 109-117.

Internship at Aalto's International Business Unit

What?

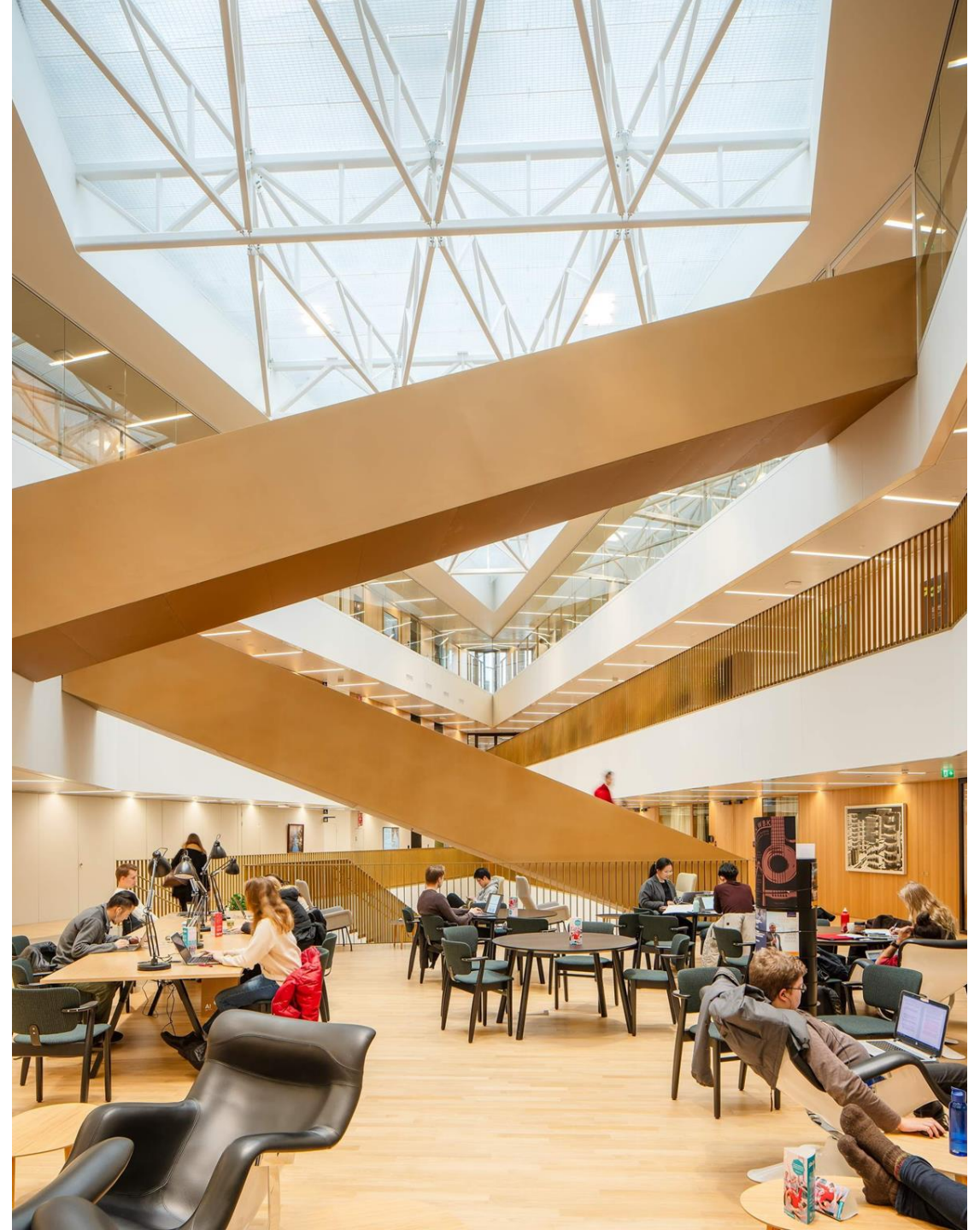
Join our faculty this summer to work on academic research projects, teaching-related tasks or assignments about societal impact. You will get first insights into an academic career and learn research skills on the job.

Requirements

- Active BSc and MSc students at Aalto University
- Interest in international business and research
- Show your individual skill-set! Language, statistics and communication skills are beneficial.

Apply at Workday > Find jobs with your CV, motivation letter, transcript of records and (voluntary) writing sample **by 28 February** at the latest. Direct link here:

https://aalto.wd3.myworkdayjobs.com/en-US/aalto/job/Internships-at-the-International-Business-Unit-at-Aalto-University-School-of-Business_R35437



Final paper (20 points)

- 1. How has your understanding of the global business environment, its disruptive nature, and its impact on organizations changed during the course? (5p)**
- 2. What have you learned about approaching real-life problems or business decisions in international environments during the course? (5p)**
- 3. Illustrate your learnings by assessing Carlsberg's geopolitical risk in Russia. Please, apply the multilevel approach by De Villa (2022) covered in Session 2 (see link below). If you were the CEO of Carlsberg, what would you do with the Russian operations and why? Also, please explain how your course of action should be done in practice. (10p)**