### SESSION PLAN

**COURSE:** ABE Level 5 International Business Economics and Markets

**ELEMENT:** Element 2 – Markets from an international perspective

## **LEARNING OUTCOME 2**

**2 Evaluate markets from an international perspective (Weighting 30%)**

2.1 Evaluate the methods and criteria by which markets are selected.

2.2 Assess the characteristics and applicability of the main market entry methods across a range of industry sectors.

2.3 Conduct a structured analysis of a country/market from both external and internal perspectives.

2.4Recommend appropriate marketing mix strategies for different contexts

**NUMBER OF SESSIONS:** Four - approximately 20 hours in total, plus self-study

**SESSION TOPICS:** Session 1: How markets are selected

Session 2: Assessing the main market entry methods

Session 3: Conducting a structured analysis of a market

Session 4: Marketing mix strategies for different contexts

**Note to tutors: this is the recommended session plan for learning outcome 2, element 2 of ABE Level 5 International Business Economics and Markets. You should follow the plan, using the resources (referenced as ‘slides’ here) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

### SESSION 1: How markets are selected

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 4-5 hours | Introduction to session and learning outcomes | Use file: **5UIBE Presentation E2**  The learning outcome for this session is 2.1. Learners should be able to evaluate the methods and criteria by which markets are selected. | 1-4 |  |  |
| Reasons to do business in a foreign country | Class discussion:  Why would an organisation want to do business in a foreign country? What are the possible reasons?  Call on individuals to provide you with ideas and start creating a list on the board. We should end up with these general reasons:   * Resource seeking – the country has resources that make it attractive to the business. * Efficiency seeking – there is an opportunity to reduce costs. * Innovation seeking – the business can access new ideas and technologies. * Market seeking – the country has potential customers for the business.   Review reasons using slides  Individual activity: For each of the four reasons, find examples of at least one business that does business in a foreign country for that reason.  Learners will need to go online to find their examples. Encourage them to look for local examples.  When all have had time to find examples, call on individuals to report. List the examples on the board under the four headings.  Discuss which reason has examples that are easy to find – which less so? | 5  6-10  11 | Class discussion:  Why would an organisation want to do business in a foreign county?  Individual Activity:  For each of the four reasons, find examples of at least one business that does business in a foreign country for that reason. Explain. |  |
| Growth markets | Class discussion: Why might it be good to do business in growth markets?  Call on individual learners to share their ideas. On this question and then on the following:  Imagine you run a business and sell goods in a country with economic growth of 2% per year, but you are also exporting to a country where economic growth is 7% each year. Which country is likely to give you the most growth in sales each year?  When a developing country has a fast growing middle class, what happens to the demand for goods from the more developed world?  This discussion should lead to understanding about how important growth markets are to global firms.  Class exercise: Facts about growth in a country or group of countries.  Organise learners into teams of 3-4 and challenge them to produce a presentation of facts about growth in a country or group of countries. Ask them to pick a local example if possible, or one of these groups, or a single country that is a member.   * BRICS Countries – Brazil, Russia, India, China - and South Africa * Mexico, Indonesia, Nigeria and Turkey are referred to as the MINT countries. * Mexico, Indonesia, South Korea and Turkey are referred to as MIST countries * Less Developed Countries (LDCs)   The presentations should contain facts about what growth is occurring and what demographic change is taking place.  They should present using slides, whiteboard or flipchart. | 12-13  14 | Class discussion: Why might it be good to do business in growth markets?  Class exercise: Find out facts about growth in a country or group of countries. |  |
| Researching markets | Class exercise: What would we need to know about a country?  Explain that simply knowing about growth is not enough information on which to base a decision about entering a new foreign market.  Challenge learners to work in their team of 3-4 to make a list of:  What questions would you want to answer about a country before you invested in building a factory there?  Teams present their findings to the group in the usual way.  Write a list of the good questions that emerge.  Class discussion: Where can we get information about countries?  Call on individuals for ideas, make a list. It should contain these sources:   * Academic databases * Commercial databases * Official reports * News articles * The Economist, CIA, UNCTAD and China Skinny * Field research – asking questions   Review using slide  Individual activity: ACTIVITY 1  Research a question and present findings  When learners have completed this, select some (or all if time permits) to share their sources and findings with the group. | 15  16  17 | Class exercise: Working in a team of 3-5, prepare an answer to this question and present it to the group:  What questions would you want to answer about a country before you invested in building a factory there?  Class discussion: Where can we get information about countries? | **5UIBE E2 LO2 Activity 1 – Country Selection** |
| Review of session and learning outcomes | Remind learners to study section 2.2 of the Study guide – *Assessing the main market entry methods* - before the next session. | 18 | Individual reflective exercise: What did I learn? Write a 200-250 word summary of the main points. |  |

### SESSION 2: Assessing the main market entry methods

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative assessment** |
| 5 hours | Introduction to session and learning outcomes | Use file: **5UIBE Tutor Presentation E2**  The learning outcome for this session is 2.2. Learners should be able to assess the characteristics and applicability of the main market entry methods across a range of industry sectors.  In the last session, we looked at the information we would need to research a market for possible entry. But what happens when we find a market we want to enter?  Class discussion: How can a business enter a new foreign market?  Call on individual learners for one idea each and write them on the board. Those who have studied the study guide will be able to suggest these options:   * Direct export * Agents and Distributors * Licensing/Franchising * Turnkey contracts * Contract manufacturing * Joint ventures * Strategic Alliances * Foreign Direct Investment * Direct Marketing   Review with slide | 19  20  21 | Class discussion: How can a business enter a new foreign market? |  |
|  | Direct export | Before you reveal the pros and cons of Direct export, call on learners to provide answers to these questions and write on a flip chart page:   * How do we define this entry method? * What are its advantages? * What are its disadvantages? | 22 |  |  |
|  | Agents and Distributors | Before you reveal the pros and cons of Agents and distributors, ask learners to provide answers to these questions and write on a flip chart page:   * How do we define this entry method? * What are its advantages? * What are its disadvantages? | 23 |  |  |
|  | Licensing/Franchising | Before you reveal the pros and cons of Licensing or franchising, call on learners to provide answers to these questions and write on a flip chart page:   * How do we define this entry method? * What are its advantages? * What are its disadvantages? | 24 |  |  |
|  | Contract manufacturing | Class exercise: What are the challenges for businesses that use contract manufacturing to produce clothing in less developed countries?  Learners should appreciate the ethical issues, for example are they benefitting from slave labour, low pay or harsh employment conditions. Are health and safety conditions for workers adequate? | 25 | Class exercise: Working in a team of 3-5, prepare an answer to this question and present it to the group:  What are the challenges for businesses that use contract manufacturing to produce clothing in less developed countries? Find examples. |  |
|  | Joint ventures and Strategic Alliances | Before you reveal the pros and cons of Joint Ventures – Strategic Alliances, ask learners to provide answers to these questions and write on a flip chart page:   * How do we define this entry method? * What are its advantages? * What are its disadvantages? | 26 |  |  |
|  | Foreign Direct Investment | Before you reveal the pros and cons of Foreign direct investment, ask learners to provide answers to these questions and write on a flip chart page:   * How do we define this entry method? * What are its advantages? * What are its disadvantages? | 27 |  |  |
|  |  | Class discussion: Challenge learners to work together to make a list:  What factors might you need to consider before deciding on a market entry method?  Ask learners to share and compare their lists with two others. | 28 | Class discussion:  What factors might you need to consider before deciding on a market entry method? Make your own list for five minutes. Then share and compare your list with the rest of the class. |  |
|  |  | Individual activity: ACTIVITY 2  Prepare and deliver a short presentation to explain the pros and cons of ONE of these methods of market entry.  Now that we have a basic understanding of what each market entry is and its advantages and disadvantages, each learner will prepare a presentation to explain one of the methods in more detail.  Allocate one market entry method to each learner. If you have a large group, there will be a number assigned to each method. If time is short you may decide to allow them to collaborate on the presentation. Provide learners with the flip chart page the group created for their assigned method as a starting point. Challenge them to explain this more completely and thoroughly to the group in a presentation. |  | Individual activity: Presentation | **5UIBE E2 LO2 Activity 2 – Market Entry** |
|  |  | Team activity: Learners need to be familiar with all the entry methods, so ACTIVITY 3 challenges them to find one example for each method. Ask them to find interesting local examples if possible. They can draw on the knowledge in their team, or go online to find their examples.  When teams present their findings, you can either:   1. Have them present all their examples. 2. Have them present their most interesting example. 3. Assign them an entry method and ask for their example.   Use the first option if time permits. |  | Team activity: ACTIVITY 3 | **5UIBE E2 LO2 Activity 3 – Market Entry Method** |
|  | Review of session and learning outcomes | Remind learners to study section 2.3 of the Study guide - *Conducting a structured analysis of a market* - before the next session. | 29 | Individual reflective exercise: What did I learn? Write a 200-250 word summary of the main points. |  |

### SESSION 3: Conducting a structured analysis of a market

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative assessment** |
| 5 hours | Introduction to session and learning outcomes | Use file: **5UIBE Tutor Presentation E2**  The learning outcome for this session is 2.3. Learners should be able to conduct a structured analysis of a country/market from both external and internal perspectives.  In earlier sessions, we considered how we might select first a market and then a market entry method.  But more analysis of the market is needed to create a strategy for our product or service to succeed in a new market.  In this session, we will introduce three analytical tools and develop skills in market analysis. | 30  31 |  |  |
|  | PESTLE Analysis | Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:   * What is a PESTLE analysis? * Why is each one of the following necessary? * Political * Economic * Social * Technological * Legal * Environmental   Review using slides  Individual activity: ACTIVITY 4  Individually or in small groups review the PESTLE analysis of Somalia in 2.3 of the study guide. Challenge them to prepare a similar analysis of their own country.  Once they have had time to complete this task, call on individual to report to the group. For small groups, all can report. For larger groups ask for results under one of the headings. | 32  33-38 | Class discussion: PESTLE analysis. | **5UIBE E2 LO2 Activity 4 – PESTLE Analysis** |
|  | Porter’s Five Forces | Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:   * What are Porter’s Five Forces? * How do we define each of these forces? * Competitive rivalry, * Supplier power, * Buyer power, * Threat of substitution * Threat of new entry   Review with slide  Class exercise: Organise learners into teams of 3-5. Call for suggestions for a local business or industry that the learners know something about.  You might ask all teams to focus on the same industry or allow teams to pick their own.  Commence team presentations when teams have prepared visual aids and are ready to present. | 39  40  41 | Class discussion.  What are Porter’s Five Forces?  Class exercise: Working in a team of 3-5, prepare an answer to this question and present it to the group:  Think about a business or industry in your own country that you know something about. Look at each of the forces in turn, what observations are you able to make?   * Competitive Rivalry * Buyer Power * Supplier Power * Threat of Substitution |  |
|  | SWOT Analysis | Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:  What is a SWOT analysis?  How do we understand each of these?   * Strengths * Weaknesses * Opportunities * Threats   Review with slides  Individual activity: ACTIVITY 5  Conduct analysis and present.  Review the Beko Consultants example in 2.3 of the study guide. Prepare a similar SWOT analysis for a business with which you are familiar and present in four slides.  Ideally each learner will have their own example. When they have created their four slides (or flip chart pages) ask them to present and explain their SWOT to the group. | 42  43  44-47 | Class discussion:  What is a SWOT analysis?  Individual activity: Prepare and present a SWOT analysis. | **5UIBE E2 LO2 Activity 5 – SWOT Analysis** |
|  | Review of session and learning outcomes | Remind learners to study section 2.4 of the Study guide - *Marketing mix strategies for different contexts* - before the next session. | 48 | Individual reflective exercise: What did I learn? Write a 200-250 word summary of the main points. |  |

### SESSION 4: Marketing mix strategies for different contexts

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 4-5 hours | Introduction to session and learning outcomes | Use file: **5UIBE Tutor Presentation E2**  The learning outcome for this session is 2.4. Learners should be able to recommend appropriate marketing mix strategies for different contexts. | 49 |  |  |
| The Marketing Mix | Class discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:  What are the 4 Ps?  How do we understand each of these?   * Product (or Service) * Place * Price * Promotion   Review with slides  Can we use this this approach on a real potential business?  Individual activity: ACTIVITY 6  Challenge learners to think of a small business they would each like to start – or that they know something about, such as a hairdresser, a cleaning firm, a restaurant - or something similar.  Ideally, they will have a wide range of different business ideas.  Challenge them to describe the marketing mix they would adopt using the 4 Ps approach, and be prepared to share their work with the group, presenting it using flip charts or slides. | 50  51  52-55 | Class discussion:  What are the 4 Ps?  Individual activity: ACTIVITY 6 | **5UIBE E2 LO2 Activity 6 – Marketing Mix** |
| Developing a marketing strategy for foreign markets | Group discussion:  Call on individuals to give you their ideas on these questions, and write the best answers on the board:  Why would a global business develop a new marketing strategy for a foreign market – why not just use the same strategy worldwide?  Challenge individuals for reasons to adapt and reasons not to adapt - and examples – local if possible.  The group will probably conclude that it is efficient for to standardise products and services as much as possible across different markets, but it is also necessary to adapt to local conditions – because economic, cultural and legal factors make markets different.  Class exercise: Organise learners into teams of 3-5 and challenge them to prepare an answer to this question and present it to the group:  Think about the way international companies sell their goods in your country. Can you provide three examples of how different firms have adapted to your local conditions?  You might discuss McDonald’s to get them started – have you got McDonald’s in your country? If so, how is it adapted to local conditions? Challenge the teams to think of two more. Remember these adaptations may be subtle and appear minor, but are likely to be important to local market success.  Their presentation should be supported by visual aids and cover the detail of their examples of adaptations. | 56  57  58 | Group discussion:  Why would a global business develop a new marketing strategy for a foreign market – why not just use the same strategy worldwide?  Team Activity: Working in a team of 3-5, prepare an answer to this question and present it to the group:  Think about the way international companies sell their goods in your country. Can you provide three examples of how different firms have adapted to your local conditions?  Start by considering McDonald’s, but think of two more. |  |
| Review of session and learning outcomes | Remind learners to study section 3.1 of the Study guide - *Different types of economic cooperation and preferential trade arrangements* - before the next session. | 59 | Individual reflective activity: What did I learn? Write a 200-250 word summary of the main points. |  |