### SESSION PLAN

**COURSE:** ABE Level 6 Developing International Markets

**ELEMENT:** Element 2 – Global strategies

## **LEARNING OUTCOME 1**

**2. Critically evaluate strategic international marketing opportunities (Weighting 25%)**

2.1 Explain the nature of international development

2.2 Critically evaluate different strategic responses and approaches to global strategy development

2.3 Analyse the main approaches to international marketing research and opportunity development

**NUMBER OF SESSIONS:**  3 sessions - approximately 12-15 hours in total, plus self-study

**SESSION TOPICS:** Session 1: Explain the nature of international development
Session 2: Critically evaluate different strategic responses and approaches to global strategy development

Session 3: Analyse the main approaches to international marketing research and opportunity development

**Note to tutors: This is the recommended session plan for Learning Outcome 2, Element 2 of the ABE L6 Developing International Markets unit. 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: Explain the nature of international development

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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: **6UDIM Tutor Presentation E2**Introduce students to element 2 of the syllabus. Learning outcome 2 Critically evaluate strategic international marketing opportunitiesAssessment criteria 2.1 Explain the nature of international development.2.2 Critically evaluate different strategic responses and approaches to global strategy development.2.3 Analyse the main approaches to international marketing research and opportunity development. | 1-4 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | What will be covered today? | Session 1 will focus on the nature of international development. This will cover:* What is international development?
* Market expansion
* Market concentration
* Developing global relationships
 | 5 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | What is international development? | Before we move into aspects of international development and different strategies, let us first define what is mean by international development in marketing terms.When we refer to the international market this quote helps to build an understanding of what is meant:“International Marketing is the multi-national process of planning and executing the conception, prices, promotion and distribution of ideal goods and services to create exchanges that satisfy the individual and organisational objectives.”Market development is a business strategy whereby a business attempts to find new groups of buyers as potential customers for its existing products and services. In other words, the goal of market development is to expand into untapped markets. These potential customer groups may already be served by competitors or may not be currently marketed to by anyone for the product.In terms of international development this same definition/understanding works. It is the development of the international trading market, how companies expand into this market and the different factors that affect it.So how does a market expand and what does this really mean? | 6 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Market Expansion | Using slide 7 discuss the concept of marketing expansion and what it means.The international business environment demands continuous change in the business practices.Whenever an organisation aims at high growth, expansion strategies are always followed. In other words, it will be true to say that market expansion strategies are adopted whenever a business wants to expand its activities.The general concept of expanding business is to sell your products to new groups of the potential customers. Usually there are two ways to expand market share. These are:1. Introduce more products to the market enabling you to access multiple customer databases.
2. Make use of your products that are particularly popular.

There are numerous strategies for growth and these will be covered in session 3 of this element. Introduce activity: In small groups, complete the following task:You work for a multinational technology development company. The company has started to see a decline in sales and wants to expand to bigger markets and new customers to generate profit. Advice the company on what to do and where possible give examples of companies that have used this strategy before. Write a short (5 minute) presentation that you can give to your class explaining your strategy and choices. Nominate a presenter.  | 7 | Students to listen and take notes and participate in class discussions throughout, as appropriate. | **6UDIM E2 LO2 Activity 1 – Market Expansion** |
|  | Case study | The example of Vodafone expanding into the Mexican market is a great example of a company developing the international market and expanding the market. | 8 | Work through the case study with students, expand on relevant points and offer any other examples of international market expansion that you think are relevant. |  |
|  | Market Concentration | Explain the concept of market concentration.Market concentration has two threads:Seller concentration = The extent to which the production of a particular good or service is controlled by the leading suppliers.Buyer concentration = The extent to which the purchase of a product is controlled by the leading buyers. The degree of seller concentration in a market is often measured by a concentration ratio which shows the proportion of market sales accounted for by the largest five, or ten, suppliers.Provide an example of a business that would be a market contractor and one that would be a market expander. For example E-commerce businesses are market expanders. | 9-10 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  |  | The chart on slide 11 provides an example of market concentration. As we can see Facebook would be classed as a market concentrator as it holds a dominant market share in the UK social network market. | 11 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Herfindahl – Hirschman Index | To measure the level of market concentration the Herfindahl-Index (also known as Herfindahl-Hirschman Index/ HHI can be used).The HHI measures the size of organisations in relation to the industry that they operate and an HHI index explanation. Please provide students with examples of highly concentrated markets for example : Search engines, toilet paper, food services and household appliancesOffer explanation why monopoly is bad, direct students to glossary at back of the study guide for more details | 12-13 |  |  |
|  | Developing Relationships | Explain the importance of strong relationships and why it is important for organisations operating internationally to have them. International relationships in general are highly important. It was said a few years ago that if the human race is wiped out in the next 50 years it will not be because of disease or an asteroid hitting the earth, but because of foreign policy and international relations. We live in a world where thousands of nuclear weapons exist and more countries are trying to acquire them, where suicide terrorist strikes come without warning and thousands die each day from poverty caused by the way the international system operates. International relations shape every aspect of our lives.For our studies we are focusing on how company’s relationships with international clients, competitors and employees shape how the business is run and operates. | 14 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Why have good international relationships? | Use the five considerations as a tool for best practice on how to build these relationships.Explain each stage in full and give examples where possible to help the concept resonate with students.Co-ordinate the feedback from the class exercise.  | 15-16 | *Classroom discussion*: Get students to think about why networking is important.Slide 16 has a class exercise that students can complete in small groups, then come back together as a class and discuss the exercise. |  |
|  | Summary | Bring the session to a close by summarising the key points of the session.  | 17 |  |  |

### SESSION 2: Critically evaluate different strategic responses and approaches to global strategy development

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| **Approx. Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 4-5 hours | Introduction | Use file: **6UDIM Tutor Presentation E2**This session aims to provide learners with information to allow them to be able to critically evaluate different strategic responses and approaches to global strategy development.This session will cover the following areas:* Global strategy
* Three approaches to global strategy
* Glocal marketing
* Global strategy drivers
* Standardisation & Adaption theory
* Regional strategy

Advise students that throughout they should take notes and if there any questions feel free to ask. | 18-19 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Global strategy  | The aim of the next few slides is to introduce the students to the concept of global strategy and what it involves.In its simplest form, when we refer to global strategy, students could think of the term as meaning a strategy guide to globalisation.When dealing with global strategy there are four key questions that should be addressed:1. What must be/what is the extent of market presence in the world’s major markets?
2. How to build the necessary global presence?
3. What must be/what are the optimal locations around the world for the various value chain activities?
4. How to turn a global presence into global competitive advantage?

A company needs to know how it will be doing business, what market it will be entering or expanding into and how they can successfully enter and make profit. This is where global strategy comes in. | 20 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Global strategy: 3 approaches | Companies operating globally, or wishing to operate globally have an initial decision to make, which basic market entry system will they choose?There are 3 options:1. International strategy2. Multinational strategy3. Global strategyThe slides will cover the basics of each approach. | 21 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | International strategy | Provide an understanding of international marketing strategy. Provide examples of companies that have used/attempted to use this approach.**International strategy**: the organisation’s objectives relate primarily to the home market. However, we have some objectives with regard to overseas activity and therefore need an international strategy. Importantly, the competitive advantage – important in strategy development – is developed mainly for the *home* market. | 22 | Interact with students and see if anyone can suggest organisations that they are aware of that might have used this approach. If they can, what happened and was the company successful?  |  |
|  | Multinational strategy | Provide an understanding of international marketing strategy. Provide examples of companies that have used/attempted to use this approach.**Multinational strategy**: the organisation is involved in a number of markets beyond its home country. But it needs distinctive strategies for each of these markets because customer demand and, perhaps competition, are different in each country. Importantly, competitive advantage is determined *separately for each country*. | 23 | Interact with students and see if anyone can suggest organisations that they are aware of that might have used this approach. If they can, what happened and was the company successful? |  |
|  | Global strategy | Provide an understanding of international marketing strategy. Provide examples of companies that have used/attempted to use this approach.**Global strategy**: the organisation treats the world as largely one market and one source of supply with little local variation. Importantly, competitive advantage is developed largely on a global basisThese are the three “textbook” approaches, however, in practice a new approach emerges where organisations use a mixed strategy approach.This is known as the GLOCAL strategy. | 24 | Interact with students and see if anyone can suggest organisations that they are aware of that might have used this approach. If they can, what happened and was the company successful? |  |
|  | Glocal marketing examples | Not many businesses operate in one pure version of these strategies. More a mix of global and multinational. It brings us back to the GLOCAL idea introduced in element 1.At this point I would provide students with a recap of the term GLOCAL so that everyone is reminded of the basic premise of the strategy.Let’s look at examples of marketing campaigns that have been GLOCAL in approach:Barbie, changing Barbie based on culture and morals of societies that it is being sold in (diversifying her look).Dunkin’ Donuts, dry pork and seaweed donut sold in Japan, changing menu to fit local palates.Coca-Cola & McDonald’s: changing advertisement languages to suit wider audience (see study guide for examples). Add in your own examples to help get this idea across.Introduce activity: Consultancy company asked to advise client on appropriate market entry strategy and how to implement the glocal approach to their expanding industry. | 25 | At the beginning of this section, discuss the term Glocal with students and see what they can remember from Element 1. Ask students to provide you with a meaning of Glocal and why it is important. | **6UDIM E2 LO2 Element 2 Activity 2 - Glocal Thinking** |
|  | Apple example of glocal marketing strategy | Activity/discussion slide | 26 | Watch link with students, example of Apple changing advertising in different countries. <https://www.youtube.com/watch?v=MoE9XxXUatA>After watching the video start a discussion with students on what they thought about apples strategy, effectiveness and any improvements that they can think of. |  |
|  | Drivers and benefits of global strategy | Global strategy drivers are all of the forces that push for the development of the global market and strategy. Run through these main points featured on the diagram on slide 27 with the students.As well as the drivers shown on the slide there are also key benefits for this strategy:**Economies of scope**: the cost savings developed by a group when it shares activities or transfers capabilities and competencies from one part of the group to another – for example, a biotechnology sales team sells more than one product from the total range.**Economies of scale**: the extra cost savings that occur when higher volume production allows unit costs to be reduced – for example, an Arcelor Mittal steel mill that delivers lower steel costs per unit as the size of the mill is increased.**Global brand recognition**: the benefit that derives from having a brand that is recognized throughout the world – for example, Disney.**Global customer satisfaction**: multinational customers who demand the same product, service and quality at various locations around the world – for example, customers of the Sheraton Hotel chain expect and receive the same level of service at all its hotels around the world.**Lowest labour and other input costs**: these arise by choosing and switching manufacturers with lower labour costs – for example, computer assembly from imported parts in Thailand and Malaysia where labour wages are lower than in countries making some sophisticated computer parts (such as high-end computer chips) in countries like the USA.**Recovery of research and development (R&D) costs and other development costs across the maximum number of countries** – new models, new drugs and other forms of research often amounting to billions of US dollars. The more countries of the world where the goods can be sold mean the greater number of countries that can contribute to such costs. **Emergence of new markets**: means greater sales from essentially the same products. | 27 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Standardisation | Provide students with an understanding of what standardisation is in relation to the global market.Global standardisation in marketing is a standardised marketing approach that can be used internationally. This type of marketing strategy conforms to work across different cultures and countries to promote a product. A good example of a company that uses global standardisation in marketing is Coca-Cola. The company uses relatively standard brands, formulations, packaging, positioning and distribution in its global markets. Slide provides advantages and disadvantages of market standardisation. Expand on these using examples of global branding that opts for a standardised approach. An example could be Heinz. | 28 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Standardisation vs. adaptation | Standardisation is not the only approach to global marketing. Adaptation strategy is when a product is adapted or tailored to meet the needs and preferences of a particular market or set of consumers, where such markets and consumers are typically examined and managed within an international marketing context.Run through the advantages and disadvantages of both strategies and use your own examples of marketing that has opted for standardisation and ones that have opted for adaption. | 29 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Regional strategy | As we have mentioned, there are numerous approaches to global marketing strategy. Standardisation sees a company marketing a product in a similar way across the globe, not considering the differences between cultures of its consumers. Adaptation takes the opposite approach of moulding their marketing strategies to fit with different consumers/markets around the world.The final strategy that we will cover today could almost be classed as a compromise between standardisation and adaptation.Regional strategy is a narrower approach than standardisation. It aims to target a smaller area in one location. | 30-31 | Discuss main points and interact with class coming up with local advertisements that you may have heard or seen through local media or print. |  |
|  | Summary & ending | Summarise session and instruct students to ask any questions and provide contact information | 32 |  |  |

### SESSION 3: Analyse the main approaches to international marketing research and opportunity development

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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: **6UDIM Tutor Presentation E2**Introduce students to the session and what it will cover:Analyse the main approaches to international marketing research and opportunity developmentToday there are five main topics that will be covered during this session* Market research
* Market research planning process
* SWOT analysis
* Segmentation
* Risk management
 | 33-34 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  |  | So what is market research?Market research is the process of assessing the viability of a new good or service through research conducted directly with the consumer which allows a company to discover the target market opinions and other input from consumers regarding interest in the product. Market research may be conducted by the company itself or by a third-party company that specialises in the market research field.  |  | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | The importance of market research | Talk through with the class why market research is important.A company that was considering going into business should conduct market research to test the viability of its product or service. If the market research confirms consumer interest, the business can proceed confidently with the business plan. If not, the company should use the results of the market research to make adjustments to the product to bring it in line with customer desires.Slide 35 provides a breakdown of the key factors of why market research is important:* Valuable data
* Consumer behaviour
* Sales techniques
* Market information
* Marketing performance
* It also has numerous other aspects of importance such as knowledge, awareness, information on views on products, consumer habits etc.

Please add to this where you feel appropriate. Use any examples to help build knowledge on why market research is important.Watch video at <https://www.youtube.com/watch?v=1Fja06iCIE0> | 35-37 | *Classroom discussion*: Ask students why they think market research is important, have they ever experienced conducting or participating in market research?Encourage discussion through examples such as email surveys |  |
|  | Quantitative & Qualitative | There are numerous research approaches. Two which are very prominent when conducting market research are quantitative and qualitative research methods. **Quantitative research**: focuses on sampling techniques such as customer surveys.The results of these surveys or sampling techniques can be analysed and expressed numerically and can be dealt with mathematically. This approach allows for the researcher to estimate future events or quantities. For example if a retailer wants to find out how many of their customers purchase a particular item they could conduct a survey and ask participants what products they have purchased. The results would then go through a statistically analysis that would provide the company with a breakdown of the number and percentage of customers that buy particular products. Quantitative research provides the user with a global understanding of a particular topic but on a general level.**Qualitative Research**: This methodology is different to the quantitative approach in that it is smaller scale, but provides greater detail and the option for a more in-depth examination.It is not numerical and often involves the use of interviews both structured and semi structured. At its very basic meaning qualitative refers to ‘quality’ and quantitative refers to ‘quantity’.Show the differences between both approaches. | 38 | *Classroom discussion:* Discuss with students what they think would constitute a type of quantitative research?Example:* Survey
* Experiment
* Clinical trials
* Observation based studies

Next, discuss examples of qualitative data.Examples:* Interviews
	+ Face to face
	+ Telephone
	+ Computer assisted interviewing
 |  |
|  | Definition | To refresh the students, Cundiff & Still provide us with a strong definition of market research and why it is important. | 39 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Difficulties with market research | Now that we know what market research is and methods of conducting it. We need to know the potential problems that can be faced when conducting it. The diagram on slide 40 has the key challenges that can be faced by a company when they are conducting market research.* Difficulty getting stakeholders to sign contracts
* Lack of commitment to business
* Too many hypotheses to test
* Not a large enough budget
* Low response rate from early stages of interview requests
* Inability to find email address from potential targets
* Difficulty reaching certain market segments

Add examples or further information where appropriate. | 40 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | International Research problems | We have covered the main issues faced when conducting market research; however we are concerned with market research on an international scale.When conducting international market research it can be more challenging for various reasons:* More than one market to consider: research has to be carried out in numerous locations and taking into account any overseas locations.
* Small markets are more cost efficient to analysis: This is because bigger/more markets = more money and resources required for data collection and analysis.
* Numerous practical issues: language barriers, time, ability, location.
* Cultural differences can create challenging situations (culture will be covered in element 4 and will provide further information on this point.

Introduce activity: In a small group complete the task. They want to reach an even wider audience and seek to improve current products. How would you collect this research? What problems would you be likely to face? How will you overcome these difficulties? | 41 |  | **6UDIM E2 LO2 Element 2 Activity 3 -****Market research project** |
|  | Market research planning process | To conduct any type of research you must have a plan.There are six key stages to conducting market research. This is known as the market research process. Talk through each stage and what it does/how it impacts: For example…***Step 1: Define the objective & your problem***This could be classed as the most important step in the market research process is defining the goals of the project.  This involves an organisation understanding what issues are at the root question that needs to be addressed by market research.  There is typically a key business problem that needs to be examined, but there is a lack of information to make that decision comfortably. It is the job of a market researcher to inform that decision with data.  Examples of “business problems” might be “How should we price this new product?” ***Step 2: Determine your research design***Now that the area that needs to be research has been determined, it is time to plan out the type of research that will best obtain the necessary data.  Think of the research design as a detailed plan of attack.  The first step is to determine the [market research method](http://www.mymarketresearchmethods.com/an-overview-of-market-research-methods/) (will it be a survey, focus group, etc.?).  You will also need to think through specifics about how to identify and choose the sample (Who are we going after?  Where will we find them?  How will we incentivise them?). | 42 | Once you have explained each section, allow students to ask any questions as this is quite a long slide with a lot of information. |  |
|  | SWOT analysis | Another method of analysing the market is SWOT analysis. SWOT allows companies to focus on areas that need to be developed in the future.Tend to focus on internal issues.Work through each section and discuss what might go into each sector of the analysis:**Strengths*** Large market share
* Well-known brand
* Operating in a range of markets

**Weaknesses*** Small market share
* Poorly-recognised brand
* Only operating in one market
* Low-skilled workforce

**Opportunities*** New markets opening
* International market opening up
* Changing demands from customers
* New product ready for market soon

**Threats*** Declining markets
* New competitors on the scene
* Competitors offering goods/services at reduced prices
 | 43 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | SWOT analysis activity and video <https://www.youtube.com/watch?v=qJyU5RqS_rk> | 44 | Once groups have completed their SWOT analysis examples, go around each group and ask them to present their ideas. |  |
|  | Segmentation | Discuss what market segmentation is, and give examples from the business/marketing world.* Market segmentation is the process of grouping customers in markets with some differences into smaller, more similar or homogeneous segments with similar requirements and buying characteristics.
* By carrying out market segmentation, companies are able to develop products and services that are appropriate for particular target segments and to be supported by an appropriate marketing mix
* Think of segmentation like peeling into an orange and separating out all of the pieces, in marketing context this is the same as looking at the market, pulling it apart and focusing in on each sector that makes up that market.
 | 45 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | B2B and B3C | B2B and B2C example of segmentation. Explain each concept at this point | 46 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Factors that affect business segmentation strategy | Run through the five factors and provide examples of how each may affect the segmentation process. Even though segmentation is a well used and respected strategy it has still faced criticisms and does have its problems.Slide 48 lists these issues | 4748 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Risk Management | Discuss what risk management is and why it is relevant when examining international marketing/trade.Talk about the most common risks associated with this strand of business and provide examples for students to look at or study. | 49 | *Classroom discussion*: Ask students if they can think of any other examples of potential risks.Discuss responsesWatch the YouTube clip from the Global Risk report 2017, which highlights the main risks faced by the world. https://www.youtube.com/watch?v=su\_qgPiFiOU |  |
|  | Steps in risk management | Five steps that need to be taken to identify, analysis, plan, implement and monitor.Explain each step what it does and how it contributes to creating a risk management strategy/plan. | 50 | Students to listen and take notes and participate in class discussions throughout, as appropriate. |  |
|  | Risk management template | Slide 51 is an example of a risk management plan that could be used as a template for coming up with a strategy to deal with problems.This example is IT based but it could be used for any sector/marketExplain why such structures are used and how they can help a business  | 51 | Discuss the group task | **6UDIM E2 LO2 Activity 4 -****Risk management** |
|  | Summary & end | Summarise session using the slide providedInstruct students to ask any questions and provide contact information. | 52 |  |  |