

Day 2

**The internationalization of a
business**

1. What is internationalization?

“Internationalization is the process by which firms increase their awareness of the influence of international activities on their future and establish and conduct transactions with firms from other countries.”

Years ago, internationalization was more an offensive than a defensive move. The Italian company Mellin produced biscuits sold in a tin box in the 50s . As many other companies went from a local , handcrafted product to an industrial model but it took many years for new competitors to catch up and enter the market. Mellin had no hurry to go internationally. Nowadays, as many other traditional brands ,Mellinneeds to keep up with a stiff competition, and the recent downturn, may be think on how to cut down costs of production, or raise the quality, or evolve the range. Or go abroad and compensate for the loss of share in the domestic market. **Internationalizing doesn't mean going global, which is an ambition that only very few brands have.**

2. What you need to know when going global

When businesses try to expand their brand globally, those goals don't change. But there are several steps you should take to make sure that your products or services will have a market overseas, that you can maintain quality in delivering and/or distributing your goods or services, and that your business or product branding meets cultural expectations in different parts of the world. **"Craft and communicate a message that is relevant to the needs and wants of your customers, deliver this message in the places they are receptive to, in terms they can relate to and understand, and through the channels that will truly reach your potential customer."**

Think of all the critical points that might arise from the process of internationalizing a brand. What do you need to check/be sure of before embarking in a process of internationalization?

2. What you need to know when going global

1. Make sure you have a market.

Proven success with your current target audience doesn't automatically mean that your new target will connect in the same way with your products or services. First and most important, you'll **want to determine if a market exists for your product**. And make sure the need isn't already being well met by someone else. If there are existing competitors, **what (in the perspective of your potential customers) makes you remarkably different?** If there is a market and there are no competitors, **make sure you find out why**: are there laws against distributing your products or can consumers buy them through other means?

What kind of research would you conduct?

2. What you need to know when going global

Vegemite is an Australian product . It is a fermented yeast extract, that is used for many different things, but mainly on bread or crackers or on toast, as a sandwich spread.

*“I grew up on the stuff. Vegemite and cheese sandwiches was a staple in my lunchbox when I went to school. It is **black as black can be** and the consistency of **smooth** peanut butter. It is a savoury spread, **salty** tasting. It is far more intense than Beef seasoning or even Vegetable **stock concentrate**, which is why you only need a little of it at a time. There is an almost sour/bitter aftertaste to it. I live in Boston now, and when one of my American friends tried it, she thought it tasted like a billion/stock cube. It takes time to develop a taste for it.”*



2. What you need to know when going global



"just because you were raised eating shit
doesn't mean I have to eat it"

2. What you need to know when going global

2. Make sure you can deliver

Make sure you can get your product to, or manufactured within, the new market. Import and manufacturing laws vary from country to country, ensure you can make your products reliably and consistently available to your new target markets. Investigate the local laws. You need to make sure your products meet the **local standards for construction of components, use of chemicals, disposal of goods, proper labeling of products**, etc.

3. Re-examine your business and/or product names.

In choosing a name for your business or product, you need to be culturally sensitive if you intend to sell in foreign markets. Make sure product names make sense to customers in your new markets, both in English and in the local translation. A holiday favorite in the U.S., the **Gingerbread Milk**, didn't sell well in Germany even though gingerbread was a favorite holiday cookie in that country. Sales of the drink increased dramatically when Starbucks began using the German word for gingerbread and rebranded the drink, the Lebkuchen Milk. If you are considering translating names, you need to work with someone locally who can help make sure you communicate what you intend.

Nova was a successful car in the US why didn't it sell in the Latin American Markets?

2. What you need to know when going global

4. Give your logo another look.

Similarly, review your logo to make sure that you don't use any wording or symbols that would offend in a foreign market. Do an international search to make sure your logo isn't similar to that of another international company. For example, if you are selling products in some **Middle Eastern markets, a logo featuring the face of a woman might not be appropriate.** The best way to understand these cultural sensitivities is to consult a branding or design firm that can research cultural sensitivities.

5. Understand packaging requirements.

If you're selling a product, you need to consider the laws and customs and packaging requirements in your new markets before deciding on packaging for your products. If you're selling a packaged product around the world there are incredible hurdles. Shipping food across borders may require you to provide more **nutritional information on packaging**, in more languages, and there may be laws prohibiting the use of certain products in some markets. **Learn the local standards and ensure your packaging includes any necessary regulatory information and meets transportation standards.**

Why the selling point is important to define a packaging?

2. What you need to know when going global

6. Register trademarks and domain names.

Follow the process in your new market to ensure you **preserve patent and trademarks**. Another consideration is making sure the Internet domain name for your company and product are available.

7. Deliver this message through the right channels.

Make sure you are communicating your message where it will be seen. **What are the habits your customer have in that other country? Where are they found? What is their lifestyle?** Do they .. read? Some media have an inner affinity with some categories of products and this law is valid internationally wise.

Can you tell which medium is more appropriate for perfumes and why the maxi billboard is not a good idea for detergents?

2. What you need to know when going global

8. Don't lose control of your customers.

Manner and tone will come across through your packaging, advertising, online, through your sales people, and even the way you answer the phone. What types of interaction you will have with customers? What will be the tone you choose? What types of sales process and policies will you use? **Remember, your brand is a promise and you need to ensure that your customers' experiences with your product, your business, and your staff are positive.** That extends to how you deliver your product, product quality control, how service is delivered or structured, and how your people act. In branding, one bad customer experience often resonates longer than one good experience.

You need to be vigilant in maintaining **your brand reputation in every market** in which you sell. That gets harder as your business gets bigger and expands into more local businesses.

You might consider developing an employee manual, investing in online training for your staff, and check how fast you grow, so that you can ensure that you keep your brand promise everywhere. Can you think of any other ways in which you can be looking after your relation with the consumers?

2. Apple : on the art of customer service

Many retailers strive for good customer service and attractive store designs, analysts say, but few go to Apple's lengths in orchestrating every detail. The store's confidential training manual tells in-store technicians exactly what to say to customers it describes as emotional: "**Listen and limit your responses** to simple reassurances that you are doing so. 'Uh-huh' 'I understand,' etc." Apple employees who are **six minutes late** in their shifts three times in six months may be let go. Employees are ordered not to discuss rumors about products, and anyone caught writing about the Cupertino, Calif., company on the Internet is fired.

Working for an Apple store can be a competitive process usually requiring at least two rounds of interviews. Applicants are questioned about their leadership and problem-solving skills, as well as their enthusiasm for Apple products.

Once hired, **employees are trained extensively**. Recruits are drilled in classes that apply Apple's principles of customer service. Back on the sales floor, new hires must shadow more experienced colleagues and aren't allowed to interact with customers on their own until they're deemed ready. But Apple employees are typically fans of the company's products and are willing to learn, intrinsically making its training more effective than any others, he says.

American Girl History

American Girl's mission is to celebrate girls. We embrace who they are today and look forward to who they will become tomorrow. Since the first catalogue debuted in 1986, American Girl has provided inspiring products for each stage of a young girl's development—from her preschool days of baby dolls and fantasy play through her teen years of self-expression and individuality. Through an array of premium-quality books, dolls, clothes, toys, and accessories, American Girl has earned the loyalty of millions of girls and the praise and trust of parents and educators. In 1992, the company launched American Girl® magazine, an age-appropriate publication designed to affirm self-esteem, celebrate achievements, and foster creativity in today's girls. In 1995, the company debuted a line of contemporary 18-inch dolls and accessories that has since evolved into My American Girl®.

American Girl products are marketed and distributed through the company's award-winning catalogue; its website, americangirl.com; and at its proprietary retail stores. Since 1998, American Girl has been a wholly-owned subsidiary of Mattel. American Girl is headquartered in Middleton, Wisconsin. Among the company's various locations, over 2,000 women and men are currently employed full- or part-time throughout the year, more than 4,300 during the pre-holiday season.

SHOP THE LARGEST AMERICAN GIRL STORE

0 items in my shopping bag [checkout](#)



See what's new before others do—sign up for our e-mails.

Sweet dreams for sweethearts

Celebrate the girl in your life with pet-themed PJ's—plus get a pair for her doll.

[Shop now](#)



1 2 3

|| PAUSE

New Saige Set

Caroline PJ's

Special Extras

Storage

Saige soars into the skies

Our 2013 Girl of the Year is all set to fly with her father and a plucky pup!

[SHOP NOW ▶](#)



Lots of love for little ones



Choose Baby's new outfit!

[SHOP NOW ▶](#)

American Girl Facts

More than 139 million American Girl books have been sold since 1986.

Over 21 million American Girl dolls have been sold through the company's catalogue, retail stores, and website since 1986.

American Girl® magazine has a circulation of over 450,000—ranking it among the top ten children's magazines in the nation and the largest publication dedicated exclusively to girls ages 8 and up. The award-winning magazine receives more than 5,000 pieces of reader mail after each issue.

American Girl's proprietary retail stores have welcomed over 46 million visitors. The stores have won numerous awards and are recognized as premier models for experiential retail.

In 2010, American Girl received the prestigious National Parenting Publications Awards (NAPPA) Gold Award .

The American Girl website, americangirl.com, receives 43 million visits per year. American Girl has a long-standing commitment to children's charities nationwide. To date, the company has donated more than \$92 million in cash and products.

My American Girl®

My American Girl® dolls Print The My American Girl® line of contemporary 18-inch dolls, books, accessories, and interactive online experience for girls ages 8 and up lets every girl create a truly special and meaningful doll that's as unique as she is. **Using an innovative online tool, girls can personalize their My American Girl doll's individual look right on-screen—choosing from 44 different combinations of eye color, hair color and style, and skin tone.** The personalization continues with a variety of special extras such as braces, glasses, and earrings, as well as outfits and accessories that reflect girls' favorite interests and activities.

Each My American Girl doll comes with a special charm-keeper necklace and access to innerstarU.com, a fun, enriching, and safe online world where a girl's doll comes to life. Together, girls and their online My American Girl doll can explore the virtual campus of Innerstar University™ and engage in games, quizzes, and challenges to earn awards, as well as find friends and e-mail other players.

My American Girl®



Mountain Dew History

Mountain Dew (stylized as Mtn Dew in the United States) is a carbonated soft drink brand produced and owned by PepsiCo. The original formula was invented in the 1940s by Tennessee beverage bottlers Barney and Ally Hartman and was first marketed in Marion, Virginia; Knoxville, Tennessee and Johnson City, Tennessee . A revised formula was created by Bill Bridgforth in 1958. The Mountain Dew brand and production rights were acquired by the Pepsi-Cola company in 1964, at which point distribution expanded more widely across the United States and Canada. Between the 1940s and 1980s, there was just one variety of Mountain Dew, which was citrus-flavoured and caffeinated. Diet Mountain Dew was introduced in 1988, followed by Mountain Dew Red which was introduced and subsequently discontinued in 1988. While Mountain Dew Red was short-lived, it represented the beginning of **a long-term trend of Mountain Dew being produced in different flavour variations**. In 2001, a **cherry flavour** called Code Red was made and saw a great success. This product line extension trend has continued, with expansion into specialty, limited time production, region-specific, and retailer-specific (Taco Bell, 7-Eleven) variations of Mountain Dew.

MOUNTAIN DEW®



Mountain Dew facts

As of 2009, Mountain Dew represented a 6.7 percent share of the overall carbonated soft drinks market in the U.S. Mountain Dew seems to be **aiming squarely at injury-prone 17-year-olds**. After the caffeinated beverage **gained a reputation as “rocket fuel,” PepsiCo has associated the drink with fast times, all-night video game binges and extreme sports** — to great success. Product placement: Mountain Dew has appeared everywhere... from “Men in Black II” to the X Games. Sponsorship of individual athletes who participate in professional action sports has been a part of the Mountain Dew brand since the late 1990s, with present sponsorship including Eli Reed (skateboarder), Paul Rodriguez (skateboarder), and Danny Davis (snowboarder). Mountain Dew also sponsors its own festival, "The Dew Tour", which is an action sports tour made up of multiple events held in five U.S. cities over the course of several months.

Among main Competitors: Coca Cola Company's BURN. In 2012 Burn was given for free at new Year's party whose name itself was “Burn”.



Your task

- Read the information you have, carefully.
 - Try and imagine how you would import this product in Italy.
 - Are there any things you would need to make sure of before trying to export your product?
 - Will it be easy /not? Why?
 - What would you do and where would you start from?
 - Draw your plan, say who you would get involved and what actions you would take as per :
-
- PRODUCT (name, label, colours, characteristics, packaging)**
 - PRICE (upmarket, competitor's, low/ promotions?)**
 - DISTRIBUTION (where?)**
 - ADVERTISING (communication plan/ media (Web, TV, newspapers, magazines, outdoors, sampling, product placement, events, sponsoring....?))**

Case study: the Internationalization of a Canadian University

- “It’s a global world out there. What I mean is that today’s students, and faculty, are operating in a much more international environment than a generation or even a decade ago. **They will be required to function in other cultures and to have an understanding of them.** The more opportunities we can provide for our students to spend time abroad on exchange, or internships, the better.”
- “Brand recognition. Queen’s is very well known in Canada, but much less so abroad. **Degrees are rather like credit cards—their use to someone as a credential is only good where it is accepted.** For our graduates at the start of their careers, the name recognition of a degree is important. I’d ultimately like Queen’s to have the same recognition abroad as Stanford, Oxford and Princeton. This will take a while, but we need to make a start.”
- “Research and training. **Research is global.** My own last research project involved teams of scholars from about 30 different countries. We need to ensure that we make Queen’s a destination of choice for visiting academics and that similarly our faculty and graduate students have opportunities to spend time in their international colleagues’ labs or departments. So providing funding and incentives for student and faculty mobility will be important in the future.”

Case study: the Internationalization of a ...Canadian University

Mr. Nick Francis ,the Rector of Queen's University- a Canadian University based in Ontario- is sitting at the airport waiting for his flight to India. Why ? “There're a variety of reasons why I am going to India now and why I want Queen's, transformed from a national university into a global player on a worldwide stage...”



The screenshot shows the Queen's University website with a navigation menu including DISCOVER, LEARN, RESEARCH, THINK GLOBALLY, LIVE, and APPLY. The main banner features a globe with the text "THINK GLOBALLY" and a list of internationalization initiatives: Vice-Provost (International), China Liaison Office, International Centre (QUIC), School of English, and Alumni Branches Worldwide. Below the banner, there are several informational boxes:

- Incoming International:** For degree, exchange, and ESL students. Welcome!
- Outgoing Queen's Students:** Study, work, volunteer, and travel abroad. The world awaits!
- Globalism on Campus:** Develop a global perspective without leaving campus.
- Study at the BISC:** About the Bader International Study Centre in England.
- Queen's-Blyth Worldwide:** Where academic excellence meets experiential learning.
- International Visitors:** Exchanging ideas, creating research collaborations.
- Matariki Network:** A network of leading universities partnering for a better world.
- International Contacts:** Program experts to help plan the experience that's right for you.

Case study: the Internationalization of a Canadian University

•**Supporting development, at home and abroad.** Many of the students we hope to get from abroad will return home, and bring their skills and knowledge back home with them. That supports Queen's role as a global and no longer just national player in the education of civic leaders, scientists, public servants and ordinary, well educated and enlightened citizens. **Some highly qualified persons, especially doctoral graduates and post doctorates, may choose to spend more time in Canada,** and they answer a crucial need for highly qualified persons in key areas where the demographic data show we are going to fall short.

Even a small number of students can make a big difference to our departments' and our researchers' productivity and to their international reputation, not least because those students have friends and families whom they will tell about Queen's. We gain our international reputation one student at a time.

...Hands on !

- **Now imagine that you are the Chief Director of Queen's University. What steps would you undertake to internationalize your University?**
- **Make a plan (Target you want to reach, how to reach it, concrete activities plan, follow up)**

4. Why **not** to internationalize?

Last, not all the businesses are compatible with internationalization process. More specifically a company should opt for **in-house departments** when:

- The firm has a limited number of clearly identified customers
- The products relates to a very specific local taste (e.g. “Vegemite” in the UK) “love it or hate it”
- The costs of international marketing are too high
- What else?**

Consider these Italian products: ParmigianoReggiano, Hogan, Kimbo, which difficulties do you think they encounter in their process of internationalization? what kind of adaptation would they need?