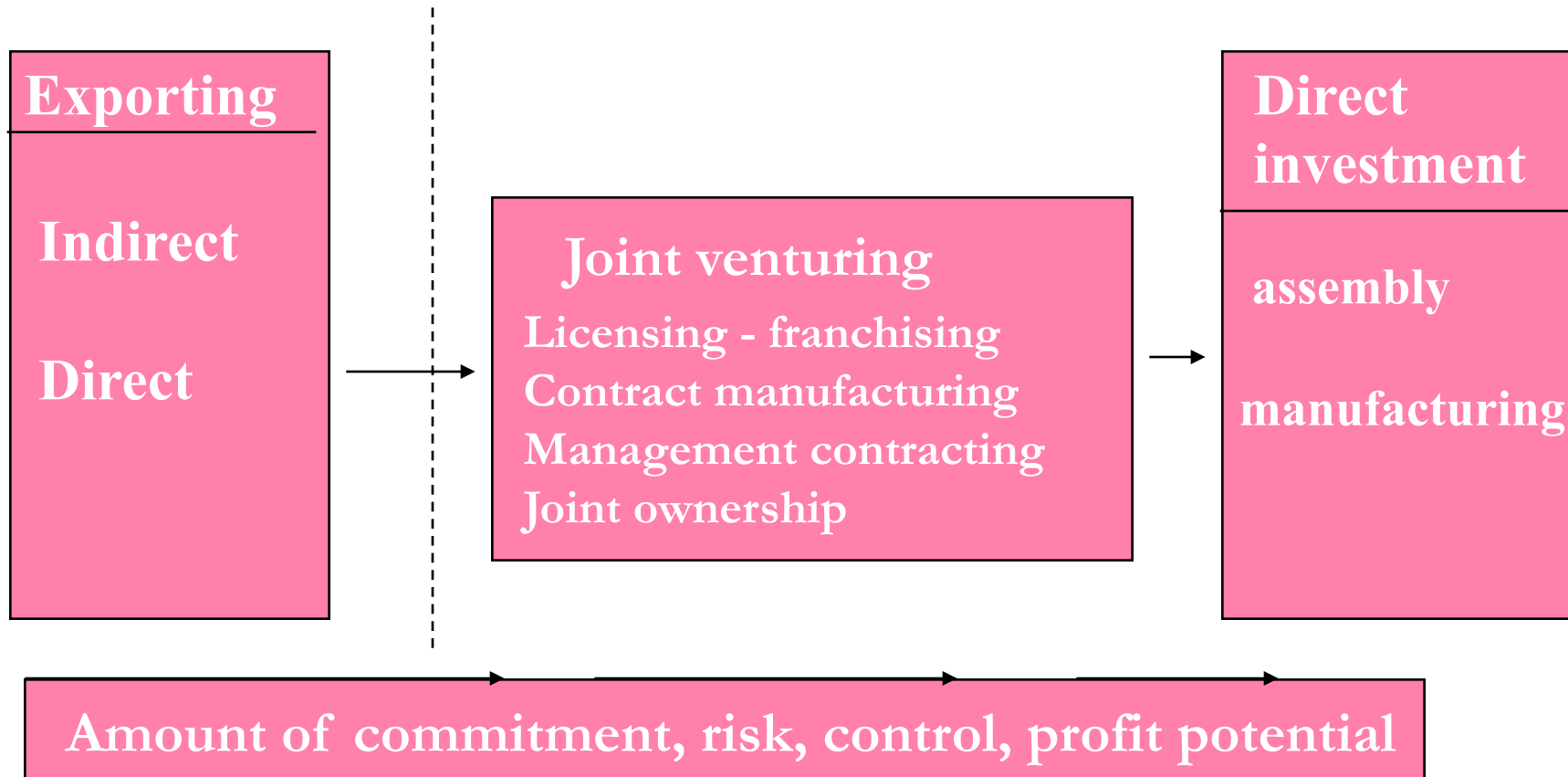


Entry strategies: examples

Market Entry Strategies



Indirect exporting

American Cedar, Inc., a Hot Springs, Arkansas, producer of cedar products reports that 30 percent of its product sales now comes from exporting: "We displayed our products at a trade show, and an **export management company** found us. They helped alleviate the hassles of exporting directly. Our products are now being distributed throughout the European Community from a distribution point in France," says American Cedar President Julian McKinney.

In the 1990's Albania began to items like spring water, tomato juice and chrome ore in **countertrade** for a contract to build a US \$60 million fertilizer and methanol complex.

Italian cheese manufacturers of Grana Padano (cheese) distribute in Europe through a **piggyback** agreement with Heinz.

Joint venturing

On April 18 2006, granted **license** to Roosevelt China Investments Corp. to open a flagship department store in Shanghai in 2008. Licensing will bring awareness of the Saks Fifth Avenue brand to Asia without requiring the company itself to operate the store thus minimising the risk.

Hilton began **franchising** its hotels in 1965 and currently 36% of company revenues are franchise fees. Hilton does not participate directly in the management or the operations of franchised hotels but conducts periodic inspections to ensure that the specified standards are maintained. The franchisees pay Hilton an initial fee based on the number of rooms and a continuing fee based on revenues.

Hilton is involved in the approval of plans for and the location of the franchised hotels and also assists in the design.

Hilton promotes the brand globally. Marketing and sales support includes national sales and marketing efforts, national and regional advertising, public relations, special marketing programmes and access to a range of support materials such as camera-ready advertising formats and logos.

Joint venturing

AutoAlliance International (AAI) is the name of a **joint venture** automobile assembly firm co-owned by Ford and Mazda. AAI produced some of the [Mazda 626](#), [Mazda MX-6](#) and [Ford Probe](#) (all related) sold in America since 1990.

Four months after announcing an important **joint venture** with China's Huawei, Nortel announced that the plan had been cancelled.

Apart from joint marketing of a converged product range, the key R&D aspect planned to create a next generation multi-service access platform designed specifically to enable carriers to converge their voice, data, video, fixed wireless (such as WiMAX), and, in future, mobile network traffic on a single IP network.

The resulting products would have built on Nortel's voice and optical networking strengths and Huawei's broadband technology and manufacturing efficiencies, and provided a platform for selling other key products such as Nortel's IMS (IP Multimedia Subsystem).

Direct investment

- eBay, the world's largest online auction company has been growing abroad since 2000, working towards an objective of presence in 25 countries by 2008. In 2001, the company acquired iBazar, a leading European online auction with a Brazilian presence as well.
- Stinol - the first Russian producer of household appliances - is today 100% owned by Merloni Elettrodomestici (now renamed Indesit). The acquisition contract was signed on the basis of the agreement of June 3, 2000, with which Merloni Elettrodomestici committed itself to acquiring 100% of Stinol's capital after due diligence. The share transfer took place October 13, 2000. Stinol was fully consolidated in the Merloni balance sheet in 2001. The acquisition price was 120 million dollars. An additional 50 million dollars was invested in the for the development of new products and the integration of technology and management and information systems

The internationalisation strategy of Toyota

- Began by establishing subsidiaries to export cars in key markets in the 1970's
- Faced difficulties in Europe due to import restrictions and could not establish direct presence due to restrictions of direct investment by Japanese firms
- Began to manufacture forklifts under licence in 1987 and then established a joint-venture with its licensee in 1996.
- Localised production in Europe in 1998 by setting up an assembly plant in Valenciennes (France) taking advantage of high unemployment in the area and, of tax incentives offered by the French government.
- In 1999, the EU lifted restrictions on Japanese car imports and Toyota began to export compact cars into Europe.