

The background features the LIUC logo, which consists of the letters 'LIUC' in a large, dark blue, serif font. Below the letters, the word 'Università' is written in a smaller, dark blue, sans-serif font. In the upper left corner, there are four yellow stars of varying sizes, arranged in a pattern similar to the European Union flag. A white diagonal banner with red text is positioned in the upper right area.

Students' version

International Marketing

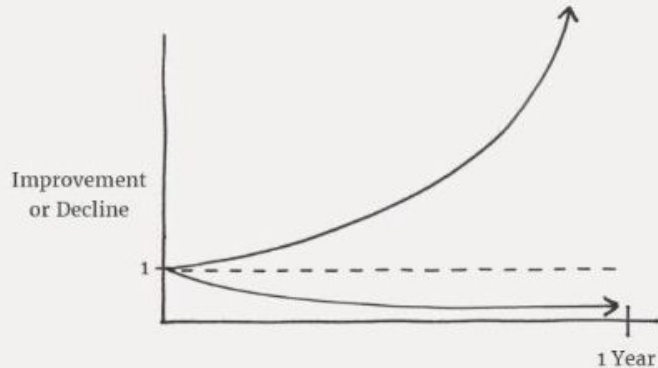
September 16, 2019

Università

The Power of Tiny Gains

1% better every day $1.01^{365} = 37.78$

1% worse every day $0.99^{365} = 0.03$



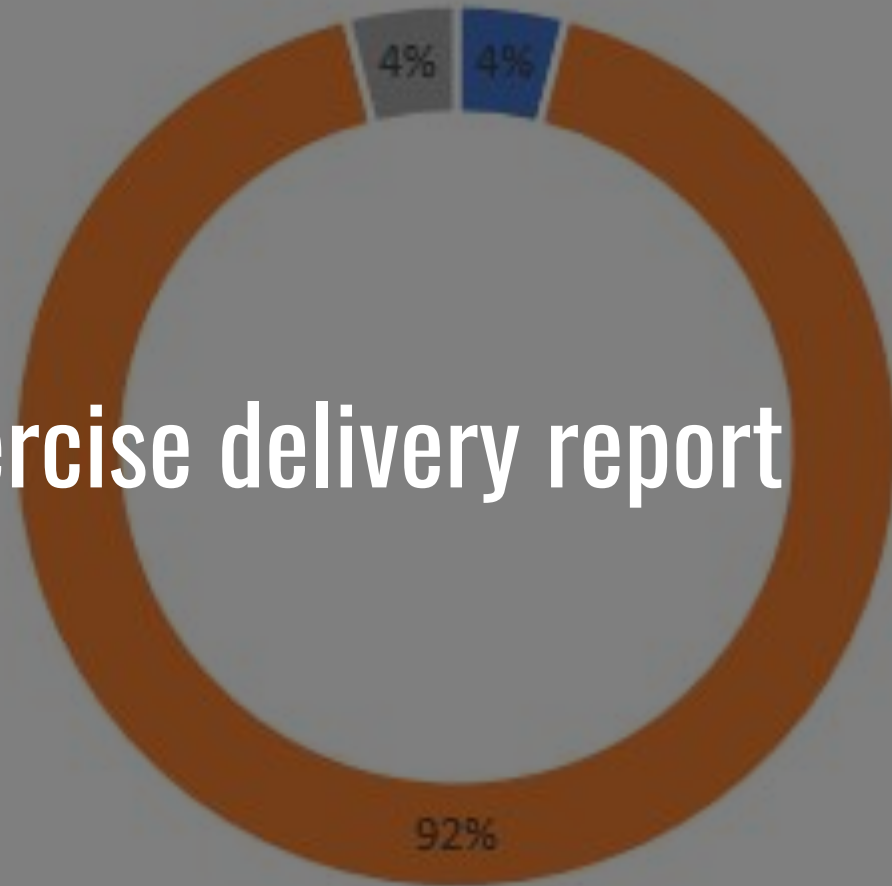
Try to be a little bit better
everyday -every session-

because it will make the

Extra Mile over time!

1st exercise delivery report

- Ahead of time
- On time
- Delayed



Contents of the session



1. On Case Method teaching
2. Your takeaways of the previous session
3. Delivery of Amazon case copies
4. Organization of International Activities

Learning Objective 2

Evaluate different *entry modes*

The background features a dark blue world map with glowing white and light blue lines and dots, suggesting a global network or digital connectivity. The text "International Marketing Course" is centered over the map in a bold, white, sans-serif font.

International Marketing Course

Amazon case

-

*On case method
Delivery date 21st of
October
(Teamwork)*



T

E

A

M

together

everyone

achieves

more

**Follow executive approach
to deliver your report!**



**Case method is the opposite learning
method of lecturing:
*To theory through execution***



Anne Marie Frassica

Swarthmore College
Computer Science
Linguistics

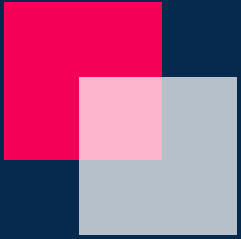
More questions about case method?

Email to agonzalez@liuc.it



**10' to review key
takeaways of previous
session with your
partner**





1. International Marketing Strategy: FDI

1. International Marketing Strategy: FDI

Companies going abroad need to compensate the advantage of local competitors when going to foreign markets because local firms have better knowledge about the customers and environment (PESTEL), eventually performing better also in terms of operations

Internationalisation normally normally yields lower costs due to the internal markets that firms create between affiliates (economies of scale).

Interco (or intercompany) is how multinational corporations use to name transactions between affiliates.

What is the motivation for FDI?



1. International Marketing Strategy: FDI

Motivation for Foreign Direct Investment (FDI):

- Growth (both sales and/market share): coming closer to customers with improved control of the selling process (from distributors to own affiliate)
- Leveraging efficiencies: taking advantages of upgrading human resources (ie), erasing legal obstacles to business (protectionism), availability of free trade areas, specialized industry poles (Silicon Valley, SF, ...)

1. International Marketing Strategy: FDI

Motivation for Foreign Direct Investment (FDI):

- Resource scarcity: improve the cost of raw material and access to better sources to improve supply chain, including strategic assets and opportunities offered for exchange of knowledge, access to different cultures, etc

1. International Marketing Strategy: FDI

Resource scarcity may yield the integration of operations:

- *Vertical integration*: when a firm takes over control suppliers activities (upstream integration) or channel activities (downstream integration)
- *Horizontal integration* implies the acquisition or merger of companies with synergies between business, often competitors, rising its power over customers, suppliers and distribution

1. International Marketing Strategy: FDI

Vertical integration example: *Zara logistics*
(Upstream or backwards vertical integration)



1. International Marketing Strategy: FDI

A year after Amazon announced its acquisition of Whole Foods, here's where we stand

PUBLISHED FRI, JUN 15 2018-2:34 PM EDT | UPDATED FRI, JUN 15 2018-6:56 PM EDT



SHARE     

Vertical integration example: *Amazon*
buys brick-and mortar retailer



1. International Marketing Strategy: FDI

Horizontal integration example:

Facebook buys Instagram

Facebook Buys Instagram for \$1 Billion

BY EVELYN M. RUSLI APRIL 9, 2012 1:15 PM 36

2:02 p.m. | Updated

Facebook is not waiting for its initial public offering to make its first big purchase.

In its largest acquisition to date, the social network has purchased Instagram, the popular photo-sharing application, for about \$1 billion in cash and stock, the company said Monday.

It's a notable move for Facebook, which has exclusively focused on bite-size acquisitions, worth less than \$100 million.



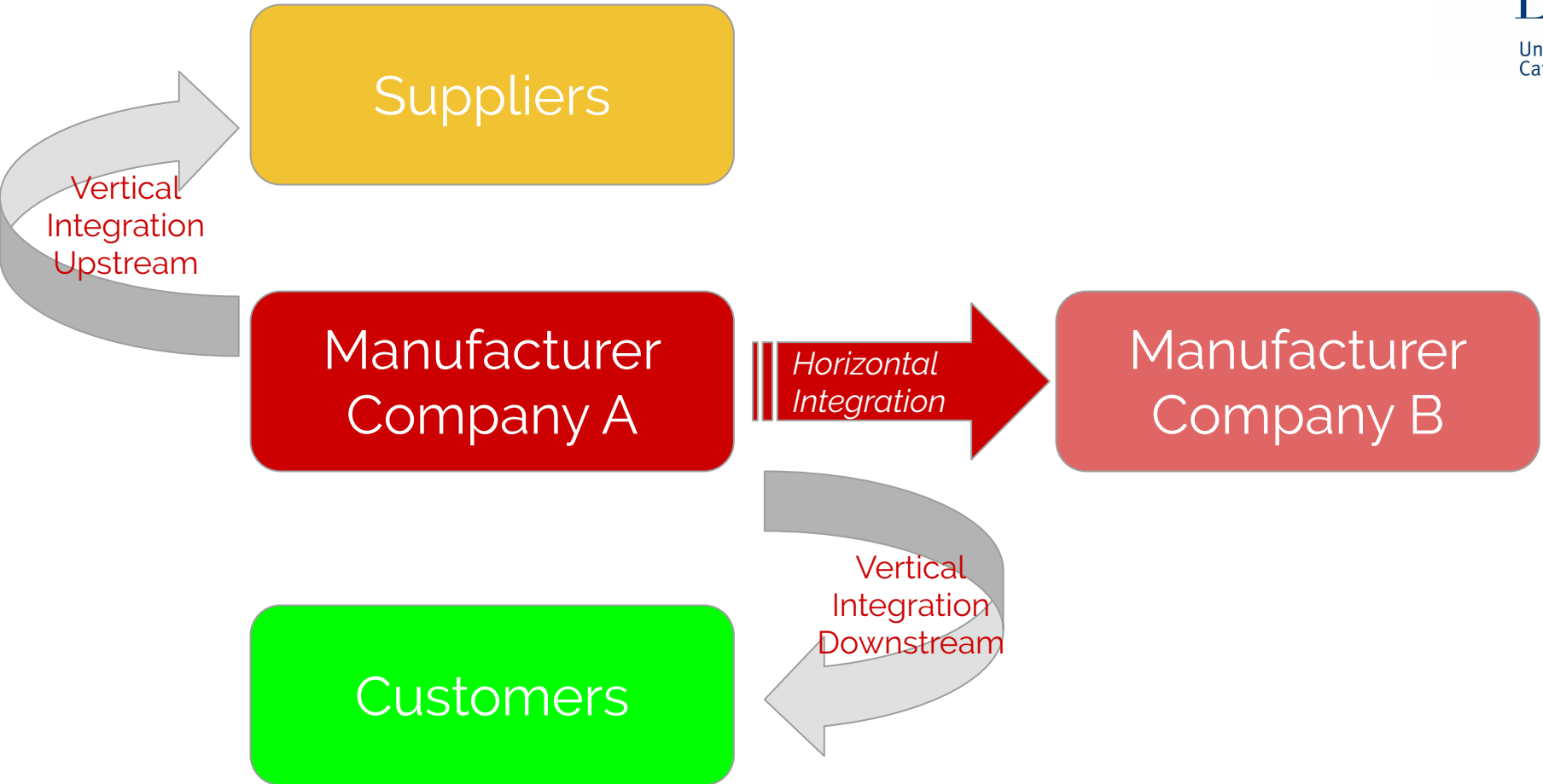
Keith Bedford/Bloomberg
NewsKevin Systrom, chief
executive of Instagram.

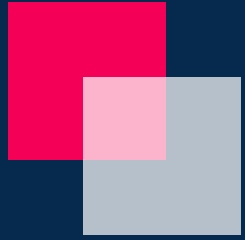
1. International Marketing Strategy: FDI

Some Horizontal Integration examples:

COMCAST	NEWSCORP	DISNEY	VIACOM	TIME WARNER	CBS
3 NOTABLE PROPERTIES:	3 NOTABLE PROPERTIES:	3 NOTABLE PROPERTIES:	3 NOTABLE PROPERTIES:	3 NOTABLE PROPERTIES:	3 NOTABLE PROPERTIES:
NBC	FOX	ABC	MTV	CNN	CBS
UNIVERSAL PICTURES	WALL STREET JOURNAL	ESPN	NICKELODEON	HBO	SHOWTIME
FOCUS FEATURES	NEW YORK POST	PIXAR	PARAMOUNT PICTURE	TIME	SMITHSONIAN CHANNEL

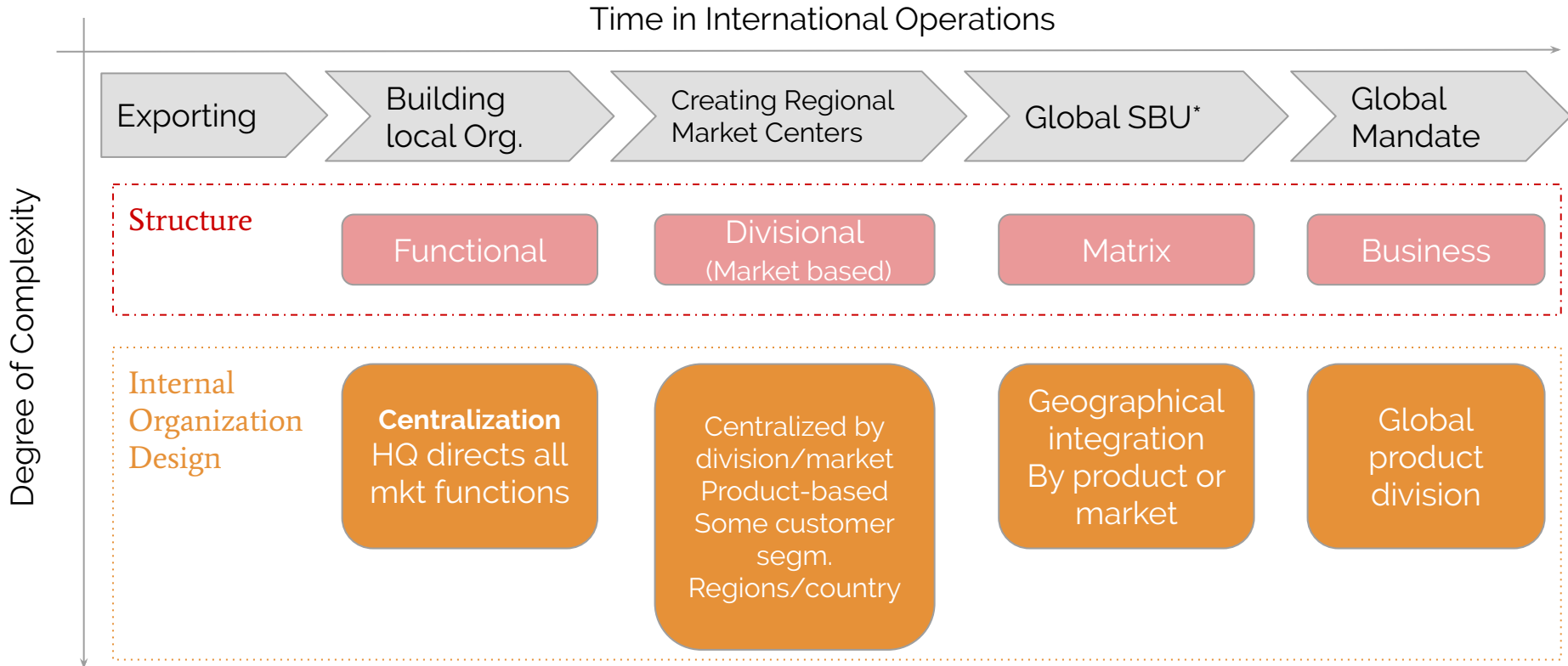
Disney buys Fox and Marvel

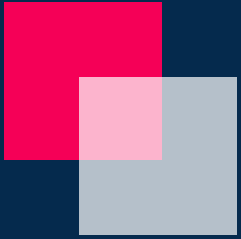




2. Organizing International Marketing Activities

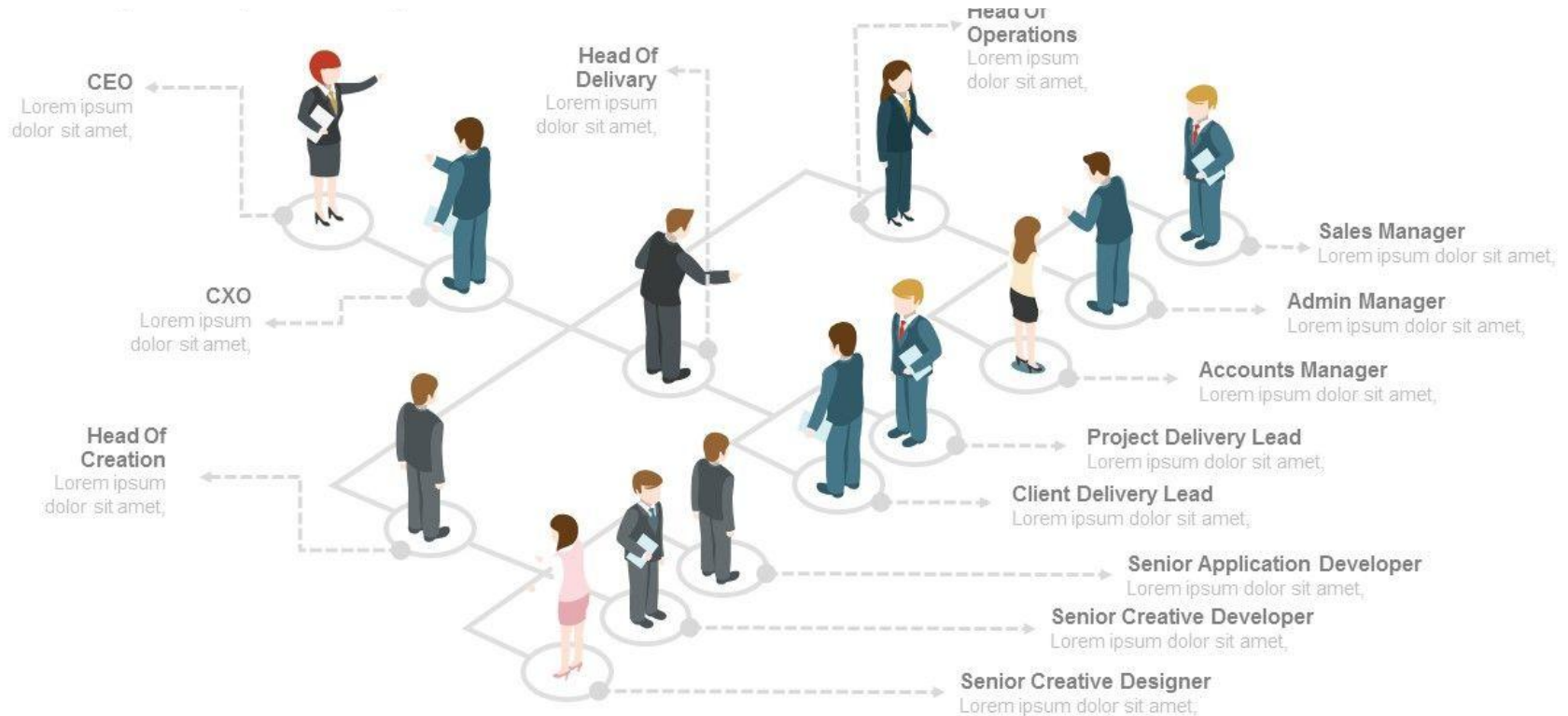
2. Cycle of Global Marketing Operations





3. The Configuration Issue

There are many organisational structures!



3. International Marketing Configurations

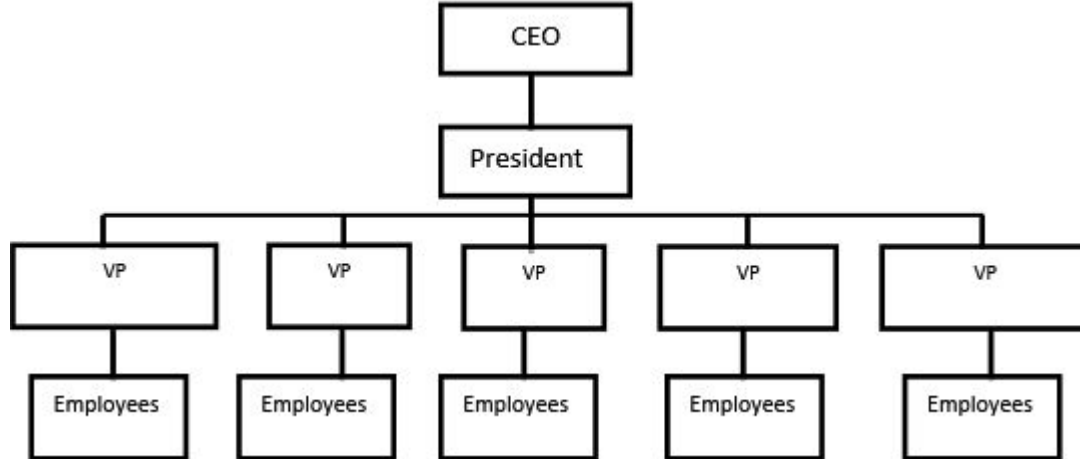
Dimension to consider when crafting organisation design:

- Scope of operations: region, country, culture, ...
- Company focus: customer focus or operation (cost) focus
- Specific (customer oriented) and transversal activities (internal oriented)

3. International Marketing Configurations

Common organisation designs:

- 1) *Pyramid or top-down* organisation: unifies company's vision and action through a clear rules or flow of command under centralized hierarchy



3. International Marketing Configurations

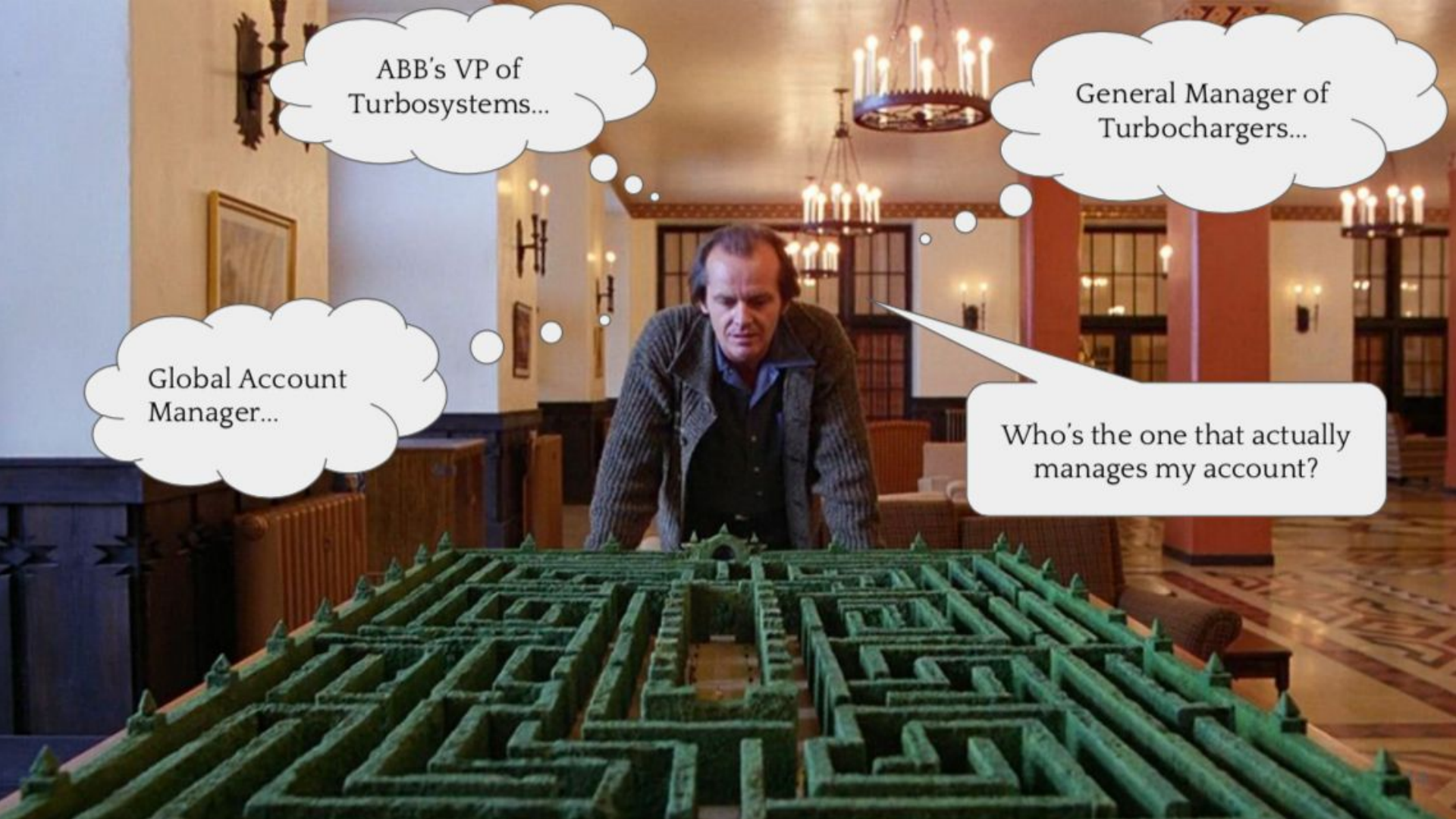


3. International Marketing Configurations

Common organisation designs:

2) **Matrix organisation**, that arises as a supranational management structure crafted to manage projects “*without borders*”, yielding staff with multiple bosses of regarding the project



A man in a grey jacket is leaning over a large, intricate green maze that fills a long table in a grand, ornate hall. The hall features high ceilings with chandeliers and classical architectural details. The man has a confused expression, looking directly at the maze.

ABB's VP of
Turbosystems...

General Manager of
Turbochargers...

Global Account
Manager...

Who's the one that actually
manages my account?

A person in a dark suit is running across a rooftop. The person's right arm is raised, and their coat is billowing behind them. In the background, a city skyline is visible under a hazy sky. Another person in a suit is walking in the distance on the right side of the frame.

What is the matrix
organisation type?

But what's the **matrix**?

“A mixed organizational form in which normal hierarchy is overlaid by some form of lateral authority, influence or communication... two chains of command, one along functional lines and other along project...”

Erik W. Larson & David H. Gobeli, 1988

*What do you miss
in this definition?*

A group of approximately 15 people are silhouetted against a large, light-colored sign that reads 'LOST' in a serif font. The scene is set against a dark, cloudy sky. The people are standing on a dark, uneven ground, possibly a hillside or a rocky outcrop. The overall mood is mysterious and somber.

Customer!

But what's the **matrix**?

*“Network of international structures, business units and country affiliates made of multicultural teams interacting between them, who influence and provide inputs to **customers** for both projects and operations ... (all at the same time)”*

Pros and cons

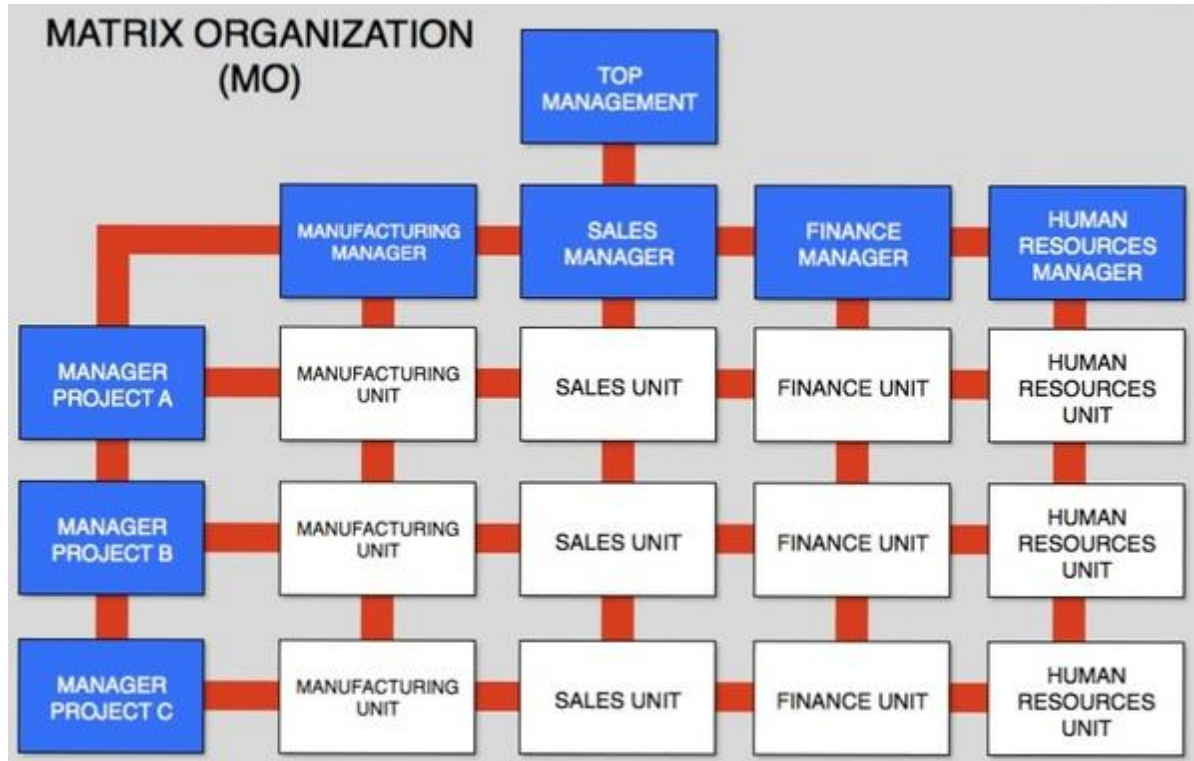
- + Knowledge available
- + Expertise for projects
- + Mutualised resources
- + Shared general exp
- + Customer oriented

- Silo mindsets in matrix
- Different targets
- Internal shared services
- Cultural barriers
- Losing customer focus

"We'll do more with less"

"Houston we have a problem"

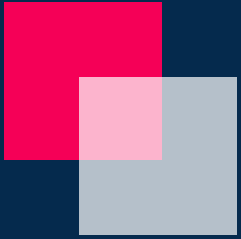
3. International Marketing Configurations



These projects (A, B, C ...) are cross-country, crafted and managed often internationally



Prof. Antonio González Ph.D.



4. The Coordination Issue

Coordination issue...

Next class!



Remember:
We r selling

24/7!

Thanks for
your attention

