

Marketing assignment

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What are the main obstacles to international expansion in this business? Is the service mobile, with competitive advantages (Offs and Sacs) Intact?

America Online Is one of the largest providers of online services In the world. Beginning in the united States as Quantum Computer Services in 1985, America Online has grown substantially in the United States and internationally. In the early stages of America Online, before it was even named America Online, the company only had a mere 100, 000 members. By 1994, America Online had reached the million- ember mark; by 1 995, America Online became the largest provider of online services and began to put their foot in the International market door. The dream of entering International markets proved to be very difficult for the New Market Operations unit in AOL international. Originally, all of the services America Online provided were geared towards the American market. Changing their services to fit the new international markets was a very difficult task. America Online began making agreements with other companies to help make the process run smoother.

America Online partnered with HP to make AOL the default setting on HP computers shipped In the united States and many other countries. America Online also signed an agreement with China Internet Corporation (ICC) to allow them to market, promote, and distribute AOL services to Hong Kong. This was a big start for America Online because if Hong Kong is successful then it could possibly give them access to the rest of China. Even though no other company offered the same services as America Online, the level of competition in the International markets was huge.

America Online had to compete with other Internet providers, telephone and cable companies. And also the local papers, radio and television stations.

The constant increase in new technology continued to bring more competitors into the market. Once America Online had made the leap into international markets like China, many more problems began to come to light. With America Online already being a massive competitor in the United States, the international side of America Online seemed to constantly be placed on the back burner and ignored. This made it dulcet for the

International side to communicate with each other and accomplish their goals. Another Issue was with the ICC, they were always falling behind schedule and neglecting certain key issues that needed to be solved. There are many more obstacles that America Online was forced to face when they took the leap into the international markets. Changing their services to fit the international markets and getting the help they needed from the already established United States branch proved to be very difficult. Video 1: Services in the international market.

America online was originally designed for the American market. Meaning all of their services were in English and fit the needs of the American consumers. AOL now has to redesign their services for the new markets they plan to enter. This includes determining the layout of their homepage or how to price their product so It is attractive to the new consumers. When AOL entered these new markets they also had translate their services to the help Jump AOL into these new markets they made an agreement with HP. Every computer HP shipped would automatically come with AOL as the default.

Video 2: Competition in the international market is fierce and rapidly growing. Even with the economic problems in the Asian market it was still very favorable for many new companies. The constant increase in new technology helped continue to bring more competition into these markets. Even though no other company provided the same services as AOL, the level of competition they faced was huge. AOL was constantly competing against Internet providers, telephone and cable companies as well as local paper, radio, and television stations.

Video 3: AOL was thriving in the United States, at the same time they were trying to penetrate new international markets. This made things difficult for the international division of AOL Communication between the New Market Operations and the upper level management of the United States division became difficult causing many problems for the New Market Operations group. The upper level management was more concerned with the problems in the United States division rather than what was happening internationally. With a lack of sufficient communication between the two groups deadlines were much harder to reach.