

Market entry mode in thailand argumentative essay

[Finance](#), [Market](#)



There are many types of entry modes into a market, such as joint venture, franchise, and wholly owned subsidiary. For our business to go into Thailand, we considered these few options and highlighted that joint venture is a preferred entry mode. One important point is the language barrier in Thailand. Though most of the Thai understand English but the mother tongue of Thailand is Thai language. In order to reach out to the entire population, communication is vital as to reach out the non-English speaking consumer or working partners.

Be it in advertisement, menu, labor and local documentation. We need the help of a local partner to understand their culture better and language in order to penetrate into the market. Joint venture benefits both companies as sharing of information and exchange of knowledge as both teams work together. The local partner has a deep understanding of the local market and strategy while we, the foreign partner, can give ideas, technology, recipes, and a different perspective. It is also an alliance between two parties to form a partnership whereby we share intellectual property, assets, knowledge, and profits.

This occurs provided both parties have a mutual trust, belief, understanding, and expanding the business. The local partners will help our business to integrate into their market and also fight off bigger competitors when both parties work together. A few advantages to go into joint venture is they have an existing customer base and we can tap into their existing market and making use of their credibility to start off. When a consumer sees us with another well-known name, they can relate the high quality of the company.

provide. (Cited from [http://entrepreneurs.About.Mom/odd/abandonment's/a/\]laundresses_HTML](http://entrepreneurs.About.Mom/odd/abandonment's/a/]laundresses_HTML)) We have Identify Bay Bread Group as our referred partner as they are in food and beverages industries and have vast experience in Thailand market and well established over the years. They own La Bouillon, a cafe and bakery which offers healthy and authentic traditional French bakery. They provide a warm and welcoming atmosphere at their stores. They pride themselves on providing freshly baked homemade specialties every day. (Cited from <http://elaborateness.Com/>) The objective of joint venture with them is to also reduce competition as a cut down in competition will result as profits.

We would like to have the control of the company shares. Our partner will have a smaller percentage of shares. However to attract them to join us, we will give them a larger percentage of profits (egg. 55%-45%) What we looking for are an expansion in the future and moving forward when the store is stable and we have an idea and skills, we can open a second outlet. There are risks Involved In Joint venture. This occurs when two partners have difference In point of view, culture and background. They may have different mindset and different way of doing things. Without trust, conflicts will happen and lead to inefficiency of company operations.