

International business case #3

Business



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INTERNATIONAL BUSINESS Video Analysis International business involves transactions between parties in different countries or regions, beyond their political divide. Due to faster transport and faster communication, the world has become a global village. This has led to the rise of opportunities for individuals as well as corporations to spend in new areas without their political divides (Hill, 2003).

To gain from such opportunities, the companies have to analyse the opportunities in order to make prudent business decisions. The following are general guidelines use to evaluate the opportunity (Wild, Wild and Han, 2011).

- i. Identifying a location's basic appeal.
- ii. Assessing the national business environment.
- iii. Measuring the market or site potential.
- iv. Selecting the single best market or site.

According to the video, there is a high demand for clothing. There are a good number of stores dealing with clothes. Hence, one has to establish whether there is demand for the company's product in that market (" The Schildergasse in Cologne").

From the video, it is established that the rent for store within that area is high. This affects the returns of the business established. Analysis of the business environment will help to establish where it is viable to set up a business premises in the area. There are different kinds of consumer in that region. A section of the consumers take into consideration the price of the products. Another section does not put much interest into the price as they do to the product. Hence, a producer can be able to know which product to introduce and their pricing (" The Schildergasse in Cologne").

It can be established that a big section of the population prefer to buy popular brand and from stores with a popular name. Hence, it is important to analyze the competitors to see how to go into the market, and which is the best site to be located. For a company to be able to penetrate the international market, they have to be able to identify the opportunities or gaps and be able to fill them. From the video, several gaps can be identified. From the respondents, it can be seen that there is information asymmetry. An investor capitalizes on the opening and introduces the same product at a more appealing price. The investor will be able to tap the consumers who do not have full market information on the products.

It can also be established that most of the clients choose to shop in stores with popular and established names and brands. This provides an opportunity for chain stores with an established name and brand to penetrate them market. It emerges that there is a section of the consumer who do not factor the cost of the product. This creates an opportunity for companies with high-end products to take foot in the market. It also emerges that a section of the population takes into account the cost of the products. This creates an opportunity for a company to introduce products of differentiated quality and prices to suit the different needs of the consumers (“ The Schildergasse in Cologne”).

In conclusion, it is clear that for businesses to grow in this global village they have to identify and take advantage of the opportunities that arise in different international markets. They have to follow a systematic approach before establishing international market as it can be the difference between success and failure.

References

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