

# International business case study examples

[Business](#), [Company](#)



## **Walt Disney Corporation**

The Walt Disney Corporation was established in the year 1923, in Los Angeles, California by two brothers Roy Disney and Walt Disney. It is in their small office that they first produced their first series of short action animated films called the Alice Comedies. The rent to their small office was approximately \$10 a month, but within four, months, the brothers together with their growing staff members moved to a larger office next door. In 1925, the brothers made a deposit for a Hyperion Avenue lot located in the Silver Lake District. Construction on their new studio began shortly afterwards. Many changes took place in the studio, in the next 14 years. The Mickey Mouse character was born in the year 1928 followed by Pluto, Goofy, and the Donald Duck.

The studio produced its first innovative full-length animated film, Snow White and the Seven Dwarfs in the year 1937. The film received worldwide success, and in order to meet the expectations of the audience, Walt decided to expand. He bought 51 acres of land in Burbank from the profits they had made from the Snow White and the Seven Dwarfs. A modern studio was designed with the main purpose of making animated films.

## **Sony Corporation**

The Sony Corporation sometimes referred to as Soni Kabushiki-Gaisha in Japan is a worldwide company known for its products in the music, electronics, computers, telephones and the audiovisual fields. The company together with all of its products is known as Sony. The Sony corporate is made up of over a hundred companies located worldwide: The Sony

Corporation of America, Sony Music Entertainment, Sony Online Entertainment, Sony Pictures entertainment and Inc. The Sony Company was founded in the year 1946 by Masaru Ibuka and Akio Morita. Ibuka was an engineer while Morita was a physicist. With about twenty employees, the two decided to start making their own products. It was not until the year 1954 that the company began to grow significantly.

### **Cultural, legal, and ethical Issues affecting Walt Disney and Sony Corporation.**

When any company is looking to expand and explore the global market, it is quite often proven to be a difficult task because of the cultural differences found in the different countries. This is because these cultural differences define the tastes and preferences of the people. However, this is not always the case. The people may speak different languages, and have different cultural beliefs, but this will not make them not enjoy Sony's music and its products or the Walt Disney's Mickey Mouse or Cinderella.

When it comes to political issues, most international businesses like Walt Disney and Sony Corporation are sometimes affected as some governments may be unstable. There may be dramatic and frequent changes or political unrest that may lead to the company's property being destroyed or seized, and the company's normal business operations are interrupted. When this occurs, the companies may incur huge losses. Even when the government is stable, changes may occur regarding the business regulations when a different administration comes into power after elections. The companies must also familiarize themselves with the laws and regulations of every country as well as the international laws and obey them. Different countries,

for example, may have different rules regarding the employees, insurances, overtime payments, and minimum wages and so on. There also may be different laws regarding product's safety and testing. Other business practices such as bribing that are common in one's country might also be illegal and may not be considered ethical, in another country.

The Walt Disney Company is committed to promoting and maintaining responsible International labor performances, when it comes to licensing and sourcing operations thorough the whole world. A wide range of international labor standards based on the code of conduct for the manufacturers have been implemented. The standards are reinforced through monitoring activities and key programs that are meant to provide and maintain education and cooperation. In order to penetrate the international market; the Sony Corporation had to pass a global policy regarding health and safety in the year 1998. This shows that Sony cares about the health and safety of its employees and customers all over the world.

## **Market entry strategies, labor issues, Site selection and Market Research**

Deciding how to enter a foreign market is very crucial to any organization as the decision made will have a significant impact on the company's success. For a company like Sony that introduced different products into the market every now and then, having a good marketing strategy in place is mandatory. This will help it stay ahead and remain competitive in the electronics business, as well as to be aware of the consumer's future needs and be able to fulfill them. Providing high quality products that add value to the customer is the main objective. The company realized that coming up

with a unified and consistent global marketing strategy that incorporates all the marketing teams from Sony pictures, Games, Sony's music and all the other businesses was the key to conquer the global market.

After a new management had been appointed in April 2012, the company focused on implementing marketing strategies that will transform the company rapidly. The strategies include:

- Reinforcing the electronic business. This includes accelerating the execution of the updated strategies in the three main businesses (Game, imaging and mobile), make the TV business profitable again, introduce new businesses such as security and medical to ensure growth and improve the company's business portfolio.
- Continue strengthening the profitability in the financial and entertainment businesses.

In order to reach the global market, the Walt Disney Company incorporated the following marketing strategy: Licensing, Foreign outsourcing and direct investment. Since labor and infrastructure expenses are higher in the United States as compared to other countries, the company decided to adopt the foreign outsourcing strategy so as to reduce the cost of production. The company's main factories are located in the Asian countries especially China, where the products are made and then distributed to the other stores worldwide. The stores located globally have licenses that allow them to sell the products. The direct investment strategy allowed the company to purchase investments such as resorts and amusement parks. The past few years have seen the company focus more on establishing foundations for growth in the Latin America, India, China and Russian markets. The company

is also focusing on Europe and Japan with an intention to serve the customers better while including more local values in their entertainment.

Figure 1: Sony corporation Income statement evolution  
Figure 2: Walt Disney Income State evolution

The figures above show the companies' income statement evolution. The income statement evolution shows the company's earnings from a particular time. For the Sony Corporation, the period is between the year 2008 and year 2016 while that of the Walt Disney Corporation is between year 2008 and 2018.

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