

# International dimensions of business task

Business



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My name is Mark Johnsen and I am a 17 year old student currently studying my A2 Applied Business course at St. Francais Xavier 6th form.

Me and my classmates have recently began a new assignment called 'international dimensions of business' and during the 4 different tasks of this unit, I will be completing a full investigation of at least two businesses with an international presence (one European & one Global) with a comprehensive comparison of the similarities and differences between them, I will be researching and analysing the reasons behind why one of my chosen businesses decided to develop an international presence, I will fully explore the way the behaviour and actions of one of my chosen businesses is influenced by the impact of international businesses as a whole, I will complete a full evaluation of the influence and growth of an MNC and last but not least, throughout this unit, I will also be studying a variety of international organisations and their role in helping to promote trade and growth in a global activity. Basic reasons why businesses (British Airways and RyanAir create an International Presence

Before I begin to compare and go into depth about the two businesses that I have chosen, I will firstly begin with some of the basic reasons as to why British Airways and RyanAir may have decided to try to expand onto the international scene and explore some of the benefits that working on a European and global offers to both of them. When a person(s) decides to enter a product or service into the market, more often than not it will come into his/her mind to potentially expand onto a global scale and this is because it offers so many more luxuries and possibilities than working in just one nation. I will now use the early part of the task to give examples and

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explain some of the temptations that push business owners into the international market just as it did with British Airways and RyanAir. Growth And Expansion When a new company enters a particular market, growth is always one of the basic aims.

The growth of a business means the more renowned and recognised it is becoming wherever it may be that it is located - meaning having higher growth levels in more locations only means more success for business owners and the business itself and this is what most likely was the attraction for British Airways and RyanAir. No matter how successful a business becomes, owners will always be looking for opportunities to expand and if dominance and success has already been achieved in the business's home nation (England and Ireland), then that is when businesses begin to look abroad for new these new opportunities and new markets, If the chance to expand your business's range arises, businesses must complete some necessary research to asses the risks and benefits that would come with selling globally.

An example of the type of research that would need to be carried out is demand for the product/service being offered - if an established Russian potato company had the chance to expand to the UK, they would have to research to see if demand for potatoes in the UK was high to asses whether it could be seen as a huge benefit to the company or a massive risk in the sense that not as many people would buy them as people done so in Russia. The same would apply to both British Airways and RyanAir, before they decide to expand into a new country e. g. - Japan, it would be necessary and responsible to check if demand for flights in Japan were high because if they

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weren't, then it would be a waste of time and money to try and develop there along with it having a negative effect on their overall market share.

However, if demand for flights was high then the introduction of a new airline would be most likely welcomed by the population and therefore likely to be a success.

Along with the need to check if demand would be high, there would also be the need to check which are currently the fastest growing economies as this is a more suitable home for a new product to enter and would also enable the product/service to have a higher chance of success here. So for example, as can clearly be seen by their advertisements and prices, British Airways target people who are unconcerned with price and more focused on the quality of their flights so moving to a country with a slow economy such as Pakistan would be a disaster because simply the majority of people would not be able to afford to use the service. Another example of this could be Russia, India and China.

At the moment, these three countries' economies are three of the fastest growing economies in the world and that is why it would be a good move for a new company looking to expand and grow to move to these areas, because as their economies grow, the basic standards of living of normal civilians grow which could lead them into looking at more superior (substitute goods) to the ones in which they are used to, meaning products and services from nations such as the UK and USA. Raising Profits and Market Share Out of all the reasons for wanting to expand onto the international scene, gaining higher profits and obtaining more market share are probably the most obvious.

Put very simply, working in a multinational market as opposed to an individual country provides the opportunity of more customers - meaning the opportunity of more sales (turnover) and this in my mind was not doubt the reason for BA and RyanAir's wanting to expand onto a global and European scale.

Along with this, expanding internationally gave RyanAir and British Airways the opportunity to work in a more demanding and competitive market as they will not only be battling for the most market share of a market in e. g. - the UK, they will be competing for the most market in a specific continent and on a world scale market which is likely to increase efficiency and work productivity of workers. To add to this, with the chance to increase sales will come the chance to cut costs and being able to achieve this whilst increasing revenue will generate large amounts of profit for both companies.