

International marketing in foreign market flashcard



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Besides that, the market entry and product strategy will be discussed on. A further discussion will be array out on the distribution, pricing and promotion strategy for Domino's Pizza in entering Manner market. The report will be ended with the forecast of three years sales and marketing expenses. In the STEP discussion, the Domino's Pizza will be target on the Married Family segment as it is the best segment which the Domino's Pizza can actually maximize their profit earn from it.

For the market entry method, the most appropriate way for Dominoes pizza to enter the Manners market is through a local business partner and the establishment of franchise outlets in the country. On the other hand, the product strategy which Domino will Implement is the standardization strategy on the product. The Domino uses the penetration of pricing strategy In Minimal entry In Manner market by offering coupons and discount which makes the price of the Domino pizza relatively lower than others price offered by other fast food industries.

This will eventually increase the brand awareness and market shares of the fast food line. But at later stage, Domino can switch back to market pricing strategy by following what the price offered by the fast food market. The forecasting of sales revenue and expenses, expects Domino to recover its initial investment and earn a healthy return on investment within the first three years.

Thus, it was recommended that Domino's Pizza should target just- married families as the initial target audience; acquire the position of excellence in both Cleanliness and Family Oriented In the consumer's mind; enter

employing a franchising as the entry strategy; use both standardized menu items and localized favorites; employ the strategy of Penetration pricing for early stage and market pricing at later stage; follow the principal of “brand globally, advertise locally”, communicating standardized messages coded for local comprehension, in order to successfully penetrate the Manner market.

1. 0 Introduction * 1. 1 Purpose This report aims to offer comprehensive marketing guidance to Domino's Pizza in its effort to enter the Manner market. The segmenting, targeting and positioning process is followed by a marketing plan which identifies, discusses and evaluates strategic issues in market entry and across the marketing mix. A forecast of expected profitability is also illustrated. Hence, recommendations are made on Domino's Pizza can best enter this market. * 1. Marketing problem Table 1: Marketing Issues and Framework for Resolution Marketing Issue | Framework for Resolution | Identifying the ideal target market for Domino's Pizza to enter Manner with is an analysis will be conducted and Domino's Pizza will be positioning themselves suitably in the mind of their target customer. | The market entry method chosen by Domino's Pizza will have a significant impact its subsequent performance. | An evaluation of the local Manner environment and Domino market entry strategy in

Manner will allow the selection of an ideal target market. | Domino's Pizza menu is standardized to an extent, but does have unique local adaptations, depending on the location. | Manner's local palette will be studied, and the ideal balance of standardized and localized will be decided. | Domino's Pizza must identify the ideal location to open its outlets. | Based on the target

audience and the areas of the city they frequent key locations will be identified.

I Domino's Pizza faces the issue of finding a price that will aid in the recovery of its investments and also provide value to the customer. I With the target market in mind, Domino's Pizza can create an efficient pricing strategy. I Domino's Pizza needs to promote itself to this new market, where brand awareness is low. I By following the six steps of promotional strategy marketers can arrive at the optimal promotion mix of advertising, consumer promotions and PR. I Domino's Pizza performance in Manner needs to be forecasted prior to any significant decisions being made.

I Using information found through the environmental analysis a realistic revenue/expense forecasting and trend analysis will be performed. I * 1. 3 Marketing context * 1. 3. 1 Location The following report identifies Yang as an ideal point for Domino's Pizza' market entry efforts, as this part of Manner exhibits the highest disposable income, familiarity with international trends and brands and has high pervasion of media vehicles. * 1. 3. 2 Population Yang has a population of approximately 6 million people of a nationwide total of 86 million.

It also boasts an income per capita of \$2000, in comparison to the national average of \$640. * 1. 3. 3 Currency Manner uses the Burmese stay (MGM). At the time of writing, 1 EURO was equivalent to MUKLUK source: <http://fax-rate.Net/Else/MGM/> 1. 3. 4 Environmental Analysis Table 1: Table of Environmental Analysis Economic Environment I * Annual disposable income has risen over time, which is expected to trigger an increase in expenditure

on food and eating out. * Purchasing power of consumers has increased. The GAP and FAD of Manner is showing a healthy sign trend. I Culture environment * Eating out is seen as a social display of distinction. * Tendency towards collectivism result in the enjoyment of family meals. * Market for western food is showing increasing demand from an emerging class of wealthier locals. I Political environment I The government has improve the international investment into the country which relatively easier for foreign investor to start a business in Manner. The fair and facilitates the ease of remittances to home country. I * 2. 0 Marketing Plan * 2. 1

Segmentation The segmentation of Yang population, based on similarity of needs and characteristics (Coffman, Bedlam, Coca's, Paladins, Ward, & Kane, 2008), will enable Domino's Pizza to select the most advantageous customer to target. * 2. 1. 1 Selection of Segmentation Bases Selection of the bases on which the segments will be classified is the first step of segmentation (Coffman, et al. , 2008).

Table 2: Selection of Segmentation Bases Segmentation Base I Reason for Selection I Geographic I The location of the outlets is very important depends on the segment of consumers which going to be targeted. I Demographic Factors I Age I Age of the consumer is important as it affect the marketing mix like promotion, message to be send to the consumer and other important factors. I I Marital I The marital status often determines a consumer purchasing behavior. I Status I Occupation I Occupation levels/status of the Burmese will determine the demand for Domino.

I I Income I Income level of the target consumers is important factor due to range of reasonable price needed be set to target the maximum number of
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consumer on the target segment. I Cryptographic I Lifestyle I The lifestyle of the Burmese is major factor as it determine the food of choice, behavior spend on food and the occasion of trying different foods. I I Socioeconomic Status I Consumers of varying levels of socioeconomic status will perceive the value provided by Domino and hold different preferences and engage in different buying habits.

I User Related Segmentation I Awareness Level I The remissions going to be done by domino will depend on whether the market it operates in is aware of the company and it's product range. I User-situation Segmentation I Person I Whether and among whom the product is shared can have an impact on the buying patterns of consumers, especially in the fast food industry. I Benefits Sought I Benefits sought are a significant indicator of whether the expectations of the market are suited to Domino's meals and if the company can cater to its needs. * 2. 1. Domino's Market Segments Table 3: Analysis of Market Segments Market Segmented-notation Base I Youngster I Just-Married family I Elders I Geographic I Suburban and urban Yang I Suburban and urban Yang I Suburban and urban Yang I Demographic Factors I Age | 18-27 years | 28-35 years | 36-40 years I I Occupation I Student; white-collar; blue-collar I Professional; white-collar I Professional; white-collar I I Marital I Single; married I Married I Married I I Income I Low to medium I Medium to High I Medium to High I Cryptographically I Lifestyle I Joyful life.

I Family First. I Children first. Socio-economic Status I Upper-middle; middle I Upper-middle; middle I aware I Unaware; aware I Unaware; aware I User-situation Segmentation Person I Self; Friends I Friends; Family I Family I

Benefits Sought I Social Acceptance Convenience Value-for-money I Safety
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Quality Convenience Healthy | Counterrevolutionaries-for-money | * 3. 0

Targeting While segmentation reveals the several market segment opportunities available to a firm, targeting involves the evaluation and selection of segments that it will serve (Kettle, et al. 2010). Domino's Pizza would therefore have to utilities the process of targeting to illuminate advantages like such as localization and ownership advantages that it could use to minimizes costs and maximize profitability (Denis, 010). * 3. 0. 1

Evaluation marketing segments * Segment Size and Growth Domino's Pizza needs to carefully analyses and research on each of the population segment size. By doing this, the firm can project the sales growth and profit margin for each of the identified market segment (Kettle, et al. 2010). * Segment Structural Attractiveness Domino's Pizza can determine the segment structural attractiveness by analyzing the segment with the Porter's five force analysis. There are 5 main factors that may affect the attractiveness of a segment include current and potential competitors, threat of obstruction, power of suppliers and power of buyers, among others (Kettle, et al. , 2010).

* Company Objectives and Resources Domino's Pizza should need to take note of the available of the resource and the capital available.

If the segment targeted is satisfy with the company objective and criteria, the firm should only pursue the segment if the firm have the full capability to offer superior value and competitive advantage over the competitor (Kettle, et al. , 2010). * 3. 1 Selection of Target Market Selecting an effective target segment involves intense research on the consumer rends and behavior within the target market and the segment attractiveness is then to be calculated (Kettle ; Levy, 1969). Table 4 below shows a detailed description

of the target market segments chosen within the Manner market for Domino's Pizza.

Table 4: Selection of Target Market Marketing's I Youngster I Just- Married family I Elders I Competition I The brand loyalty in this segment is moderate since the consumer at this age stage will have the behavior of trying new things so they won't stick to a brand and limit their choice. But since Domino's Pizza having a better reputation this makes the nonuser has the sense of higher social class status compare to the local teashops. So there is a potential for Domino's Pizza to target this market.

I Due to these consumers acting in groups/families, there is a great possibility of brand loyalty being formed if they accept Domino Western pizza. Currently in Manner there is no large international fast food store like KEF or McDonald due to the investment restriction. Now there are only two main competitors on fast food line which are Marry Brown and also the local teashops who also offer fast food meal trying to target this segment. But due to Domino is having a better reputation, it seems Domino's money is more important as spending may be limited due to the family at this stage will have more burden compare to others segment.

They might need to save up money for their children future education.

Therefore, Domino's Pizza may face some competition from brands offering cheaper alternatives. I Substitution I Given that this group not having a high brand loyalty and they tends to keep changing. So threat of substitution is high due to if another significant brand enters the market, these individuals may leave Domino's Pizza. I While high quality food and other dining

alternatives pose a threat of substitution, the majority of this audience that purchases Domino's Pizza has a specific desire for a Domino's Pizza.

I This segment consumer are unlikely spend a lot on food so any prices reductions by other competitor will be a treat for Domino. I Power of Buyers I The consumer in this segment has notable amount of disposable income due to having already begun to do well early in their lives. Without any obligations or attachments such as families, these individuals have disposable income and therefore, greater buying power. I As most of the members of this segment have already acquired a generous amount of elate, their buying power is quite high making it ideal for Domino's Pizza to capitalize on.

And they don't have much burden on family since this group of consumer are mostly in early stage of marriage I This group of consumer does possess notable amounts of wealth, but due to future family plan and saving burden so they need to control on the spending. I Company Objectives ; Resources I Domino's Pizza will need to put some effort in targeting the consumer in this segment. This is due to the promotion and strategic plan is needed all the time to keep the attention from the consumers.. I This is a group Domino's Pizza already assesses a general knowledge of how to deal with.

Attracting the more affluent families should therefore not be much of an issue with a few changes being made to the brands style, perceived quality and distribution competence. I This segment will be a hard time and many resources are needed to attract them since they are price consciousness. I A market's attractiveness is depending on the segment's identification,

measurement, stability, and accessibility. In determining the number of segments that the company should focus on, the process of targeting balances their resources and capabilities Blobs ; Dib, 2000). The chosen target market for Domino's Pizza is Just- Married Families.

This segment has better potential in maximize its profits of Domino's Pizza earns. Just- Married Families will be the target consumer for Domino's Pizza due to they have high brand loyalty and more spending power. Besides that, it will be an easier Job for Domino to target this segment of consumer as Domino's Pizza already possesses experience and knowledge on target the family group of consumer. 3. 2 POSITIONING Positioning, while complimenting the company's segmentation strategy and selection f target markets, is the essence the marketing mix of the company (Coffman, Bedlam, Coca's, Paladins, Ward, ; Kane, 2008).

The core concept of positioning is to appropriately communicate and promote the product's image in the customers' perspective, as well as to differentiate the image from its competitors in order to have differentiate its brand name in the mind of the consumer, in terms of attributes and benefits (Kettle, et al. , 2010). While optimally positioning Domino's Pizza in Manner is important. Domino's Pizza need to create its own image brand which is unique in the consumer mind set.

For example, when the consumers visit a Domino's Pizza outlet, they should instantly feel that they enter a top and tasty fast food pizza store in Manner. Therefore, when Domino's Pizza enters to Manner market, the local positioning must embody the umbrella strategy of the company. Domino's

Pizza should position themselves as “best for my family” at the introductory stage of its lifestyle in Manner. With this strategy help Domino’s Pizza excellence on two attributes of utmost importance to the target customers which are the Family- Orientation and Perception of Cleanliness. . 2. 1

Perceptual Map A perceptual map is applied to identify factors differentiating brands and analyze competitors’ position while illustrating the gap in the segment market (Kettle, Brown, Burton, Deans ; Armstrong, 2010). Figure 1: Perceptual Map illustrating the desired position of Domino’s Pizza in Manner. The above perceptual map identifies the current perceived locations of the main competitors of Domino’s Pizza on the attributes of Family Orientation and Perceived Cleanliness.

Western food enjoys the perception of being high in cleanliness. Further, fast food chains in Manner are targeted at single martial tastes. Domino’s prime position in the top right of the quadrant position it hopes to occupy in the mind of the consumer, in relation to its competitors. 4. 0 **MARKETING ENTRY STRATEGY** The entry method or strategy that is chosen by a company when venturing into a new market, segments in their global expansions, seems to be an essential component that needs to be considered at all times.

One of the successful marketing entry strategies in the fast food industry is franchising, it gives the right to the franchiser to conduct business in a specified manner under the franchisers name in turn for a royalty payment which will be provided by the franchisee. 4. 1 **Application to Domino’s pizza** The most appropriate market entry strategy for Domino’s pizza to enter the Manner’s market is through a local business partner and the establishment of franchise outlets in the country.

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Domino's pizza operates predominantly through franchising while only 10% of Domino's pizza outlets worldwide are the company's own (Domino, 2012).

The current franchise market in Manner is still fairly small however it is expected to grow as it has a stable growth in GAP and other economic actors. Local investors and potential franchisee partners in Manner are becoming more familiar with the US franchising concept, as now they are better exposed to them thus enabling Domino's pizza to sustain a smooth flow of operations when entering Manner (Finniest, W, ; Sims, 2005). . 2

Advantages of franchising Through establishing franchise outlets Domino pizza will eliminate the risk that most business owners face, due to reasons such as responsibility for investing capital and acquiring space for the restaurants and day to day operations outlets which expenditure and tie requirements the will arise to reduce the risk that is expected to appear in the foreign market. In additional the franchisee has access to accumulated business experience and technical know-how in managing the business.

Therefore Domino's pizza will be conducting training for the local employees; hence it could be assured that the level of service and standards given and passed onto the Manner's consumer will be of their global standard

(Leafleting, 1992). 4. 3 Considerations Domino's pizza needs to consider the rules and regulation required by the overspent of Manner to register the Franchise under the Ministry of Trade. In addition when entering Manner Domino's pizza should be certain that the benefits from operating in an unfamiliar environment should outweigh or be in surplus as oppose to the possible disadvantages from doing so.

However, continuous monitoring is required by Domino pizza to make sure standards in food and safety are being adhered to by the Franchisee (Than, 2001). 5. 0 PRODUCT STRATEGY Each day, more than 1 million customers enjoy hot, delicious Domino's Pizza products on every inhabited continent on Earth, because they operate over 10, 000 stores in ore than 70 countries; each and every store dedicated to their focus of providing great-tasting pizza – whether it be delivered directly to your door or available for carryout.

We pioneered the pizza delivery business back in 1960, and the total system sells more than 400 million pizzas worldwide every year (Ludwig & Seller, 1991) Domino's Pizza has shaped their marketing strategy into a juggernaut that has enjoyed nearly half a century of success. Currently a market follower? second only to Pizza Hut? Domino's longevity and rapid rate of growth is due largely to their ability o establish, maintain, and remain true to their original marketing mix(Mjhealthcare, Lei's, ; was able to survive through the financial crisis and ranked as the second-largest pizza player in the market with \$6. Billion sales worldwide in year is highly recommended that Domino's maintain this strategy whilst entering Manner's market. The following shows Domino's pizza product at its levels (Core, Actual & Augmented) and highlights the objectives that Domino's pizza should retain to ensure their customers continue to receive a superior experience. Levels of Domino's pizza Products Core I The advantage of a convenience place to eat, high quality food and affordable price.

I Actual Items in the menu egg: Classic Hand Tossed, Crunchy Thin Crust, Artisan and Handmade Pan pizzas and special Menu for vegetarian and non-vegetarian, Quality outlets for in-house dining. I Augmented I Superior
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service provided, welcoming environment and Cleanliness. | Source:

Domino's. (2013, Amyl 5). Menu. Retrieved May 15, 2013, from domino:

<http://www.domino.com.my/> With the standardized part of the product strategy laid out, the next step is to identify what factors should be adapted or added to the menu.

This step, product adaptation, is crucial, as multinational corporations usually require some level of adaptation for reasons such as different consumer tastes/preferences, laws/customs different needs of its customers for instance, in Manner religious requirements plays big role in the reflection of food, the religion of Manner has been heavily influenced by Buddhism because 89. 2% of the population are Buddhist. Moreover some of the Buddhism believes that the eating of beef is prohibited according to their religion (Sober, 2012).

Therefore there must a special requirement provided y Domino's Pizza such as vegetarian pizza. However comparing to the home country USA they are not restricted to some requirement because. Another adaptation that Domino's Pizza could implement is to ensure that like Malaysia, their restaurants are hall. The purpose of all this is to ensure that not only is the Domino's Pizza product provided, but that it essentially provides the changing benefits to the changing needs and demands of the customer (Belch & Belch, 2009). . 0 Distribution Strategy Domino's Pizza establishing a strategic distribution n Manner plays a crucial role in part of an organization that serves as a key revenue-generating which is able to lead Domino's to a long term of success due to the capability of delivering their products

effectively to the potential customer (Burette, Engel, Mueller & Suchlike, 2010).

This indirectly will help create a publicity to the local market by drawing the local consumers' attention which able to increase their sales volume as well as to stay competitive in the market against other competitors. The selection of an attractive location for Domino's to establish their restaurant is very important to their reference whereas having a strategic location for the restaurants may result in increase of market share, sales revenue and high liability (Durables, Sahara & Andrews, 1992).

It is an ideal location for Domino's to setup their restaurants in a commercial area, which a lot of people could visit their restaurant during lunch and dinner hour. Besides that, setting up the restaurant in place which consist and concentrated with people and tourist such as the malls will be able to draw high consumer power by targeting customers that visit to the mall. In order for Domino's o maintain a good reputation in the eye of public, the hygiene level of the restaurants serving the customers must be high.

Not to forget the Nonpaying airport, as tourist entering the airport with a nicely set up Domino's Pizza restaurant will be able to attract them to dine in. The establishment of cleanliness towards the restaurants, employees and food by Domino's is by which a common decency and meet the requirement of the consumer's health (The Lancet, 1945). Through creating such cleanliness and comfortable ambiance in the restaurant will be able to win the customer's heart and maintain their regulars.

Domino's has to introduce a whole new experience of fast food in the Manner's market while establishing their distribution strategy. Domino's will consider the consumer's convenience to dine in and to obtain their needs, as to target a larger consumer base, they will provide some service amenities such as children's playground in the restaurant, drive in as well as delivery services.

Efforts to establish Domino's distribution strategy in order to penetrate the Manner's market as an expansion in the fast food industry will be set up in locations with concentrated customer and tourist, commercial area as well as the city enter which will be more populated and this will aid in brand awareness to catch the consumers' attention in order to expand the market share in Manner as a foreign fast food industry. 7. Pricing Strategy to a few elements and factors as well as the competitive entry which will be a measure to their revenue and cost implication whereby Domino's pricing strategy will be a long-term market structure which helps to sustain the business (Ellison, Miser ; Nair, 2012). As Domino's hope to enter Manner's fast food industry by obtaining a higher market share, they have to recognize the local competitive environment, where by developing pricing strategies it will have a significant impact on the global market.

Domino's will have to adopt the various pricing strategies in order to maximize their profit which is recognize as the " Price Skimming" and " Penetration Pricing" pricing strategies. Therefore, Domino's develop a skimming strategy will pull off a high reference price, followed by penetration strategy will obtain a lower reference price (Lowe ; Albert, 2010).

By means, price skimming will set high initial price in order to recoup their cost, while penetration pricing will set a low price to gain market share.

By comparing both of the strategies, it is highly recommended that the penetration pricing strategy is more suitable for Domino to implement the which will help to obtain the local market share in Manner in exchange. Indirectly, Domino's will be able to change the perception toward the affordability of the local consumer and the value the customer gained in return of purchasing from Domino's. Besides that, they will be able to sustain the firm in the competing environment of the local Manner fast food industry in terms of price offering and their cost base.

In another way, the pricing capabilities will determine the firm's performance, for Domino's that gains the market share and changed the perception and value of the local consumers, they have the capability in playing a fundamental role which indirectly enables them to gain competitive advantage and profitability, which resulted in a positive productivity for the firm although lower price of pizzas is introduced in the market (Liz ; Hindquarter, 2013). Through analyzing the pricing strategies, as a consumer they are more willingly to spend on Domino's by which understanding the value gained from their purchases.

Jonathan PART = promotion + forecast Recommendations: The following list is the recommendation for Domino's Pizza to enter the Manner market: * Establish a clear perception for the customer in mind that Domino's Pizza serves the best pizza in terms of hygiene and freshness of pizza; * Prepare menus that are more acceptable to the culture of Manner; * Setting up

strategic Domino's restaurant location that will be able to deliver the demands and needs of customer in time; * Target the potential Domino's customer, create brand awareness and highly promote the brand by conveying a clear message to them through advertising.