

Global marketing entry strategy for thorntons marketing essay



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In the nearly five hundred years of history, no food can conquer the world so quickly to every corner like chocolate, “ You cannot refuse chocolate just as you cannot refuse love”. Chocolate has a long history in Europe, it represents the royal and noble in the past, and now, it’s synonym of taste, genuineness and love.

Thorntons is now the largest confectionery company and chocolate manufactory with long history in the United Kingdom. It was established by Joseph William Thornton at Sheffield in 1911. (Thorntons, 2010[online]). And today, Thorntons owns 377 shops and 222 franchises (Thorntons, 2010) together with internet, mail order and commercial services. In addition, as a public company, Thorntons become a £210m+ turnover company with more than 4000 employees based in Derbyshire (Thorntons, 2010[online]).

In China, majority China’s enterprises pay more attention to public relationship, especially with stakeholder like government. In addition, China’s companies spend a lot of money on dealing relationship with government official. However, most of western companies, including Thorntons, focus on management.

Government of China welcome FDI and foreign investment come to China, and there are many policy supports foreign company, like 0 rent of land for 1-3 years, provide discount on electricity and water fees, give start-up capital and some benefit on taxation.

From the Porter’s point of view that there’re 5 competitive forces which influence an industry. The 5 forces are threat of new entrants, bargaining power of suppliers, threat of substitute products or services bargaining

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power of customers, and jockeying for position among current competitors (Porter, 1991). And these 5 forces are applied in industry analysis to help making decision as follows:

As analysed above, what china attract to invest is: 1. China's stable economy environment, china had seen a rapid development speed in GDP. 2. The support of policy, china's government welcome foreign investment to help improve the economy, and it provide many policies to support foreign enterprise. In addition, Cameron had signed a lot of document on business cooperate, and it is of significance to UK enterprise like Thorntons. And the most important factor, the large and promising market demand is another factor which china is attractive to invest in.

From the external and internal analysis above, it indicate that china offers more opportunity than risk. China enjoys a rapid developing business environment, welcome foreign investment, and provides a series of supporting and benefit on taxation, rent and other fees. Furthermore, form Thorntons itself, Thorntons has the ability to enter china's market. Firstly, the cost advantage, Thorntons did chocolate for decades. And according to learning curve, Thorntons has the cost advantage over other competitors. It also goes for technology. And Thorntons has variety of production, and it poses advantage on differentiation competitive advantage over other competitors. Thorntons creates the cost, differentiation, technology competitive advantage over others, and the business environment of china is great. Consequently, Thorntons is ready to entry china's market.

As for the market entry of Thorntons, Joint venture is the best way. Firstly, Thorntons is a public company owned large capital, it can take the risk. Moreover, china is a promising market, and in order to get high profit, Thorntons should get high level of control. Thirdly, as analysed above, Thorntons is not familiar to china's environment and way of dealing business, so to seek a good partner is necessary. In addition, Cadbury entered china's market utilising Joint venture, and achieved succeed. As a similar UK company with similar culture, management knowledge, the success of Cadbury can give a significant and useful example and lesson to Thorntons. Joint Venture is the best way for entry.