

Part II

DECIDING WHICH MARKETS TO ENTER

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Part II VIDEO CASE STUDY

Land Rover: Which markets should be selected for the new Freelander 2

Land Rover (www.landrover.com) is a British all-terrain and multi-purpose vehicle (MPV) manufacturer based in the UK. Originally the term 'Land Rover' referred to one specific vehicle, a pioneering civilian all-terrain utility vehicle launched in 1948, but it was later used as a brand for several distinct models, all four-wheel drive versions.

Land Rovers, particularly the commercial and military models, became popular throughout rural areas and in the developing world. Since the 1970s in most remote areas of Africa, South America, Asia and in the Australian outback the Toyota Land Cruiser and Mitsubishi Pajaro has overtaken the Land Rover as the utility four-wheel drive of choice, probably because they are cheaper to buy and a better parts network service is offered by Japanese competitors. However, in many of these remote areas Land Rover is trying to regain lost sales and in many places succeeding, even with a higher purchase price compared to its Japanese competitors.



Land Rover Freelander 2

Since Ford bought Land Rover from BMW in 2000, Land Rover has been closely associated with Jaguar. In many countries the two share a common sales and distribution network (including shared dealerships), and some models now share components and production facilities.



Land Rover Masai advertisement

Today Land Rover employs 8,000 people and supports a further 30,000 jobs in its supply chain.

In June 2007, Ford announced that it planned to sell Land Rover, along with Jaguar. On 26 March 2008 it was announced that Ford Motor Company had sold Jaguar and Land Rover to Indian conglomerate Tata Group (Tata Motors) for £1.15 billion.

Watch the video before answering the questions.

Questions

- 1 Which environmental factors would mostly influence future sales of Land Rover four-wheel drive models?
- 2 Which screening criteria would you recommend for Land Rover's future market (country) selection after they have been taken over by Tata Motors?

Source: Video accompanying the text, www.landrover.com

Introduction to Part II

After considering the initial phase (Part I, The decision to internationalize) the structure of this part follows the process of selecting the 'right' international market. The political and environment (Chapter 5) and the sociocultural environment (Chapter 6) are used as inputs to the process from which the output is the target market(s) that the firm should select as a basis for development of the international marketing mix (see Part IV). The structure of Part II is shown in Figure 1.

As Figure 1 shows, the environmental forces presented in Chapters 6 and 7, provide the environmental framework that is necessary for the following:

- the selection of the right market(s) (Chapter 7);
- the subsequent development of the global marketing mix.

The discussion following Chapters 5 and 6 will be limited to the major macro-environmental dimensions affecting market and buyer behaviour and thus the global marketing mix of the firm.

Figure 1 The structure and process of Part II

