

Part I

THE DECISION TO INTERNATIONALIZE

Contents

Part I Video case study

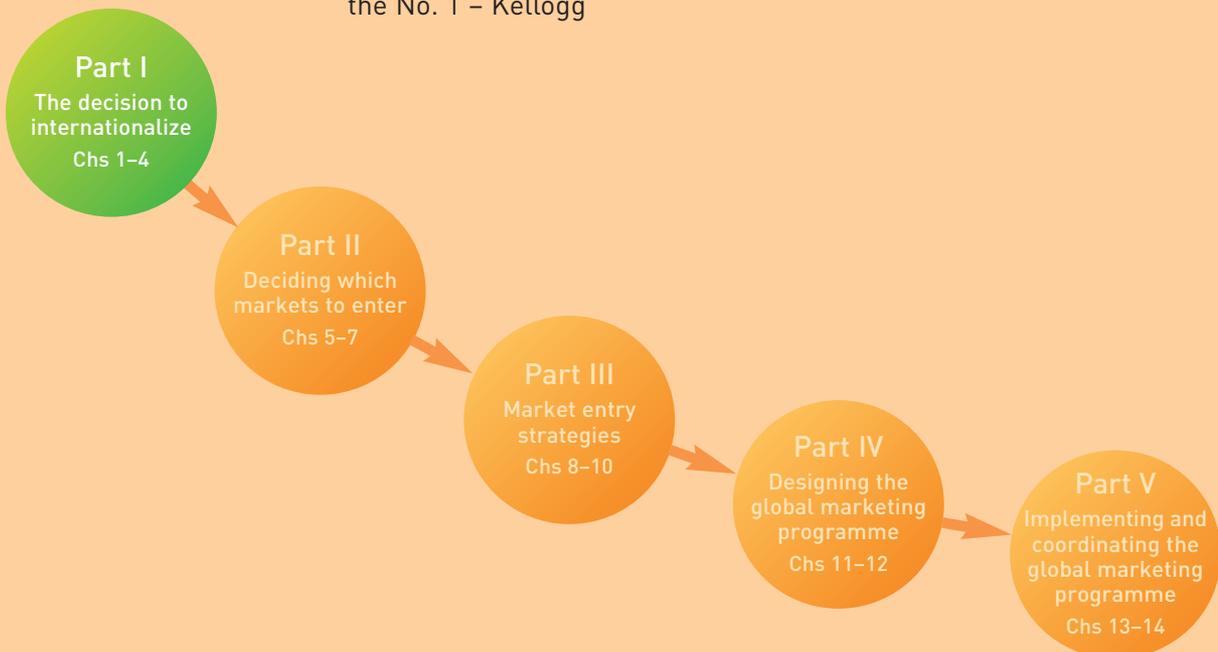
Acme Whistles Ltd: An SME is globalizing its whistles sales

Introduction to Part I

- 1 Global marketing in the firm
- 2 Initiation of internationalization
- 3 Internationalization theories
- 4 Development of the firm's international competitiveness

Part I Case studies

- I.1 Manchester United: Still trying to establish a global brand
- I.2 Cereal Partners Worldwide (CPW): The No. 2 world player is challenging the No. 1 – Kellogg



Part I VIDEO CASE STUDY

Acme Whistles Ltd: An SME is globalizing its whistles sales

In 1883 Joseph Hudson, a toolmaker and violinist, began making gadgets to sell. One of the things he made was whistles. Prior to that time whistles had been used as musical instruments. After observing British Police having a hard time communicating with rattles, he realized that his whistle could be used as a tool.

Today Acme (www.acmewhistles.co.uk) is the world's largest and most famous producer of whistles. Its patented designs are standards in loud noise production. The name 'Acme' comes from the Greek word 'acme', meaning a high point. This indicates that the whistle is a tool for producing a very high decibel level.

Acme's first whistle for Scotland Yard was nicknamed the 'Thunderer' and it is still Acme's best-selling brand, with 200 million sold units. Acme is particularly famous for the production of the Titanic whistles, which were subsequently used in the film *Titanic*. This resulted in a significant number of orders for reproduction whistles manufactured using the original tooling.

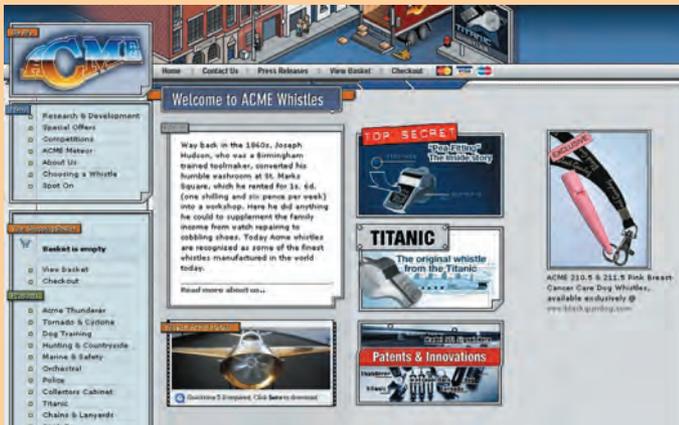
Today Acme, employing about 50 people, sells about 6 million whistles per annum to about 120 countries world-

wide. It has made over a billion whistles altogether. While most today are made of plastic, the original whistles were made from folded brass strips. In addition to the 'Thunderer', Acme makes varieties of bird calls, dog calls, safety whistles, sports whistles and party whoopers.

Acme Whistles has both B2C and B2B customers. Its B2B customers range from sporting bodies, safety organizations and security organizations, for example, NATO forces, the UN, Royal Life Saving Society, International Mountain Rescue Council, Boy Scouts of USA, Singapore Police, Canadian Hockey, Hong Kong Lifeguards Association and NFL.



Acme Thunder 1



Acme whistle website

Watch the video before answering the questions.

Questions

- 1 Which parts of Acme Whistles' value chain are centralized (standardized) and which are decentralized (adapted)?
- 2 How is the internet (online) helping Acme Whistles to expand global sales of whistles?
- 3 Initial market research conducted by the company has shown that there could be a market opportunity for the production of a high value added jewelled whistle (e.g. a silent dog whistle covered in diamonds to hang around a girl's neck). Who might be potential customers for such a product? Where should Acme Whistles find these customers?

Source: Video accompanying the text, www.acmewhistles.co.uk

Introduction to Part I

It is often the case that a firm going into an export adventure should have stayed in the home market because it did not have the necessary competences to start exporting. Chapter 1 discusses competences and global marketing strategies from the value chain perspective. Chapter 2 discusses the major motivations of the firm to internationalize. Chapter 3 concentrates on some central theories that explain firms' internationalization processes. Chapter 4 discusses the concept of 'international competitiveness' from a macro level to a micro level.