

# Lesson Notes: Innovative Marketing Strategy for Entering a New Foreign Market

**Goal:** Learn how companies enter a new foreign market by using creative marketing strategies that respect local culture, meet customer needs, and stand out from local competitors.

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## Why Market Entry is Important

- When a company enters a foreign market, it must understand the local economy, culture, competitors, and what customers want.
  - An innovative, or creative, strategy helps the company gain attention, build a brand presence, and connect with the local audience.
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## Key Parts of a Market Entry Strategy

When creating a strategy, companies can include these steps:

### A. Adapting to the Culture

- Change the product or message to fit the culture's preferences or values.
- **Example:** McDonald's offers a McAloo Tikki burger in India to match local tastes.

### B. Partnering with Local Brands

- Work with local companies or influencers to build trust with customers.
- **Example:** A cosmetics brand entering South Korea could work with a popular beauty influencer to reach more people.

### C. Focusing on Digital Marketing

- Use social media and mobile platforms to reach audiences, especially in countries with high smartphone use.
- **Example:** Nike in China used WeChat and social media to connect with young athletes through interactive content.

### D. Creating Hands-On Experiences

- Let customers experience the product directly, which helps build positive associations.
- **Example:** Ikea in Japan set up “pop-up showrooms” where people could try out furniture in a real-life setting.

### E. Supporting Local Causes

- Show respect for local values by supporting social or environmental causes.
- **Example:** A tech company entering Brazil could support Amazon rainforest preservation efforts, which resonates with locals.

### F. Adjusting Prices and Packaging

- Offer flexible pricing or package sizes that match local budgets and buying habits.
  - **Example:** Unilever sells smaller package sizes in Southeast Asia to meet the needs of cost-conscious consumers.
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## Example: Starbucks Entering Italy

**Background:** When Starbucks decided to enter Italy—a country famous for its traditional coffee culture—it had to use a respectful and creative approach.

### Starbucks' Strategy:

- **Cultural Fit:** Starbucks designed stores to feel like Italian coffee houses, focusing on high-quality, traditional brewing methods.
- **Local Partnership:** Starbucks worked with an Italian bakery to offer authentic food options.
- **Experience-Based Marketing:** The company opened a high-end "Reserve Roastery" in Milan, where customers could see the coffee-making process.
- **Supporting Local Values:** Starbucks promoted its commitment to sustainable coffee sourcing, which appeals to environmentally conscious Italians.

**Result:** Starbucks was able to find a special place in the Italian market, creating a unique experience for customers that respected Italy's coffee culture.

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## Key Takeaways

- Research and understanding the culture are crucial to a successful entry strategy.
- Adjusting strategies like pricing, promotion, and distribution can help a brand fit the local market.
- **Monitoring and making adjustments** is important for responding to customer feedback and improving over time.

This approach allows companies to connect with customers and perform well in new markets by adapting their strategies to local needs.