

GROUP DISCUSSION

Internationalisation Theory

Group 2

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Agenda

- **Introduction**
- **How the discussion works**
- **Discussion 1:** The Uppsala Model & Amazon
- **Discussion 2:** Globalization & Country Advantages
- **Discussion 3:** Corporate Social Responsibility



Introduction

Born Globals

Uppsala Model

Industry
Opportunities

Market
Opportunities

Country Risk
Analysis

Absolute Cost
Advantage

Comparative Cost
Advantage

Market
Imperfection
Theory

The discussion - How to

Two groups: Agree & Disagree

→ Pick a side!

Why do you agree or disagree?

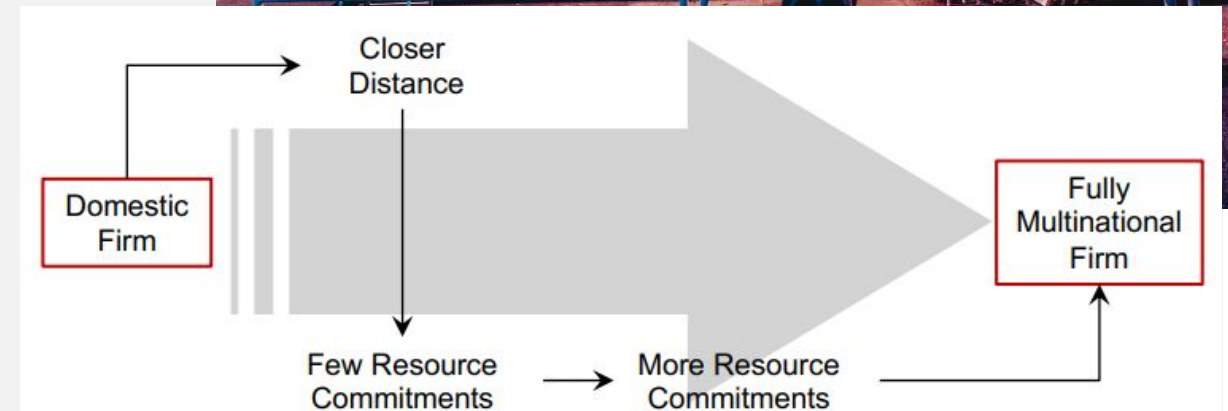
There are notes that can help you form arguments

Discussion #1

When taking a look back to the Amazon case of last week in regard to the Uppsala Model:

"If Amazon made better use of the practices of the Uppsala Model, they would be a stable e-commerce business in China now."

Is the Uppsala Model always applicable if a company wants to extend to a large foreign market?



Possible Answers

Yes!

- They could have improved their knowledge of the Asian Market

No!

- Due to their e-commerce business strategy they can use their current global resources
- They successfully entered several distant countries before

Discussion #2

Businesses in different countries have access to different resources, which can give them an absolute cost advantage or a comparative cost advantage.

"Globalization, increased technological innovation worldwide and an increased availability of information worldwide will lead to more extreme differences between countries in absolute cost advantages/comparative cost advantages."



Will companies be able to exploit their cost advantage more due to the developments mentioned

Will companies specialize more and increase export/import for production of goods

Possible Answers

Yes!

- Countries who have access to lots of data will have an advantage over less developed countries.
- Developed countries will have an advantage due to the fact that they already have more experience than undeveloped or emerging countries.

No!

- Every country can access global information, therefore every country can benefit from it.
- It is not only about the information which is available but also how you process it, every country has equal opportunities.

Discussion #3

Corporate Social Responsibility (CSR)

= *Well being of the world population*



"Firms should always act in favor of the economic side of the business, this will lead to cheaper and/or more advanced goods and services. This will then lead to a higher overall well being of the world population."

VS

"When a company expands internationally for economic reasons, its social responsibility is automatically neglected. For example, generating a lot of money and taking care of the environment or the living conditions of its employees is inevitably contradictory."

When internationalizing, should a company focus more on its social responsibility or on its economic profit? Is it really possible to do both at the same time?

Possible Answers

Should a company focus more on its social responsibility or its economic profit? Is it really possible to do both at the same time?

“Business is business”

- If a company maximizes its potential, then it is more profitable and therefore can stimulate the economy, which in the end is good for society.
- By making more money a firm can more easily spend on environmental aspects of its business
- The firm needs to get a stable consumer base first, and then focus on other more social CSR aspects

“CSR should prevail”

- A company's responsibility is bigger than just producing goods/services than favour their target audience.
- A company might harm the environment or the well being of a large group of people to achieve higher well being for their (small) target audience.
- Firms that don't have a well designed CSR strategy are more likely to fail nowadays, leading to less value and profit

THANK YOU
FOR YOUR ATTENTION