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*by* International Marketing

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**Submission date:** 13-Apr-2023 09:00AM (UTC-0400)

**Submission ID:** 2063425438

**File name:** International\_marketing\_evaluation.docx (36.19K)

**Word count:** 4098

**Character count:** 23948

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**MKT744 Global Marketing and Sales Management Assignment**

**International Marketing Evaluation**

**By Johnson's and Johnson's**

**Student Name:**

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**Abstract**

The report is based on evaluating international marketing strategy for business expansion in different countries. International marketing expansion is based on evaluating the extensive range of products and services of businesses with considering market effectiveness and competition intensity and valuing different cultural considerations that helps businesses to expand and grow globally. Different evaluation strategies required for expanding business in different countries have been explained throughout the study. Johnson's and Johnson's has been selected as the brand for the study that is going to expand their operation in the German and Swiss market. While expanding businesses in the Swiss and German market the brand should evaluate competitors and customers that may help the brand to grow in the highly competitive market.

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## 1. Introduction

The following report is based on International Marketing Evaluation & Strategy for expanding business from one country to another. International marketing is known as marketing <sup>3</sup> and selling of goods or services outside of the domestic market (Ghauri & Cateora, 2014). Expanding business in the international market is essential for streamlining revenue and profitability of a business. For the following study Johnson's and Johnson's has been selected as the brand that wants to expand their business in the market of Switzerland and Germany. Johnson and Johnson is a popular multinational company headquartered in the USA that was established in 1886. The brand manufactures and sells medical devices, consumer packaged goods, pharmaceuticals throughout 175 countries worldwide (Honeyman, 2022). Johnson's and Johnson's continue operations within 60 countries, but due to high rising consumer demands the brand has decided to expand their operation in more countries within the world. With the help of international marketing strategies, the brand aims to evaluate its sales development concerns before obtaining a great deal of exposure towards the international market (Kenyon *et al.*, 2016).

## Main Body

### <sup>2</sup> 2. Allocated Company's International outlook image and profile and the product/category selection

Johnson & Johnson is a popular U.S. based company founded in the year 1886. The headquarter of the business is situated at New Brunswick, United States. The company manufactures medical devices, consumer packaged goods and pharmaceuticals products throughout more than 175 countries <sup>7</sup> in different parts of the world. The projected revenue of the business in 2021 is \$ 93.8 billion. Johnson & Johnson has mainly focused on distinct aspects such as oncology, antidiuretics, and

respiratory pharmaceutical categories in order to increase its sales volume in the same category as it has evolved to be a massive international pharmaceutical company.

Johnson & Johnson, earns approximately 9.8 billion dollars of revenue from its surgical franchise based on the medical devices and diagnostics areas. The renowned brand has gained a strong competitive edge by establishing it as a separate company from its wider range of product offerings (Keller and Brexendorf, 2019). Due to the current competitiveness of the current business world the brand has decided to expand its operation in more countries for streamlining the revenue and profit margin of the business and gaining more reputation in the international market. Based on the plan of expansion the brand has decided to expand manufacturing in Germany and Switzerland for increased manufacturing of Johnson's baby hair oil. The brand has selected the two countries due to the growing economy, stable political condition and high rising market demand that may give better opportunities to the business for thriving in the competitive business world.

**3. Brief Overview on marketing environment of Country A (Germany) and Country B (Switzerland)**

**Macro Environment**

**Pestel Analysis on Germany**

Factors	Key Aspects	Impact
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<b>Political Factor</b>	<ul style="list-style-type: none"> <li>• Democratic influence</li> <li>• Political Stability</li> <li>• Brexit</li> </ul>	<p>Due to Democratic political environment people get the right to convey their opinion regarding any factor. The political stability of the country is appropriate for business growth and expansion throughout the country. However, Brexit has offered a negative impact on flourishing business opportunities within the sector.</p>
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<b>Economical Factor</b>	<ul style="list-style-type: none"> <li>• Significant growth in GDP</li> <li>• Low unemployment rate</li> <li>• Mixed economy</li> </ul>	<p>The Gdp of Germany is estimated at \$ 4.2 trillion that leads to robust economic growth that is appropriate for ensuring business growth and expansion.</p> <p>In Germany there is better opportunity for employment that may create difficulties for the business to find potential workers.</p>
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<b>Social Factor</b>	<ul style="list-style-type: none"> <li>• High economic standard</li> <li>• Educational and technological advancement</li> <li>• Diverse Lifestyle</li> <li>• Hardworking population</li> </ul>	<p>In Germany there are high economic standards that lead to high business growth and opportunity within the sector. Hard Working mentality of the majority of the population leads to stimulating business growth and innovation.</p>
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<b>Technological Factor</b>	<ul style="list-style-type: none"> <li>• Science and Technology</li> <li>• Technological advancements</li> <li>• Information technology advancement</li> </ul>	<p>In Germany the other success factor of business innovation is opportunity for scientific and technological advancements that may help businesses to flourish in the competitive world. Furthermore, advancements in information technology will also help to ensure future business growth and innovation.</p>
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<b>Environmental Factor</b>	<ul style="list-style-type: none"> <li>• Environmental Pollution</li> <li>• Efficiency in sustainability resource utilisation</li> <li>• Global warming and climate change</li> </ul>	<p>As in recent times global warming and climate challenge is a great issue that may have an adverse impact on business growth and innovation. Another opportunity in the country is efficiency in sustainability resource utilisation that may provide better guidance and future visibility for prospering business activities.</p>
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<b>Legal Factor</b>	<ul style="list-style-type: none"> <li>• Excellent investment opportunity</li> <li>• Top notch infrastructure</li> <li>• Rising Corporate Tax Rates</li> </ul>	In Germany there is a great investment opportunity that may help businesses to accumulate fundings to accomplish successful business operations. Increasing corporate tax is another difficulty that delivers difficulty for maintaining effective business operations within the country.
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**Table: PESTEL Analysis of Germany**

(Source: Created by the learner)

#### **Pestel Analysis on Switzerland**

<b>Factors</b>	<b>Key Aspects</b>	<b>Impact</b>
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<b>Political Factor</b>	<ul style="list-style-type: none"> <li>• Direct Democracy</li> <li>• Power Sharing</li> <li>• Political stability</li> <li>• Long-standing neutrality</li> </ul>	<p>Switzerland obtains high political stability due to the reliability of the majority of individuals towards their political party thus the government offers significant support for establishing businesses within the country. The country has gained strong popularity due to long standing neutrality and effective contributions in international activities that may support successful activities within the country.</p>
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<b>Economical Factor</b>	<ul style="list-style-type: none"> <li>• GDP growth</li> <li>• Economic Crisis</li> <li>• High skilled workforce</li> <li>• Top exporters within the world</li> </ul>	<p>The current GDP of the country is \$ 703.5 and it represents 0.55% of overall economic growth within different countries throughout the world. Low tax rates and strong purchasing power has powered up the infrastructure of the country for conducting successful business (Obstfeld, 2020). Switzerland has developed into among the most dynamic nations worldwide because of <sup>6</sup> low public debts, a low unemployment rate, and a flourishing service sector.</p>
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<b>Social Factor</b>	<ul style="list-style-type: none"> <li>• Wealthiest Country</li> <li>• Rapid modernisation</li> <li>• Poverty and discrimination</li> </ul>	<p>Rapid growth and innovation in Switzerland has led to business growth and innovation within the country that may deliver better opportunities for conducting business within the country. In Switzerland there is high poverty and discrimination which may hinder the effectiveness for conducting effective business.</p>
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<b>Technological Factor</b>	<ul style="list-style-type: none"> <li>• Advanced and innovative Technology</li> <li>• Investment in ICT</li> </ul>	<p>Due to advanced innovative technology Switzerland has become the Hub for growing business. But due to the high opportunity for technological growth and advancement businesses have to spend huge amounts for starting business operations within the country. Furthermore due to high innovation and technology businesses may have to face high competition from rivals for operating effective business activities in the country.</p>
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<b>Environmental Factor</b>	<ul style="list-style-type: none"> <li>• Natural beauty</li> <li>• Climate change issues</li> <li>• Challenges for proper utilisation of resources</li> </ul>	<p>Climate change is a great issue that delivers huge threats to businesses operating within Switzerland.</p> <p>Furthermore, businesses also face problems while conducting business in Switzerland due to lack of capability for proper resource utilisation that reduces efficiency of business growth within Switzerland.</p>
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**Legal Factor**

- Independent judiciary
- Promoting equal pay aspects
- Fiscal decisions and planning security

The government of Switzerland plays the most significant role for promoting equal pay that may attract and motivate potential workers to get involved in various business activities which may support better growth and innovation in the current evolving business world. Additionally, security for making future financial decisions ensures stability of laws and regulations within the country thus business can grow in the country effortlessly. Due to security in financial planning and stability in regulations business may not have to face future uncertainty that is effective for future sustainability and

viability.

**Table: PESTEL Analysis of Switzerland**

(Source: Created by the learner)

**B) Microenvironment: For both countries**

**Customer Analysis**

Switzerland is a renowned and well developed country that is preferable for ensuring thriving businesses with focusing on business growth and expansion. In Switzerland there are different customer segments based on different income capability and preferences for products. In Switzerland customers want to standardise product ranges in accordance with individual needs and expectations. Both the German and Swiss markets are quite sophisticated and advanced, with exceeding customer expectations who place a great deal of importance on quality of product, reliability and customer support (Jadhav *et al.*, 2021). However there are some apparent disparities between the two markets. Compared to their German counterparts, Swiss consumers are generally more cautious and risk-averse, and they place a greater value on exclusivity and luxury rather than on affordability (Jean *et al.*, 2019). Whether German consumers are more open to trying different brands and products and place a greater emphasis on utility and value for money (Mäntylä, 2020). Businesses operating in such markets have to personalise their sales and marketing approaches to reflect these cultural differences in order to thrive.

**Competitor Analysis**

Basis	Johnson & Johnson	Roche Holding AG (Switzerland)	Bayer (Germany)
Market Share	21.90%	3.1%	2.84%

<b>Revenue</b>	94, 945 Billion USD	6,643 crores CHF	4,408.2 crores EUR
<b>Employees</b>	155,800	103,613	101,000
<b>Pricing Strategy</b>	Affordable pricing	Value-based	Competitive

**Table: Competitor Analysis**

(Source: Created by the learner)

#### **4. Market entry Strategy**

For ensuring successful and convenient expansion of business expansion companies must select an effective strategy for entering into countries. As exporting is the best strategy for entering into foreign markets therefore Johnsons & Johnsons should use exporting strategy for expanding their business operation in Switzerland to get better opportunity for growth and innovation and gain better competitiveness over rivalries (Schlegelmilch, 2016). Furthermore the business can enter into the market of Germany by conducting partnership with local organisations of the country as their local organisations have the power to influence business activities and profitability. Due to strong effectiveness of local organisations in Germany the brand will get the highest opportunity by involving into business practices by using local partnership strategy (Jiang *et al.*, 2018). Furthermore the business will get an effective opportunity for expansion to make an effective local partnership association thus it will get the highest facility for streamlining business innovation and growth. The Switzerland market is very competitive thus Johnsons and Johnsons should use standardisation approaches to modify their product offerings in accordance with individual needs and expectations of customers (Akolaa, 2018).

#### **5. Segmentation**

<b>Demographic</b>	Johnsons and Johnsons used to segment their market in accordance with education, income and occupation, age, gender of different customer groups. The brand set different price ranges for their distinct range of product offerings thus customers of different income ranges could purchase their products (Hollesen, 2016). Products of Johnsons and Johnsons are suitable for customers of every age group and gender.
<b>Geographic</b>	Johnsons and Johnsons categorised their operating location based on rural, urban area and city based to make wise decisions while expanding their manufacturing operation in developed or developing countries.
<b>Behavioural</b>	Johnsons and Johnsons have classified their product segmentation in accordance with lifestyle, perception, and attitude of individuals of different customer segments.
<b>Psychographic</b>	Johnson's brand Neutrogena targets customers who accept dermatologists' instructions when it involves dermatological care by portraying itself as being recommended by experts.

Home care, health care, and personal care goods are marketed towards households by Johnson and Johnson for people who are concerned with their personal cleanliness (Albuam and Duerr, 2016). Costs are typically set for middle class consumers, who can afford them with convenience.

The prime objective of Johnson's & Johnson's positioning strategy is focused on long-term management, building long-term assets, fostering sustainable customer

loyalty and constantly building value for shareholders (Watson IV *et al.*, 2018). Because of this, the sales of its products accounted for the top and second largest market dominance nationwide.

## **6. Marketing Mix Decisions for both Country A and B**

When looking for customers, Johnson & Johnson has taken into account demographic, regional, and socioeconomic factors. <sup>4</sup> Johnson's baby care product markets itself to new parents by promising to be safe, soothing, and kind. Johnson's Clean & Clear is a global skincare brand with a focus on teenage girls. The company promotes the idea that true success can be achieved only when one is comfortable in one's own skin. It's possible that Johnson & Johnson may have to modify their product line so that it better suits the tastes of Swiss customers. Creating new items or adapting current ones to meet regional requirements and preferences may be necessary.

**Product:** The product that the brand is going to manufacture and sell in the German and Swiss market through expanding business operations is Johnson's Baby Hair oil. It is possible that Johnson & Johnson may have to modify its product lineup in order to cater to the requirements and inclinations of Swiss customers. This may need the creation of new items or the modification of current ones in order to conform to the norms and standards that are specific to the local area (Usunier and Lee, 2013). In recent times customers are more concerned regarding maintaining health and safety and Johnson & Johnson is very much committed regarding maintaining proper hygiene and safety while manufacturing their products to deliver safe and secure comfort to customers that may offer better viability towards the brand for expanding their operation in more countries. Switzerland and Germany

both are well developed and economically stable countries that contain people with different income levels thus they also have distinct choices and preferences.

**Price:** Price refers to the value that has been selected by a business for selling their products to customers. To gain long term viability and long term brand sustainability companies need to be concerned regarding following appropriate pricing strategy thus people of different income range could get the opportunity to sell their products to customers. In order to sell its goods successfully in Switzerland, Johnson & Johnson will need to investigate the various distribution options available. To accomplish this goal, the company may choose to form partnerships with local distributors or to establish its own distribution network (Pride and Ferrell, 2019). This will guarantee that items may be purchased in all parts of the nation. The Swiss market is very competitive thus Johnson and Johnson have to follow competitive pricing strategy for ensuring effective business growth and expansion within the country. In order to be successful in the German market, Johnson & Johnson have to develop pricing strategies that are both competitive and lucrative. It's possible that this will need altering pricing to take into account the state of the local economy and the buying power of customers. While expanding business operation in Switzerland the brand could use the Cost plus approach pricing strategy through this the brand can set different price ranges for varieties of products offered by the brand and modify the price range in accordance with demand and perception of customers.

**Place:** Johnson has segmented the market for adult products by offering a wide range of high-quality products, positioning itself to be an outstanding choice for those with a variety of skin types. Neutrogena is a brand sold by Johnson that falls under the company's psychographic division. Neutrogena bases its marketing on the fact that it is recommended by dermatologists, and the company focuses on consumers

who heed expert counsel with respect to maintaining good skin. Bandages, which are classified as health and repair items, have established themselves as essential components of <sup>5</sup> a family's first aid kit, serving as a source of care, comfort, and protection for its members. The primary benefits of using Listerine Mouthwash are the protection it provides against plaque and gum disease, as well as the improvement of one's breath. In order to sell its goods successfully in Switzerland, Johnson & Johnson will need to investigate the various distribution options available. To accomplish this goal, the company may choose to form partnerships with local distributors or to establish its own distribution network. This will guarantee that items may be purchased in all parts of the nation.

In order to sell its goods successfully in Germany, Johnson & Johnson will need to investigate the various distribution options available. To accomplish this goal, the company may choose to form partnerships with local distributors or to establish its own distribution network. This will guarantee that items may be purchased in all parts of the nation.

**Promotion:** In order to increase consumers' familiarity with Johnson & Johnson's goods and services in Switzerland, the company will need to devise specific marketing and advertising efforts. Utilising digital marketing channels such as social media and search engines, in addition to more conventional marketing channels such as print and broadcast media, may be necessary to accomplish this goal (Raji *et al.*, 2019). Additionally, in Germany there is a high influence of trade magazines thus the brand could give more focus on uploading vital information regarding different business activities to get connected with a wider range of individuals. Furthermore, the brand could entail exploiting conventional marketing channels such



as print and broadcast media, in addition to digital marketing channels such as search engines and social media platforms.

### **1. Personal selling**

Personal selling is a great opportunity for the brand that may help the brand to promote its products in the highly evolving market. Personal selling is based on selling goods to customers or wholesalers after communicating face to face with them. While expanding businesses in Germany and Switzerland Johnsons and Johnsons should interact with local and international sales representatives who will play an important role for spreading awareness among customers regarding effective launching and selling of products. Direct selling is another important component of personal selling strategy that a brand can use to alliance with local and regional partners that will deliver better support in business growth and innovation. With utilising personal selling the brand can get depth insights regarding current market trends of Germany and Switzerland that may offer better opportunity to expand business operations focusing on stimulating innovation in the competitive business world that may lead to future success.

### **2. Sales promotion**

Sales promotion is also an important strategy that Johnsons and Johnsons could follow to expand business operations in countries like Switzerland, Germany and so on. Offering discounts, special offers and loyalty cards attract people to try new offerings of the brand and make purchases of the products that may stimulate higher revenue and profitability. Offering personalised customer facilities has an important role in ensuring better customer retention and engagement in a brand. Johnsons and Johnsons could arrange special events such as brand campaigning where people

get opportunity to be introduced with a distinct product range including with brand value and visibility that may inspire them to get engaged with the brand.

### **3. Direct marketing**

Direct marketing is a type of advertising that includes direct communication with customers that a brand can use to convey a message to potential customers by using phone calls, e-mail, messenger marketing, leaflets and different social media platforms. Through using direct marketing strategy Johnson and Johnson will be able to spread brand awareness and obtain a strong customer network that may help the business gain strong compatibility over competitors. Direct marketing consists of email, social media, texting campaigns that help to make convenient and effective delivery of distinct ranges of products offered by brands.

### **4. Public relations**

Public relations strategies refer to initiatives undertaken by businesses by focusing on maintaining positive corporate image while handling media preferences and inquiries of shareholders. Public relation strategy has significant impact on promoting new and existing product ranges of a business amid a wide range of potential customers that may help the brand to gain strong viability and brand visibility (Ferguson, 2018). There are multiple options of Public relation strategy that a business could follow to expand their business operation in other countries. There are some examples of public relations such as traditional media advertising campaigns, social media campaigns, maintaining proper corporate social responsibility. With effective utilisation of PR strategy the brand will be able to manage communication with general public and shareholders that is a crucial influence for creative strong brand image.

### **5. Advertising**

Johnson's and Johnson's can use advertising strategy for promoting their products in the market of Germany and Switzerland. In recent times competition in the modern business world has increased significantly thus people have numerous options available in the market. Brands should use various digital media channels and techniques to get connected with more customers. Advertising has an important role in boosting brand awareness that gives businesses the flexibility to quickly attain their goals, from expanding their customer base to expanding sales volume (Hackley and Hackley, 2021). In order to encourage consumers to attend and experience the brand's new product, it will be possible for the business to promote awareness of it through advertising. After a certain period, advertising will help to increase customer loyalty and help the brand to build goodwill within the market for gaining better competency over competitors.

## **7. Conclusion**

The above study is based on evaluating international strategy for expanding business operations in multiple countries for streamlining revenue and profitability of a business. For the study Johnson's and Johnson's has been selected as the organisation that is a popular pharmaceuticals company headquartered in the USA with a dominating market share of 21%. It has evaluated different evaluation strategies for expanding business in Switzerland and Germany. The two countries are well developed with strong financial stability and technological advancements that lead to business growth and innovation. The study evaluated comparison between the micro and macro environment of the Swiss and German market. It has demonstrated customers and competitors analysis of both of the markets that may help Johnson's and Johnson's to make decisions regarding expanding operations.

Finally the study has discussed market segmentation and marketing mix strategies that can be used by the brand while expanding to the countries.

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