

Case Candice Cake 2

Preparation

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1 Challenges for Candice Cake to enter the US market

- She doesn't have a network in the US yet.
- She will need a considerable amount of financing.

2 Reason why Martianova considers “wholly-owned subsidiary” for market entry

The reason why Martianova considers a “wholly-owned subsidiary” is twofold.

First, if she sets up her own shops she's fully in control of the complete customer journey. This way, she can tailor the experience to the type of customers she targets. This will not only increase the amount of customers she gets, but also their loyalty. This approach would allow for a high growth in demand.

Second, she would be able to collect much better customer data on a more detailed level than if they used a third-party retailer. This way, she would have a far better view of the customer's feedback and could be more in control of the business.

3 Which type of entry mode Martianova should choose

Personally, I don't believe her own Candice Cake shops would draw enough customers. I do believe that there's a market for her product, but it seems unlikely that people will travel to a physical location to buy these cakes (even if the customer experience is well-thought-out).

I do believe she would be able to sell a lot of products using the B2B model, but I think it wouldn't be worth the control that she gives up. If she sells B2B, she would lose control over almost all parts of the customer journey. The only thing that would be left

for her to control is the packaging, which I'm afraid wouldn't make much difference when the product is placed next to a lot of similar products. Her product is more expensive, so I believe being able to control the customer journey is crucial for her to tell 'her story' and convince people that they should buy this product instead. This is the reason that I prefer the last entry mode.

The Online direct delivery combines the two advantages of each of the previous entry modes. Firstly, it allows her to control a bigger part of the customer journey than in a B2B model. She would be able to design the site and the way a product is bought, which gives her control over how her product is perceived by her customers. Secondly, the investment has a far lower risk than the "wholly-owned subsidiary" model.