1.0 Introduction

The ability for an organisation to expand into international environments is imperative within the modern business environment. This is because the world is becoming increasingly globalised, thus providing organisations with the opportunities and capabilities to create a global footprint (Bell & Loane, 2010). Furthermore, entering the international business environment can also improve overall financial and market performance for an organisation, thus further emphasising the importance for organisations to become more competitive across the global business sector (Lehrer, et al., 2009). However, it is also important to note that there are many challenges inherent within an internationalisation process, with it being vital that these can be overcome. This includes factors such as generating capital to support initial expansion, understanding the new market, and generating an initial customer base for success (Amdam, 2009; Winch, 2014).

Therefore, this report presents a critical analysis of various market entry methods that could be used by Whitworth to enter the Australian market. This market has been identified as the preferential choice within the first assignment and will provide many opportunities to expand market and financial performance. Furthermore, once a market entry method has been selected, two critical elements of the marketing mix will be analysed. This helps to identify how the organisation can pursue to creation of a sustainable competitive advantage within the new market. Finally, the management structure of the organisation will also be explored and evaluated to identify potential improvements that will support their expansion into Australia.

2.0 Market Entry Methods

Two key market entry methods are evaluating to understand which would be most effective for Whitworth to pursue when entering the Australian market. This includes the joint venture and foreign direct investment approach.

2.1 Joint Venture

A joint venture market entry strategy will entail an organisation creating a partnership with another organisation that is currently operating within the target country. This is a commonly used strategy that helps to alleviate the pressures on the organisations financial and market resources, as both firms must work collaboratively to ensure that success is achieved (Delios & Beamish, 2004). Furthermore, the joint venture will also involve the two, or more, organisations pooling together their resources and expertise, which can help identify new and more innovative methods for generating and sustaining a competitive advantage (Inkpen & Currall, 2004). This means that a firm operating in the domestic market can share their knowledge about local consumer segments, whereas the firm that is pursuing internationalisation can bring their own unique strategies into the sector (Inkpen & Currall, 2004).

Furthermore, the company that is expanding into a new market can leverage the expertise, infrastructure, and customer base of the organisation that is already operating in the domestic market. This means that initial success can be achieved relatively quickly, although any rewards acquired will be shared between all organisations involved in the joint venture (Chowdhury & Chowdhury, 2000). Therefore, this represents the main weakness of the joint venture approach, as the expanding organisation cannot sustain complete control over the operations and ownership of resulting profits (Hek & Mukherjee, 2011). In addition to this, another key consideration of joint ventures is that the reputation and awareness of each company's brand will be aligned. This means that a negative public relation incident for one company could be detrimental to the other, which amplifies the importance to identify an effective venture partnership (Giridharan, 1997).

2.2 Foreign Direct Investment

The second market entry strategy that could be used by Whitworth's is Foreign Direct Investment (FDI) which is a much more aggressive strategy that is used by many large enterprises. For example, Kraft utilised an FDI strategy when they purchased Cadbury's, with this consuming a significant amount of financial and market resources for the company (Gul, et al., 2015). Therefore, an FDI strategy fundamentally involves the direct acquisition or merger of one organisation with another. This will usually require significant investment by the purchasing organisation to acquire all infrastructure and operations of the other company, which represents FDI as an incredibly high-risk strategy (Cookson, et al., 2012; Wang, et al., 2013).

However, it does mean that the purchasing organisation can sustain complete control of operations and will receive all revenues generated, which therefore suggests that the rewards are more significant within an FDI approach. This justifies many organisations to pursue this market entry strategy if they have the available resources (Beugelsdijk, et al., 2008). It is vital that this benefit is weighted against the potential risk and resources that must be invested into an FDI strategy, with it only being pursued if the strategy outweighs the risk taken (Gul, et al., 2015). This makes FDI a complex and difficult strategy to manage, whilst the organisation must also take careful consideration for the company that they may merge with or acquire. Although it is often easy to purchase struggling firms, as they will cost less, this further increases risk and instability within the strategy (Wang, et al., 2013; Alfaro, et al., 2004).

2.3 Selection

It is evident that Whitworth's could use either a joint venture or FDI approach to secure their success within the Australian market. This is because their past performance will provide necessary resources to support an FDI approach, although this would still be a high-risk strategy for expanding operations into Australia (Beugelsdijk, et al., 2008). Therefore, it is recommended that the joint venture strategy is used to help de-risk the expansion strategy and ensure that the company can secure a competitive position in their bid to become a global organisation. This is because the joint venture approach will allow Whitworth's to use the expertise and infrastructure of existing organisations to generate and sustain a customer base, thus alleviating the pressure for the company to create their own high-street retail stores (Inkpen & Currall, 2004; Lyons, 1991). Due to the nature of the products that Whitworth's provides, it is recommended that this joint venture strategy is pursued with the two largest supermarket retailers in Australia. This includes Woolworths and

Wesfarmers. Both of these organisations have the infrastructure and capabilities to market Whitworth products across Australia, whilst also generating massive exposure for the product within the short-term (Butler & Sohod, 1995). Although Whitworth's will have to pay royalties to both organisations, this is seen as an acceptable cost for ensuring a low-risk and competitive approach for entering the Australian market (Prévot & Meschi, 2006).

3.0 Marketing Mix

Two key aspects of the marketing mix are analysed to understand how they must be adapted to ensure that Whitworth's can operate successfully within Australia. This includes the price and promotional elements of the mix, which will be vital for ensuring that Whitworth's can generate a sustainable competitive advantage within the Australian market (Goi, 2009).

3.1 Price

The first element of the marketing mix that is analysed is price, with this having a significant influence on the overall success of an organisation and their ability to influence consumer purchasing behaviour (Danaher, et al., 2001). This is because the pricing element is often one of the highest factors to influence a consumer to purchase a particular product or service, which is even more apparent within the modern business environment. Although other factors do also have an influential affect, such as quality, brand trust, or past experiences, price is often considered the most significant for consumers that do not have excessive disposable income (Dharmesh & Vijay, 2014). This amplifies the importance for an organisation to effectively position the price of their product, especially when entering new markets, with Table One exploring this for Whitworth's.

Current Strategy	Adapted Strategy
Price Premium – Whitworth products are sold at a premium to the majority of substitute products, with this being justified by the numerous benefits that Whitworth products aim to provide. This is mainly regarding the health and sustainability of their products, which helps Whitworth's influence their primary consumer segments and overcome barriers that a high pricing strategy can erect (Palazon & Delgado-Ballester, 2009). In addition to this, the price premium strategy that is deployed also helps to alleviate the quality of Whitworth's brand, thus setting them apart from other brands that operate in the same market. Therefore, this identifies how the pricing strategy of the organisation is successfully leveraged in the current domestic market, as they	Price Penetration – To ensure that a competitive advantage can be acquired in the Australian market, it is recommended that Whitworth's adopt a price penetration strategy. This will mean that Whitworth's will have to reduce the current price points of their products within the Australian market, which will ensure that the brand can generate awareness and a positive reputation (Spann, et al., 2015). Therefore, Whitworth's should introduce their product ranges at a lower price point than current competition in the market, as this will attract customers to the brand and generate initial market share. This is because customers may be cautious to shop with a new brand and need to be highly influenced in order to make an initial purchase

have established a competitive position and have positive engagement with the target consumer segments (Anselmsson, et al., 2014).	(Ingenbleek, et al., 2013). Furthermore, the health, sustainability and other product qualities, will also help to influence the new consumer segments.

Table 1 - Marketing Mix: Price

3.2 Promotion

The second marketing mix element that is analysed relates to promotion, with this also having a significant influence on generating initial brand awareness and driving market entry sales performance (Michael & Ogwo, 2013). This is because the promotional activity of the organisation will help to communicate the brand within the new market and the joint venture retail locations, whilst also highlighting the unique selling point of the products with regards to health and sustainability. Therefore, Table Two presents an analysis of how the promotional strategy of the company must be adapted when entering the Australian market (Ataman, et al., 2010).

Current Strategy	Adapted Strategy
Retail Promotions – Whitworth's currently focus on promotions within the in-store environment, with this mainly being through offering samples and packaging advertisements. This is an effective promotional technique for securing sales once the customer has entered the retail environment but is not very effective for improving brand awareness and recognition. Furthermore, the organisation does not have a significantly strong presence with regards to online promotional activity, which could further alienate the brands engagement with diverse consumer segments (Phau, 2009).	**Omnichannel Promotions** – It is vital that Whitworth's begin to create promotional strategies within both the online and offline environment. This will involve the creation of promotional material within the two retail stores that are being partnered with, such as leaflets, discounts coupons, and product exhibition stands (Phau, 2009). Each of these factors will encourage consumers to purchase the product, whilst also raiding awareness for the brand. In addition to this, it is important that Whitworth's also market more aggressively through online channels, particularly the corporate website and social media. Therefore, bespoke social media pages should be made for Australian operations, which will communicate brand offerings, manage customer service, and provide online or offline discount codes (Mangold & Faulds, 2009).

Table 2 - Marketing Mix: Promotion

4.0 Management Structure

The management structure of an organisation will have a significant influence over how successful the market entry strategy will be. This is because an internationalisation approach must be supported by top management to ensure that it has the necessary resource and commitment to manoeuvre new and aggressive markets (Olson, et al., 2005). However, the Whitworth's can leverage the strengths of their current management structure to support this initiative, with their only needing to be a few minor changes to ensure that there is adequate support for their operations in Australia. Although this may mean that there is some resistance from employees in the firm, it is important for this to be overcome so that the changes can be accepted (Weiner, 2009).

Firstly, Whitworth's should create a regional department within Australia and the Oceanic region that will be responsible for driving growth and managing the joint venture relationship. This should include regional managing directors across sales and marketing, finance, operations, and human resources, which will have their own teams to manage the overall performance of the internationalisation strategy (Bell & Loane, 2010). Furthermore, these departments must work collaboratively together to ensure that the joint venture relationship is being managed effectively, and that knowledge is being successfully transferred between UK and Australian operations (Slater, et al., 2007).

Secondly, Whitworth's should pursue a flat structure within the Australian market, as this will empower the representatives of the region to make business and strategic decisions to maximise performance. With the creation of a unique regional department that will have the responsibility for driving performance in the Australia market, it is important that they also have the power to make strategic changes that benefits the joint venture relationship (Hankinson & Hankinson, 1998). Therefore, adopting the flat management structure will help to achieve this, as the various heads of department within the regional department will have to work collaboratively to ensure strategic success in this region. Furthermore, this is a management structure that has worked effectively for many large, multinational organisations, such as the Virgin Group (Virgin, 2019). This is because it also helps to share knowledge across the domestic and international operations of the company, whilst maximising value through the joint venture relationship (Claver-Cortés, et al., 2007).

5.0 Conclusion

To summarise, this report has presented a critical analysis of how Whitworth's can expand into Australia to develop a competitive advantage that will improve their global market and financial performance. Firstly, this has evaluated two key market entry methods that the organisation could use, including a joint venture or foreign direct investment. Each of these two strategies can be effectively applied within the modern business environment, with it being identified that a joint venture approach would be more effective. This is because it helps to remove the financial burden on the organisation to have substantial financial resources that would be necessary to support the expansion initiative. Moreover, it is recommended that this venture is created with Australia's two largest supermarket chains, Woolworths and Wesfarmers, as they would attract the most customers to secure purchases for the product.

In addition to this, the pricing and promotional elements of the marketing mix have also been evaluated to understand how they will impact the initial performance of the company. Based on the analysis, it is recommended that Whitworth's leverage a price penetration strategy which is supported by aggressive offline and online promotional activities. This will ensure that customers are attracted to the product when they first enter the Australian market, thus developing a customer base and securing initial growth. Furthermore, there are not any significant changes that need to be made to the management structure of Whitworth’s to support these strategies, although they should consider creating a regional office for their new operations in Australia and the Oceanic region. This will ensure there is control on future growth strategies within the region.

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