

# **INT 640 Company Dossiers**

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#### Introduction

For your final project, you will craft a strategic global marketing plan to expand a product line or service to a new foreign country market for one of the five U.S. companies listed below. This company dossier provides the five company options from which you will be choosing, as well as the foreign country market options.

To make an informed choice for your final project, briefly review each company's background and current global market and industry competitive positioning via the company's commerce and corporate relations webpage. To finalize your selection, you should conduct preliminary background research using the included company, industry, and country information sources listed at the end of this dossier.

# **Companies Available for Selection**

Amazon.com, Inc. (Retail, e-Business, Global Distribution and Logistics)

CVS Health Corporation (Quick Clinic, Health Care Disruption)

Dollar General Corporation (Retail)

Dunkin' Brands Group, Inc. (QSR, Franchising)

Ford Motor Company (Sharing Economy, Human Mobility, Vehicle Manufacturing)

#### Amazon.com, Inc. (AMZN)

**Strategic Marketing Challenge:** Amazon.com, Inc., wants to be the "everything" store, but it is struggling to become the "everywhere" store. It wants to dominate industries ranging from e-commerce and connected home devices to video streaming, challenging titans like Apple and Alphabet Inc.'s Google. Founder Jeff Bezos's message to Amazon executives has been clear: Do whatever it takes, and don't worry about the cost. The Seattle-based giant has invested billions of dollars to woo consumers in India, China, and other countries in Asia and Europe. Can you make an aggressive retailing move succeed in another foreign country?

**Description**: Amazon.com, Inc., was founded in 1995 and is headquartered in Seattle, WA. The company engages in the sale of a range of products and services through its websites. It operates in three segments: North America, international, and Amazon Web Services (AWS). The company also manufactures and sells electronic devices. Its customers include consumers, sellers, enterprises, and content creators.

IRS Number: 911646860

**CUSIP**: 02313510

**Sector**: Retail - Specialty

**Industry**: Catalog and mail-order houses (SIC 5961) **Industry**: Electronic Shopping (NAICS 454111)

- Amazon Website
- Amazon Facebook Page
- Amazon LinkedIn Profile
- Amazon Twitter Feed

**Background**: Amazon faces increasing taxation and regulatory pressures at home in the United States but continues its bottom-line revenue growth and dramatic investment in new domestic growth segments like pharmacy and web-server services. Meanwhile, it continues a string of foreign market



expansion successes (such as in India) and struggles (such as in China). The *Financial Times* notes the following:

To boost sales in its international markets, Amazon is working on replicating one of the key strategies responsible for its US growth: Amazon Prime... Consumer Intelligence Research Partners says that there are 54m Prime members in the US, with analyst Bernstein estimating that the service has 65m users worldwide... The challenge for Amazon is to sign up more Prime users internationally. Outside of the US, the company's biggest markets are Germany, the UK and Japan, all of which have Prime. The three countries account for four-fifths of Amazon's global sales. . .

While analysts are unsure what effect the subscription service has had on Amazon's underlying financial performance, it's a critical competency that has locked in U.S. customers. But can Amazon do it abroad?

#### **CVS Health Corporation (CVS)**

**Strategic Marketing Challenge:** Can you help CVS become an innovative, global, quick-clinic healthcare provider and diversify its reliance on an uncertain U.S. healthcare market?

**Description**: Established in 1963 and headquartered in Woonsocket, RI, CVS Health Corporation is a pharmacy healthcare company. The company, along with its subsidiaries, is primarily engaged in the provision of healthcare solutions through its pharmacies and walk-in clinics. It operates in three segments: pharmacy services, retail/long-term care (LTC), and corporate. The company's client list consists of employers, unions, government employee groups, insurance companies, and others.

IRS Number: 050494040

**CUSIP:** 12665010

**Sector:** Retail - Food and Beverage, Drug and Tobacco **Industry:** Drug stores and proprietary stores (SIC 5912) **Industry:** Pharmacies and Drug Stores (NAICS 446110)

- CVS Health Website
- CVS Pharmacy Facebook Page
- CVS Health LinkedIn Profile
- CVS Pharmacy Twitter Feed
- CVS Health YouTube Channel

**Background:** "Retail clinics are also known as convenient care clinics because they're located in supermarkets and large retail stores, which enable patients to receive care for minor illnesses without an appointment. As opposed to the typical general hospital model, which intends to treat any patient health issue that comes through its door, retail health clinics intentionally keep their overhead cost structure low by being very selective of what procedures can be done within their four walls. By only selecting services that do not require the purchase of budget-busting medical equipment or costly professional expertise, they are able to keep their prices low, and services convenient. As they continue to accumulate more and more medical capabilities that fit within their low fixed cost structure model, the trade-off of a comprehensive physician network for lower premium and narrow network becomes easier for the customer to stomach" (Christiansen, 2018).



#### **Dollar General Corporation (DG)**

**Strategic Marketing Challenge**: How can Dollar General turn its small-store format into an advantage internationally and expand its brand into markets that appreciate its distinctive competencies already in place along its U.S. value chain?

**Description:** Dollar General commands the field of discount general merchandise. The fast-growing retailer boasts some 15,000 discount stores in 45 U.S. states, mostly in the South, East, Midwest, and Southwest. It generates about 75% of its sales from consumables (including refrigerated, shelf-stable, and perishable foods) and more than 10% from seasonal items. The stores also offer household products (cleaning supplies and health and beauty aids) and apparel. Dollar General targets low-, middle-, and fixed-income shoppers, pricing items at \$10 or less. The no-frills stores typically measure about 7,400 square feet and are located in small towns that are off the radar of giant discounters.

IRS Number: 610502302 CUSIP: 256677105

Sector: Consumer- Discretionary, General Merchandise Stores

Industry: Nondurable goods (SIC 5199), Variety stores

Industry: Department Stores (NAICS 452210)

• Dollar General Website

Dollar General Facebook Page

- Dollar General LinkedIn Profile
- Dollar General Twitter Feed
- Dollar General YouTube Channel

**Background**: Due to the discounted nature of Dollar General's products, the company competes with global discount department store giants from the United States, such as Walmart and Target. These companies enjoy a diversified revenue stream from dispersed global sales, shielding them from fluctuations in U.S. demand conditions. In this retail market segment, scale efficiency equals competitiveness. Recently, Dollar Tree Stores, Inc., has undertaken a merger strategy pursuing consolidation of smaller players under its parent brand. This has allowed its collective sales to rise above Dollar General's and introduced elevated domestic industry pressure on the firm in the United States.

#### **Dunkin' Brands Group, Inc. (DNKN)**

**Strategic Marketing Challenge:** Dunkin' Brands Group, Inc., announced a three-year strategy for growth in 2018 that emphasized steady growth in location numbers in U.S. markets along with product innovations for U.S. markets. Meanwhile, rivals like Starbucks are expanding globally. Can you convince executives that the time to internationalize is now? Why and how should Dunkin' Brands Group tackle improving international sales (less than 4% of total revenue in 2017) and not disrupt its U.S. operations?

**Description**: Dunkin' Brands Group is a franchisor of quick service restaurants (QSRs), serving hot and cold coffee and baked goods as well as ice cream. QSR is a restaurant format characterized by counter or drive-thru ordering and limited or no table service. The company develops, franchises, and licenses a system of QSRs, and, in limited circumstances, owns and operates individual locations. Through its Dunkin' Donuts brand, the company develops and franchises restaurants featuring coffee, donuts, bagels, breakfast sandwiches, and related products. Additionally, the company licenses Dunkin' Donuts brand products sold in certain retail outlets such as retail packaged coffee and Dunkin' K-Cup pods. Through its Baskin-Robbins brand, the company develops and franchises restaurants featuring ice



cream, frozen beverages, and related products. Additionally, the company distributes Baskin-Robbins ice cream products to Baskin-Robbins franchisees and licensees in certain international markets. The company's Dunkin' Donuts international segment franchisees are responsible for sourcing their own supplies with its standards. As of December 31, 2016, the Baskin-Robbins international segment had a manufacturing network that consisted of 14 facilities.

In total, Dunkin' Brands Group has more than 18,000 franchise locations operating in about 60 countries. With nearly 11,000 units in about 30 countries (including approximately 7,675 in the United States), Dunkin' Donuts is the world's leading doughnut chain. Baskin-Robbins is a top ice cream and frozen snacks outlet with more than 7,300 locations in 45 countries (roughly 2,450 in the United States). The company went public in mid-2011.

IRS Number: 204145825

**CUSIP: 26550410** 

Sector: Hotels, Restaurants, and Travel

Industry: Eating places (SIC 5812), Retail bakeries (SIC 5461)

Industry: Baked Goods Stores (NAICS 445291), Limited-Service Restaurants (NAICS 722211)

• <u>Dunkin' Donuts Website</u>

• Dunkin' Donuts Facebook Page

• <u>Dunkin' Donuts LinkedIn Profile</u>

• <u>Dunkin' Donuts Twitter Feed</u>

Dunkin' Donuts YouTube Channel

**Background**: Uniquely positioned between a local coffee shop and a Starbucks, Dunkin' Brands Group still has room to grow geographically in the United States, but its U.S. comparative store sales fell 1% in early 2018.

In 2018, Dunkin' Brands announced that it will add approximately 1,000 net new Dunkin' Donuts locations in the United States by the end of 2020 and reaffirmed its intention to eventually have more than 18,000 Dunkin' Donuts restaurants in the United States. The blueprint for growth included targeting the areas of menu innovation, unparalleled convenience, broad accessibility, and restaurant excellence. Dunkin' Brands Group's plans to invest about \$100 million in next-generation product development. However, the company seems behind other U.S. QSR companies like Dominos, which features mobile and online ordering; its mobile ordering platform is responsible for less than 4% percent (3%) of its U.S. 2017 sales.

#### Ford Motor Company (F)

**Strategic Marketing Challenge:** Ford, like many car manufacturers, must differentiate its products and services and change its value proposition from traditional car sales and maintenance to integrated mobility services. This will put it in a stronger position to retain a share of the globally growing automotive revenue and profit pool, including new business models such as online sales and mobility services, and cross-fertilizing the opportunities between the core automotive business and new mobility business models. But the plan for how it gets there in new foreign markets? Well, that's up to you.

**Description:** Ford Motor's business includes designing, manufacturing, marketing, and servicing Ford cars, trucks, and sport utility vehicles (SUVs), as well as Lincoln luxury vehicles. The company has four operating segments:



- Automotive, which includes the sale of Ford and Lincoln brand vehicles, service parts, and accessories.
- Financial Services, which includes its vehicle-related financing and leasing activities at its subsidiary, Ford Motor Credit Company LLC.
- Ford Smart Mobility LLC, a subsidiary formed to design, build, grow, and invest in emerging mobility services.
- Central Treasury Operations, which engages in making decisions for investments and risk-management activities, and providing financing for the automotive segment.

IRS Number: 380549190

**CUSIP**: 34537086

Sector: Automobile Manufacturing

**Industry**: Motor vehicles and car bodies (SIC 3711) **Industry**: Automobile manufacturing (NAICS 336111)

- Ford Website
- Ford Facebook Page
- Ford LinkedIn Profile
- Ford Twitter Feed
- Ford YouTube Channel

**Background**: Ford's North American performance beyond its truck lines has been mediocre. The company is restructuring itself in the United States to realign its resources with vehicles and markets that generate the best returns. At the product level, this will mean building fewer traditional sedans over the next few years with up to 90% of its North American offerings consisting of trucks, utilities, and commercial vehicles. Meanwhile, Ford lags behind its rivals GM and Toyota in advancing innovative mobility solutions. Recently, the company noted it would soon begin tests of autonomous vehicles and new business models in an unnamed city. Ford has also signaled it would step up its planned investment in electrified vehicles, spending \$11 billion by 2022 on 40 new battery-electric, hybrid, or plug-in hybrid vehicles (Forbes.com, 2018).



# **Country Selection**

Having selected your U.S. company, you will now select a foreign country from the list below. This country will be the focus of your final project's exploration of the global strategic marketing planning process. The following countries have been vetted for this final project. The links below will take you to the globalEDGE country fact web portal, which offers basic statistics and comparative country and trade indices. If you wish to study another country other than those listed below, you must obtain instructor permission before submitting your Module One journal assignment.

- Argentina
- <u>Belgium</u>
- Brazil
- China
- Colombia
- <u>Croatia</u>
- Czech Republic
- India
- <u>Indonesia</u>
- Israel
- Japan
- Malaysia
- Malta
- Nigeria
- Peru
- Poland
- Romania
- Russia
- Singapore
- South Africa
- Thailand
- Trinidad and Tobago
- Ukraine
- <u>United Arab Emirates</u>



## International Strategic Analysis Research Final Project "Kick-Starter"

The following resources will allow you to *triangulate* your market research for almost any industry, country, and U.S. company. SNHU's access to professional analysis services are annotated with a ## symbol, while external data and primary research summary sources that international business professionals routinely access electronically have their URL embedded. While you may need added resources for your unique marketing mix, individual resources marked with \*\* are recommended for download or browser bookmarking during Module One to be prepared for assignments and the final project and its three milestones.

## **SNHU Library Research Analyst Subscriptions**

Country Analysis##

- D&B Hoovers (dun & bradstreet), Country Insight Report (MRY)\*\*
- PRS Risk Guide and Service, PRS International Country Risk Guide (MRY)\*\*
- EIU (The Economist Intelligence Unit), Country Report Main Report (MRQ)\*\*
- MarketLine Advantage, Country Profile Series, In-Depth PEST Insights (Analysis Report: [country], PEST Insights)
- D&B Hoovers (dun & bradstreet), Country Insight Monthly Snapshot Update (MRM)
- EIU (The Economist Intelligence Unit), Global Forecast Main Report (MRM)
- CultureGrams, World Guide, [Country]

#### Company Analysis##

- D&B Hoovers (dun & bradstreet), OneStop Company Report [Company] (MRA)\*\*
- Value Line, Company Analysis 1 Page PDF Report (MRA)\*\*
- Mergent Online By FTSE Russell, Company Report Builder [Company] (MRA)\*\*
- MarketLine, Company Profile [Company] (MRA)

#### Industry Analysis##

- Global NetAdvantage, S&P CFRA Industry Surveys [Industry] (MRA)\*\*
- BMI Research International A Fitch Company, [Industry Name and/or Country] Industry Report and Forecast Series (MRY)\*\*\*
- Mergent Online by FTSE Russell, Industry Analysis [Industry Segment or Firm Name and Region] (MRA)\*\*\*
- Mintel Reports, Category Overview [Industry Category] Report Topics Vary (MRM)
- IBISWorld, US & Global Industry Reports (MRA)
- MarketLine Advantage, Industry Profiles [Country (or Region, if country unavailable) –Industry]
   (MRA)

Comprehensive International Business Relations and Trade Facilitation Resources##

AtoZ World Business, [Country]\*\*

# Macroenvironment (Risk and Opportunities) Country Comparison Data Resources

# Sociocultural

- snhu.culturewizard.com SNHU & RW3, Inc. \*\*
- World Values Survey Institute for Comparative Survey Research \*\*
- <u>Culture Comparator Hofstede Insights</u>



#### **Overall Country Competitiveness Indexes**

- The Global Competitiveness (Index) Report World Economic Forum \*\*
- World Competitiveness Index Report IMD World Competitiveness Center

# Trade and Foreign Direct Investment

- <u>International Trade Administration</u>. Consider Country Commercial Guides, Top Markets Reports, and Industry Solutions Reports \*\*
- The Global Enabling Trade Index (Report) World Economic Forum \*\*
- International Trade and Investment Country Facts Bureau of Economic Analysis (BEA) \*\*
- Regional Trade Agreements World Trade Organization \*\*
- A Global Foreign Direct Investment Country Attractiveness Index Ben Jelili Riadh \*\*
- Investing Across Borders Indicators of Foreign Direct Investment Regulation
- Investment Laws Navigator United Nations Conference on Trade and Development

#### Economic

- Index of Economic Freedom The Heritage Foundation \*\*
- Country Economic Indicators Trading Economics \*\*
- World Data Atlas knoema.com \*\*

#### **Political**

- Ease of Doing Business Index "Doing Business Report" \*\*
- Economic Freedom Index Fraser Institute \*\*
- Corruption Perceptions Index Transparency International \*\*
- BTI Transformation Index (Non-Developed Economies) Bertelsmann Stiftung\*\*
- Freedom of World/Press/Net Indexes Freedom House
- Enterprise Surveys of Businesses Experience World Bank Group
- World Governance Indicators (Index) The World Bank
- The Global Risks Report World Economic Forum

#### Infrastructure

- Logistics Performance Index World Bank \*\*
- Infrastructure Comparison Index InfraCompass \*\*
- Information and Communication Technology STATISTICS International Telecommunication
   Union (ITU), United Nations \*\*

# **Innovation Capacity**

- Global Innovation Index Cornell University, INSEAD, and the World Intellectual \*\*
- Global Entrepreneurship Index The Global Entrepreneurship and Development Institute "The GEDI Institute"

#### Legal

- IPR Protection Index Property Rights Alliance \*\*
- Rule of Law Index World Justice Project \*\*

#### International Data Meta-Search Portals

- DataBank The World Bank
- UNdata Portal United Nations (All Divisions)



#### **International and Regional Marketing Associations**

The following professional marketing associations offer additional support.

#### Asia

Asia Marketing Federation (AMF)

### **Europe**

European Digital Media Association (EDIMA)

European Marketing Confederation (EMC)

European Sponsorship Association (ESA)

Federation of European Direct Marketing (FEDMA)

#### Global

World Federation of Advertisers (WFA)
Shop! Global Association for Marketing at Retail (POPAI)

#### **North America**

American Academy of Advertising
American Advertising Federation (AAF)
American Marketing Association (AMA)
Association of National Advertisers (ANA)

## Final Project Research Q and A

# Why is more than one resource offered for each international business topic area?

In addition to the cross-cultural barriers comparability and compatibility challenges, international business data and analysis opinions may be available but not reliable. Moreover, they may be biased depending on the source, or may suffer from outdated relevancy depending on the age and techniques used to collect them.

# How do we avoid making inaccurate assumptions within our strategic marketing planning if the resources are questionable?

While no plan is based on 100% certainty, marketers alleviate these concerns and minimize the ambiguity within their strategic marketing plan by using the technique of *triangulation*, which is the use of multiple sources for any given research element. *Triangulation* increases the validity of a marketing plan because it uses multiple sources for any primary or secondary research conclusions. In many circumstances, you will develop a favorite source for different types of data and will reference that frequently, creating the need to cite the additional resources to demonstrate the certainty of your data and personal analysis.

# How do I use these published analyses, indices, or graphics (e.g., SWOT analysis, PEST analysis, risk reports) in my own professional submissions?

Several of the databases listed in this guide offer competitive analyses for companies, industries, and countries. These reports and indices offer perspectives that you might not be aware of, and they can lead you to research interesting aspects of a company's operations and environment. But like all research sources, they require evaluation. The reports can be incomplete, outdated, or even factually incorrect. If you use them in your report or presentation, cite your source and always paraphrase the findings. As an expert consultant, write in your own voice—these reports are licensed products of



another company (intellectual property). Use their contents to support or extend your own ideas and be careful not to plagiarize.

How do I use indices and rankings in my research analysis and rationale of my final project? Indices are not primary sources of data—they are summary rankings based on algorithms or subjective criteria thought to be significant in understanding the scale and scope of the topical differences between a company, country, or industry. While the overall rankings provide a starting point for any comparative analysis, your arguments will most often need to look at the nature of the contributing subcategories or sub-indices that make up the ranking. Moreover, a number or index ranking has little value in itself. It is only in comparison to the reader's own reference points and experience that yield its strategic significance in marketing planning. Provide the context for these values by relating them to

other countries or organizations, starting with your firm's home environment, the United States. This will allow your reader to understand the macroenvironmental "distance" or "knowledge gap" (aka *liability of foreignness*) the firm must cover to be sustainable successful in their new market.

What if I cannot locate a resource or my company, industry, or country is not covered well? After conducting your own library and internet searches, you still may not feel confident in the research supporting your strategic marketing plan's assumptions. In this case, there are two experts to reach out to. First, your professor has broad experience in international business research and is there to support your unique questions. Second, consider contacting the SNHU online librarian to <a href="mailto:chat 24/7">chat 24/7</a>, or email them at ask@snhu.libanswers.com.

What are the Industry Classification Systems for goods and services used in these different resources? North American Industry Classification System (NAICS) Pronounced "nakes," this six-digit classification system focuses on business activities and production processes. Developed jointly by the United States, Canada, and Mexico to provide comparable business statistics throughout North America. Businesses using similar production processes are grouped together. An update of NAICS was published in 2012.

Standard Industry Classification System (SIC) Four-digit classification system focusing on manufactured goods and their constituent materials. Developed in the 1930s by the U.S. Central Statistical Board, superseded by NAICS and has not been updated since 1987, although many sources such as the U.S. Department of Labor still apply it.

<u>Global Industry Classification Standard (GICS)</u> Ten-digit classification system developed by MSCI and Standard & Poor's (S&P) to provide a system that would account for the increasing globalization of industry. Used primarily for finance and investment applications.

<u>Industry Classification Benchmark (ICB)</u> Developed by Dow Jones Indices and FTSE, ICB is a global system for investment analysis. It is used by many index funds, stock exchanges, and major financial publications.

<u>International Standard Industrial Classification of All Economic Activities (ISIC)</u> Two-digit classification developed by the United Nations for tracking international economic activity.

<u>Standard International Trade Classification (SITC)</u> System recommended by the United Nations Statistical Commission to track international merchandise trade among various countries.



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