

KOÇ HOLDING – ARÇELİK
INTERNATIONAL MARKETING
MKT 7500

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TABLE OF CONTENTS

INTRODUCTION	3
1. MAIN ISSUES	ERROR! BOOKMARK NOT DEFINED.
2. INTERNATIONAL DEMAND	ERROR! BOOKMARK NOT DEFINED.
3. ARCELIK IN TURKEY	ERROR! BOOKMARK NOT DEFINED.
ARCELIK'S STRATEGY	ERROR! BOOKMARK NOT DEFINED.
4. ARCELIK INTERNATIONALLY	ERROR! BOOKMARK NOT DEFINED.
UNITED KINGDOM	ERROR! BOOKMARK NOT DEFINED.
FRANCE	ERROR! BOOKMARK NOT DEFINED.
GERMANY.....	ERROR! BOOKMARK NOT DEFINED.
COMPARISON OF THE THREE MARKETS.....	ERROR! BOOKMARK NOT DEFINED.
5. OPTIONS AND RECOMMENDATIONS	ERROR! BOOKMARK NOT DEFINED.
ASSESSING THE CURRENT SALES SITUATION	ERROR! BOOKMARK NOT DEFINED.
THE FLANKER STRATEGY OPTION.....	ERROR! BOOKMARK NOT DEFINED.
THE CONFRONTATION STRATEGY OPTION.....	ERROR! BOOKMARK NOT DEFINED.
THE NEW MARKET EXPANSION OPTION	ERROR! BOOKMARK NOT DEFINED.
ASSESSING ARCELIK'S INTERNATIONAL SALES PROFIT	ERROR! BOOKMARK NOT DEFINED.
<i>Arcelik's international presence in 1996¹.....</i>	<i>Error! Bookmark not defined.</i>
<i>Arcelik's estimated cost structure.....</i>	<i>Error! Bookmark not defined.</i>
ASSESSING THE FUTURE IMPACT OF COMPETITION.....	ERROR! BOOKMARK NOT DEFINED.
<i>Future impact of competition on Arcelik refrigerator sales in Turkey.....</i>	<i>Error! Bookmark not defined.</i>
<i>Future minimum sales goals for refrigerator export units.....</i>	<i>Error! Bookmark not defined.</i>
HANDLING THE PRODUCTION CAPACITY PROBLEM.....	ERROR! BOOKMARK NOT DEFINED.
ASSESSMENT CONCLUSIONS	ERROR! BOOKMARK NOT DEFINED.
6. IMPLEMENTATION	ERROR! BOOKMARK NOT DEFINED.
A - DEVELOP AN INTERNATIONALLY CONSISTENT BRAND IMAGE.....	ERROR! BOOKMARK NOT DEFINED.
Price	<i>Error! Bookmark not defined.</i>
Product.....	<i>Error! Bookmark not defined.</i>
Promotion.....	<i>Error! Bookmark not defined.</i>
Place.....	<i>Error! Bookmark not defined.</i>
B - INCREASE EXPORTS THREE-FOLD IN FIVE YEARS	ERROR! BOOKMARK NOT DEFINED.
<i>The countertrading option</i>	<i>Error! Bookmark not defined.</i>
C - MONITOR THE COMPETITION.....	ERROR! BOOKMARK NOT DEFINED.

Introduction

Globalization, fragmentation of the market place, empowered customers, and increasingly adaptive competition are several macro-environmental trends affecting all firms, whether they compete internationally or in their own countries. The case of Arcelik, a Koç Holding subsidiary, is a good example on how foreign markets and competition can pose two serious threats for a company, namely losing local market share in the home market, and “missing the boat” of opportunity to profit from higher overseas sales growth. To know how Arcelik can overcome these threats, we will analyze its main issues, and then respond with an implementation plan.

First of all we will present our findings on what exactly are the main issues that Arcelik is facing. We will then show how we arrived at such conclusion by presenting an analytical description of the current situation in a second part.

This second part begins by a short overview of what is the global situation for sales of white goods, but quickly follows by narrowing down to Arcelik’s specific situation. After analyzing the firm’s specific local strategies, strengths, weaknesses, and threats, we will pursue this analysis in the international context. Our findings will be summarized in a third part, in the form of a cause-and-effect logic tree, clearly showing how Arcelik’s main issues fit within other elements of its current situational context.

To solve these issues, we will present several options in a fourth part. Each option will be separately considered, but to decide what has to be Arcelik’s future goal, we will engage in a numerical analysis of a “worst-case” scenario, and see how this situation can be overcome by the submitted options.

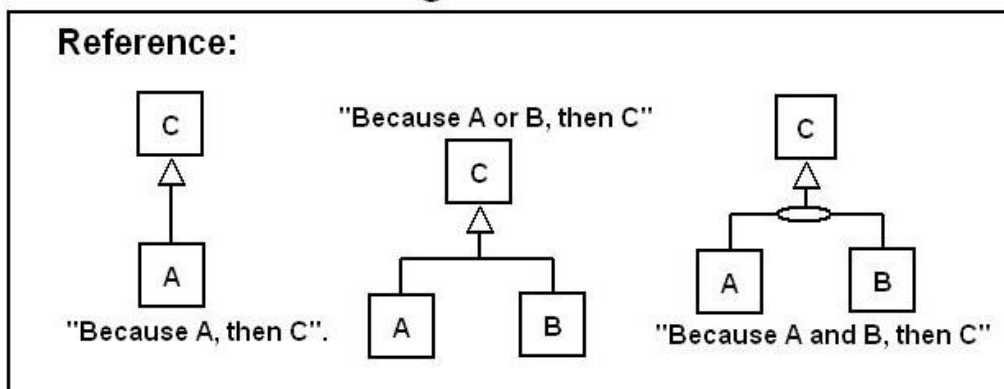
Finally, three courses of actions will be selected from these options. We will present their implementation, which will transform Arcelik from a local company into a strong global competitor with sustainable competitive advantage.

Summary of Arcelik's main issues

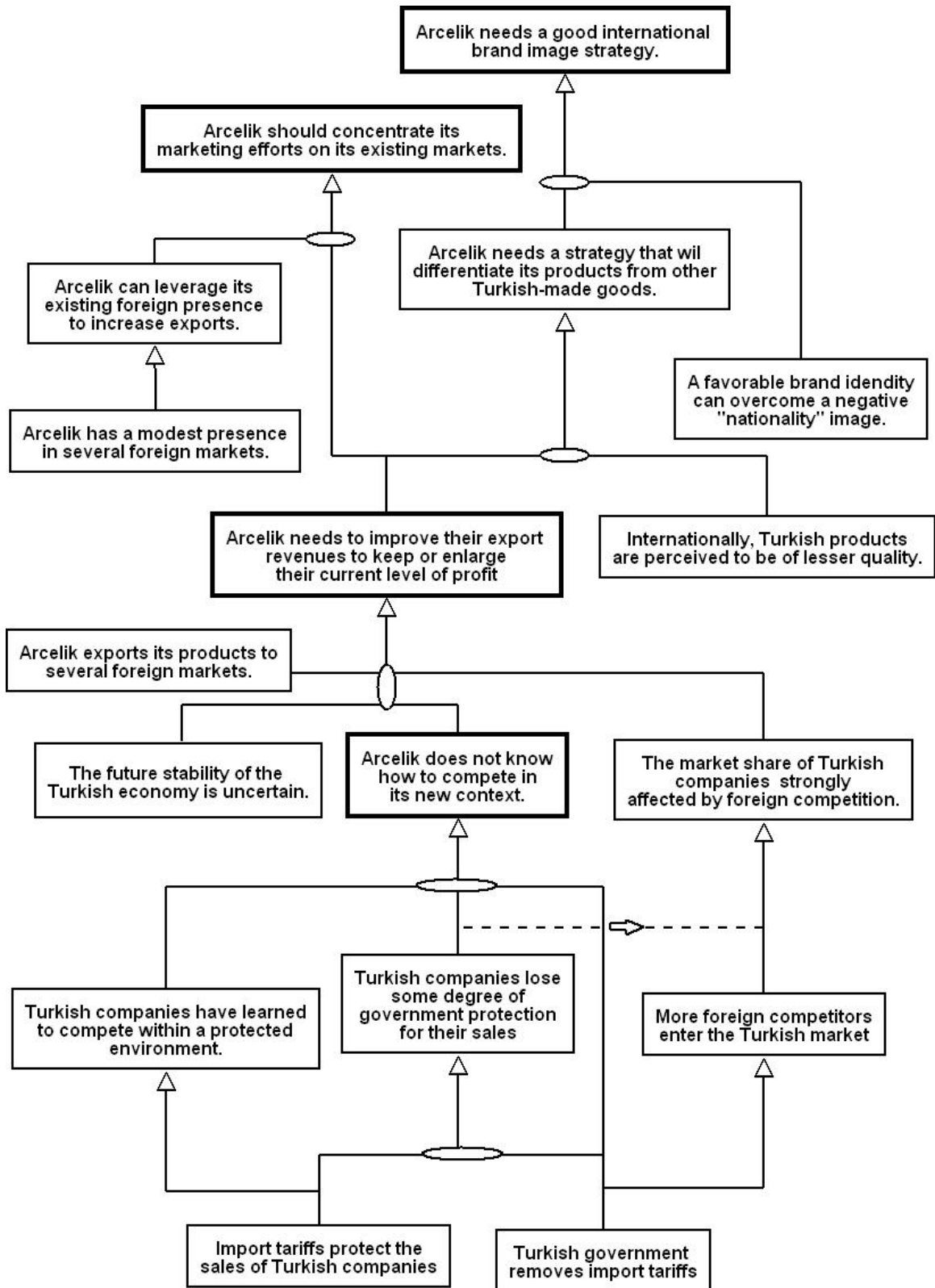
Arcelik's main issues are summarized in the following logic tree. This graph clearly illustrates how the issues fit among other previously mentioned problems and contextual factors, as determined by cause and effect logic.

The tree should be interpreted by starting at the bottom, working the way up through each logical statement, i.e. "because of 'this statement', we obtain 'this new statement'".

Arcelik's Issues Logic Tree



The full tree is located on the next page to maximize the page space available for its printing.



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