The Internationalization Process of a UK based Small and Medium Size Enterprise: The Implementation of Global Marketing Program
Abstract:

The effects of globalization have changed the global market rules which encourage many firms to expand their sales to foreign markets with the aim of entering new and potential profitable market. OnDemand Group (ODG), UK Based Company that focuses on content management on the platforms of operators’ music and video, has already seen the advantages by entering 24 different country markets and now by entering to Dubai market which is the opportunity for ODG to move to Middle East market.

However, the internationalization process is a long process for the firms. The firms must choose the right market, right entry modes, target markets to benefit from opportunities, design new global marketing program, and find appropriate ways to implement that program in each market. In this thesis, we mainly focused on implementation of global marketing program, because, regional differences due to different preferences of other markets can be a shortcoming for ODG for the creation and implementation of global marketing program in Dubai. Our aim is to understand how OnDemand Group marketing program accommodate these differences, and what changes they are making in the marketing program and organizations to reach the new potential markets and broadband operators in Middle East close to United Arab Emirates market.

To find out the answers for our research question related with global marketing program, Qualitative method is used in our study. Qualitative method in this research will aim to collect both primary data through e-mail and phone interview, and secondary data related with ODG is obtained through ODG website and relevant reports, academic journals, university database, books and relevant websites.

In conclusion, we clearly observe that many aspects of the global marketing program remained unchanged, and there are many processes that are even standardized like some processes in the operations and the strategic management models by headquarters. However when it comes for the end customer services offered by ODG, there are a quite high level of customization between different regions and countries. In real practice, we find this applicable even for simple product companies that offer some level of services.

Key words: ‘Internationalization’, Implementation of global marketing program’, ‘OnDemand Group’, ‘Organizational Changes’
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1. Introduction
In this chapter we introduce the topic of this thesis, and the reasons for choosing this selected field; the media industry and the current opportunities it possess. We then discuss the phenomena of globalization and internationalization of small and medium enterprises. We present the aim and the purpose of our study, and our research question. We finally discuss the limitations of this paper and how it’s going to be structured.

1.1 Globalization and Internationalization of SMEs:

The rapid pace of globalization and the advanced technology have resulted in a growth of international trade in merchandise trade and in services over the last few decades until the last economic crisis which showed its negative effects from the last quarter of 2008 and the whole of 2009 (Czinkota & Ronkainen, 2007; WTO International Trade Statistics, 2009). The effects of globalization has changed the global market rules by removing trade barriers; by creating global customers/accounts; by standardizing worldwide technology and worldwide communication; by bringing cultural homogenization; and by introducing global cost drivers to firms such as economies of scale or economies of scope. Changing market rules encourage many firms to expand their sales to foreign markets with the aim of entering new and potential profitable market; increasing firms’ competencies; and facilitating access to new product ideas, innovations and advanced technology. Global linkages and networks facilitate this internationalization process for firms. (Hollensen, 2007)

Success of firms can be gained through not only innovation but also by means of exploitation of opportunities internationally. While the process of internationalization is easier for Multinational corporations (MNCs) because of their sufficient resources and expertise, it is often presumed that small and Medium enterprises (SMEs) suffer from internationalization of their domestic market, instead of getting internationalized and being active players (Hollensen, 2007). However, recently many SMEs are entering into new markets; they compete internationally, and become important players for future growth, despite their limited resources and expertise (Gjellerup 2000 in Ruzzier, Hisrich, & Antoncic, 2006; Hollensen, 2007). Moreover the numbers of SMEs that operate internationally are
increasing. This is particularly for companies that specialize in information and communication technologies (Liesch & Knight, 1999).

Recently, the SMEs has been seen as valuable assets for economic growth in countries. They have multiple roles as job providers, suppliers of goods and services to large organizations. Many SMEs have simple structures and procedures that promote flexibility, rapid feedback, shorter decision making processes, understanding better of customer needs and preferences, and quicker action to these needs and wants. Despite these advantages, the internationalization of SMEs requires changes in product, manufacturing, distribution, communication, and marketing aspects. (Singh, Garg & Deshmukh, 2008)

Many authors claim that the internationalization process is a long process for the firms (Hollensen, 2007; Johansson, 2009; Czinkota & Ronkainen, 2007). The process begins with deciding whether to internationalize or not. After deciding whether to expand the business to foreign market, the firms must choose the right market for their internationalization process, right entry modes, and target markets to benefit from opportunities and to be released from the negative effects of international trade, design new global marketing program, and find appropriate ways to implement that program in each market that they involved in (Hollensen, 2007; Johansson, 2009). However; While research in how to choose a market, how to choose a right entry mode to that market are popular, the internationalization process on the individual level, which is related to major business operations changes during internationalization process and what kind of organizational and individual resources and skills are needed for the successful management of an internationalization process, remains unclear (Schuh 2001 in Nummela, Loane & Bell, 2006).

That is why, in this thesis; our aim is to find out if the company we are going to analyze have a global marketing program or not, and what kind of organizational and individual resources and skills are needed for the implementation of marketing program after the internationalization process of a SME. We focus on one industry – media and entertainment industry in United Kingdom. The company which is going to be analyzed in our thesis is UK based SME. In the next section we describe briefly media and entertainment industry and the sub industry of the television industry.
1.2 The Media and Entertainment Industry:

Media and Entertainment industry comprises a waste range of sub industries – print media, television, radio, music, and filmed entertainment. The industry revenue mainly comes from advertising. In this thesis we focus on the TV industry particularly United Kingdom television industry since our case’s company is UK–based SME, the OnDemand Group (ODG) which is specialized on video on demand, is managing services including content acquisition and aggregation, marketing and programming, content processing, software services and on screen promotion, serving to over 6.5 million households with set top boxes, and providing mobile video services that reach over 100 million subscribers through their contracts with major operators (OnDemand, 2010). Briefly, the OnDemand Group acquires the right of contents from big studios like Warner Brothers, Disney, and Sony and so on for bigger territories, attain the wholesale content, and then retail it to many different operators in many regions (Dabaghi, 2010).

According to Sector Skills Council for Creative Media (About Television Industry, 2010); The UK television industry includes many players such as the major broadcasters, Production companies, 300 cable and satellite broadcasters like Virgin Media, Discovery and number of niche broadcasters catering to different kinds of audiences and interests. Sector Skills Council for Creative Media (About Television Industry, 2010) mentions that there is a profound and rapid change in the television industry because of media convergence and globalization. We can assume that the ODG saw specific opportunities created by globalization in the UK television industry and has operation in more than 24 countries that includes Germany, Spain, Austria, Greece, Turkey, Russia, and Latin America (OnDemand 2010). However, in our study, we are mainly focus on the entry to the United Arab Emirates market which happened unofficially at the end of December 2009 when ODG signed a contract with Du to provide content for Video on Demand (VOD) services (Dabaghi, 2010), officially in January 2010 by opening the Dubai office (OnDemand History, 2010). We are going to see how the implementation of global marketing program works for the UAE market which is going to be the first step to entry to the Middle East region with the aim of contracting with other broadcast operators in the Middle East when the sufficient infrastructure is created for OnDemand Group Services (Dabaghi, 2010).
When we analyze the Dubai Market, Dubai is one of the seven states of United Arab Emirates federation which consists of Abu Dhabi, Sharjah, Ajman, Fujairah, Ras al Khaimah, and Umm al Qaiwain (United Arab Emirates country Profile, 2010). Total population is 18,290,999 which consist of different nationals and The Emiratis (Dubai Statistics Center, 2010). While the 17% of population is the local Emiratis, the rest of the population comprised of many nationalities (Race and Nationality in Dubai, 2010). While the Asians including Indians, Pakistani, Filipino, and Sri Lankan are the creating most of non-Emirati population, other nationalities of Dubai population consist Arabs from other countries, Europeans, Americans and small number of others (Race and Nationality in Dubai, 2010). When we look at the big picture of United Arab Emirates (UAE) market, the largest group of the expatriates is Indians that are followed by Pakistanis, Bangladeshis, other Asian Communities and Western Expatriates (Expat numbers rise rapidly as UAE population touches 6m, 2009).

When the telecommunication sector in the UAE is analyzed, there can be many opportunities for ODG to expand their business into the Middle East Region. The telecom sector of the UAE was a monopoly with the government owned operator Etisalat till February 2007 with the entrance of du other telecom operator by liberalization of sector (UAE telecom market grows with competition, 2007). However, still 40% of each company’s stake is owned by UAE government (UAE telecom market grows with competition, 2007). Recently, the liberalization of telecom sector in different scales in Middle East Region takes the attention of UAE telecom operators. Etisalat decided to move across the borders by owning major licenses in Egypt, Saudi Arabia, Pakistan, and buying the 70% of pan-African operator (Competition sees Middle East telecoms go global, 2007). These factors urge ODG to talk with Etisalat, the UAE major telecom company about a possible contract to cover the UAE market and move to Middle East through these operations (Dabaghi, 2010). However, the important question is how the global marketing program will be applied in this market to accommodate different tastes and preferences. In the next section, we will briefly explain our problem area that we are going to focus on this thesis.
1.3 The Problem Statement:

Although there are many positive effects of internationalization such as firm’s survival and growth, access to new market knowledge and so on (Czinkota & Ronkainen, 2007), there are many negative effects of getting global. For example, cultural differences in personal values of how to conduct business in spite of cultural homogenization, regionalism and protectionism by the regional clusters created by countries, and de-globalization trend which is to prevent international companies to enter that market for protecting the native values and customs of countries cannot be overlooked. It is obvious that these changes can also be a threat for firms to implement global marketing program. (Hollensen, 2007)

We can see that our case company, OnDemand Group has seen the advantages in the industry and got internationalized and currently operates in 24 countries right now (OnDemand 2010). However regional differences because of different preferences of each market in OnDemand Operational countries can be a shortcoming for the creation and implementation of global marketing program in Dubai. Moreover in this new market, as it is mentioned above, many different tastes and preferences exist because of diverse nationalities that Dubai and the UAE market are formed (Race and Nationality in Dubai, 2010. For example, while many other markets such as the European market do not prefer so much Bollywood movies, the largest number of expatriates in Dubai can force ODG to buy Bollywood contents. Besides, the infrastructure for the OnDemand services and products has not been totally developed yet in the Middle East (Dabaghi, 2010). Our aim is to understand how OnDemand Group marketing program accommodate these kinds of differences, and what changes they are making in the marketing program to reach the new potential markets and broadband operators in Middle East close to United Arab Emirates market.

1.4 Purpose of the study

The main purpose of this study is to explore the management and decision making processes of OnDemand Group – one of the UK based SME during creation and
implementation of global marketing program. First, the thesis is going to provide a theoretical background of the process of internationalization specifically managing the global marketing program after internationalization process for SMEs. Then we will provide information if OnDemand Group has a global marketing program and explore if there is any differences in implementation of global marketing program between headquarters and United Arab Emirates. This study is based on how to implement these global strategies in the new market. The aim of this comparison study is to find out the differences and similarities of decision making and management viewpoint of internationalization process of two different country based office. This study will also try to find out if the literatures of internationalization process about management are accurate and applicable to real business life.

1.5 Research Questions:

- Is there any global marketing program that OnDemand group is implementing?
- Does OnDemand headquarters make any changes and adjustments in their Global Marketing Program regarding their organizational culture, organizational structure and control mechanism?
- Does OnDemand Group practical case show that the differences in different markets force changes to the Global Marketing Program?

1.6 Limitations:

The thesis paper focuses on internationalization process of Small and Medium Size Enterprises and their implementation of global marketing program. Moreover, since all three writers Hollensen (2007), Johansson (2009), and Czinkota & Ronkainen (2007) that we used their books in our study only focus on marketing perspective by excluding accounting, financial approach, this study will analyze this process from marketing and management perspective only rather than other perspectives.

Due to the time factor and the resources allocated to this paper, this paper will be best presented if the process of internationalization concentrates on one company rather than the whole media industry since the finding that we will be more specific, more reliable,
at the same time reduce the generalization of the results. As being one of the leading media industry companies, our practical case will focus on UK-based SME OnDemand Group which operates in more than 24 countries (OnDemand, 2010). Furthermore, we will use qualitative method rather than quantitative method due to the time factor.

This study will be analyzed from the lenses of OnDemand perspective because of the inability to find third part information about the internationalization process of OnDemand Group. Our study will mainly focus on interpretation of interview made with OnDemand Group Managers and company website. Moreover, it was really difficult to find information about ODG from OnDemand Website. Since they are wholly owned subsidiary of SeaChange International, OnDemand does not have a separate annual report. The information about OnDemand Group exists in SeaChange annual report under the name of media services. Moreover, ODG does not mention how many employees that ODG has got, and the information related with our topic within its website. We even could not get some of the information because of confidentiality of information during interviews. Besides the contracts are also secret that is why we cannot mention some valuable data that we learned during interviews.

2. Research Method:

In this chapter, the methods used to collect information for this research are going to be discussed. We review how the process of collecting data was undertaken and we also discuss potential shortcomings of our research methods.
For this study, the case study approach was chosen in order to enhance our understanding about the applicability of implementation of global marketing program in local subsidiaries. We used only one case which is related to OnDemand Group and their implementation of marketing program in all subsidiaries due to time limitation for our thesis. We are aware that case selection is critical for the research process. We chose OnDemand Group because we have a direct contact from Dubai office. The direct contact helped us to reach answers to all questions. It also increased the reliability and validity of this study. OnDemand Group also represents an interesting case because ODG has just opened its Dubai office in 2010 while, before ODG operates mainly in European countries and Turkey. The UK based SME saw the opportunities of television industry and added one more market to their operations.

We used multiple methods for collecting data about this topic. We conducted e-mail interviews and one phone interview with Foaad Nami, Solutions Engineer of Dubai Office. Foaad Nami was chosen to be our contact for direct feedback and communications with other employees in the Dubai office. In our study, the interview questions were in a semi-structured manner. Interview questions consisted of both open and close questions. By asking open questions, we aimed to gather new information that we did not think about while preparing our questions. The aim of interview questions was to learn about the process of how to make ODG Dubai office to implement global marketing program and to learn about if changes is made in organizational structure, control systems and organizational culture to facilitate the implementation of program. We chose e-mail interview, because e-mail interview let our respondent to have sufficient time to answer questions when he is convenient. Furthermore, we thought that e-mail interview is cost and time-saving, because we do not have to go to London, England to ODG headquarter or Middle East office to make this interview. Phone interview also helped us to stimulate a conversation type of interaction that gives multiple feedbacks on certain specific areas that we could not get answers from e-mail interview. Another Interview were used as well. An interview that was conducted with George Dabagh, General Manager Middle East On Demand Group, by a business magazine was used as well to formulate some of the
conclusion in this paper. Moreover, Qualitative method was a useful tool for evaluating the research questions through interviews. Qualitative method helps researchers to understand human behavior in depth and the reasons behind the behaviors (Denzin & Lincoln, 2005; Marshall & Rossman, 1998). It examines human behavior from many aspects: why, when, where, what and how. In our case, qualitative method helped us to understand if the advices given by many researchers about how to implement global marketing program is applicable to real life business practices. It also help us to understand what the difficulties that headquarters is passing through to implement the global marketing program in Dubai whose preferences and tastes are partially different then European market. These differences can be the need of Bollywood content, the Arabic dubbed content, and the technology and infrastructure differences in each region. Because of time limitation, we could not manage to use quantitative method which would give us financial and numerical insights about how to implement global marketing programs.

Our aim was to collect both primary data through interview, and also secondary data related with ODG and their implementation of global marketing program during internationalization process.

For this study, secondary data related with OnDemand Group and implementations of global marketing program has been obtained through academic journals from university database, books, SeaChange Annual Report (2010) and relevant websites. We accessed academic articles through using Karlstad University’s Electronic Library Navigator by reaching databases of article providers like Emerald, Business Source Premier. The academic journals have been mainly used for explaining theories about internationalization process. The key words used to search for articles were ‘Internationalization processes, ‘Implementation of global marketing program, and ‘Strategic Organizational changes during internationalization process’. The books that we have chosen were used to also explain internationalization theories. To support our arguments that we have written in theoretical framework part, we used ODG website and SeaChange Annual Report, the part which is about media services. We also used some interviews made by some magazines with Georges Dabaghi, Middle East General Manager to support our argumentation.
Finally, our goal is not to have generalized conclusion for wider population. The conclusion aims at increasing the awareness of the implementation of global marketing program during internationalization process. We expect that our conclusion that we will come up will be further investigated and tested by other researchers.

3. Company History and Product and Services of ODG:

*In this chapter we first make a short presentation of OnDemand Group (ODG). The empirical findings are then presented. We present empirical findings by referring to our main topics during the interviews; annual reports, and the secondary data presented by the reports collected from ODG and articles and journals gathered from academic databases.*
3.1 OnDemand Group History:

The OnDemand Group was established in 1995 and its headquarters is situated in London, United Kingdom. Total number of employees is 140 (Nami, 2010). ODG has got remote offices in Athens, Istanbul, Dubai and Munich (joint venture office) with low number of employees (Nami, 2010; Corporate Structure, 2010). Since 2005, OnDemand Group is wholly-owned subsidiary of SeaChange International (OnDemand 2010). SeaChange International is one of the US-based Multinational Corporation with more than 1000 employees which is listed in NASDAQ stock market (SeaChange Important Facts, 2010; SeaChange Stock Information, 2010). SeaChange International that was founded in 1993 specializes in software applications, services and integrated solutions that aim to offer high quality television experience across TVs, PCs and mobile devices (SeaChange Important Facts, 2010). Recently, OnDemand group operates in more than 24 countries worldwide such as UK, Germany, Austria, Spain, Russia, Turkey, Middle East, Greece and Latin America. ODG provides both products and services to their customers, operators. ODG also provides communication networks and media organizations with services and solutions that include service development and operation, product research and specification, content acquisition, content service management, marketing, pricing and packaging, television advertising & promotion production, performance analysis and software, systems & service integration (OnDemand History, 2010).

The OnDemand History (2010) provides some examples of their internationalization efforts. The first penetration of ODG happened in 1998 in the UK by launching the Front Row television pay-per-view movie service over the UK cable network (OnDemand History 2010). These efforts continued in later years. ODG entered Spanish market by establishing a movie service – Mirador– for 11 cable companies in Spain (OnDemand History 2010). The initial entry to German market occurred in 2006 when ODG created its wholly owned movie pay-per-view service - Select Kino for Deutschland cable network (KDG). Moreover, ODG signed a licensing agreement with Twentieth Century Fox to provide big range of movies for Kabel Deutschland subscribers (OnDemand History 2010). The further expansion of ODG to
German and German speaking market continued by creating a joint venture with Tele München Gruppe (TMG) in 2007. TMG has got a strong distribution system which helps them to exploit all audio-visual rights TMG also is a shareholder of many channels in Germany and Austria. In April 2007, OnDemand Deutschland (created as a result of joint venture between ODG and TMG) has taken one more steps to capture most of the German market by taking over the management of the pay-per-view movie service for Unity Media (OnDemand History 2010). The next expansion in ODG operation was the Greek market in 2008, by being appointed by Greece’s largest Telco, the Hellenic Telecommunication Organization S.A. (OTE). ODG provides OTE with the content acquisition, content management and programming as well as assisting OTE in the marketing of the service. In November 2008, ODG saw the opportunities in the mobile video market and acquired the Mobix Interactive which is a forefront provider of mobile video and TV services to the growing European, Middle East and African (EMEA) market (OnDemand History 2010). Moreover, Turkey’s largest Internet Service Provider (ISP) which is the 13th largest ISP in the world in terms of total subscribers as of 2007 year-end chose the ODG to manage its On-Demand TV services (OnDemand History 2010). These expansions followed by Cyprus market by signing deal with PrimeTel in 2009. Moreover in May, On Demand Group obtained TL9000 Telecommunications Standard Certification which is a business obligation a system to follow performance and enhance the results for achieving better products and services to customers. By obtaining TL9000, ODG became the fourth company which has this certificate (OnDemand History 2010).

In January 2010, United Arab Emirates’ integrated telecom service provider Du launched its premier Video on Demand which is fully managed video-on-demand offering with On Demand Group (OnDemand History 2010). The office in Dubai is dealing with only the Dubai Market right now with the aim of expanding their business around the United Arab Emirates and the Middle East (Dabaghi, 2010).

3.2 OnDemand Group Products and Services:

OnDemand Group provides its customers many services and products including content acquisition & aggregation, business building, content preparation services, service
management, software products & services, strategy consulting & professional services, branded services, and on screen promotion.

**Content Acquisition & Aggregation:** According to OnDemand Website (Content Acquisition & Aggregation 2010), ODG has got many relationships with the major Hollywood studios, and other international and local content owners which enable ODG to respond the content acquisition requirements of each local subsidiary. OnDemand website (2010) also mentions that these important contacts help ODG to deliver the aggregation solutions quickly. ODG content acquisition team specializes in collecting top quality movies, sport, pop and niche music, children's programming, hit television series and soaps, adult programming, documentaries, electronic games and licensing set-top and network PVR rights. The website (Content Acquisition & Aggregation 2010) also mentions many services of content acquisition teams including researching and analyzing the market, giving recommendations about positioning, packaging, promoting and pricing the content.

**Business Building:** According to ODG website (Business Building 2010), Business building team is dealing with establishing profitable new media ventures. The website (Business Building 2010) mentions that ODG is an active player in the market by investing in joint ventures to provide better profitable and sustainable rapid market solutions to its customers. The examples of these joint ventures that ODG formed can be OnDemand Deutschland with TMG, the arm’s length film supply contract with Walt Disney and Sony pictures to create Film Flex.

**Content preparation services:** As mentioned in the ODG website (Content Preparation Services 2010), OnDemand Content preparation services which is located in London in new headquarters building, is controlling encoding and editing suites. Some of their functions consist of developing primary assets for distribution to Video On Demand servers, promotion channels, content delivering to multiple customers in multiple territories in multiple languages, including English, German, French, Greek, Turkish and Arabic.

**Service Management:** ODG website (Service management 2010) states that ODG Service management team aims at offering TV video on demand and TV pay per view services to worldwide operators to enable these operators to increase service uptakes,
penetrations, buy rates, customer usage, satisfaction and loyalty. Some of the key functions of service marketing include market research and analysis, service development strategies and planning, content selection and folder structure, performance reporting, royalty reporting and settlement, and management information reporting.

**Software Products & Services:** The website (Software Products & Services 2010) claims that ODG is the owner and developer of the software tools to direct on demand television services. This software team provides reporting and researching tools internally. For supporting many operation of on demand platforms, the management tools and marketing research systems are defined, installed and maintained by software team of ODG. The software which is fully integrated with the SeaChange iTV VOD system, offers intranet and extranet access. (Software Products & Services 2010)

**Strategy Consulting & Professional Services:** According to the website (Strategy Consulting & Professional Services 2010), ODG offers strategy consulting and professional services to media organizations and telecommunications companies to develop content and service solutions for the media problems. Some of the topics that ODG provides management advice are large scale and complex program management, integration management, corporate structure development, content product design and development, and commercial and technical consultancy. (Strategy Consulting & Professional Services 2010)

**Branded Services:** ODG website (Branded Services 2010) claims that Variety of content brands such as CineExpress, TeleZine, MusikLover has been created by ODG across key areas including movies, TV, music, kids, leisure and the performing arts. ODG website (Branded Services 2010) also mentions that these brands enable operators to offer a compelling consumer offer and provide competitive advantages to their companies.

**On Screen Promotion:** ODG’s creative production unit is responsible from the onscreen promotion of OnDemand products and helps operators to develop branded campaigns, content promotions, singles and compilations, cross-promotions, educational and help videos, that communicate the key content messages and consumer benefits to maximize buy rates. (On Screen Promotion 2010)
After analyzing the company history and products and services, it can be presumed that ODG has been operating its business successfully with expanding its business over more than 24 countries. By the beginning of January 2010, ODG group entered to the United Arab Emirates is particular the Dubai market which is a new challenge for the implementation of marketing program. In the next sections, we will talk about relevant literature about our case and we will compare the findings about ODG with relevant literature to find out if literature is relevant for real business practices. The ODG activities in terms of implementation of global marketing program are going to be analyzed through exploring its structure, organizational culture and control mechanism.

3.3 OnDemand Group Strategy:

As it is mentioned earlier, ODG is wholly subsidiary of SeaChange International. Although OnDemand Group does not have its own annual report, it is possible to find information about ODG in SeaChange Annual Report under the name of Media Services. According to SeaChange Annual Report (2010), the media services consists of the business activities of OnDemand Group and Mobix Interactive. The media services are mainly responsible for acquisition, licensing, preparation, management and marketing of content, and custom consulting services (SeaChange Annual Report, 2010).

According to SeaChange Annual Report (2010), SeaChange and its own subsidiaries’ strategy is to be forefront provider of video solutions in the television industry. SeaChange International structures its strategy on four key elements.

First elements is to develop, maintain and extend long-term customer relationships by improving the product development and direct sales efforts in line with the needs of cable system operators, telecommunication companies and television broadcasters in the world (SeaChange Annual Report, 2010). Second element is to offer integrated solutions. According to SeaChange Annual Report (2010), their customers have to work with multiple channels and target zones that necessitate the integrated solution which includes the delivery and management of video programming. Third key element is to establish and maintain technological leadership by focusing on research and development efforts with the aim of introducing systems with advanced hardware and software capabilities (SeaChange
Annual Report, 2010). The final key element is to provide customer service and support. According to SeaChange Annual Report (2010), constant operation is crucial because of having products that involves in customer environment. And SeaChange believes that efficient customer service and support will give SeaChange and its subsidiaries a unique position and competitive advantage. The diagram below shows the relationship between all these elements.

**Diagram1: ODG Strategy Elements, Source: (SeaChange Annual Report, 2010)**

In conclusion, SeaChange International believes that the investments and acquisitions made on media services, system integration and customization services have made SeaChange International an integral partner with customers to guarantee optimal performance of system (SeaChange Annual Report, 2010).

3.4 OnDemand Group Financial Indicators (Media Services):

To give an overview of ODG financial performances, we gathered some specific data from Sea Change annual reports related to ODG. As we mentioned before ODG is a whole-
owned subsidiary by Sea Change. It’s important to mention that the activities of ODG are not published separately in the Annual reports; on the other hand they are published under Media Services. The Media Services segment encompasses the business activities of the On Demand Group and Mobix Interactive, U.K. (based wholly-owned subsidiaries of SeaChange) (SeaChange Annual Report, 2010). As we mentioned earlier as well, the Media Services group focuses on the acquisition, licensing, preparation, management and marketing of content as well as custom consulting services.

Virgin Media in the U.K. is ODG’s largest customer. In the past two years, ODG also added the Hellenic Telecommunication Organization (OTE), Telekom Austria, TTnet, Du Telekom, and Neuf Telekom. Our concern in Du Telekom since our case is concentrating on the Dubai office case where Du Telekom is currently operating.

The following table sets forth summarized consolidated financial information for each of the two fiscal years ended January 31, 2010 and 2009.
Table 2: (2009, 2010) Financial Performance, Source : (SeaChange Annual Reports, 2010)

To briefly explain these tables, the Media Services Revenue. Revenues from Media Services increased 24% to $19.8 million in the year ended January 31, 2010 compared to the year ended January 31, 2009. According to the Sea Change Annual Report, the increase in revenue was due primarily to a full year’s impact of revenue from customers in Greece and Turkey for which we began to recognize revenue late in fiscal year 2009 and the recent contract wins during fiscal year with customers in France, Dubai and Cyprus (2010). On the other hand, Revenues from Media Services decreased 9% to $16.0 million in the year ended January 31, 2009 compared to the year ended January 31, 2008. The decrease in revenue was due primarily to the impact of the weakening of GBP compared to the USD during fiscal 2009 compared to the previous year. Valued at a constant USD/GBP exchange rate, ODG increased revenue year over year by 5% with two additional customers in Europe (SeaChange Annual Report, 2010).
Furthermore, the Media Services segment gross margin of 17% in the year ended January 31, 2010 was two points higher than in the year ended January 31, 2009 due principally to absorbing all content processing in-house that was previously provided by a third party. Sea Change stated that this occurred during their second and third quarters of fiscal 2010 and they expect to receive the full year’s benefits in fiscal 2011 (SeaChange Annual Report, 2010). On the contrast, Media Services segment gross margin of 15% in the year ended January 31, 2009 was two points lower than in the year ended January 31, 2008 due principally to higher year over year higher headcount related expenses to support additional revenue (SeaChange Annual Report, 2010).

Searching and analyzing the Annual Report of Sea change are relatively hard and information was not so easy to conclude. We managed to find some separate income statements related to the Media Services which is directly related to ODG performance. The following summarizes the income (loss) from operations by reportable operating segment; we deleted the other segments; Software, and Servers and Storage. We are only presenting the Media Services financial numbers because they are directly related to ODG operations.

<table>
<thead>
<tr>
<th></th>
<th>Year ended January 31</th>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td><strong>Media Services</strong></td>
<td>(in thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service revenue</td>
<td>$19,794</td>
<td>$15,959</td>
<td>$17,627</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>3,284</td>
<td>2,344</td>
<td>2,996</td>
<td></td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>-</td>
<td>64</td>
<td>111</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,918</td>
<td>3,049</td>
<td>2,449</td>
<td></td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>677</td>
<td>119</td>
<td>806</td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>3,595</td>
<td>3,232</td>
<td>3,366</td>
<td></td>
</tr>
<tr>
<td><strong>Loss from operations</strong></td>
<td>$ (311)</td>
<td>$(888)</td>
<td>$(370)</td>
<td></td>
</tr>
</tbody>
</table>

*Table 3: Financial Performance, Source: (SeaChange Annual reports, 2010)*
4. Literature Review and Practical Analysis:

In this chapter we present our theoretical framework and the main theories that will help us answer our research questions. We present theories related to the Global Marketing Program. This is where we accumulate a knowledge base that is necessary to fully understand the scope of the thesis paper and the logic used to conduct it. This knowledge base will support the gathering, interpreting and analyzing of our information and empirical data made in latter chapters. Furthermore, we interpret and analyze our empirical findings by using our theoretical framework. We analyze the interviews we conducted along with the reports we managed to gather from ODG.

4.1 The Definition of Internationalization and Global Marketing:

Internationalization of firms means basically “the geographical expansion of economic activities over a nation’s border” (Ruzzier et al., 2006, p.477). The term of internationalization began to be used in 1920s when the imperialism was replaced with the start of cross border interactions between economies. The economic internationalization increased after post World War 2 periods when the phenomena of globalization emerged (Gjellerup, 2000 in Ruzzier et al., 2006).

After deciding whether to expand the business to foreign market, the long process of internationalization is waiting for the firm. The firms must choose the right market for their internationalization process, right entry modes, and target markets to benefit from opportunities and to be released from the negative effects of international trade, design new global marketing program, and find appropriate ways to implement that program in each market that they involved in (Hollensen, 2007; Johansson, 2009). However, we focus on creation and implementation of global marketing program in this thesis.

Global Marketing is defined as marketing activities coordinated and merged across multiple country markets by firms (Hollensen, 2007; Johansson, 2009). The examples for integration of marketing activities can be standardized products, uniform packaging, identical brand names, similar advertising among many markets. However, Johansson (2009) mentions that although companies can use the term global for their marketing program, it does not mean that this program is going to be applied all over the markets. Johansson
(2009) gives an example that even regional marketing operations such as European based marketing program can be global marketing program. Hence, Hollensen (2007) mentions that managers have to make a fundamental decision regarding the degree of standardization their global marketing program or adapt their global marketing mix–product, price, distribution, and promotion– to local regulations and customs. The standardization consists of two features: a standardized decision–making process for cross–country marketing planning, and a standardized marketing mix across all local subsidiaries.

According to Hollensen (2007); although many writers argues that standardization and adaptation can be two distinct options, companies can standardize some of the marketing mix such as product or distribution, and also adapt some marketing mix elements to local regulations such as price or promotion. For example, alcoholic drinks companies cannot standardize their pricing strategy for all of their existing markets because of different regulations in many countries.

To understand whether ODG has got a global marketing program or not, we asked the first interview question (See in appendix 1). According to Nami (2010), ODG does have a global marketing program that is placed and enforced directly through headquarters; however, it is a quite flexible one; moreover, it’s open to direct and indirect changes and customizations to better fit its targeted market. Nami (2010) mentions that since every region have consumers with different tastes and preferences, ODG has got regional implementation in global marketing program. However Nami (2010) mentioned that acquisition of content is centralized by headquarters. The ODG Dubai office can make some changes in global marketing program. Du, the operator mainly requires Arabic content and Bollywood content besides Hollywood content because of different nationalities and different preferences. The ODG Dubai office communicates these differences in preferences to the headquarters, which then the headquarters uses this information to acquire contents for Dubai office catered for the Dubai market. Dubai office processes the content according to needs and preferences of customers like dubbing content with Arabic. Moreover, Nami (2010) also mentioned that sometimes the degree that operator can make changes in marketing program depends on the initial contract and the maturity of whole business concept. Since the whole concept in UAE is still in its infancy, their market size is not so big
The Internationalization Process of a UK based Small and Medium Size Enterprise: The Implementation of Global Marketing Program

to achieve economies of scale; du (operator) decided to outsource the whole service from ODG. In more mature markets such as Turkey, TTNet, Turkish operator has more power over defining market preferences. Even, as an operator, TTNet has got right to decide on prices of content instead of ODG headquarters. TTNet may also and often does negotiate its content with studios directly. However, in the case of Du, ODG Dubai office works hand in hand with Du to define the consumer pricing. (Nami, 2010).

As Johansson (2009) mentions that regional implementations can be counted as global marketing program, and Hollensen claims that in global marketing program, some adaptation of differences to marketing mix is possible, we can assume that ODG has got global marketing program with some adaptation to regional preferences. Moreover, Dabaghi (2010) also mentioned in his interview with Commsmea that the subscribers demand and what they want to see in Saudi Arabia, The UAE and Qatar are relatively uniform across the Arab world. That is why we can presume that while in the regions, preferences are relatively similar; between other regions the differences can be found. ODG applies regional global marketing program. However, it is important to mention that the contracts with each operator defines the level of authority that ODG headquarters has on marketing mix of each operator. Since Du decides on outsourcing whole service, ODG has got total authority on the marketing mix decisions (Nami, 2010). In the next section we will talk about how the implementation of the global marketing program works for ODG.

4.2 Implementation of Global Marketing Program:

When companies begin to expand their activities into new markets, growth and diversity in products and services, the markets and the personnel follow. Diversity brings complexity and challenges to organizations. Since the organizational structure, the management systems and control and the people are the main component of a successful implementation of global marketing strategy, some changes must be done to reveal new strategies. (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007)

According to Johansson (2009), there are three necessary tasks while implementing the global marketing strategy. First, the organization has to implement an effective multiple way communication which facilitates communication between headquarters and local
subsidiaries. The second essential component is the motivation of incentives should be given to local managers to implement the global marketing strategy even though it means loss of some control of local managers. Finally, the flexibility which requires the flexibility in management control and organizational structure will help to adapt organizations to changing conditions and to respond changes in environments. Johansson (2009) adds that these tasks can be achieved through some organizational tools. Organizations can change their structure to fit new market requirements. They can create new systems and procedures which help organization to change communication and reporting lines. Furthermore, employees should be flexible enough to adapt new changes. This can be achieved by adapting organizational culture to accommodate changes and new behaviors.

![Diagram of Global Marketing Program Implementation](source)

**Figure 4:** The Components for the effective implementation of Global Marketing Strategy (Source: Created by Authors based on books of Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007)
Hollensen (2007), Czinkota & Ronkainen (2007), and Johansson (2009) claim that the effective implementation of global marketing strategy requires some changes in organizational structure, control system and the organizational culture to provide the adaptation of local subsidiaries to headquarters. These changes in organizational structure, control mechanism, and organizational culture can be done in both sides, headquarters and local subsidiaries to implement the global marketing program. Figure 1 above represents the topics that are going to be explained in this study. In the next section we will try to find out if ODG makes any changes to implement global marketing program.

4.3 Organizational Structure:

According to Czinkota & Ronkainen (2007), Johansson (2009), and Hollensen (2007), the structure of the headquarters is an important component which facilitates the successful exploitation of the opportunities in new markets. However, there is not one best way to manage the global marketing because of the diversity in product lines, customers, country environments. Moreover, the employees working in different markets can also be an obstacle for managing global marketing program. That is why, Czinkota & Ronkainen (2007), Johansson (2009), and Hollensen (2007) claim that the success depends on finding an appropriate organizational design which balances the central coordination need of the headquarters with the motivation of local subsidiaries to implement that program. The appropriate organizational design will provide local subsidiaries with guideline which shows the route and process of decision making, and a system for communication and reporting. The organizational change is seen as evolutionary by many researches such as Hollensen (2007), Johansson (2009). The organizational design passes through some stages as firms grow their business into new markets. Both of three authors concentrate on same stages that can happen to organizations while they are expanding their business into new markets (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007). The figure 2 below represents some stages that organizations go through.
According to Figure 2, when firms first decide to extend their operations to foreign country, they enter the first stage which is the ad hoc exporting. During this stage, organizational structure will reflect to changes which can be the addition of export department which is cost centers without self-determining authority in product and marketing mix decisions, or which can be supplied from outsider exporting company. (Czinkota & Ronkainen, 2007; Johansson, 2009)

After the stage 1, the next stage is the functional structure stage which is considered the simplest structure by the management. In this stage, top management is concerned with the functional efficiency of the firm. The functional structure occurs when top management is separated into functional parts or departments such as Research and Development, Sales and Marketing, Production and so on. This structure is suitable for the situations where company’s products and customers are less or similar. Since the international activity
increases during this stage, the communication problem occurs within company. That is why; to facilitate the interaction between functional areas, staff functions has been created. (Czinkota & Ronkainen, 2007; Hollensen, 2007)

As the international revenue increases, the firms might need international divisional structure which is responsible for creating and implementing the overall international strategy, providing expertise and the information about the foreign market opportunities, and having some authority over international operations and activities. These international divisions can also be seen strategic business units. International division structure can be appropriate for the firms whose international sales are not as significant as domestic operation, and that have few product lines and have less environmental sensivity. (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007)

When the diversification of products lines increase, the firms prefer product structure. This type of product structure is mainly used by multinational companies that have more expertise in international business and marketing, diversity in product lines, and broad research & development activities. In this stage, top management is separated into product divisions. The advantage of this structure is the centralization of manufacturing activities which results in cost efficiency. (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007)

During stage 4, companies can prefer also geographical structure in which the company is managed by geographical division. The companies generally prefer this structure when the product acceptance by customers and the operation within markets changes in a big extent. This structure is appropriate for the companies that have got similar product lines such as common end–use markets and similar technologies, but still requires quick worldwide distribution. The geographical division helps companies to respond the environmental changes and market demands quickly. (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007)

The fifth stage brings the matrix structure which comprised of two different intersecting organizational structures: product and geographical areas. The product divisions are responsible from worldwide operation of its own while geographical divisions are taking
care of the international activities of its own region. These two intersecting division structures result in the dual reporting relationship and creation of conflict for the interest of these two divisions. This structure is mainly used by multinational companies which have diversified product line and extended geographically. (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007)

However, this structural evolution of international operation does not represent other structures such as mixed structure, global network structure, global account management. For our thesis, we need to talk about mixed structure which is related with our topic. The mixed structure occurs when companies integrate two or more organizational dimensions together such as products, geographical or functional. This structure can generally happen when the company is going through transitionary period of a merger or an acquisition. (Czinkota & Ronkainen, 2007)

To summarize the literature, as the companies’ international operations expand, it results in product diversity, new market demands and so on. After each stage when their foreign revenues increases, they adapt their structures to answer quickly to new market demand, to stay competitive and costly efficient. However, while the chosen organizational structure provides organization with outline to carry on decision making, other organizational tools must be change accordingly to provide implementation of global marketing program both in headquarters and local subsidiaries.

To analyze ODG structure, we asked question 3 (see in Appendix 1) to Foaad Nami (2010). Nami (2010) states that there are many different structures according to types of contracts with operators to provide the guideline which shows the route and process of decision making, and a system for communication and reporting for subsidiaries. Nami (2010) also mentioned that when the structure is seen as a big picture, it can be assumed that it is a global matrix structure. There are software team, creative team, service management team (marketing), content acquisition team, content processing team, royalty and accounting team in headquarters. The content acquisition team is in charge of negotiating content with the studios; content processing team is dealing with processing the content such as applying censorship to some contents, dubbing, subtitling, re-encoding and publishing; service management team defines the pricing, marketing of each content;
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creative team defines the graphic and video material that will be used by the operator to promote the service and software team that maintains and manages the technology used to support the operations (workflow software, reporting software, encoding software, publishing software, etc.). Royalty and accounting team collect usage reporting to invoice the customer and pay royalties towards the studios and owners of the rights. Besides reconciliation and collection of the reports, Royalty and accounting team shares reports with service management department who closely monitor the uptake of contents and trend to improve the overall proposition and maximize revenue. Each department in headquarters is connected to the remote offices in different regions. These offices are transferring the regional differences to headquarters than headquarters takes necessary actions. Finally, there is a separate corporate affairs department that is responsible for assigning the legal companies which handles the opening stages and the legal work for new ODG offices. As we mentioned earlier those departments are connected the similar smaller scale teams in remote offices. Therefore, For example, in Dubai office, there is a software service department, service management department, platform operators, in which all of them are supervised by top management of Middle East region. This department is responsible for team management and coordination in the Dubai office, sales, and future business development in the region.

Besides the interview with Nami (2010), it is also possible to find the corporate structure in the ODG website (Corporate Structure, 2010). The Figure 3 below represents the OnDemand corporate structure:
As it is seen from structure, The OnDemand group is the wholly owned subsidiary of Sea Change. The Mobix Interactive is a provider of mobile video and TV services to the European, Middle East and African Market (Corporate Structure, 2010). OnDemand management and production also represents the functional departments that OnDemand is offering to its operators (OnDemand, 2010). Finally OnDemand Deutschland represents the joint venture with Tele München Gruppe which is serving to German speaking market only (OnDemand History, 2010).

When we compare the literature with ODG findings we can see some similarities and some differences. First, Czinkota & Ronkainen (2007), Johansson (2009), and Hollensen (2007) claim that appropriate organizational design will provide guidelines to the local subsidiaries that show the process of decision making and system for communication and reporting. As it is mentioned above, we can assume that the organizational structure that OnDemand headquarters provide each operator show the way how to do business (Nami, 2010). However it is important to mention that there is no one appropriate model for ODG.
As Nami (2010) mentioned above, headquarters of ODG defines different structure for each operators according to contract where they define their way and the process of decision-making and coordination with them.

Moreover, Czinkota & Ronkainen (2007), Johansson (2009), and Hollensen (2007) argue that the organizational change is evolutionary and they define some stages after each expansion. However, it can be seen from findings that these evolutionary stages explained above do not exist for ODG structure. ODG headquarters choose different kinds of structure for each operator according to contract instead of following those evolutionary stages. Besides, the ODG Corporate Structure on the website (2010) represents mixed structure which is integration of two or more organizational dimension (Czinkota & Ronkainen, 2007). The structure includes functional dimensions such as production and management, product dimensions like Mobix Interactive and geographic function, ODG Deutschland that represent its joint venture with Tele München Gruppe. Nami (2010) also sees the structure as global matrix when he looks at the whole picture.

As a result, we can claim that ODG is changing or adapting its structure for the new subsidiaries in line with the contract. In contrast to authors’ opinion about evolutionary stages, we cannot claim that organizational structure evolves in stages for ODG. ODG headquarters has got different structures for different operators. The interview with Nami (2010) also shows that the whole structure seems like global matrix while the corporate structure on ODG website represents mixed structure. In the next section, coordination systems and internal cooperation which are complementing organizational structure is going to be explained.

4.3.1 The Role of Coordination and the center of decision making in organizational structure while implementing global marketing program:

As it is mentioned above; While the organizational structure provides an outline for marketing decision making, it does not mention where the authority for decision making and the control is situated within organization. That is why; After finding appropriate structure, the new management system must be established which helps to find balance between
headquarters and local subsidiaries to implement global marketing strategy. (Czinkota & Ronkainen, 2007; Johansson, 2009)

There are many factors that help to find suitable organizational structure and to find where the locus of decision making must be situated within organization to implement global marketing strategy. These factors are the level of participation in international activities, the businesses that company involves in, the volume and significance of the market, and the human resource capability of the company. (Czinkota & Ronkainen, 2007; Burns, 2008)

There are different coordination systems that depend on these factors. The companies can choose either decentralized coordination or centralized coordination or mixture of both (the strategic decisions are located in headquarters while subsidiary has high level of authority related with local market decisions) depending on these factors. In decentralized systems, the headquarters control over local subsidiary is loose, the relationship between headquarters and local subsidiary depends on financial aspects, and the local unit is considered as profit centers that is why, they enjoy high level of authority. On the other hand, in the centralized system, the control is tighter and headquarters is responsible from the strategic decision making. The examples of the organizational structure and coordination systems can be the following. For example; If the headquarters engage in international operations in low degree, then companies can choose decentralized system. The subsidiary can have high level of authority until they meet the financial goals of headquarters. The companies with variety of businesses or products that choose the product structure generally choose decentralized coordination system to exploit opportunities of local knowledge quickly. On the other hand, the firms providing technologically sophisticated products choose the centralized coordination and global product responsibilities. Other example shows that sometimes, the new markets and regions can necessitate separate arrangements than headquarters (Czinkota & Ronkainen, 2007). The final example is about the human factor. The chosen organizational structure and the locus of decision making must reduce the physical and psychic distance between headquarters and subsidiaries. Because, although the company applies decentralized system, local managers should give some decisions not profitable to their unit while profitable to headquarters in long term.
This can happen if local managers can understand the corporate culture well which is promoted with appropriate organizational structure. (Czinkota & Ronkainen, 2007; Johansson, 2009)

However, the real business practices have shown that there is no ideal international organizational structure. Even the structure of company is appropriate to firm and its business, still the companies try to find how to integrate the local entities demands into global marketing program which is related with coordination system (Czinkota & Ronkainen, 2007; Johansson, 2009). These efforts have resulted in new model which is networked global organization. This model comprises of three dimensions. The first dimension is the setting and communicating the clear corporate vision that provides guidelines to individuals. The second dimension is to provide the human resources tools to widen everyone’s perspective and to provide the recognition of corporate goals. This dimension’s aim is to create innovative global managers who can see through the global challenges and to create country managers’ with global perspectives. The last dimension is to merge individual thinking and activities into global marketing program. In short, this network approach turns the subsidiaries into contributor and partner while developing and executing worldwide strategies instead of implementer of global program. (Czinkota & Ronkainen, 2007; Johansson, 2009)

Nevertheless, the organizational structure and coordination systems are not enough for implementation of global marketing program unless it is promoted with internal cooperation (Czinkota & Ronkainen, 2007). Internal cooperation which provides information flow and knowledge gathering within headquarters and subsidiaries, helps global marketing strategy to be successful. There are some tools that can promote internal cooperation. One of the tools can be teaching in which people explain what they know and believe to be successful in the business. Another way to promote the internal cooperation for implementation of global marketing is to create global teams or councils. In case of new product development, global team of managers from different subsidiaries can come together and decide about new product. Although last decision depends on headquarters, decision represent different knowledge from different local demands which increases the implementation of global marketing plan by local subsidiaries. Moreover, many global
marketing managers are member of many councils where they learn many best practices from other members. The intranets can be another method to promote internal cooperation. Intranets can remove the time lag between an idea and necessary information to implement global program, can fasten the knowledge sharing and information flow, ease the teamwork. (Czinkota & Ronkainen, 2007)

To summarize the literature, companies operating global have many options of organizational structure and coordination systems available. However they have to choose the ones which are appropriate to their business activities and which are promoting and facilitating the implementation of global marketing program. It cannot be neglected that there is no best organizational structure or coordination system but companies should find the ones which combines the global perspective and local differences into structure and coordination system that facilitates the implementation of global marketing strategy by the local subsidiaries.

The relevant information about coordination system of ODG was obtained by asking question 4 and question 5 to Foaad Nami (See in appendix 1). According to Nami (2010), Dubai ODG office has limited autonomy. Though initiatives are most often taken locally the support and approval of the headquarters is the key. However, Nami (2010) also mentioned that this decision-making process of other subsidiaries and authority level can be changed according to type of contract the subsidiary is managing. Like in some mature markets, operator set prices by themselves while ODG office only consults them. For example, the Germany ODG has not so much interaction with headquarters, they decide on their marketing mix because of the joint venture with Tele München Gruppe. Nami (2010) told that the level of responsibility of headquarters related with strategic decision making about marketing program depends on the contract with operators and the remote offices are the channel between operator and ODG headquarters who passes the preferences of operators to headquarters and vice versa. But for ODG Dubai office dictates prices to operator because Du outsourced all the services from ODG (Nami, 2010).

When we compare the literature about coordination systems and ODG coordination system, ODG case represent that the coordination system depends on each contract with different operators. As Czinkota & Ronkainen (2007) says that companies choose either
decentralized or centralized control or both for their subsidiaries, we can see that ODG headquarters choose different control system for each operator. For some operators, ODG chose decentralized coordination system such as Germany ODG whose relations only depend on financial results as Czinkota & Ronkainen (2007) mentions above. ODG Germany does not contact with headquarters about changes in their marketing program (Nami, 2010). Besides, ODG headquarters uses centralized system for ODG Dubai Office (Nami, 2010). ODG Dubai office has to ask about every decision that they are going to take for marketing program. ODG Dubai office work closely with Du, operator and transfers the needs of operator to headquarters. If headquarters agrees it, then ODG Dubai office can make the adaptation, if not ODG Dubai office does not have any authority to change it (Nami, 2010).

We can assume that ODG headquarters are also choosing the appropriate coordination system with subsidiaries according to contract with operators. We can also accept that the authors like Czinkota & Ronkainen (2007), Johansson (2009) can be right for this case about their opinion of there is no ideal structure, because ODG creates a different structure and different coordination system for each subsidiary according to contract (Nami, 2010).

Czinkota & Ronkainen (2007) also mention above that the organizational structure and coordination systems are not enough for implementation of global marketing program unless it is promoted with internal cooperation. The interview with Nami (2010) proves that the internal cooperation is important between headquarters and ODG Dubai office. Nami mentioned that reporting is one of the most important tools for the ODG. Each remote office creates a monthly report about how they change operators, what kind of content that each operator requires the usage rates and so on (Nami, 2010). Nami (2010) and ODG website (Software Products and Services, 2010) also mentioned that the software team is responsible of creation of in-house tool to ease the internal coordination. In each remote office, there are software engineers. These teams create reports, and help these reports reach service management employees to create marketing. Beside this in-house software tools also helps subsidiaries and headquarters to share knowledge and best practices (Nami, 2010).

As a result, we can claim that ODG is choosing the appropriate structure and coordination system for each operator according to contract, and these structures and
systems are strengthened with internal reporting system which helps headquarters to combine the global perspective and local differences to its marketing program as it is explained by literature.

4.4 Control Mechanism:

After deciding on the organizational structure which provides guidelines how to achieve corporate goals, some instruments and tools can be set to urge the employees and managers to meet these goals. That is why, control is an important tool to measure and evaluate the performance of each subsidiary and find the gap between the established goal and achieved goal. By finding the gaps between expected results and achieved result, control mechanism also helps headquarters to redesign its global marketing program in case of any shortcomings. Moreover it provides the compliance to corporate goals over all subsidiaries. However, the important issue that headquarters has to deal with is to find how much control must be exerted over subsidiaries. Because, while control mechanism ensures the compliance with corporate goals, it should not repress the local initiative. In the next section, the possible designs of control mechanism are going to be discussed. (Czinkota & Ronkainen, 2007; Hollensen, 2007)

4.4.1 Designing of a Control Mechanism:

Czinkota et al. (2007) and Hollensen (2007) claim that while designing a new control mechanism, there are two objects that control mechanism can focus on. The first one is the output control which is based on controlling output regularly. The examples of output control can be profits, balance sheets, expenditures and sales revenues. During regular intervals, the subsidiaries send their results to headquarters. Headquarters evaluate and measure the performance in comparison with a plan or budget. The second one is the behavioral control which means the application of influence by headquarters over subsidiaries’ behavior. This type of control aims to influence behavior of subsidiaries even before get the results of performance. Behavioral control can be the use of sales manuals to subsidiaries sales people. This type of control requires a long process of socialization in which the corporate culture is well induced over the subsidiaries. (Czinkota & Ronkainen, 2007; Hollensen, 2007)
After defining which objectives are important for the headquarters, the instruments of control must be chosen. There are two general alternatives: bureaucratic and cultural control (Czinkota & Ronkainen, 2007).

According to Czinkota & Ronkainen (2007) and Hollensen (2007), the bureaucratic control (the formalized control) can be implemented in many ways which are an international budget and planning system, functional reporting system, and policy manuals to direct functional performance. After building the global marketing program, headquarters should define budget which is the quantification of marketing program in terms of investments, cash and personnel, and the plans which are the long term programs. These budgetary plans are valid for one year because of dependence to accounting system of the company. The aims of this control system are to allocate resources among subsidiaries, to plan and coordinate the global production capacity and supplies, to compare the actual and expected performance of each subsidiaries, and to create communication and information flow between headquarters and subsidiaries. It also provides the feedback about the implementation of the program and helps to reformulate or keep the global marketing program. The bureaucratic control also provides functional reporting system among headquarters and subsidiaries which helps to get participation from all subsidiaries and to get feedbacks from them. The last elements of this type control were the policy manuals which provide guidelines for subsidiaries about recruitment, training, motivation, and dismissal.

On the other hand, cultural control does not focus on rigid formalized control that is based on quantitative figures. This kind of control focuses on the implementation of corporate values and culture by the subsidiaries. Cultural control necessitates the informal and personal interaction during the control process. To apply culture control, headquarters should make some investments to train the individuals to share the vision, mission and goal of the company. The cultural control is often appropriate for the companies that have lower level of turnover rate. The companies mainly prefer to send expatriate managers to subsidiaries who already know the corporate values, mission, and culture. These managers help subsidiaries to enter adaptation process of headquarters requirements and development of local skills. Another way of implementing cultural control can be the
creation of global teams from different local background. These global teams can visit new subsidiaries and give necessary training to new subsidiaries. (Czinkota & Ronkainen, 2007; Hollensen, 2007)

Furthermore, Hollensen (2007) defines some steps to develop a global marketing control program. According to Hollensen (2007); Global marketing control mechanism is mainly based on an output or a bureaucratic control style. This mechanism will help global marketing managers to see how well subsidiaries achieve the marketing objectives. Hollensen (2007) offers that first companies should set their marketing objectives, strategies, and plans for implementation. During the second stage, headquarters should create the marketing performance standards to be achieved by subsidiaries for each area of activity such as product, distribution, communication and pricing. The sub objectives for each area should be defined. The next stage should consist of the location of responsibility within subsidiaries. To have a successful control system, headquarters should include subordinates to the stage of setting and establishing performance standards, since the overall purpose of control is to increase the success of implementation of global marketing program. After locating responsibility, the headquarters should measure the performance against the standards defined before. Success should be rewarded by praise or promotion while the bad performance should be advised or punished which can be done through by lower pay, demotion or termination of employment. After this step, headquarters should take corrective actions by changing objectives or standards if the last global marketing program’s results are less than required for all subsidiaries. Hollensen (2007) and Czinkota & Ronkainen (2007) add that while designing the control system, firms should take their environment in consideration. The company should only evaluate the dimensions that it has control. The company also should not neglect local customs and regulations while designing the control system. Unless it is illegal, company should respect the local customs and regulations of subsidiaries.

As it can be seen in this section, today’s challenge for companies is to find out appropriate and adequate control systems for their company. The designing of control system requires substantial investments in both understanding each environment that company involves in, the organizational structure and the coordination system. However,
companies cannot neglect the importance of control system because these are the tools for evaluating the performance of implementation of global marketing program and help them to take corrective actions in case of inadequate global marketing program.

To understand ODG headquarters control system we asked the following questions: *There is a general overview that technologically sophisticated firms generally create one global marketing program to all subsidiaries, the headquarters has tight control over subsidiaries, and headquarters is responsible from strategic decision making about marketing program. Is it true for your company? & how is your marketing performance controlled by head office of ODG? What are your performance measurement tools in terms of implementation of marketing program? Is it the financial numbers or the quality of your work is important?* According to the information gathered through Nami (2010), corporate website, and some internal documents, we managed to formulate an overview picture on how the control mechanisms were constructed. Briefly, the headquarters has got content acquisition team who is responsible from negotiations to get contents with big studios; content processing team who is responsible from processing the content such as putting censorship to some contents in UAE or other region, dubbing, subtitling; creative teams team that prepares trailers, promotions and posters for each market, service management team that defines the pricing, marketing of each content; software team that creates in-house tool internally, change one format of content to another one, creates royalty reporting system which also shares these reports with service management department. Each department in headquarters is connected to the remote offices. Remote offices has got one responsible from each teams mentioned above. Remote offices transfer the preferences of each operator and the market that they involve in and the headquarters takes the action according to these preferences. The headquarters’ level of control depends on the contract with operator. Like in some mature markets, operator set prices by themselves while ODG office consults them or ODG office dictates prices to operator. For example, the Germany ODG has not so much interaction with headquarters. Nami (2010) told that the level of responsibility of headquarters related with strategic decision making about marketing program depends on the contract with operators. Like in some mature markets, operator set prices by themselves while ODG office consults them or ODG office dictates prices to
operator. For example, the Germany ODG has not so much interaction with headquarters. Nami (2010) told that the level of control of headquarters related with strategic decision making about marketing program depends on the contract with operators.

For second question, For ODG Dubai office their marketing performance is measured by how many assets are rented by Du end-user. Nami (2010) mentioned that ODG Dubai, headquarters and Du are applying Revenue Shared Model, so both quality of work and the financial numbers are important.

When we compare the literature with ODG case, we can claim that ODG control mechanism mainly focuses on controlling output as Czinkota et al. (2007) and Hollensen (2007) mention above. The headquarters created a software in-house tool as it is mentioned before to collect monthly reports from each remote offices and operators. These results help ODG headquarters to see each offices and operators marketing performance and help them to redefine marketing program if it is necessary (Nami, 2010). For ODG Dubai office, we can assume that ODG headquarters give importance to behavioral control since ODG headquarters and Du are applying Revenue shared model in which both quality of work, the implementation of ODG culture and the financial results are important. Furthermore, Czinkota & Ronkainen (2007) also mentions that there are two types of instruments of control which are bureaucratic control (output based) and cultural control (behavioral based). We can again assume that ODG headquarters is applying both instruments of control for Dubai office and Du. As it is mentioned before; bureaucratic control is done with Royalty reporting system, and other functional reporting system created by Software Team in headquarters. The cultural control is also achieved through the training of each remote office in the opening phase with the aim of induction of culture, mission, values, and the way of doing business and so on.

To summarize the control mechanism, again we can see that ODG headquarters decides on the control system according to contracts. The best example can be the Germany ODG office in which control only depends on financial results while the Dubai office is controlled both financially and culturally because of Du’s decision of outsourcing all services from ODG.
4.5 People & Organizational Culture:

According to Johansson (2009), another important aspect for the implementation of global marketing program is the capability of people involved and organizational culture. Johansson (2009) says that organizational structure is the body that holds all company and subsidiaries together, the management systems are the engine of the company and finally the people make work all the organizational structure and management systems. That is why, people from top managers to employees matter a lot for the implementation of global marketing program.

Johansson (2009) also claims that to promote effective implementation of global marketing program, headquarters should motivate local managers to implement global marketing program. The motivation and persuasion of local managers can be done by adding them into formulation process of global marketing program. If local managers involve in this process, they will mainly accept and implement that program. On the contrary, local managers can feel ignored and will be persistent not to implement that program.

It is obvious that “people factor” during the implementation of global marketing program cannot be neglected. If headquarters do not give an attention to this issue, the company can lose local acceptance in the related market (Johansson, 2009).

On the other hand, for effective implementation, coordination and integration of marketing program, companies need to communicate their organizational culture effectively with subsidiaries (Johansson, 2009).

Many academics claim that organizational culture can be seen as cognitive framework which consists of values, beliefs, norms, meaning systems, patterns of thoughts. Organizational culture affects the anticipation of organizational members to each other and their expectations of external interaction with suppliers, customers, and external environment (Ireland, Hitt, & Sirmon, 2003). According to Singh et al. (2008), the cultural issues and cultural fit between subsidiaries are important for SMEs rather than Multinational Corporation where many cultures already exist. Johansson (2009) come up with some
communication ways by using culture element. First of all, companies can create a strong corporate culture internationally in which the values of the company are represented. Another way is to create a common technical or a professional culture which can facilitate the knowhow learning among subsidiaries and headquarters. While creating organizational culture, the aim of headquarters should be a one strong corporate culture that encourages local managers to communicate and interact more in line with corporate culture rather than national culture. Headquarters can also send expatriate managers from home company to induce corporate culture to subsidiary.

As a result, many SMEs should respond to the urge of globalization by internationalizing their business. However this move brings many challenges to SMEs such as how to manage new business, how to implement global marketing program and so on. That is why; SMEs can redesign their organizational structure and organizational design to fit with company’s overall marketing strategy. However headquarters should not underestimate the capabilities of people who make this organizational design work. For effective global marketing program implementation; SMEs can add local managers into process of formulation and create a strong organizational culture to better communicate and integrate subsidiaries into new global marketing program.

When we compare the literature with our case ODG, we can assume that ODG sees that the people and organizational culture is really important for the implementation of marketing program. As Johansson (2009) mentions that organizational culture is one of the tools to communicate organizational values and make local managers to act in line with organizational goals, and strategies. ODG also sees the importance of communication of corporate culture with each new subsidiary. ODG achieves this by taking their all of subsidiary office to headquarters, London to induce corporate culture, their way of doing business and so on (Nami, 2010). According to Nami (2010), in the opening of ODG Dubai office, all the employees were sent to UK for training purposes for one and a half week instead of sending an expatriate manager. During that training, all the values of the company are induced to Dubai office (Nami, 2010). Moreover, one legal company has been assigned from headquarters to formulate the trade and labor contracts (Nami, 2010).
Furthermore, as Johansson mentions above that the motivation and persuasion of local managers can be achieved by adding them into formulation process of global marketing program. On the contrary, local managers can feel ignored and will be persistent not to implement. Johansson (2010) also sees that if headquarters do not give an attention to this issue, the company can lose local acceptance in the related market that program. The interview that we made with Nami (2010) proves that the local service marketing employee is attending formulation of marketing program. The reason also why ODG headquarters put Dubai office members into formulation of marketing program is to learn preferences and tastes of customers to achieve further entry to Middle East which has got a has to a growth potential for ODG when the necessary infrastructure is developed (Dabaghi, 2010). To create local acceptance, as Johansson (2009) mentions above, ODG headquarters has to listen the Dubai office which is to channel between the operator Du and headquarters. As it is mentioned in the media industry part, Dubai and UAE market consist of different nationalities which represent different preferences and tastes. Nami (2010) also mentioned that different nationalities exist in UAE market which forces ODG to change their product offer in line with the market preferences. While the Hollywood content is still required, additionally ODG has to get the rights for Arabic content and Bollywood content. Moreover some product diversification has to be made in line with some regulation that UAE government put. For example, some censorship has to be done in some movies in line with government regulations. For the promotion also some posters has to be changed according to requirements of Du. That is why, Nami (2010) told that the regulatory issues surrounding content compliance (for example with respect to violence, nudity or sexual references, language, cultural issues, flashing lights) force ODG headquarters to change some marketing elements. According to Nami (2010), Dubai office is closely working with Du the operator to understand the preferences of customers then communicate it with headquarters. In some situation, Nami (2010) mentioned that there is a bit of employee resistance from Dubai office to headquarters in terms of applying the marketing program. For example, some contents are not accepted by Dubai office; however headquarters sends it to Dubai office. Nevertheless, Nami (2010) told that this resistance is constructive resistance to serve the best interest of both Du and headquarters.
To finalize, we can say that ODG headquarters sees that the employees and the managers in subsidiaries are also important factors for the formulation and implementation of marketing program. First, ODG headquarters induces corporate culture, the way of doing business, basis of marketing program, and business strategy to subsidiaries with training in the UK. Then, ODG headquarters adds local differences in their marketing program which is in line with their basic values and learns from differences from their remote offices as they are doing with the ODG Dubai office by adding them to the formulation of the global marketing program.
5. Conclusion:

The purpose of our study was to explore the management and decision making processes of OnDemand Group – one of the UK based SME during creation and implementation of global marketing program. During this study we have also come aware of other ways to approach this field. We therefore gain a better understanding for further research that we find needs to be done within this field.

In this thesis, our aim was to analyze the last stage of internationalization process for OnDemand Group which is the implementation of global marketing program. We briefly explained the literature that is mainly based on similar view of three authors whom are Hollensen (2007), Czinkota et al. (2007), and Johansson (2009). According to literature, when companies begin to expand their activities into new markets, growth and expansion brings the diversity which results in complexity and challenges to organizations; and to overcome these challenges, organizations can make some changes in their organizational structure, organizational culture and control mechanism to reveal new global marketing strategy (Czinkota & Ronkainen, 2007; Johansson, 2009; Hollensen, 2007). To understand if the literature is applicable for our company OnDemand Group, we asked the following research questions: Is there any global marketing program that OnDemand group is implementing?, Does OnDemand headquarters make any changes in their organizational culture, organizational structure and control mechanism to apply one marketing program over all of its subsidiaries?, Does OnDemand Group practical case shows that even for the high-tech company, the differences of each market that they involve in make them to change the global marketing program? We reached the following answer by making e-mail and telephone interview with ODG Dubai office.

According to Hollensen (2007) and Johansson (2009), Global Marketing is defined as marketing activities coordinated and merged across multiple country markets by firms. However Johansson (2009) mentions that the regional marketing operations can be seen as global marketing program. Hollensen (2007) also claims that some degree of adaptation can be made to some elements of marketing program while some of them are standardized. The
interview with Nami (2010) showed that ODG does not have a strict global marketing program. Nami (2010) mentions that since every region has its different customers’ tastes and preferences, ODG has got regional implementation in global marketing program. Moreover Dabaghi’s interview (2010) supported the regional similarities by claiming that Arab world has got similar preferences. That is why; we can claim that ODG has got global marketing program with some regional adaptation. It is also important to mention that the standardization is still relevant for ODG marketing program. For example, ODG headquarters can only acquire the content. Moreover the product diversification such as censorship can be done by only ODG headquarters.

Our second question was asked to learn if some changes have been done in the organizational structure, organizational culture and control mechanism. The literature about each topic claims that when companies expand their business, they make some changes in organization to stay competitive. The relevant information from ODG website and the interview made with Nami (2010) show that there are some changes in organizational structure, and control mechanism. ODG headquarters chooses an appropriate organizational structure and control mechanism according to their contracts with each operator. Each contract defines the way of doing business and the level of power on ODG global marketing program for each operator. The relevant information shows that this structure and control mechanism can be different for each operator. Moreover the literature generally talks about appropriate structure, appropriate control mechanism or appropriate culture. We can conclude that what is really appropriate in real practice is what better suits the company’s actual needs and potential resources. When we compare the literature with findings, we can also see some differences. According to Czinkota & Ronkainen (2007), Johansson (2009), and Hollensen (2007) argue that the organizational change is evolutionary. However, it can be seen from findings that these evolutionary stages explained in literature do not exist for ODG structure. The ODG headquarters chooses different kinds of structure for each operator according to contract instead of following those evolutionary stages. Johansson (2009) also mentions that organizations should make some changes in organizational culture to accommodate differences of each subsidiary. Although we saw that both the literature and the ODG give importance for people and organizational culture for inducing corporate
values, missions and goals, we could not get valuable information about changes in organizational culture of ODG. Therefore, we cannot make any direct conclusions about changes in organizational culture. Nevertheless, this opens the area for further research related to cultural aspects of change.

Therefore, does OnDemand Group practical case shows that even for the technology related products company, the differences of each market that they involve in make them to change the global marketing program? The interview with Nami (2010), and Dabaghi (2010), proved that ODG headquarters has to make some changes in global marketing program according to regional differences especially, if the companies are operating with the heavy influence on the services related to this technology related products.

We can assume that service oriented companies that are related to technology related products have to make some adjustments to satisfy customers’ needs and preferences. Nowadays, customers are very demanding, more sophisticated and more experienced. The success for all type of companies does not only depend on selling products but also it depends on adding value to product by offering different types of service. Moreover, these services are so sensitive to actual customer preferences and needs and thus on constant change and update to better suit their current market and needed offering.

It is critical to understand the complexity and the dynamics of the service system. In other words, value is created by the firm through a series of activities. In our case, the acquired content (movies, shows, and music) are not sufficient to create value for the customers, the value is based on the process of putting all the content materials into a finished processed service that meets the customers’ needs and requirements.

In conclusion, we clearly observe that many aspects of the global marketing program remained unchanged, and there are many processes that are even standardized like some processes in the operations and the strategic management models. However when it comes for the end customer services offered by ODG, there are a quite high level of customization between different regions and countries. In real practice, we find this applicable even for simple product companies that offer some level of services. A good example is the Big Mac model. MacDonald’s operations, products procedures, and even the physical setting of the
restaurants are somehow standardized. Nevertheless; the final products are customized in some levels to better fit the customers' needs and preferences. Each region or country has specific preference that even a standard fast food chain had to adjust to better serve their intended markets.
6. Appendix:

Appendix 1: Thesis Questions and answers:

Thesis Questions and answers:

1. Is there any global marketing program that ODG implement in all the offices? If yes, can ODG Dubai office make some changes in marketing global program according to customer preferences in Dubai? If not, how does marketing strategy formulation work for the office? Does it have to be in line with headquarters?

According to Nami (2010), ODG does not have a strict global marketing program. Nami (2010) mentions that since every region have consumers with different tastes and preferences, ODG has got regional implementation in global marketing program. However Nami (2010) mentioned that acquisition of content is centralized by headquarters. ODG Dubai office can make some changes in global marketing program. Du, the operator mainly requires Arabic content and Bollywood content besides Hollywood content because of different nationalities and different preferences. The ODG Dubai office communicates these differences in preferences to the headquarters, which then the headquarters uses this information to acquire contents for Dubai office catered for Dubai market. Dubai office processes the content according to needs and preferences of customers like dubbing content with Arabic. Nami (2010) also mentioned that sometimes the degree that operator can make changes in marketing program depends on the initial contract and the maturity of whole business concept. Since the whole concept in UAE is still in its infancy, their market size is not so big to achieve economies of scale; du (operator) decided to outsource the whole service from ODG. In more mature markets such as Turkey, TTNet, Turkish operator has more power over defining market preferences. Even, as an operator, TTNet has got right to decide on prices of content instead of ODG headquarters. TTNet may also and often does negotiate its content with studios directly. However, in the case of Du, ODG Dubai office works hand in hand with Du to define the consumer pricing.

2. Are the differences in the customer preferences in UAE market reflected in product, price, distribution and promotion decisions? Can you give some examples?
According to Nami (2010), there are differences in customer preferences in UAE market due to the extreme diversity in demographics. To illustrate, it has been stated that over 200 different nationalities live in UAE. To accommodate the majority language content in three languages was supplied. The contents that ODG provides to Du consist of 15% Arabic, 15% Bollywood, and 70% Hollywood. Nami (2010) also mentions that ODG Dubai office is working closely with Du for the marketing activities, because the ODG Dubai Office, ODG Headquarter office and Du rely on revenue share model. Both sides aim at maximizing revenue and it can be achieved by understanding the customer preferences. That is why, the marketing employee of Dubai office becomes a channel between headquarters and Du.

3. How is your organization structured? In terms of products, geographical areas, customer base or mixture of those? Or can you see ODG as big global network instead of having a simple organizational structure?

According to Nami (2010), there are many different structures according to types of contracts with operators and offices to provide the guideline which shows the route and process of decision making, and a system for communication and reporting for subsidiaries. Nami (2010) also mentioned that when the structure is seen as a big picture, it can be assumed that it is a global matrix structure. There are software team, creative team, service management team (marketing), content acquisition team, content processing team, royalty and accounting team in headquarters. The content acquisition team is in charge of negotiating content with the studios; content processing team is dealing with processing the content such as applying censorship to some contents, dubbing, subtitling, re-encoding and publishing; service management team defines the pricing, marketing of each content; creative team defines the graphic and video material that will be used by the operator to promote the service and software team that maintains and manages the technology used to support the operations (workflow software, reporting software, encoding software, publishing software, etc.). Royalty and accounting team collect usage reporting to invoice the customer and pay royalties towards the studios and owners of the rights. Besides reconciliation and collection the reports, Royalty and accounting team shares the reports with service management department who closely monitor the uptake of contents and trend to improve the overall proposition and maximize revenue. Each department in headquarters is
connected to the remote offices in different regions. These offices are transferring the regional differences to headquarters than headquarters takes necessary actions. Finally, there is a separate corporate affairs department that is responsible for assigning the legal companies which handles the opening stages and the legal work for new ODG offices. As we mentioned earlier those departments are connected the similar smaller scale teams in remote offices. Therefore, For example, in Dubai office, there is a software service department, service management department, platform operators, in which all of them are supervised by top management of Middle East region. This department is responsible for team management and coordination in the Dubai office, sales, and future business development in the region.

4. *How does decision making process work in the ODG Dubai? Do you have high level of authority and your relations with headquarters only depend on financial aspects? Or do you need headquarters authorization before changing elements in the product?*

According to Nami (2010), Dubai ODG office has limited autonomy. Though initiatives are most often taken locally the support and approval of the headquarters is the key. However, Nami (2010) also mentioned that this decision-making process of other subsidiaries and authority level can be changed according to type of contract the subsidiary is managing.

5. *How do you coordinate internally with overall ODG subsidiaries? Do the information flow and knowledge access between headquarters and subsidiaries occur?*

The interview with Nami (2010) proves that the internal cooperation is important between headquarters and ODG Dubai office. Nami mentioned that reporting is one of the most important tools for the ODG. Each remote office creates a monthly report about how they change operators, what kind of content that each operator requires the usage rates and so on (Nami, 2010). Nami (2010) also mentioned that the software team is responsible of creation of in-house tool to ease the internal coordination. In each remote office, there are software engineers. These teams create reports, and help these reports to reach service management employees to create marketing mix. Beside this, in-house software tools also helps subsidiaries and headquarters to share knowledge and best practices (Nami, 2010).
6. There is a general overview that technologically sophisticated firms generally create one global marketing program to all subsidiaries, the headquarters has tight control over subsidiaries, and headquarters is responsible from strategic decision making about marketing program. Is it true for your company?

Nami (2010) told that the headquarters has got content acquisition team who is responsible from negotiations to get contents with big studios; content processing team who is responsible from processing the content such as putting censorship to some contents in UAE or other region, dubbing, subtitling; creative teams team that prepares trailers, promotions and posters for each market, service management team that defines the pricing, marketing of each content; software team that creates in-house tool internally, change one format of content to another one, creates royalty reporting system which also shares these reports with service management department. Each department in headquarters is connected to the remote offices. Remote offices has got one responsible from each teams mentioned above. Remote offices transfer the preferences of each operator and the market that they involve in and the headquarters takes the action according to these preferences. The headquarters’ level of control depends on the contract with operator. Like in some mature markets, operator set prices by themselves while ODG office consults them or ODG office dictates prices to operator. For example, the Germany ODG has not so much interaction with headquarters. Nami (2010) told that the level of responsibility of headquarters related with strategic decision making about marketing program depends on the contract with operators.

7. How is your marketing performance controlled by head office of ODG? What are your performance measurement tools in terms of implementation of marketing program? Is it the financial numbers or the quality of your work is important?

For ODG Dubai office their marketing performance is measured by how many assets are rented by Du end-user. Nami (2010) mentioned that ODG Dubai, headquarters and Du are applying Revenue Shared Model, so both quality of work and the financial numbers are important.
8. Are the UAE market conditions in terms of regulations, customs, the preferences of customers different than ODG headquarters? Do the UAE market conditions prevent you to implement global marketing program?

Nami (2010) mentions that different nationalities exist in UAE market which forces ODG to change their product offer in line with the market preferences. While the Hollywood content is still required, additionally ODG has to get the rights for Arabic content and Bollywood content. Moreover some product diversification has to be made in line with some regulation that UAE government put. For example, some censorship has to be done in some movies in line with government regulations. For the promotion also some posters has to be changed according to requirements of Du. That is why, Nami (2010) told that the regulatory issues surrounding content compliance (for example with respect to violence, nudity or sexual references, language, cultural issues, flashing lights) force ODG headquarters to change some marketing elements.

9. In the opening process of the ODG Dubai Office, did headquarters send a temporary manager from home company? How did your office get training?

In the opening of ODG Dubai office, all the employees were sent to UK for training purposes for one and a half week. Moreover, one legal company has been assigned from headquarters to formulate the trade and labor contracts.

10. Do any of your managers in Dubai Office participate in the formulation of global marketing program?

Nami (2010) mentioned that service marketing employee in Dubai office involves in marketing strategy formulation.

11. Is there any local employee resistance to headquarters marketing program?

Nami (2010) mentioned that there is a bit of employee resistance from Dubai office to headquarters. For example, some contents are not accepted by Dubai office; however headquarters sends it to Dubai office. Nevertheless, Nami (2010) told that this resistance is constructive resistance to serve the best interest of both Du and headquarters.
7. References:


The Internationalization Process of a UK based Small and Medium Size Enterprise: The Implementation of Global Marketing Program


