

Selling to the World

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SUBJECT(S): Entrepreneurship

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

This lesson will introduce students to economic globalization and what it means to be an entrepreneur in a global marketplace. The lesson will commence with a conversation about economic globalization and the opportunities and challenges it poses for entrepreneurs. Students will read the Knowledge@Wharton article: “Selling Appliances to the World” and discuss some of its main ideas. They will then review some products from international companies at the Consumer Electronics Show, to highlight key ideas from the reading.

≡ NBEA STANDARD(S):

- Entrepreneurship, VII. Global Markets

≡ RELATED ARTICLES:

- [“Why Spotify’s Unusual Business Move Is Capturing Headlines”](#)
- [“V is for Visionary: Five Lessons from Tech Titan Josh Kopelman”](#)
- [“The Migration Crisis and the Future for the European Union”](#)
- [“Talking Lyft, Uber and the Flood of New Tech IPOs”](#)
- [“Climate Change Causes a Crisis in the Coffee Market”](#)
- [“China, the World Stage and Your Role as a Global Citizen”](#)
- [“Business News Flash: Unicorns Do Exist!”](#)
- [“5 Ways the World Will Look Different in 2030”](#)

Common Core Standard(s): Comprehension and collaboration, key ideas and details.

Objectives/Purposes: This lesson will introduce students to globalization and global entrepreneurship.

Knowledge@Wharton Article: [“Selling Appliances to the World”](#)

Other Resources/Materials:

- YouTube video of LG or Samsung appliance demo at Consumer Electronics Show:
<http://www.youtube.com/watch?v=sCtwgxoEDIM>
- Computer paper

Activity:

1. (5 mins) Begin this lesson and unit by leading a discussion on economic globalization. You can do this in a simple manner by asking students if they think Apple should be able to sell its iPods all over the world or only in the United States. Have a short discussion on this and try to encourage students to explain why or why not. For those who say yes, Apple should be able to sell iPods outside the U.S., you can confirm that this is one of the main ideas of economic globalization. The ability to sell your products all over the world is one of the key concepts of economic globalization. However, no matter how great your product may be at home, it is not as easy as it may seem to sell it all over the world. Have the class discuss some reasons for this.

2. (10 mins) Have students draw a mock layout of their kitchen at home. Encourage them to be detailed in their drawings. Then, discuss with students what they notice about their kitchen drawings and the similarities found among the various layouts.

2. (15 mins) To highlight the complexity of being a global entrepreneur, have students read the article: “Selling Appliances to the World.” Then, have them work with a partner to discuss the following questions:

- What types of goods make up the appliance industry?
 - The appliance industry has many of the features of a mature industry undergoing globalization. Refrigerators, cooking ranges, stoves, dishwashers, clothes washing machines and other products have a relatively stable technology; they enjoy economies of scale and scope and meet a relatively basic common need of consumers.

- What are some of the barriers of entry for appliance companies in different countries?
 - 20% of Asian households had a dishwasher in 1994, compared with 75% in North America and 82% in Europe. National boundaries, consumer preferences, government regulations, manufacturing and production practices, sales channels, climate, eating habits and financing are just some of the obstacles facing the appliance industry. Bedrooms in the U.S., for instance, are often located one floor above the kitchen or laundry appliances. In Europe, most people live in apartments so compact in size, and quiet operation is more highly prized than in other areas. Refrigerators in China must be no-frost, silent, small and cheap – very different standards than those for models built for North America.
- One commenter in the article suggests that: “the likelihood of a company accurately predicting the local, regional, global, economic and industry events, as being comparable to all of the planets aligning.” What does this mean?
- How can companies aim to be a “proper fit” at the local, regional, and global levels?
 - Achieving the proper fit at the local, regional and global levels depends largely on whether a company’s competencies and value propositions can be translated at each level or adapted to function in a new environment.
- What does it mean if a company is flexible in meeting specific demands?
 - Scale and scope may not be as important as flexibility in meeting the specific demands of the unique landscape of each market or territory.

After students have discussed these questions with a partner, go over them as a class.

3. (15 mins) Next, show a short YouTube clip of either LG or Samsung’s “Smart Appliances” at the Consumer Electronics Show. The purpose in showing this video is to highlight two foreign companies who are trying to sell appliances here in the U.S. but are having difficulty meeting the American consumers’ needs or wants. Have students take notes on the different appliances shown and ask why these types of products have not caught on in the U.S., and how they may be modified to generate more interest among U.S. consumers. Make sure that students are thinking about how they use these types of appliances currently and how they may want to do so in the future to improve productivity and efficiency. Lead a discussion on whether students think that the Smart Appliances will catch on in their country.

Tying It All Together: The Video of LG Smart Appliances from the 2011 Consumer Electronics Show is a great way to highlight the difficulties companies face in trying to meet the demands and needs of consumers in different markets. In this case, it reveals the difficulties that LG and Samsung have faced in trying to enter the U.S. market.

Practice Outside of the Classroom: Think of how you use all household electronics and appliances. Do these products need to be modified? If so, in what ways?

What Worked and What I Would Do Differently: This lesson ran very smoothly. You do not need to give a long explanation on globalization. Just introduce the topic if students are not familiar with it. My students were surprised to learn that multinationals have so much trouble trying to sell their products to consumers outside their host country, and this lesson really illustrated that fact. None of my students liked any of the products or demos they saw in the LG video. For a closing activity, I had students brainstorm different ways that appliances could become more efficient and innovative. If you have the time, you may want to research and share with students the history of LG trying to sell its goods in America.

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