

Imprima's Global Strategy

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For Imprima, a company that sells 3D printers for personal computers direct to consumers, there are many factors that should be considered which would impact their overall decision relating to international expansion. Using these factors to establish their strategic choices is paramount toward the future product adoption into localized international markets. Although the 3D printer industry is projected to reach over \$57 billion globally by 2027 (imarc 2022), effectively or ineffectively addressing these issues will directly determine the success of their international initiatives. Through **expansionary** practices, Imprima has discovered that selling their product in international regions has an effect on throughput due to the adjustments in localized process to adapt to voltage, socket and language requirements. In order to successfully grow into international markets, Imprima needs to direct their strategy toward their product to find ways to lower overall costs and limit in-process adjustments to the physical limitations of its product, this will allow production to run smoother, prevent bottlenecks, and ultimately lead to a reduction in the overall costs of the product that can be passed on to consumers.

In the analysis of Imprima's global strategy, international factors must be identified and understood for integration into potential regions. For example, local region specific economic, political, & social factors, technological capabilities, laws, environmental initiatives, and existing competition. Identifying these provides sufficient insight into the growth and developmental trends of a region. These factors will also identify the needs and preferences of the consumers of the region, which equates to the market's potential. Additional factors specific to Imprima, is the understanding that their preexisting product has limitations that will cost time, money, and limit throughput due to additional steps in production. To sell in international markets, Imprima's product must meet the needs of international markets, which include updating language chips, and changing voltage and socket requirements. Any tariffs, political barriers, friction between the countries, labor costs, exchange rates, distribution methods and additional costs are also very important to the bottom line. These costs will ultimately trickle down to the consumers, which can greatly affect the price and adoption for the consumer in emerging markets. Imprima should also be prepared to adapt and quickly respond to any changes in customer preferences.

Just as important as market potential and costs in the discussion of international expansion is the existing competition that resides in the market. Understanding the existing competition and identifying their strategy is essential in order for a new entrant to gain the competitive advantage and innovate in a new market while standing out from competition. In contrast, if Imprima decides on the alternative and enters a new market with little or no competition, they would have the advantages and disadvantages that come with being first-to-market.

A strategy of global integration of Imprima personal 3D printers could allow the opportunity to create one uniformed centralized product, allowing the company to reach economies of scale more easily and greatly reduce overall costs. If Imprima invests in the capability of the existing language software, improving the capacity of stored languages, the product would be able to cover a larger range of regions in international markets. Also, by adapting a touch screen integrated with the language feature instead of any physical language specific buttons, the company would provide customers with the ability to indicate their language preference, and in the future, allow the customer to download specific language files directly to their device. Adapting this model into the existing production of its 3D printers will greatly improve the global integration capabilities of Imprima. However, additional existing bottlenecks would remain within the production line from the power supply capabilities and voltage requirements which are region specific and are necessary modifications needed to ensure proper functionality of the product. Comparing the unified product approach to a localized strategy allows for the continuation of existing practices but will proceed to increase the work in process time, costs and region-specific product modifications, as the company expands. The chosen strategic alignment is reliant on the goals of the firm. Imprima can produce a universal product which lowers costs by sacrificing local preferences or cultural differences, potentially leading to alienation of the existing population (Earley et al 2004), or in contrast, chooses to focus granularly on each regions' specific needs, establishing diversification while accruing higher costs. Yip and Hult explore these two concepts in the Total Global strategy 2002, and surmise that joining the global and local approaches can be beneficial for some aspects of global expansion.

To gain market share, the cost to consumers must also be scrutinized, and more so when trying to define an international strategy where a company needs to stand out from competitors by having a competitive advantage, or innovative practices. With most of Imprima's 3D printer production process remaining the same for local or international markets, the company should launch a full review of their existing production process to identify areas that cause bottlenecks, diminish throughput or that could be automated. Imprima, could see a significant disadvantage in implementing their existing pricing strategy in international markets since typical international consumers have lower income levels than Imprima's current local market, the USA. Finding areas of cost savings in existing processes or workflows is very important since it can be directly passed down to consumers. The added cost of international distribution and any established political or cultural limitations for trade in a region will add to the existing price of the product since those costs flow down to the consumers. Technology has greatly reduced the barriers to entry in international markets, paving the way for expedited distribution, clearly defined region-specific requirements, an understanding of broader political and social barriers to entry and direct access to outsourcing a workforce into a localized international region (Levitt 1983). With the information provided and Levitt's findings, Imprima could greatly lower prices in international markets by establishing a local distribution hub in a centralized international market of interest. Although initial costs will be high, this could prove to be an effective strategy if Imprima relies on local business partnerships, as it would significantly diminish the expected distribution, and work in process costs from the production of international region-specific models. Putting aside the high upfront costs for this strategy it should still be factored into consideration in the strategy decision for Imprima, due to the potential cost savings that could be passed to the international consumers, allowing Imprima to get the lowest cost associated with the production of their product.

To succeed in their international strategy, Imprima should understand that the prevention of unnecessary additives to printer costs should be a primary concern by addressing the population, growth, and 3D printer adoption metrics for different regions. This will provide the company with an established

baseline for region-specific adoption of a USA based company that produces 3D printers for personal computers. This is very important because if a product is blocked by existing policy, laws, or tariffs in an international region or market, the base price of the product in that localized market will increase for the consumers. The cultural, geographic and technological limitations will also identify if a market is primed for the integration of their product. Research shows that the USA is the largest adopter of 3D printed technologies and personal 3D printers. Emerging markets within Asia and South America could make excellent candidates for further integration. Asia currently has significantly more competitors than South America, which would affect Imprima's strategy as the competitive advantage will rely more on understanding existing competition and being agile in innovative practices. While South America has virtually no competitors, it has many signs that they are primed for adoption of 3D printers, which would align Imprima's strategy with a first to market approach. Innovation is key in gaining the competitive advantage prior to entry into a new market, which can come from interpreting the strategies of the existing competition, analyzing work in process to automate or lower costs, and even affiliating with regional partners to better understand localized consumer needs. Imprima must also factor in that their local market is the highest adopter of personal 3D printers, and US residents on average have a higher income, allowing consumers to afford this kind of item as luxury more than out of necessity. At the forefront of its decision, the fact remains that Imprima needs to continue to support existing customers within its current region when deciding on an international strategy which might affect their core business.

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