

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
NATIONAL AVIATION UNIVERSITY
FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION
DEPARTMENT OF BUSINESS ANALYTICS AND DIGITAL ECONOMY**

ADMIT TO DEFENSE

Head of the Department of Business
Analytics and Digital Economy

“ ” _____ 2023
Nataliia KASIANOVA

QUALIFICATION PAPER

(EXPLANATORY NOTE)

OF BACHELOR ACADEMIC DEGREE SEEKER
SPECIALITY 051 "ECONOMICS"
EDUCATIONAL AND PROFESSIONAL PROGRAM "INTERNATIONAL
ECONOMICS"

Topic: «Ways to enter international market for enterprises»

Executant: HAHARA Anastasiia

Supervisor: Senior lecturer Yuliia DYIAK

Consultants from sections:

Chapter 1: Senior lecturer DYIAK Yuliia

Chapter 2: Senior lecturer DYIAK Yuliia

Normocontroller:

Senior lecturer DYIAK Yuliia

KYIV 2023

NATIONAL AVIATION UNIVERSITY

Faculty of economics and business administration
Department of Business Analytics and Digital Economy
Speciality 051 "Economics"
Educational and Professional Program "International Economy"

APPROVED

Head of the Department of Business
Analytics and Digital Economy

_____ Nataliia KASIANOVA
“ _____ ” _____ 2023

ASSIGNMENT FOR QUALIFICATION WORK

Student: HAHARA Anastasiia

TOPIC: "Ways to enter international market for enterprises"

approved by decree of the Rector from 13.04.2023 No. 506/st

1. Term for the student to submit the completed work at the department: 16.06.2023.
2. Initial data for the Qualification Paper: plans, reports, financial statements, legislative and regulatory acts, statistical data, scientific and methodological works by domestic and foreign scientists, electronic information sources.
3. Content of the research: introduction, theoretical aspects of international market in the modern economy: goal and ways to entry, analysis of the use of franchising as a way of enter the enterprise on the international market on the example of the international company "McDonald's", conclusions.
4. List of required illustrative material: ... slides

5. Calendar plan-schedule

| №. | Name of the stages of the qualification paper | Deadline | Supervisor's marks on task completion |
|-----|--|---------------|---------------------------------------|
| 1. | Obtaining an assignment for qualification paper | 13.04.2023 | <i>completed</i> |
| 2. | Literature review on the topic | 20.04.2023 | <i>completed</i> |
| 3. | The role of the international market in the modern economy | 23.04.2023 | <i>completed</i> |
| 4. | Review of ways to enter the international market for enterprises | 27.04.2023 | <i>completed</i> |
| 5. | Factors influencing the choice of the method of entering the international market | 5.05.2023 | <i>completed</i> |
| 6. | General characteristics of the company "MCDONALD'S" | 10.05.2023 | <i>completed</i> |
| 7. | Analysis of franchising practice on the example of the company "MCDONALD'S" | 17.05.2023 | <i>completed</i> |
| 8. | Problems and ways of improving the implementation of franchise activities in Ukraine | 25.05.2023 | <i>completed</i> |
| 9. | Analysis of the obtained results | 05.06.2023 | <i>completed</i> |
| 10. | Developing slides and writing a report | 10-12.05.2023 | <i>completed</i> |
| 11. | Preliminary defense of the qualification paper | 13.06.2023 | <i>completed</i> |
| 12. | Adjustment of work according to the results of previous protection | 14.06.2023 | <i>completed</i> |
| 13. | The final design of the qualification paper and review | 15.06.2023 | <i>completed</i> |
| 14. | Signing a response paper and review | 14-16.06.2023 | <i>completed</i> |
| 15. | Defense of qualification paper in the Examination Commission | 19.06.2023 | <i>completed</i> |

6. Date of the task issue: 13.04.2023

Supervisor of Qualification Paper _____ Yuliia DYIAK

Task accepted to perform _____ Anastasiia HAHARA

ANNOTATION

Anastasiia HAHARA. Ways to enter international market for enterprises. - Qualification paper on specialty 051 "Economics", OPP "International Economy". National Aviation University of the Ministry of Education and Science of Ukraine, Kyiv, 2023.

The Qualification paper contains 66 pages, 10 tables, 6 figures, a list of references with 39 names.

The object of the study is the process of entry of enterprises to the international market. The use of various methods, strategies and factors affecting the successful entry of enterprises to the international market.

The subject of the study is the enterprises themselves, which are considered in the context of their choices, actions and results regarding entering the international market

The purpose of the work is to research the methods of entering the international market and analyze their effectiveness. As part of the work, various approaches and strategies that companies can use to successfully enter foreign markets will be considered.

Research methods were used in writing the Qualification Paper: analysis, comparative and statistical methods.

Keywords: *methods, foreign market, franchising, enterprises, problems, development prospects*

CONTENTS

| | |
|--|----|
| INTRODUCTION..... | 6 |
| CHAPTER 1. THEORETICAL ASPECTS OF INTERNATIONAL MARKET IN THE MODERN ECONOMY: GOAL AND WAYS TO ENTRY..... | 8 |
| 1.1. The role of the international market in the modern economy..... | 8 |
| 1.2. Review of ways to enter the international market for enterprises..... | 12 |
| 1.3. Factors influencing the choice of the method of entering the international market..... | 17 |
| Conclusions to the chapter 1..... | 20 |
| CHAPTER 2. ANALYSIS OF THE USE OF FRANCHISING AS A WAY OF ENTER THE ENTERPRISE ON THE INTERNATIONAL MARKET ON THE EXAMPLE OF THE INTERNATIONAL COMPANY "MCDONALD'S"..... | 23 |
| 2.1. General characteristics of the company "MCDONALD'S"..... | 23 |
| 2.2. Analysis of franchising practice on the example of the company "MCDONALD'S"..... | 33 |
| 2.3. Problems and ways of improving the implementation of franchise activities in Ukraine | 50 |
| Conclusions to the chapter 2..... | 57 |
| CONCLUSIONS..... | 59 |
| REFERENCES..... | 62 |

INTRODUCTION

Actuality of theme: In today's globalized world, international trade and economic relationships are becoming increasingly important for businesses in all countries. Access to the international market becomes a necessary condition for ensuring competitiveness and further development of enterprises. Choosing the optimal method of entering the international market is a complex task that requires in-depth analysis, planning and a strategic approach.

As international trade and economic interrelationships become more and more intensive, enterprises must look for ways to expand their activities to foreign markets to ensure their competitive advantage and sustainable development.

One of the key challenges for enterprises is the choice of the optimal method of entering the international market. Different businesses face different challenges and opportunities, so there is no one-size-fits-all method. Taking into account effective methods and strategies is an important task for enterprises in the process of entering the international market.

Research on this topic is relevant for several reasons. First, entering the international market is an important stage of the company's development, as it allows you to attract new sales markets, increase sales volumes, and expand your influence at the international level. Choosing the right exit method can determine the success or failure of an enterprise in foreign markets.

Secondly, the modern economic environment is constantly changing, which requires enterprises to constantly adapt and update their strategies. Taking into account new trends, economic and political factors is the key to successfully entering the international market. The study of the methods of entry of enterprises to the international market will allow to assess their relevance and effectiveness in modern conditions.

Thus, this study is relevant, as it highlights the important issues of methods of entry of enterprises to the international market in the context of modern economic

and business realities. The results of the research can be used for practical application by enterprises and will contribute to the further development of the international economy.

The purpose of this work is to study the methods of entry of enterprises to the international market and to analyze their effectiveness. As part of the work, various approaches and strategies that companies can use to successfully enter foreign markets will be considered. The main concepts and theoretical aspects related to the international economy and the entrance of enterprises to the international market will be revealed. There will be an overview of methods of entering the international market, a study of the role of the international market in the modern economy, as well as strategies that can be used by enterprises to effectively enter foreign markets.

In the process of work, various sources will be used, such as scientific literature, scientific articles, analytical reports and publications, which will ensure the scientific validity and reliability of the obtained results.

The object of the study is the very process of entry of enterprises to the international market. This means that the attention of the work is focused on various methods, strategies and factors affecting the successful entry of enterprises to the international market.

The subject of the study is the enterprises themselves, which are considered in the context of their choices, actions and results regarding entering the international market. The work can analyze real examples of enterprises that successfully apply various methods and strategies to expand their activities at the international level. The results of the analysis will help provide recommendations and conclusions regarding the effectiveness of various methods of entering the international market.

CONCLUSIONS

This study considered the theoretical foundations of the role of the international market in the modern economy and its impact on the activities of enterprises. In connection with the close connection of international trade and economic relations, enterprises should actively consider the possibilities of expanding their activities to foreign markets in order to ensure their competitive advantage and sustainable development.

The international market plays a key role in the development of enterprises, and for them to successfully overcome this challenge, it is necessary to conduct a deep analysis of the external environment and carefully plan the strategy of the approach. Since there is no one-size-fits-all method of entering the international market, businesses must make the right choices in order to succeed.

At the same time, there is no one universal method of entering the international market. Entering international markets and expanding trade relations with foreign countries is dictated by the various needs of the enterprise and the reasons for their occurrence. Each firm or enterprise chooses the most profitable form of entry into the international market, as each form requires the assumption of a larger amount of obligations and greater risk, but also promises higher profits.

In general, the methods of entering the international market can be grouped according to such directions as: exporting, entrepreneurial and investment activities. Each of the options for entering the foreign market has its own advantages and disadvantages, so companies need to choose a more profitable option. However, when an entrepreneur or manager chooses a certain type of joint venture, the risk of unforeseen losses of expected profit is average. The analysis of the forms of international business showed that the company's profit increases many times depending on the chosen form of entering the world markets, and the payback period also depends on the chosen form.

In general, it turns out that the international market is a particularly important stage in the development of the enterprise, as it allows you to attract new sales markets, increase sales volumes and expand your influence at the international level. Choosing the right exit method can determine the success or failure of an enterprise in foreign markets.

This work analyzed franchising as a method of entering the international market. The subject of the study was the international corporation McDonald's, which operates in the field of fast food. McDonald's is an American corporation specializing in public catering. The main type of system under which the corporation operates is franchising. McDonald's is a world leader among global retail chains of public catering restaurants. Its main competitors are Burger King, KFC, Taco Bell and Subway.

Part of the successful operation of the McDonald's corporation lies in the correct choice of business strategy and organizational structure of the company. . From the historical excursion in subsection 2.1. it became known that the corporation was founded in 1940. McDonald's has been using franchising since its inception. It was determined that the company "McDonald's Corporation" is one of the most experienced and long-lasting multinational companies in the world and is represented in more than 100 countries of the world. The business model of the company's activity was studied and it was determined that it quite successfully uses franchising in its activities. McDonald's Corporation has more than 40,000 restaurants (95% of them are franchised). It was determined that a significant share in the income structure is the fee for using the franchise.

According to the information mentioned in the previous subsection, on the basis of the results of the conducted research, it can be stated that the activities of the McDonald's company in Ukraine continue to develop, while the plans to open new network points do not change. However, there is no development of franchising services, in particular due to the situation of franchising in Ukraine as a whole.

In the process of identifying the main problems and prospects for the development of franchising in Ukraine, the problems were analyzed, as a result, ways of improving the franchising business in Ukraine were determined. Firstly, the stabilization of the economic and political situation of Ukraine contributes to the creation of favorable conditions for business. Better legislation is also important as it ensures a clear playing field and protection of the rights of franchisors and franchisees.

In addition, franchising allows entrepreneurs to go through crisis periods with ease, as they can count on the franchisor's support and use proven business models. Choosing a franchise model also directs entrepreneurs to scale, which allows them to achieve greater success and take a strong position in the market.

Standardization of management is another advantage of franchising, as it allows for a systematic approach to enterprise management. In addition, the development of quality Ukrainian franchise formats will contribute to the country's economic recovery and strengthen the Ukrainian brand on international markets.

In general, franchising is an effective and flexible method of entering the international market, which allows companies to quickly expand and take a strong position.

REFERENCES

1. Shamota H. M. Formuvannia taktyky vykhodu pidpryiemstva na zovnishnii rynok / H. M. Shamota, Yu.O. Kovalenko //Ekonomichnyi forum. – 2013. – № 1. – S. 247–253.
2. Talavira Ye. Suchasni tendentsii rehuliuвання zovnishnoekonomichnoi diialnosti pidpryiemstv v umovakh hlobalizatsii [Електронний ресурс] / Talavira Ye – Режим доступу до ресурсу: <http://www.economy.nayka.com.ua/?op=1&z=3355> \.
3. Dakhno I. I. Menedzhment zovnishnoekonomichnoi diialnosti [Електронний ресурс] / Dakhno I. I. – Режим доступу до ресурсу: http://p-for.com/book_212.
4. Didkivskyi M.I. Foreign economic activity of the enterprise: education. manual K.: Znannia, 2006. 462 p.
5. Hvozdet'ska I.V. Motivations for entering the foreign market. Bulletin of the Khmelnytskyi National University. 2011. No.T. 4. P. 153–155.
6. Tyurina N.M., Karvatska N.S. Foreign economic activity of the enterprise: education. manual K.: Center of Educational Literature, 2013. P. 397.
7. Comparative characteristics of the main ways of entering foreign markets [Електронний ресурс] – Режим доступу до ресурсу: <http://library.if.ua/book/54/3917.html>..
8. Joint ventures and direct foreign investment as forms of enterprise entry into foreign markets [Електронний ресурс] – Режим доступу до ресурсу: <https://infopedia.ua/18x656f.html>..
9. Tsygankova T.M. International marketing: training. manual K.: KNEU, 1998. 120 p.
10. Kokorina V.I. The main trends in the development of forms of international business in the conditions of globalization. Economic space. 2012. No. 6.
11. Forms of entry of enterprises to foreign markets. [Електронний ресурс] – Режим доступу до ресурсу:

http://pidruchniki.com/1707090453866/ekonomika/formi_vihodu_pidpriyemstv_z_ovnishni_rinki

12. T.V. Kharchuk Ways of entry of enterprises to the foreign market. Actual problems of the economy. 2009. No. 8(98). С. 12–16.
13. Kotler F. Fundamentals of marketing. [Электронный ресурс] – Режим доступа до ресурсу: http://htbiblio.yolasite.com/resources/12.11.15/Kotler_kratkiy_2007.pdf..
14. Hvozdet'ska I.V. Motivations for entering the foreign market. Bulletin of the Khmelnytskyi National University. 2011. No. 6. Т. 4. Р. 153–155
15. McDonald's Reports First Quarter 2023 Results [Электронный ресурс] – Режим доступа до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-stories/article/Q1-2023-results.html>.
16. Fortune 500 Full List (2023) [Электронный ресурс] – Режим доступа до ресурсу: <https://www.50pros.com/fortune500>.
17. The world's first McDonald's restaurant [Электронный ресурс] – Режим доступа до ресурсу: <https://timesofindia.indiatimes.com/travel/eating-out/the-worlds-first-mcdonalds-restaurant/articleshow/36048438.cms>.
18. BROOKE BECHER B. Downey's historic McDonalds at 65: Memories bitter and sweet shared under the golden arches [Электронный ресурс] / BROOKE BECHER // Press Telegram – Режим доступа до ресурсу: <https://www.presstelegram.com/2018/08/18/downeys-historic-mcdonalds-at-65-memories-bitter-and-sweet-shared-under-the-golden-arches/>.
19. Ray Kroc, McDonald's, And The Fast-Food Industry [Электронный ресурс] // Byron Preiss Visual Publications. – 1996. – Режим доступа до ресурсу: <https://www.wiley.com/legacy/products/subject/business/forbes/kroc.html>.
20. The Origins of McDonald's Golden Arches [Электронный ресурс] // Journal of the Society of Architectural Historians. – 1986. – Режим доступа до ресурсу: <https://online.ucpress.edu/jsah/article-abstract/45/1/60/57660/The-Origins-of-McDonald-s-Golden-Arches?redirectedFrom=fulltext>.
21. Close K. The Founder and the Complicated True Story Behind the Founding of McDonald's [Электронный ресурс] / Kerry Close // Money. – 2016. – Режим

- доступу до ресурсу: <https://money.com/the-founder-mcdonalds-movie-accuracy/>.
22. Our Mission and Values [Электронный ресурс] // mcdonalds – Режим доступа до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-company/who-we-are/our-values.html>.
23. McGrath J. How McDonald's Works [Электронный ресурс] / Jane McGrath – Режим доступа до ресурсу: <https://money.howstuffworks.com/mcdonalds1.htm>.
24. Who We Are [Электронный ресурс] // McDonald's – Режим доступа до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-company/who-we-are.html>.
25. McDonald's Reports Fourth Quarter And Full Year 2018 Results And Quarterly Cash Dividend [Электронный ресурс] // McDonald's Corporation – Режим доступа до ресурсу: https://corporate.mcdonalds.com/corpmcd/our-stories/article/q4_2018_results.html.
26. McDonald's Reports Fourth Quarter And Full Year 2019 Results And Quarterly Cash Dividend [Электронный ресурс] // McDonald's Corporation – Режим доступа до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-stories/article/q4-and-2019-results.html>
27. McDonald's Reports Fourth Quarter And Full Year 2020 Results And Quarterly Cash Dividend [Электронный ресурс] // McDonald's Corporation – Режим доступа до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-stories/article/Q4-and-2020-Results.html>
28. McDonald's Reports Fourth Quarter And Full Year 2021 Results And Quarterly Cash Dividend [Электронный ресурс] // McDonald's Corporation – Режим доступа до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-stories/article/Q4-2021-results.html>
29. McDonald's Reports Fourth Quarter And Full Year 2022 Results And Quarterly Cash Dividend [Электронный ресурс] // McDonald's Corporation – Режим

- доступу до ресурсу: [.https://corporate.mcdonalds.com/corpmcd/our-stories/article/Q4-2022-results.html](https://corporate.mcdonalds.com/corpmcd/our-stories/article/Q4-2022-results.html)
30. Where We Operate [Електронний ресурс] // McDonald's Corporation – Режим доступу до ресурсу: <https://corporate.mcdonalds.com/corpmcd/our-company/where-we-operate.html>.
31. JoshuaExGames. Countries By McDonalds Locations Around The World! [Електронний ресурс] / JoshuaExGames – Режим доступу до ресурсу: https://www.reddit.com/r/MapPorn/comments/p2jkfx/countries_by_mcdonalds_locations_around_the_world/.
32. McDonald's остаточно йде з Росії після 30 років роботи. Як так сталося [Електронний ресурс] // BBC News Ukraine. – 2022. – Режим доступу до ресурсу: <https://www.bbc.com/ukrainian/news-61467514>.
33. McDonald's Franchise Costs, Fees & FDD [Електронний ресурс] // Franchise Direct – Режим доступу до ресурсу: <https://www.franchisedirect.com/foodfranchises/mcdonalds-franchise-07030/ufoc/>.
34. FRANCHISE DISCLOSURE DOCUMENT [Електронний ресурс] // Franchise Direct. – 2023. – Режим доступу до ресурсу: <https://www.franchisedirect.com/fdd/pdf/00000188-7666-d1a6-a7f9-fe666c0e0000>.
35. Прядко І. Огляд українського ринку фастфуду [Електронний ресурс] / Інна Прядко // Кореспондент – Режим доступу до ресурсу: <https://www.marketing-ua.com/ru/article/obzor-ukrainskogo-rynka-fastfuda/>.
36. Stetsiv I. Franchises in Ukraine: problems and ways for their decision [Електронний ресурс] / I. Stetsiv, I. Stetsiv. – 2019. – Режим доступу до ресурсу: <https://science.lpnu.ua/smeu/all-volumes-and-issues/volume-1-number-1-2019/franchises-ukraine-problems-and-ways-their>.
37. Ясько І. Франчайзинг: умови в Україні [Електронний ресурс] / Ігор Ясько // ЛІГА ЗАКОН. – 2020. – Режим доступу до ресурсу: https://biz.ligazakon.net/aktualno/8211_franchayzing-umovi-v-ukran.

38. ВИСНОВОК Комітету Верховної Ради України з питань правової політики та правосуддя щодо проекту Закону України "Про франчайзинг" (реєстр. N 7430 від 21 грудня 2017 року) [Електронний ресурс] // LIGA360 – Режим доступу до ресурсу: <https://ips.ligazakon.net/document/view/XH5QE00G?an=6>.
39. Franchise market of Ukraine today [Електронний ресурс] – Режим доступу до ресурсу: <https://ffc.expert/uk/blog/franchajzingovyj-rynok-ukrainy-segodnya/>.