Hard Rock Café:

A 5-year International Market Entry Strategy

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Introduction to Hard Rock Café

Hard Rock Café is a worldwide chain of theme restaurants, hotels, and casinos. It was started as a restaurant business in London's Mayfair district. The idea on which the restaurant was based on was for uniting people who shared a common love for music under one roof. When Hard Rock Café was initiated, there were societal divisions in the United Kingdom, with factions having their own separate public places. Hard Rock Café entered the market to break this system.

Although the restaurant was started in London, it had an American reflection. The restaurant not only sold the American specialty, hamburgers, but also developed a unique restaurant experience based on American rock music culture (Hard Rock Café International, Inc., 2012). Hard Rock became an instant hit because it was based on the celebrated public figures of the day, the musicians. It became popular not only among the general public but the rock stars of that time too. Musicians like the Beatles, the Rolling Stones, and Eric Clapton, among others, became regular visitors at the Hard Rock Café (Hard Rock Café International, Inc., 2012). The restaurant management received some mementos from the visiting rock stars including autographs, signed guitars, t-shirts, and others. The management of the restaurant thought it might be a nifty idea to attract customers using such merchandise (Hard Rock Café International, Inc., 2012). They started collecting memorabilia related to the rock industry of that time and displayed them in the restaurant for the general public to see. The new idea proved to be successful. Hard Rock's collection of memorabilia increased over time, and the restaurant became a sophisticated rock art museum (Hard Rock Café International, Inc., 2012). It consisted of photos, original signed records, classic posters, rock stars' personal effects, musical instruments, costumes, album collections, and many more.

As far as the ownership of the restaurant is concerned, it was started in 1971 by Isaac Tigrett and Peter Morton. After years of successful business, the brand was sold to a commercial organization named the Rank Group Plc. As of 2005, Hard Rock Café had 120 signature cafés and 6 hotels and casinos in more than 57 countries around the globe. They also own a theme park named Hard Rock Park at Myrtle Beach, South Carolina in the United States (Hard Rock Café International, Inc., 2012). In recent years, the Rank Group started to evaluate the possibilities of selling the restaurant business and retaining only the gambling business.

Hard Rock, as a brand, has become a global phenomenon and is more than just a restaurant now. It is a place where customers can not only enjoy high quality, delicious food but also explore the vast collection of rock music memorabilia (Hard Rock Café International, Inc., 2012). It also operates branded merchandise outlets which have been well received by rock music lovers all across the globe. The restaurant has a very loyal customer base worldwide (ICFAI, 2010).

The problem

Hard Rock Café was the first and only theme restaurant in the world in the 1970's, but many new players with new ideas have entered the industry since then. Moreover, with many successful players entering into the fast food restaurant business such as Kentucky Fried Chicken, McDonald's, Pizza Hut, Hardees, and Burger King, the competition in the industry has become fierce. The original markets for these restaurants, such as United Kingdom and the United States, have become saturated, with less potential for market share growth in these countries. However, there are still opportunities of growth in foreign markets, especially the developing countries. But before deciding upon which country to expand to, it is crucial to conduct a strategic analysis for Hard Rock to determine those markets which are in alignment to Hard Rock's core business ideas and operational strengths.

Objective

The objective of this paper is to propose a 5-year internationalization strategy to the management of the Hard Rock Café about entering into new international markets. The paper is segmented into several main sections. The first section would discuss the analysis and evaluation of external and internal environmental factors for the Hard Rock Café. This would provide a basic framework for the selection of appropriate foreign markets. In the second section, the entry mode strategies, exit strategies, and functional strategies would be discussed for the brand's venture into foreign markets. The functional strategies would encompass product, marketing, and operations decision, with a management and controlling system for the implementation and review of the new strategies.

SECTION 1:

Analysis and evaluation of relevant external and internal factors

This section would discuss the factors that are crucial for Hard Rock's operational performance and business growth. These factors can be divided into two broad categories, the internal and external environment. The organizational success is dependent upon the management of these external and internal factors. The internal analysis is conducted by auditing the company's mission statement, its core competencies, value chain, financial ratio trends, and strategic cost management process (David, 2008). Furthermore, the external factor analysis is derived from the 5 forces of industry attractiveness evaluation and PEST analysis (David, 2008). The outcome of the internal and external analysis is the SWOT. The SWOT, strengths, weaknesses, opportunities and threats, analysis is a critical tool for strategic decision-making for businesses and organizations of all kinds (David, 2008). It is also helpful for reviewing the current or potential strategies, and the future direction or goals of a company (Porter, 1980).

Mission statement of Hard Rock Café

> *"To spread the spirit of Rock 'n' Roll by delivering an exceptional entertainment and dining experience. We are committed to being an important, contributing member of our community and offering Hard Rock family a fun, healthy, and nurturing work environment while ensuring out long term success".*

Following is the SWOT analysis derived from the internal and external factor evaluation for Hard Rock Café:

1. Strengths

a. *Brand reputation:* Hard Rock has been successfully operating since 1971 and is now present in around 57 countries across the globe. The core business idea and its global presence have helped it to develop into a high-quality brand with a broad base of loyal customers worldwide.

b. *Unique experience:* Hard Rock Café is a combination of high-quality food presented in an environment of a rock music museum featuring a vast collection of memorabilia that is rolled over at each of the outlets throughout the world. It provides an entertaining yet captivating environment for rock music lovers.

c. *Utilization of modern technology:* Hard Rock Café uses Lutron lighting and VRF heating and cooling systems to ensure that the restaurant environment is made attractive and comfortable (CBAC, 2010). Moreover, recently, Hard Rock installed large, interactive multi-touch displays on their outlets' walls. These touch screens contain the full collection of Hard Rock's memorabilia and enables customers to have a high definition touch experience of the entire rock collection (Next Window, 2011).

d. *Financial projection system:* Hard Rock's point of sale system records each entry as one customer, collects daily data and transmits it to the headquarters. The data from all outlets are then combined and then, using moving averages method financial forecasting, is carried out. Critical hourly analysis of the same data helps the management decide upon the mechanical equipment, staff members, and others required at the outlets (Chieochankitkan, 2008).

2. Weaknesses:

a. *Limited geographical coverage*: Hard Rock Café is present in around 57 countries globally. However, it is absent in many of the fastest growing economies and populations in the world, including India, China, and Australia, among others.

b. *High product pricing:* The prices of food items at the Hard Rock Café are higher than many of its counterparts, like McDonald's, Kentucky Fried Chicken, and Hardees. This might be limiting the target market for the company.

3. Opportunities

a. *Gambling and hotel business:* At present, Hard Rock operates only a few exclusive casinos and hotels. There is an opportunity to open more such outlets in different cities within the United States, the United Kingdom, and other countries where regulations are soft for casino businesses.

b. *Expansion into more countries*: There is an opportunity for Hard Rock to expand its operations in Australia, China and Thailand as it just operates a single restaurant in each of these countries. Moreover, New Zealand remains an untapped market for Hard Rock Café.

c. *Adjust to local cultures in each country:* Hard Rock can enrich its music culture by adopting local music and memorabilia in addition to its existing American collection. This might help in capturing a wider market segments, such as in countries like India, which has a remarkably strong and rich musical history of its own.

4. Threats

a. *Global financial crisis and economic recession:* The financial crisis of 2008 impacted the performance of almost all multinational organizations in a negative way (Englund and MacDonald, 2008). This resulted in declining revenues and operating margins for Hard Rock Café as well.

b. *Law and order situation:* Deteriorating law and order situation and terrorist activities around the globe also impacts the operations of Hard Rock. For example, the company suffered heavy losses after the attacks on the11th of September 2001, and it took almost 3 years for the business to recover from the setback.

c. *High competition in the industry:* The competition in the industry has increased due to the introduction of new restaurants and aggressive global expansion by the existing, key market players like McDonald's, Kentucky Fried Chicken, Pizza Hut, Dominoes, and Hardees, to name a few.

In order to have a strategic view of the business, it is crucial to determine the political, economic, social, and technological factors that can have a significant impact on the business' operations (Porter, 1980).

1. Political factors

Since Hard Rock is present in a number of countries worldwide, its operations are affected by the regulatory policies of each of those countries. First, it has to conform to the legal framework requirements for restaurant businesses in each of these countries. Moreover, there may be regulations that limit the conventional operations of the Hard Rock Café. For example, there are certain population segments in the United States and Europe that demand regulators to take action against fast food restaurants on the grounds of the harmful implications on health, including obesity, inappropriate cholesterol levels, and others. As a result of such public demands, there has been a ban imposed on the promotion of fast food restaurants on children's TV channels.

In addition to this, Hard Rock also has to ensure that it satisfies the regulators' policies regarding worker protection and environmental stability. The company has to conform to all these policies in order to protect its license to operate in the country. For example, the meat used in meals should conform to the Halal requirements of law in Muslim countries.

2. Economic factors

International exchange rate fluctuations and economic recessions have had a severe negative impact on the business operations of multinational fast food chains like Hard Rock. Moreover, rising inflation results in the costs of business to increase which, eventually, result in decreased operating margins. Furthermore, economic recessions have a tendency to reduce the disposable income of the citizens of a country. This limits their buying power and indirectly affects the sales of international fast food chains in a negative way. As far as exchange rates are concerned, the company faces translation exposure, such that an unanticipated movement in the exchange rates can increase or decrease the foreign revenues received by the parent company in its home currency.

It is also beneficial to ensure that the company complies with the tax regulations in each of the countries wherein it operates. Moreover, the economic standing of the host country is also critical as it determines the future growth prospects for business in that region. If the economy is in a state of recession, the company will have to make certain adjustments in order to maintain economies of scale.

3. Social factors

In order to develop a loyal customer base in the long term, the company should target individuals with characteristics that correspond to the characteristics of Hard Rock itself. For example, the target market could be young, enthusiastic, music lovers. Moreover, it is pertinent to adapt local tastes and culture into the business in order to develop a broader customer base. For example, Hard Rock Café can offer meals adjusted to local tastes in each of the countries. Furthermore, in countries like India which have a rich music history of its own, Hard Rock can add mementos from Bollywood and the Indian music industry to its memorabilia collection. In any case, the company must employ market research systems to determine the social trends and formulate strategies accordingly.

4. Technological factors

In order to break into the clutter, the company must adopt a range of promotional campaigns through different technological mediums (Workforus, 2011). Television has traditionally been a source for promotional activities for fast food chains. However, in order to target the young population, Hard Rock must aggressively use digital marketing platforms, including social web media, for the promotion of its brand. Apart from this, there are other operations that have been infused with new technology. This includes multi-touch memorabilia screens, Lutron lightings, and VRF heating and cooling systems to enhance the unique experience that it promises its customers (Lutron, 2010). Furthermore, the company has sophisticated point-of-sale methods which assist in projecting the future demand for products, overseeing the inventory system, as well as other functions.

Selection of the appropriate country markets for Hard Rock

As a first step, the list of countries with the highest GDP growth rate in the world would be determined. Then, countries would be selected on the basis of population size and constitution age groups, culture, geographic feasibility, costs, and future growth prospects. Following is the list of countries with the highest GDP growth rates in the world:

Country name	2007	2008	2009	2010
Macao SAR, China	14.5	3.4	1.6	26.4
Paraguay	6.8	5.8	-3.8	15.0
Singapore	8.8	1.5	-0.8	14.5
Myanmar	12.0	10.3	10.6	10.4
China	14.2	9.6	9.2	10.4
Ethiopia	11.5	10.8	8.8	10.1
Maldives	12.1	12.0	-6.5	9.9
Burkina Faso	3.6	5.0	3.5	9.2
Turkmenistan	11.8	14.7	6.1	9.2
Argentina	8.7	6.8	0.9	9.2
Zimbabwe	-3.7	-17.7	6.0	9.0
Turkey	4.7	0.7	-4.8	9.0
India	9.8	4.9	9.1	8.8
Niger	3.4	8.7	-1.2	8.8

Figure 1: *Countries with the highest GDP growth rate in the world*
(Source: The World Bank, 2012)

China is the world's second largest economy and is also the world's fastest growing major economy. It is also the most populous country in the world. The economy of China has been growing at a rate of approximately 10% per annum since the last 30 years. In 2011, the purchasing power parity, or GDP per capita, of China in 2011 was $8,394. The services sector contributed around 43.6% of the total GDP in the year 2010. Inflation, as measured by the consumer price index, was 5.4% in 2011, and the total labour force was 780 million (Economywatch, 2012). The cost of labour in China is extremely cheap, and it is an ideal country for production outsourcing for foreign firms.

Argentina is the third largest economy in Latin America. The standard of living in Argentina is unusually high and so is the GDP growth rate, averaging 6.4% from 2007 to 2010. The GDP (PPP) was estimated at $716.4 billion in 2011 with a per capita GDP (PPP) of $17,516. The inflation in 2011 was 9.5%. The total labour force in 2007 was 17 million. Argentina is a rapidly developing economy. Food processing and beverages are some of the main industries of Argentina (Argentina, 2000).

Turkey is one of the fastest growing emerging market economies. The country has a comparative advantage in the production of agricultural products and textiles (Invest in Turkey, 2002). The GDP growth rate was 10% in 2010 and the service sector contributed 64.7% to the total GDP in 2009. The total GDP in 2010 was estimated at around $1.116 trillion. The total labour force in the country is 25.3 million with approximately 45% employed in the service sector.

India, the second most populous country in the world, constitutes around 17.5% of the total world population. The average GDP growth rate of India was 8.15% from 2007 to 2010. The GDP (PPP) per capita was $3,694 in 2011. The service sector contributed around 55.6% to GDP in 2011. The total labour force in the country is estimated at 487.6 million. The main industries include telecommunications, textiles, chemicals, and food processing (IBEF, 2011).

Market attractiveness

Factors	% Weight factor	Argentina	Turkey	India	China
Market size	25	0.5	0.75	1	1.25
Economic growth	25	0.75	0.5	1	1.25
Labour force	25	0.5	0.75	1	1.25
Monetary inflation	25	0.5	0.75	1	1.25
Total	**100**	**2.25**	**2.75**	**4**	**5**

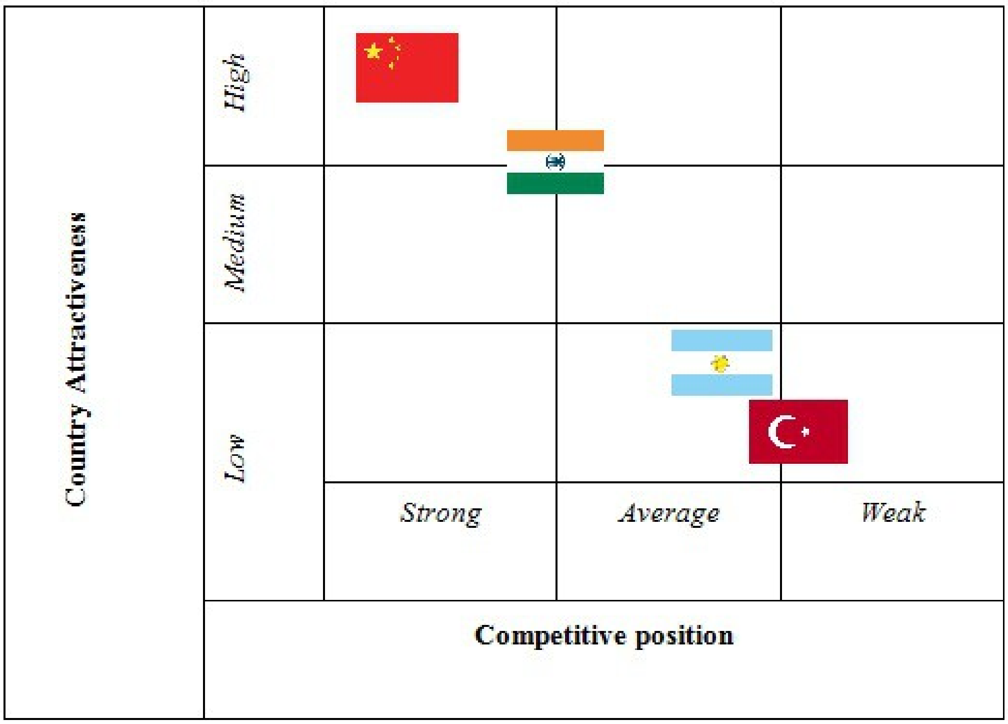
The table above summarizes the market attractiveness of each of the four countries by considering factors such as market size, economic growth, labour force, and monetary inflation. Market size has been rated based on the total population of the country, and the economic growth rated using the GDP growth rate. Moreover, the labour force has been rated on the basis of the labour participation rate in the countries. Finally, the annual inflation rate has been taken as the basis for scoring monetary inflation.

Competition's strength

Factors	% Weight factor	Argentina	Turkey	India	China
Market share	25	0.5	0.75	1	1.25
Product quality	25	1	0.5	0.75	1.25
Price	25	0.75	0.5	1	1.25
Financial condition	25	1	0.5	0.75	1.25
Total	**100**	**3.25**	**2.25**	**3.5**	**5**

The factors in the table above have been scored in order to measure the competitive strengths of each country. The largest restaurant and hotel in each country has been chosen and analysed for this purpose.

Country attractiveness and competitive strength matrix



From the figure above, it can be clearly observed that China and India are the most lucrative markets for Hard Rock. Although Hard rock is present in China, there is just one Hard Rock Café in Beijing. Similarly, the Hard Rock Cafés are present in India, while there is an opportunity to develop casinos and hotels in India. Furthermore, India has a rich musical history and Hard Rock can capitalize on that, too. In addition to this, both countries are geographical neighbours and the cost of labour in either countries is significantly cheaper than the rest of the world.

SECTION 2:

Entry-mode strategies and exit strategies for selected country markets

There are various entry modes which a company can adopt in order to reap benefits while entering into new foreign markets. However, there are benefits and costs of each entry's mode (Hisrich, Peters and Shepherd, 2010). The recommended entry mode for Hard Rock in order to expand its business in China and India is through joint ventures. Joint ventures would enable the company to have access to a local partner's knowledge of the market. Moreover, the risks and costs of development would be shared, and this is politically acceptable as well (Hisrich et. al., 2010). In addition to this, the relations of the local partner with suppliers and other stake holders would also provide benefits to Hard Rock in the long run.

In the first year, Hard Rock must expand its business in China. First, it should open a new Hard Rock Café in Shanghai, which is the most populous city in China. By the second year, Hard Rock must open a new hotel in Beijing. By the third year, it should expand into and launch a new Hard Rock Café in Chongqing, which is the second most populous and a highly developed city in China. The reason for expanding into China first is to capitalize on the huge population size. Presently, there is only one Hard Rock Café in China, which is in Beijing.

By the fourth year, Hard Rock must launch a new hotel in India. The hotel must be located in India's most densely populated city and its financial hub, Mumbai. Since Hard Rock Cafés are already operating in many other cities in India, the hotel business would benefit from the market knowledge of the restaurant's management in the country. If the initial hotel business is successful, then Hard Rock must expand into the hotel business in the federal capital of India, New Delhi, by the fifth year. Hard Rock would continue its expansion plans in these two countries, and all the new outlets would keep operating smoothly. The table below shows the five year investment summary for Hard Rock Café.

City (country)	Year 1	Year 2	Year 3	Year 4	Year 5
Shanghai	X	X	X	X	X
Beijing		X	X	X	X
Chongqing			X	X	X
Mumbai				X	X
New Delhi					X

One of the potential benefits for Hard Rock's expanding into these two countries through a joint venture mode would be the cross border synergies that would be created. These cross border synergies would be helpful in driving the costs out of the value chain of the business. Moreover, much of the raw material that would be used in the operations can be domestically obtained in these two geographic regions, further lowering down the overall costs.

As far as the exit strategy is concerned, Hard Rock will have three ways to terminate the joint venture. The first method involves the selling off of all or a substantial part of the shares to the domestic partner. If the Rank Group decides to keep less than 50% of the shares, it will still have a say in the management of business in India and China. However, majority of the ownership rights would be with the domestic partner. The second method involves the two partners selling off shares to a third party (Bourgeois, 1996). And, the last method involves a negotiation with the domestic partner to terminate the contract of joint venture (Bourgeois, 1996).

Functional strategies, including product, marketing, and operations decisions

Usually, businesses consider the analysis of four key factors to determine the scope of its operations. These four factors include the product, pricing, place, and promotion of the new business (Mintzberg, Lampel, Quinn and Ghoshal, 2003). However, there are three other relevant factors which can further support a company to achieve efficient operations. These three other factors include the people, placement, and physical evidence.

a. Product

The scope of a product is not limited to just tangible items, but also includes intangible services, which is an equally indispensable element in the fast food business. The basic objective of Hard Rock worldwide is to provide customers with a unique dining experience that is created by the sound and visual effects of rock 'n' roll music history. Furthermore, due to a strong brand acceptance, Hard Rock also sells merchandise items that include t-shirts, signed music albums, and others. Hard rock should maintain the same level of quality in India and China as well.

Additionally, Hard Rock can change its approach in the existing few Cafés in India. India has an exceptionally rich musical history of its own and a highly successful music and film industry called 'Bollywood.' It is the biggest film industry in the world and is a source of pride for the Indian nation. Hard Rock can include Bollywood memorabilia in its Indian restaurant collection and adopt the local tastes and music in order to develop a broader customer base in this market. This approach would add value to its existing products and service mix in India.

b. Price

Considering the brand equity, quality of food, service, and unique experience that Hard Rock Café provides its customers, it must adopt a premium pricing strategy. However, since the per capita disposable income in the two countries is low, hence, it should also have products and services that are priced competitively. However, the product quality should differ so that customers do not focus too much on the competitively priced products and do not avail of the rest. Low pricing strategy would be a reflection of a lower quality of product and service. Given the differentiation strategy that the company has adopted, a low pricing strategy would not be a viable option for the long term.

c. Place

The location of the fast food outlets are the primary manufacturing plants as well as service delivery centres. The location of the restaurants should be convenient so that more and more customers are attracted. Convenience is as decisive a factor as the quality of the product or service itself.

The Hard Rock Cafés in China and India must be located in posh commercial areas, preferably near high-end shopping malls. This would help attract the potential customers in an effective way. It would attract customers from adjoining residential locations as well as those who come for shopping. Additionally, Hard Rock hotels in these countries must be located in posh and busy business districts in the cities as their primary target market would be business and high economic class members (Evans, Campbell and Stonehouse, 2003).

d. Promotion

Effective promotion is crucial in attracting customers to avail the offered product or service at the set price (Yeshin, 2006). Promotions help in brand endorsement and also encourage customers to avail of as well as products that have gone out of trend (Yeshin, 2006). There are various types of promotions which can be adopted by Hard Rock in India and China. These promotional tools have been described, along with their characteristics, in the table below:

Types	Characteristic
Coupon	Delivered to customers through print or internet media; specifically through brochures, magazines, pamphlets, and emails. Customers can enjoy lower prices with the use of those coupons
Refund and rebates	Offering a reduction or reimbursement on product price as a result of some promotional offer. For e.g. if a customer spends $100 at the restaurant, $20 would be refunded
Loyalty cards	Membership cards for developing long term customers. Customers can avail discounts as a result of these membership cards
Sweepstakes, games, contests	Offering free gifts, trips, prize money, etc. to customers for participating in contests that help in brand promotion

e. People

In addition to making the customers feel satisfied, it is equally beneficial to satisfy the employees of the company. In the fast food and hotel industry, customer service is of extreme importance. Therefore, it is pertinent to provide appropriate training and career development opportunities to employees and staff members to keep them motivated. Moreover, since the hotel and the Hard Rock Café staff would be hired from among the local labour pool, it is essential to provide training regarding the core values and internal culture of Hard Rock so that brand equity and personality can be maintained, too.

f. Process

Hard Rock should employ its point of sale system in India and China, too, in order to enable effective, future costs and revenue projections. As already discussed, these systems have been deployed in many key countries where Hard Rock operates, such as the United States and the United Kingdom. The system would also assist in the better understanding of customer behaviour and control the performance of the hotel and Café staff. Furthermore, this system also prevents any fraud or misconduct on the part of the staff members.

g. Physical evidence

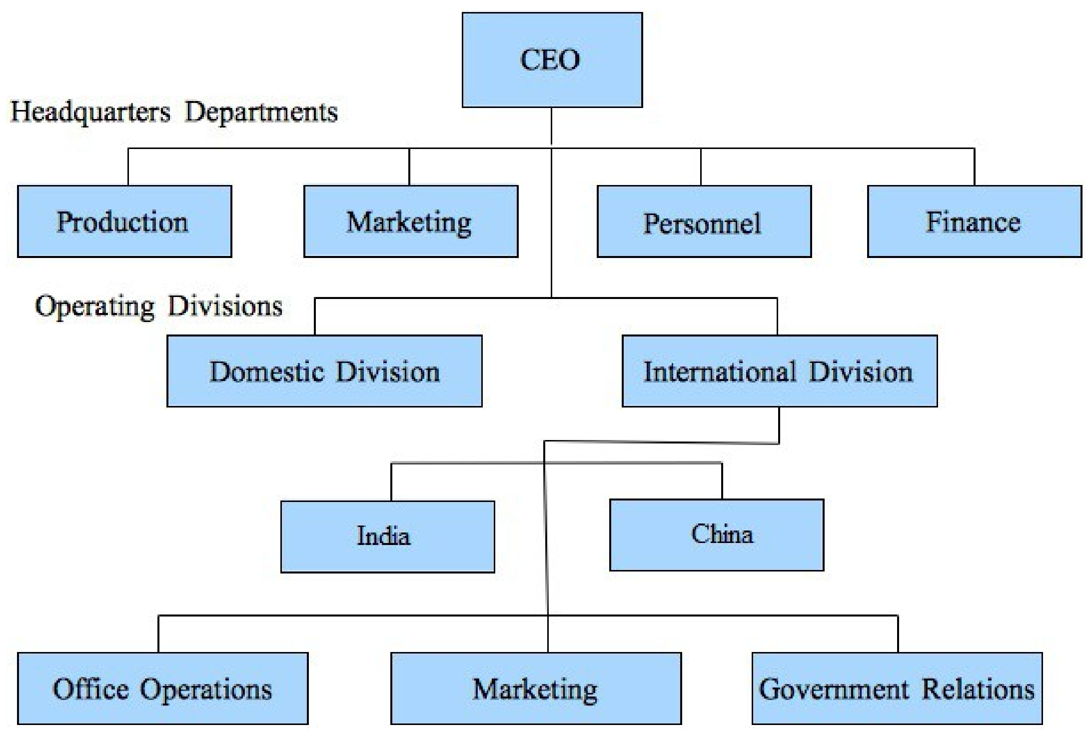
Physical evidence is primarily the environment in which the service is delivered, such as furnishings, layout, noise, smell, premises, and security. All these things can help in retaining and satisfied customers. Hard Rock must ensure the provision of healthy food in a hygienic environment, convenient location with car parking, lively atmosphere of the outlet, and well-motivated and friendly hotel and Café staff.

An organizational structure for the implementation of the above strategies

The most feasible organizational structure for the Hard Rock Café and hotel businesses in India and China would be the international division structure which has been adapted from the research work of John, Cox, Ietto-Gillies and Grimwade (1997). According to this structure of management, the decisions pertaining to human capital and finances would be made at the Hard

Rock Orlando headquarters. This is also in accordance to the proposal of deploying a point of sale system, the data from which would be transferred to the headquarters where analysts would apply moving averages and other forecasting methods to project future sales and costs as well as things like human capital requirements and others.

However, decisions related to marketing, operational, and production should be delegated to the domestic entities of Hard Rock in India and China. This would help in the formulation of functional strategies related to marketing and operations in line with the local environment and culture (Mintzberg et. al., 2003). The international division structure also helps in fulfilling a functional product and the geographic perspectives of the business. In other words, this managerial structure would satisfy the needs of each functional department, specifically the product or service, and the location in India and China (John et al., 2007).



International division structure proposed by John et al. (1997)

A strategic control system for managing the implementation of the above strategies

The most decisive step during the formulation of a strategy is developing an appropriate system for the monitoring and controlling of the strategic implementation process (Jones and Hill, 1992). It is vital to make sure that resources are utilized effectively and efficiently to provide value for customers and other stake holders (David, 2008). Furthermore, it also helps in comparing the actual results with the set objectives. If the actual performance exceeds expectations, employees can be rewarded. And, if actual performance falls below expectations, then corrective measures need to be adopted.

There are three fundamental dimensions of monitoring and control in the case of Hard Rock Café and the hotel business. These three dimensions include input control, process or throughput control, and output control, as described in the following table:

Input control	
Input control Hard Rock must ensure that the quality of food at the cafes and room services at the hotels are of international quality standards. In order to deliver high quality products, the company would require high-quality inputs. Therefore, it is essential to select suppliers carefully and keep a regular check on them. In the case of the cafe and hotel businesses, internal human capital is critical, too. Therefore, the company must ensure that it recruits and trains competent staff members.	
Process control	
Total quality control	In order to deliver high-quality products and services, it is crucial that the top management is committed, and each member of the organization takes part in the value creation process
Product & service requirement	Apart from the food quality, Hard Rock must focus on the ambience of the outlet and hotels. Each aspect of the environment including music, lightings, decorations, heating, and cooling must be checked to ensure that customers receive the unique experience as promised.
Human capital development	Apart from employee training, they should also be given opportunities for career progress and development. This would help in retaining experienced and well-performing staff
Output control	
Financial control	Initially, Hard Rock might incur losses at the new cafes and hotels in India and China; however, the company can reduce administrative and utilities expense to minimize the losses. Management of both the countries must send periodic cost budget reports to the Orlando headquarters. However, no cost cutting should be allowed that reduces the quality of the products or services offered to customers

Conclusion

This report prioritizes, evaluates and suggests a 5-year internationalization strategy for Hard Rock Café and hotels. India and China have been selected as the new investment countries for Hard Rock based on the micro and macro environmental analysis. Apart from this, the entry and exit mode strategies, functional strategies, managerial structure, and strategic control processes have also been thoroughly defined in this report.

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Appendix: Countries and economic indicators

	Turkey			
	2007	**2008**	**2009**	**2010**
Market size	69,992,754	70,923,730	71,846,212	72,752,000
Economic growth (%)	4.7	0.7	-4.8	9
Labour force (%)	47	48	49	50
Monetary inflation (%)	8.8	10.4	6.3	8.6

	India			
	2007	**2008**	**2009**	**2010**
Market size	1,173,971,629	1,190,863,679	1,207,740,408	1,224,615,000
Economic growth (%)	9.8	4.9	9.1	8.8
Labour force (%)	59	58	57	56
Monetary inflation (%)	6.4	8.4	10.9	12

	China			
	2007	**2008**	**2009**	**2010**
Market size	1,317,885,000	1,324,655,000	1,331,380,000	1,338,300,000
Economic growth (%)	14.2	9.6	9.2	10.4
Labour force (%)	75	75	74	74
Monetary inflation (%)	4.8	5.9	-0.7	3.3

	Argentina			
	2007	**2008**	**2009**	**2010**
Market size	39,368,066	39,714,298	40,062,470	40,412,000
Economic growth (%)	8.7	6.8	0.9	9.2
Labour force (%)	62	62	61	61
Monetary inflation (%)	8.8	8.6	6.3	10.8

Source: The World Bank, 2011