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Is AI an Opportunity or a Risk for Global Market Entry?

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Global market entry has never been a simple decision. Managers must determine which foreign market to target, when to enter, and how to enter through the right strategy and entry mode (Hollensen, 2020; Dykes & Kolev, 2018; Donnelly & Manolova, 2020). Get any of these decisions badly wrong, and an attractive international opportunity can quickly become an expensive mistake. AI raises both the opportunity and the stakes. It can help global marketing managers discover opportunities earlier, generate alternatives they had not considered, adapt as foreign markets change, and learn continuously from market outcomes. But the same speed and analytical power can magnify weak data, flawed assumptions, bias, and poor judgment. AI is therefore emerging simultaneously as an opportunity creator and a new source of strategic risk in global market entry (Jorzik et al., 2024; Lindner, Puck & Puhr, 2025).

Traditionally, international opportunities become visible through recognizable signals: foreign customers start buying, distributors show interest, competitors expand, networks reveal demand, or market research identifies potential. Management sees the opportunity and then reacts. With AI, however, that sequence can be dramatically reversed. AI can continuously scan customer behavior, search patterns, regulatory developments, technological shifts, competitor activity, and economic conditions across multiple markets, detecting combinations of signals that may indicate an emerging opportunity before it becomes obvious to managers. Instead of waiting for demand to surface, a global marketing manager can be alerted that demand is accelerating in an underserved segment, competitive intensity remains low, or regulatory change is opening a new commercial space. The opportunity is profound: firms can move from reacting to opportunities already visible in foreign markets to discovering opportunities while they are still emerging. Yet the same mechanism can manufacture opportunity where none exists. Outdated or poor-quality data, biased patterns, unreliable sources, or fabricated information can make an unattractive market appear promising. AI can therefore help managers spot opportunities before competitors do—but it can also make them perceive opportunities that are not there (Jorzik et al., 2024).

Usually, managers compare a limited set of market-entry alternatives developed through their own analysis, experience, and established strategic frameworks. With AI, however, that boundary is dramatically expanding. AI can generate market-entry configurations beyond those initially imagined by managers, systematically varying and combining the target market, customer segment, timing, localization, channel, partner, resource commitment, and entry mode. More fundamentally, it can simulate how numerous configurations might perform as demand, competition, regulation, costs, and other market conditions change, revealing strategic possibilities that may never have entered the management discussion. What was largely a human process of creating a manageable number of alternatives and choosing among them is becoming a Human + AI process capable of exploring a vastly larger strategic possibility space. Yet this extraordinary capability creates an equally serious vulnerability. AI can generate a strategy that looks remarkably sophisticated while drawing on outdated market data, unreliable sources, fabricated information, biased assumptions, or an incomplete understanding of the host country. Managers may therefore face not only the familiar risk of choosing the wrong strategy, but also the emerging risk of being persuaded by an AI-generated strategic alternative whose apparent analytical sophistication exceeds the quality of the evidence behind it. The opportunity is extraordinary strategic exploration; the risk is strategic illusion at unprecedented speed and scale.

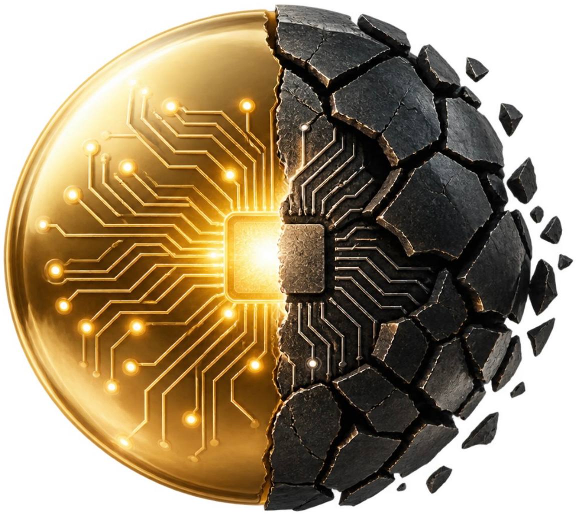
Conventionally, once a market-entry strategy is chosen, managers largely implement it until disappointing performance, a significant market change, or a periodic review provides a reason to reconsider it. With AI, by contrast, the strategy can become dramatically more adaptive while it is still being executed. AI can continuously track customer demand, competitor moves, regulatory developments, economic conditions, pricing, and partner performance, detecting when the assumptions behind the original strategy begin to break down. Managers can reconsider the target segment, localization, channel, partner, timing, or level of commitment before declining performance becomes the first warning that the strategy no longer fits the market. This fundamentally shortens the distance between market change and strategic response. Yet extraordinary responsiveness can itself become a liability. Temporary demand fluctuations, noisy data, outdated information, or misleading patterns may trigger unnecessary changes in pricing, channels, partners, localization, or resource commitment. A firm that reacts to every AI-detected signal may become remarkably responsive but strategically inconsistent. The opportunity is to adapt before competitors or poor performance force the firm to react; the risk is allowing continuous monitoring to turn adaptive strategy into strategic instability.

More profoundly, AI is changing the intelligence behind the market-entry decision itself. Traditionally, managers depend heavily on experience, market research, local knowledge, business networks, advisers, and professional judgment to understand a foreign market. With AI, however, they can add an analytical capability able to process volumes and varieties of information no management team could realistically examine manually, detect patterns across markets, compare competing scenarios, challenge assumptions, and generate recommendations at extraordinary speed and scale. This does not eliminate managerial judgment. It fundamentally changes where that judgment is needed. Managers increasingly need to verify evidence, interpret institutional and cultural context, challenge AI-generated recommendations, and determine what deserves action. Human + AI strategic intelligence therefore combines AI's analytical reach with managers' contextual knowledge, experience, judgment, relationships, and accountability (Lindner, Puck & Puhr, 2025). But, paradoxically, the more intelligent and convincing AI appears, the greater the danger of trusting it too easily. Fluent explanations, precise rankings, detailed scenarios, and confident recommendations can create an illusion of authority even when they rest on fabricated information, outdated evidence, hidden bias, or missing local knowledge. The opportunity is intelligence beyond traditional human analytical limits; the risk is managerial dependence on intelligence that managers may neither fully understand nor adequately challenge. AI becomes most dangerous not necessarily when its weakness is obvious, but when a weak recommendation looks exceptionally intelligent.

There is another paradox. AI can dramatically strengthen a firm's market intelligence, but increasingly the same technology is available to its competitors. Rival firms using similar models, public information, and prompts may discover the same promising markets, identify the same underserved customer segments, and receive remarkably similar strategic recommendations. A technology expected to differentiate firms can therefore push them toward strategic convergence. What becomes scarce is no longer access to AI itself, but what surrounds it: proprietary information, local relationships, accumulated market experience, distinctive organizational capabilities, and managers capable of interpreting the same information differently. The opportunity is to make AI part of a distinctive international capability; the risk is following an apparently intelligent strategy that competitors are following too.

The transformation does not stop when the firm enters the market. Traditionally, managers make an entry decision, implement it, observe the results, and later carry what they have learned into a formal review or subsequent international decision. With AI, however, learning can begin almost as soon as implementation begins. Customer behavior, sales performance, competitor reactions, partner results, regulatory developments, and the consequences of previous strategic adjustments can continuously feed back into the analysis. AI can compare what managers expected with what happened, update the assessment, and inform the next adjustment. What was largely a periodic learning cycle can therefore become continuous: decide, observe, learn, adapt, and decide again. But continuous learning has a darker mirror image: continuous strategic error. If poor-quality data, fabricated information, biased interpretation, or a mistaken assumption enters the feedback loop and remains unchallenged, AI may repeatedly reinforce rather than correct the original mistake. The same system capable of learning extraordinarily quickly can also become extraordinarily efficient at learning from the wrong premise. The opportunity is continuous strategic learning; the risk is making error increasingly systematic.

This leaves global marketing managers with a remarkable paradox. The same technology that can reveal an opportunity before it becomes obvious can fabricate one. The same system that can generate a market-entry alternative managers never imagined can construct a convincing alternative that should never be pursued. The same continuous intelligence that enables rapid adaptation can provoke unnecessary change. And the same learning capability that improves one decision can systematically reinforce a bad one. AI is therefore neither automatically an opportunity nor automatically a risk for global market entry. The dividing line is managerial capability. Firms that verify AI-generated evidence, combine it with proprietary and local knowledge, challenge its recommendations, and retain human accountability can transform AI into a powerful international decision capability. Those that confuse analytical sophistication with strategic truth may discover something very different.



AI can help a firm become intelligently right. But without critical managerial judgment, it can also make the firm confidently wrong—at unprecedented speed and scale.

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