

# TOPIC 1

## Introduction to Global Marketing

### Three things to know about Global Marketing

1. **Study the macro market environments of the host country**
  - PEST or PESTLE analysis;
  - Country screening.
2. **Decide how to enter the new country (market entry strategy)**
3. **Adapt the international marketing mix where necessary**
  - What needs to be changed/adapted? (adapt/localize);
  - Can we just do the same as what we do in the home country? (standardise)

## Five reasons why rapid growth in international business will continue

1. **Technological advances** - the information revolution with the technological advances and lowered costs in communications, the development of the Internet and e-commerce, and the development of increasingly sophisticated and diverse software to support a wide variety of business functions;
2. **The further development of logistics and supply chain management** - drawing upon new concepts and methods, advances in information technology in its mode broad sense and major advances in physical equipment and facilities. This has resulted in goods moving around the world with increasingly efficiency and lower costs.
3. **The increased importance of innovation;**
4. **More segmented markets in and across countries** - the recognition that increasing income, and the increasingly diverse populations in some countries, have provided new and often more segmented markets.
5. **The lowering of governmental and other barriers to trade and investment;**

# Problems and Needs

1. Piracy on the high seas for ransom;
2. Piracy of goods costs billions;
3. Fake/counterfeit goods causing death;
4. Contaminated food;
5. Terrorism;
6. Wars;
7. Prohibition of exports to certain countries;
8. Embargoes on some imports;
9. Diseases - bird flu, mad cow;
10. Expropriation;
11. Armed attackers;
12. Kidnapping for ransom.

## The nature and practice of international marketing

### Definition and unique requirements

International Marketing is the marketing of goods, services and information across national boundaries; includes the same elements as domestic marketing: planning, promoting, distributing, pricing and support of the goods, services and information to be provided to intermediate and ultimate consumers; it is more complex because of the need to accommodate key differences between the home country's domestic environment and the environment in the foreign market (these differences include differences in culture, consumer needs and wants, economic levels and structures, market structures and channels available, ways of doing business, laws and regulations, and many other factors.)

### Internationalization and the global marketer

Internationalization may be thought of as: (1) a process, (2) an end result, and/or (3) a way of thinking. A firm becomes increasingly internationalized as it becomes more involved in and committed to serving markets outside of its home country.

The term "international", "multinational" and "global" are sometimes used interchangeably but they are different:

- **International marketing** - any marketing activity carried out across national boundaries.
- **Multinational marketing** - describes the approach used by companies with a strong commitment to international marketing, each foreign market separate.
- **Global marketing** - operate as if the entire world / region is a single market.

But significant differences in consumer demand. As incomes rise consumers become less price sensitive. Flexible production system has lowered the cost advantage of large-scale production.

## International marketing management

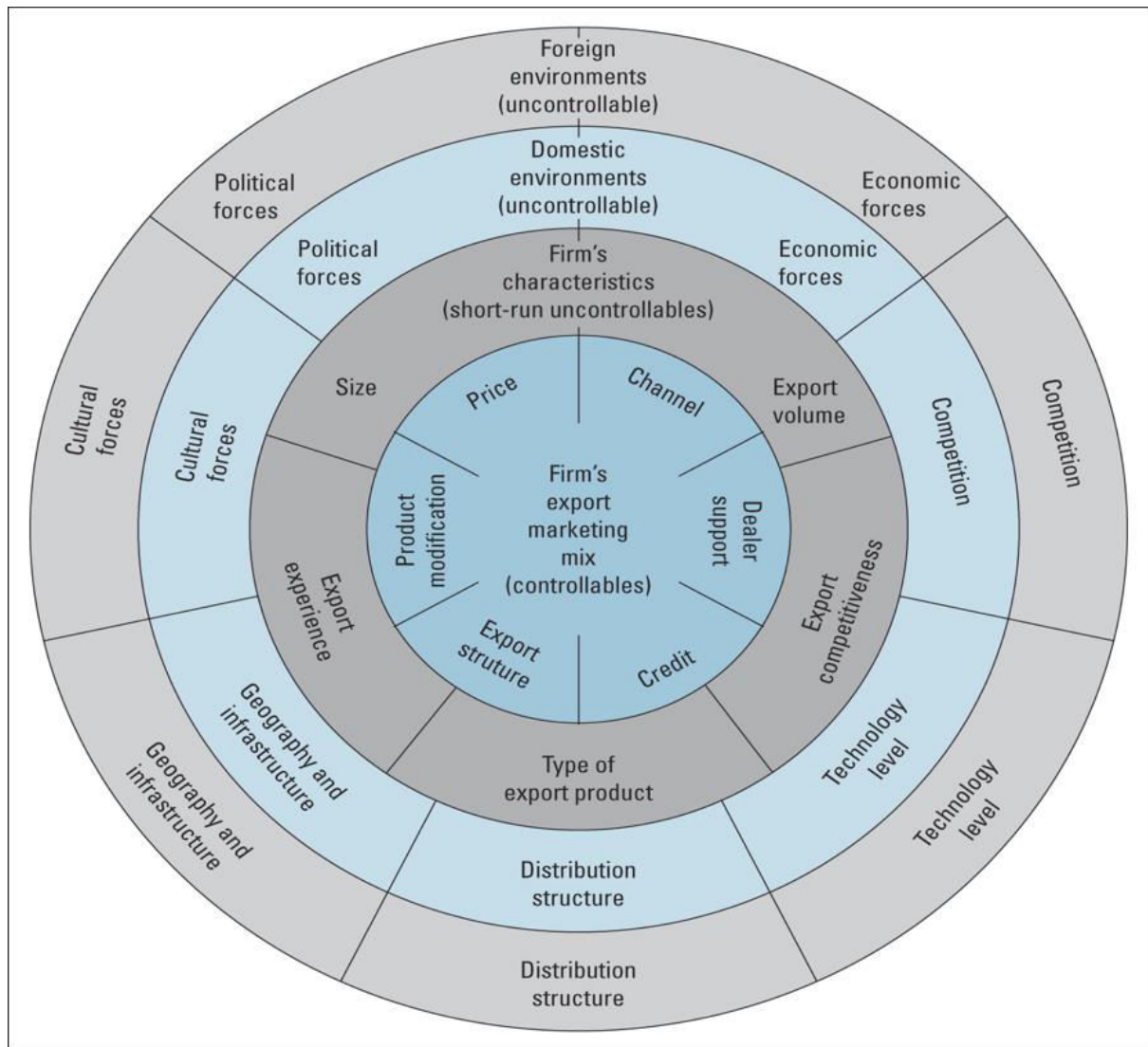
International marketing management is faced with three basic decisions. The first is whether to engage in international marketing activities at all. Second, if a company decides that it wants to do business in international markets, then a decision has to be made concerning what specific individual markets are to be served. Finally, the company must determine how it is going to serve these markets - i.e., what method or system should be used to get products into the hands of the consumers in foreign countries.

Market-driven marketing is oriented toward creating rather than controlling a market. The real goal of marketing is to 'own' a market, not just to make or sell products.

In contrast, some companies are product or technology driven. Since conditions can change rapidly, product-driven companies cannot adapt as quickly or as easily as market-driven companies.

Since a marketing program consists of a set of interacting and interrelated activities, it can be viewed as a system. Marketing activities are the controllable (by the firm) variables, and the profusion of geographic, economic, sociological, political, and cultural circumstances (in both domestic and foreign environments) as well as certain firm characteristic are the uncontrollable (by the firm) variables.

## The schematic model of the export marketing mix



TO BE CONTINUED..

