

GLOBAL MARKETING

* Overview

Global marketers consider the world as their market and different country markets as components of this world market



Defining Global Marketing

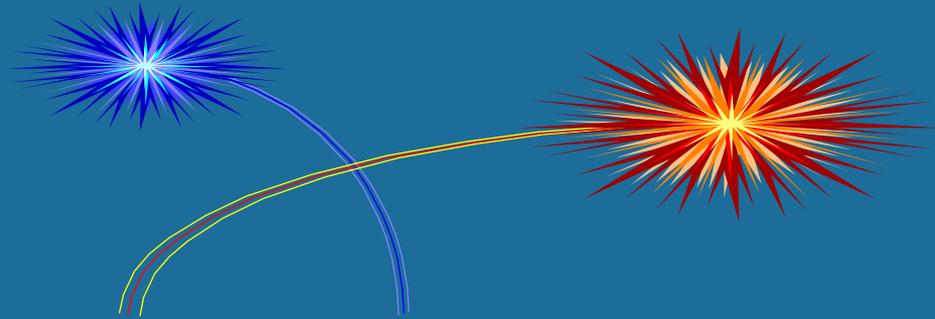
* AMA's Definition of Marketing:

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives



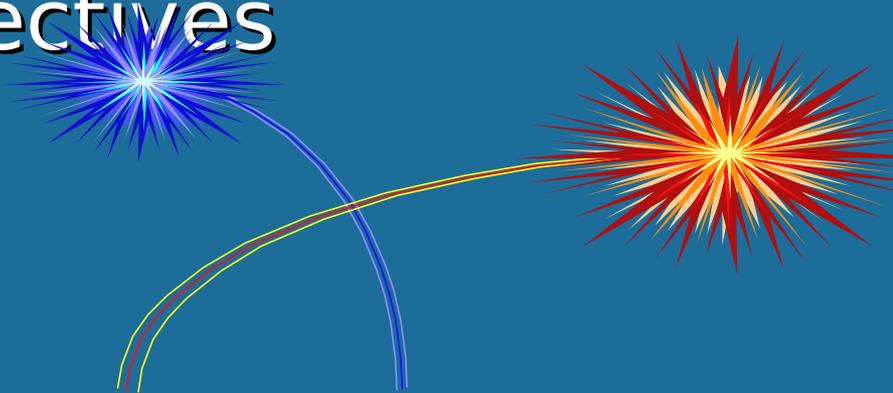
Defining Global Marketing

- * **Distinguishing Features of AMA's Definition**
 1. Includes nonprofit and for profit activities
 2. Includes products, ideas, and services
 3. Includes activities that precede and follow the production process
 4. Includes the four P's and regards them each as equally important



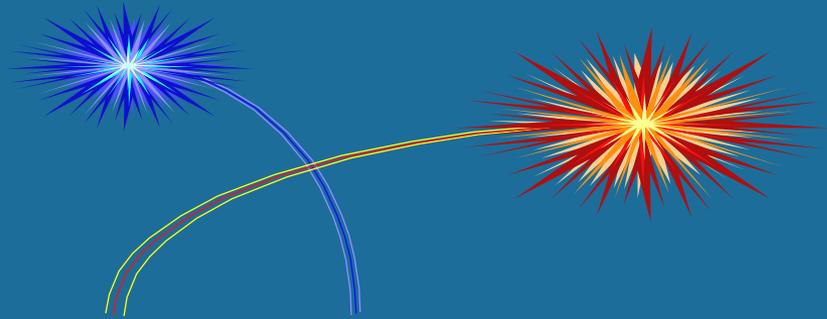
Defining Global Marketing

- * **Global Marketing Defined:**
- * ... the coordinated performance of marketing activities to create exchanges across countries that satisfy individual, organizational , and societal objectives



Defining Global Marketing

- * Global marketing is conducted across countries (not domestic or foreign)
- * Global marketing coordinates activities across different country markets
- * Global marketing should be motivated by individual, organizational, and societal goals



The Global Marketing Environment

- * Focal Point--Consumer
- * Use the Four P's to Satisfy Consumers
- * Economic, Financial, Political, and Cultural Environmental of Each Country Affect marketing
- * Regional and Global Environments Affect Marketing

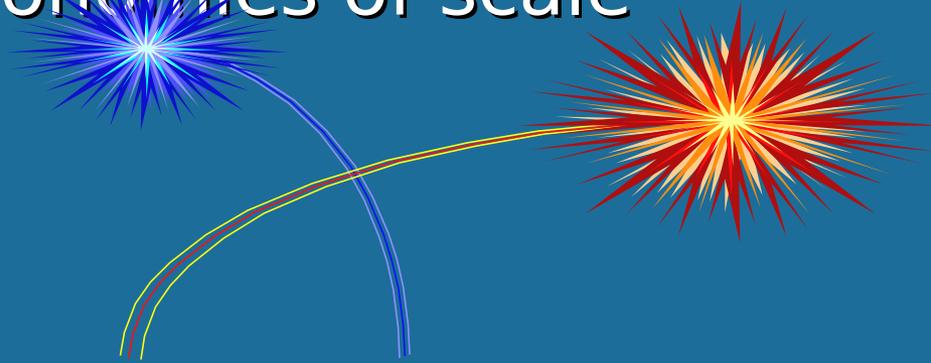
Why Should Firms Engage in Global Marketing?

* To Survive and Grow

1. Learn to satisfy consumers in diverse conditions
2. Manage marketing tasks more efficiently and effectively
3. Preempt or counter competitive attacks in more than one market
4. Expand customer base to include developed and developing nations

Why Should Firms Engage in Global Marketing?

- * To Diversify Product and Market Portfolios and Improve competitiveness
 1. Effects of seasonal and cyclical fluctuations in one market offset by others
 2. Diversification increases market size and enhances economies of scale



Why Should Firms Engage in Global Marketing?

- * To Capitalize on the Attractiveness of Additional Country Markets

1. The U.S. is attractive-but won't accommodate unlimited growth

2. Expand market size by expanding into other countries

3. Maurice G. Hardy: Why expand into other countries? A. Keep competitors in their own countries; b. Take advantage of growing opportunities in Europe and the Pacific



Why Should Firms Engage in Global Marketing?

- * **To Operate Within a Global Marketplace**
 1. Goods, services, capital, technology, and labor are going global
 2. Reduced government restrictions are affecting global marketing
 3. Bilateral and multilateral negotiations are reducing restrictions



What is Unique about Global Marketing?

Country market environments different

- ✧ **Economic Environment**
(Purchasing Power, Competitive Intensity, Economy's Health)
 1. Fiscal policies - tax rates and spending programs of government
 2. Monetary policies - regulate money supply

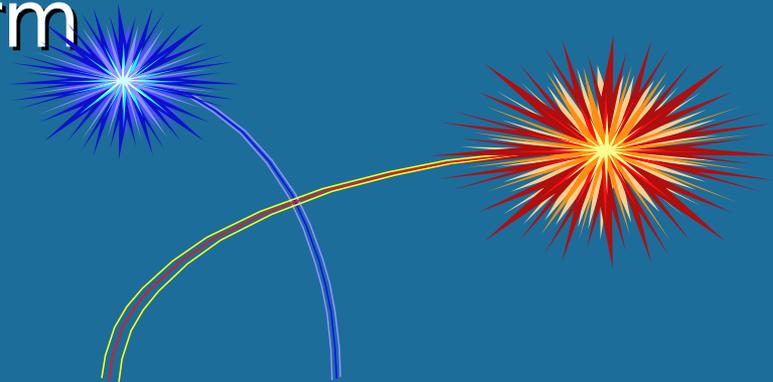


Marketing?

Country market environments different

✧ Financial Environment

1. Exchange rate - price of one currency in relation to another
2. Exchange rate fluctuations can adversely or favorably affect performance of a firm



What is Unique about Global Marketing? Country market environments different

* Political Environment

1. Tariff barriers - taxes on imports paid to customs officials - include

a. Specific - fixed amount per physical unit of import

b. Ad -valorem (on the value) - percentage of estimated value of import

2. Nontariff barriers include

a. Import quotas

b. Exchange controls

c. Buy-domestic policies

d. administrative red tape

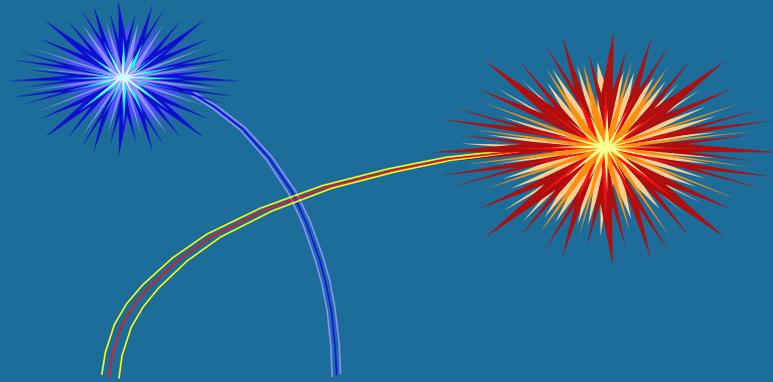


Marketing?

Country market environments different ?

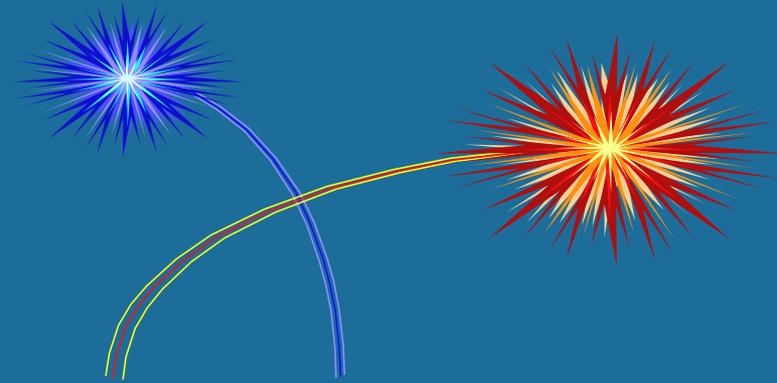
✧ Cultural Environment

1. Differences encourage marketing adaptations
2. Similarities encourage standardization
3. Balancing the two is a key to success



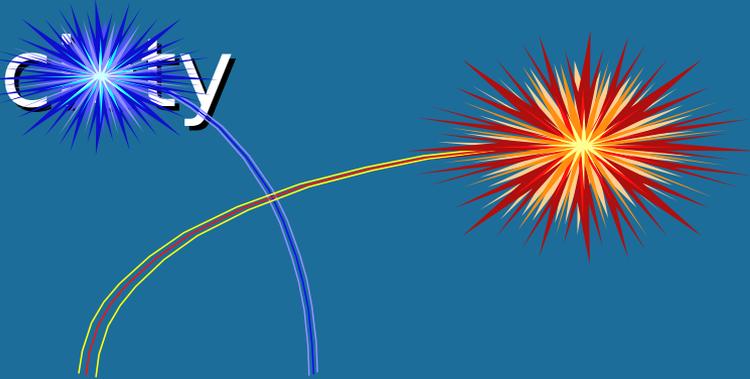
Marketing Mix Politics - How Do Government Influence the Four P's ?

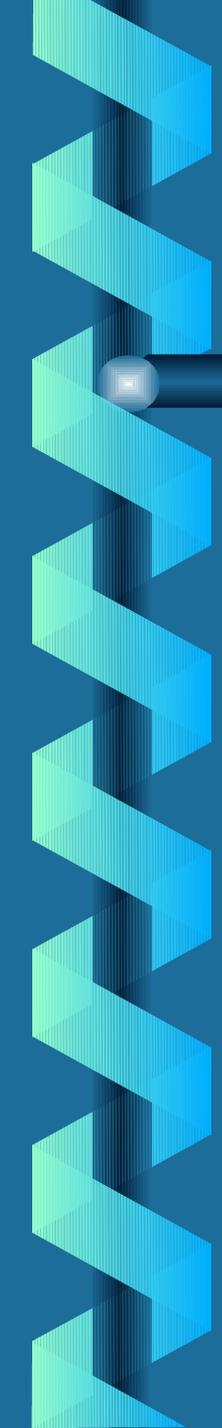
- * Product - Local Content Law
- * Price - Government Approval for Price Changes
- * Promotion - Permissible Budget Determined by Local Authorities
- * Place - Mandated Distribution Channel or Territory



Why Should We Study Global Marketing ?

- * Influences Product Choices of Consumers
- * Influences standard of living
- * Influences Job Opportunities
- * Influences the society





Thank You!