

Global Marketing (International Marketing)

Global marketing is “marketing on a worldwide scale reconciling or taking commercial advantage of global operational differences, similarities and opportunities in order to meet global objectives”

1.1 Worldwide competition

One of the product categories in which global competition has been easy to track in U.S. is automotive sales. The increasing intensity of competition in global markets is a challenge facing companies at all stages of involvement in international markets. As markets open up, and become more integrated, the pace of change accelerates, technology shrinks distances between markets and reduces the scale advantages of large firms, new sources of competition emerge, and competitive pressures mount at all levels of the organization. Also, the threat of competition from companies in countries such as India, China, Malaysia, and Brazil is on the rise, as their own domestic markets are opening up to foreign competition, stimulating greater awareness of international market opportunities and of the need to be internationally competitive. Companies which previously focused on protected domestic markets are entering into markets in other countries, creating new sources of competition, often targeted to price-sensitive market segments. Not only is competition intensifying for all firms regardless of their degree of global market involvement, but the basis for competition is changing. Competition continues to be market-based and ultimately relies on delivering superior value to consumers. However, success in global markets depends on knowledge accumulation and deployment.

1.2 Evolution to global marketing

Global marketing is not a revolutionary shift, it is an evolutionary process. While the following does not apply to all companies, it does apply to most companies that begin as domestic-only companies. International marketing has intensified and is evident for approximately nearly all aspects of consumer's daily life. Local regions or national boundaries no longer restricted to the competitive forces. To be successful in today's globalized economy, it is must for the companies to simultaneously responsive to local as well as global market conditions and varying aspect's related to the international marketing process. Hence, international

marketing skills are an important ingredient for every company, whether or not it is currently involved in exporting the activities for the endorsement of the brand or the company. The internationalized marketplace has been transformed very quickly in recent years by shifts in trading techniques, standards and practices. These changes have been reinforced and retained by new technologies and evolving the economic relationships between the companies and the organizations which are working for the trade across the globe. This assignment project work is just an attempt to get integrate these developments and attempts in the field of the market journalism into the burgeoning literature on international marketing process as well as on recent research findings on the International marketing. The research emphasis within the subject has evolved alongside changes in the stress given to key aspects of international trade market. The pre-occupation of early researchers with exports and selling is being replaced by a more balanced view which gives increasing weight to other aspects of international marketing such as licensing, joint ventures, and overseas subsidiaries. In effect, the traditional ethnocentric conceptual view of international marketing trade is being counterbalanced by a more accurate global view of markets. This process of change is tracked in this paper and the growing importance of a strategic and organizational approach to international marketing is emphasized in this article theory. Focused attention is paid to the heterogeneous nature of international marketing process. The diversity of the globalized situations is matched by the variety of enterprises which play a vital part in the marketing exploration process. There is also explanation focuses on the matching of the available company resources and marketing goals in successful international marketing trade. The concept which unveils the paper brings out the importance of effective marketing procedures to success in international markets and trade over the international markets.

1.3 Domestic marketing

A marketing restricted to the political boundaries of a country is called 'Domestic Marketing'. A company marketing only within its national boundaries only has to consider domestic competition. Even if that competition includes companies from foreign markets, it still only has to focus on the competition that exists in its home market. Products and services are developed for customers in the home market without thought of how the product or service could be used in other markets. All marketing decisions are made at headquarters.

The biggest obstacle these marketers face is being blindsided by emerging global marketers. Because domestic marketers do not generally focus on the changes in the global marketplace, they may not be aware of a potential competitor who is a market leader on three continents until they simultaneously open 20 stores in the Northeastern U.S. These marketers can be considered ethnocentric as they are most concerned with how they are perceived in their home country.

The domestic market is a large market that every nation needs. These markets are all restricted to be under control of certain boundaries in that company or country. This type of marketing is the type of marketing that takes place in the headquarters. In domestic markets it helps reduce the cost of competition. By reducing competition the company has a better shot of being more successful in the long run. Also if the company's competition is not a big factor that will affect their business, they have a good shot at making prices higher and people will still purchase that product.

A firm operating in a domestic market also gets the opportunity to operate in different areas and this gives the company an opportunity to have bigger markets to advertise to. Even in domestic markets, businesses are still trying to trade with each other to promote their business to other businesses in the area. An advantage to marketing domestically is that the firm may be entitled to tax benefits for offering jobs to the nation and for giving people opportunities for work. A firm that markets domestically helps countries by offering more jobs, bringing in additional business to the market and stimulates trading within the market.

1.4 International marketing

International marketing is the export, franchising, joint venture or full direct entry of a marketing organization into another country. This can be achieved by exporting a company's product into another location, entry through a joint venture with another firm in the target country, or foreign direct investment into the target country. The development of the marketing mix for that country is then required - international marketing. It can be as straightforward as using existing marketing strategies, mix and tools for export on the one side, to a highly complex relationship strategy including localization, local product offerings, pricing,

production and distribution with customized promotions, offers, website, social media and leadership. Internationalization and international marketing meets the needs of selected foreign countries where a company's value can be exported and there is inter-firm and firm learning, optimization and efficiency in economies of scale and scope.. The firm does not need to export or enter all world markets to be considered an international marketer.

1.5 Global marketing

Global marketing is a firm's ability to market to almost all countries on the planet. With extensive reach, the need for a firm's product or services is established. The global firm retains the capability, reach, knowledge, staff, skills, insights, and expertise to deliver value to customers worldwide. The firm understands the requirement to service customers locally with global standard solutions or products, and localizes that product as required to maintain an optimal balance of cost, efficiency, customization and localization in a control-customization continuum to best meet local, national and global requirements to position itself against or with competitors, partners, alliances, substitutes and defend against new global and local market entrants per country, region or city. The firm will price its products appropriately worldwide, nationally and locally, and promote, deliver access and information to its customers in the most cost-effective way. The firm also needs to understand, research, measure and develop loyalty for its brand and global brand equity (stay on brand) for the long term.

At this level, global marketing and global branding are integrated. Branding involves a structured process of analyzing "soft" assets and "hard" assets of a firm's resources. The strategic analysis and development of a brand includes customer analysis (trends, motivation, unmet needs, segmentation), competitive analysis (brand image/brand identity, strengths, strategies, vulnerabilities), and self-analysis (existing brand image, brand heritage, strengths/capabilities, organizational values).

Further, Global brand identity development is the process establishing brands of products, the firm, and services locally and worldwide with consideration for scope, product attributes, quality/value, uses, users and country of origin; organizational attributes (local vs. global); personality attributes (genuine,

energetic, rugged, elegant) and brand customer relationships (friend, adviser, influencer, trusted source); and importantly symbols, trademarks metaphors, imagery, mood, photography and the company's brand heritage. In establishing a global brand, the brand proposition (functional benefits, emotional benefits and self-expressive benefits are identified, localized and streamlined to be consistent with a local, national, international and global point of view. The brand developed needs to be credible.

A global marketing and branding implementation system distributes marketing assets (website, social media, Google PPC, PDFs, sales collateral, press junkets, kits, product samples, news releases, local mini-sites, flyers, posters, alliance and partner materials, affiliate programs and materials, internal communications, newsletters, investor materials, event promotions and trade shows to deliver an integrated, comprehensive and focused communication, access and value to the customers, that can be tracked to build loyalty, case studies and further establish the company's global marketing and brand footprint.

1.6 Global marketing specialization

Global marketing is a field of study in general business management to provide valuable products, solutions and services to customers locally, nationally, internationally and worldwide.

Elements of the global marketing

Not only do standard marketing approaches, strategies, tactics and processes apply, global marketing requires an understanding of global finance, global operations and distribution, government relations, global human capital management and resource allocation, distributed technology development and management, global business logic, interfirm and global competitiveness, exporting, joint ventures, foreign direct investments and global risk management.

The standard “Four P’s” of marketing: product, price, placement, and promotion are all affected as a company moves through the five evolutionary phases to become a global company. Ultimately, at the global marketing level, a company trying to speak with one voice is faced with many challenges when creating a worldwide marketing plan. Unless a company holds the same position against its

competition in all markets (market leader, low cost, etc.) it is impossible to launch identical marketing plans worldwide. Nisant Chakram(Marketing Management)

Product

A global company is one that can create a single product and only have to tweak elements for different markets. For example, Coca-Cola uses two formulas (one with sugar, one with corn syrup) for all markets. The product packaging in every country incorporates the contour bottle design and the dynamic ribbon in some way, shape, or form. However, the bottle can also include the country's native language and is the same size as other beverage bottles or cans in that same country.

Price

Price will always vary from market to market. Price is affected by many variables: cost of product development (produced locally or imported), cost of ingredients, cost of delivery (transportation, tariffs, etc.), and much more. Additionally, the product's position in relation to the competition influences the ultimate profit margin. Whether this product is considered the high-end, expensive choice, the economical, low-cost choice, or something in-between helps determine the price point.

Placement

How the product is distributed is also a country-by-country decision influenced by how the competition is being offered to the target market. Using Coca-Cola as an example again, not all cultures use vending machines. In the United States, beverages are sold by the pallet via warehouse stores. In India, this is not an option. Placement decisions must also consider the product's position in the market place. For example, a high-end product would not want to be distributed via a "dollar store" in the United States. Conversely, a product promoted as the low-cost option in France would find limited success in a pricey boutique.

Promotion

After product research, development and creation, promotion (specifically advertising) is generally the largest line item in a global company's marketing budget. At this stage of a company's development, integrated marketing is the goal. The global corporation seeks to reduce costs, minimize redundancies in personnel and work, maximize speed of implementation, and to speak with one voice. If the goal of a global company is to send the same message worldwide, then delivering that message in a relevant, engaging, and cost-effective way is the challenge.

Effective global advertising techniques do exist. The key is testing advertising ideas using a marketing research system proven to provide results that can be compared across countries. The ability to identify which elements or moments of an ad are contributing to that success is how economies of scale are maximized. Market research measures such as Flow of Attention, Flow of Emotion and branding moments provide insights into what is working in an ad in any country because the measures are based on visual, not verbal, elements of the ad.

1.7 Advantages and Disadvantages

Advantages

The advantages of global market we can introduce our product by using advertising:

Economies of scale in production and distribution

Lower marketing costs

Power and scope

Consistency in brand image

Ability to leverage good ideas quickly and efficiently

Uniformity of marketing practices

Helps to establish relationships outside of the "political arena"

Helps to encourage ancillary industries to be set up to cater for the needs of the global player

Benefits of eMarketing over traditional marketing

Reach

The nature of the internet means businesses now have a truly global reach. While traditional media costs limit this kind of reach to huge multinationals, eMarketing opens up new avenues for smaller businesses, on a much smaller budget, to access potential consumers from all over the world.

Scope

Internet marketing allows the marketer to reach consumers in a wide range of ways and enables them to offer a wide range of products and services. eMarketing includes, among other things, information management, public relations, customer service and sales. With the range of new technologies becoming available all the time, this scope can only grow.

Interactivity

Whereas traditional marketing is largely about getting a brand's message out there, eMarketing facilitates conversations between companies and consumers. With a two way communication channel, companies can feed off of the responses of their consumers, making them more dynamic and adaptive.

Immediacy

Internet marketing is able to, in ways never before imagined, provide an immediate impact. Imagine you're reading your favorite magazine. You see a double-page advert for some new product or service, maybe BMW's latest luxury sedan or Apple's latest iPod offering. With this kind of traditional media, it's not that easy for you, the consumer, to take the step from hearing about a product to actual acquisition. With eMarketing, it's easy to make that step as simple as possible, meaning that within a few short clicks you could have booked a test drive or ordered the iPod. And all of this can happen regardless of normal office hours. Effectively, Internet marketing makes business hours 24 hours per day, 7 days per week for every week of the year. By closing the gap between providing

information and eliciting a consumer reaction, the consumer's buying cycle is speeded up.

Demographics and targeting

Generally speaking, the demographics of the Internet are a marketer's dream. Internet users, considered as a group, have greater buying power and could perhaps be considered as a population group skewed towards the middle-classes. Buying power is not all though. The nature of the Internet is such that its users will tend to organize themselves into far more focused groupings. Savvy marketers who know where to look can quite easily find access to the niche markets they wish to target. Marketing messages are most effective when they are presented directly to the audience most likely to be interested. The Internet creates the perfect environment for niche marketing to targeted groups.

Adaptivity and closed loop marketing

Closed Loop Marketing requires the constant measurement and analysis of the results of marketing initiatives. By continuously tracking the response and effectiveness of a campaign, the marketer can be far more dynamic in adapting to consumers' wants and needs. With eMarketing, responses can be analyzed in real-time and campaigns can be tweaked continuously. Combined with the immediacy of the Internet as a medium, this means that there's minimal advertising spend wasted on less than effective campaigns. Maximum marketing efficiency from eMarketing creates new opportunities to seize strategic competitive advantages. The combination of all these factors results in an improved ROI and ultimately, more customers, happier customers and an improved bottom line.

Disadvantages

Differences in consumer needs, wants, and usage patterns for products

Differences in consumer response to marketing mix elements

Differences in brand and product development and the competitive environment

Differences in the legal environment, some of which may conflict with those of the home market

Differences in the institutions available, some of which may call for the creation of entirely new ones (e.g. infrastructure)

Differences in administrative procedures

Differences in product placement.

Differences in the administrative procedures and product placement can occur.