

## CHAPTER 32 : Global marketing

### 1. Global marketing Strategy

: They aim to sell their products beyond their national borders. Global marketing involves the planning, producing, placing and promotion of business's products in a worldwide market. This process can involve a business having offices in different countries, but the process is also facilitated by the growth of the internet.

### 2. Global Localisation

: Global localization → approach differs from having common strategy for all countries. It involves adapting to local expectations in order for a business to succeed in an international market. Eg. Local tastes, Customs and traditions to be successful with those customers

### 3. Different marketing approaches

#### 3.1.Ethnocentric (domestic approach)

: Overseas markets are seen as identical or similar to domestic markets. This approach assumes that that is good for the domestic market will be good for global market.

**Advantages** : Economies of scale, Lower R&D cost

**Limitation** : Products cannot response specific wants to the local market

### **3.2. Polycentric (International) approach :**

: Businesses adapt their product to the local markets in which they plan to sell the product. This involves developing and marketing different products for the demands of local customers in different markets.

#### **Advantages :**

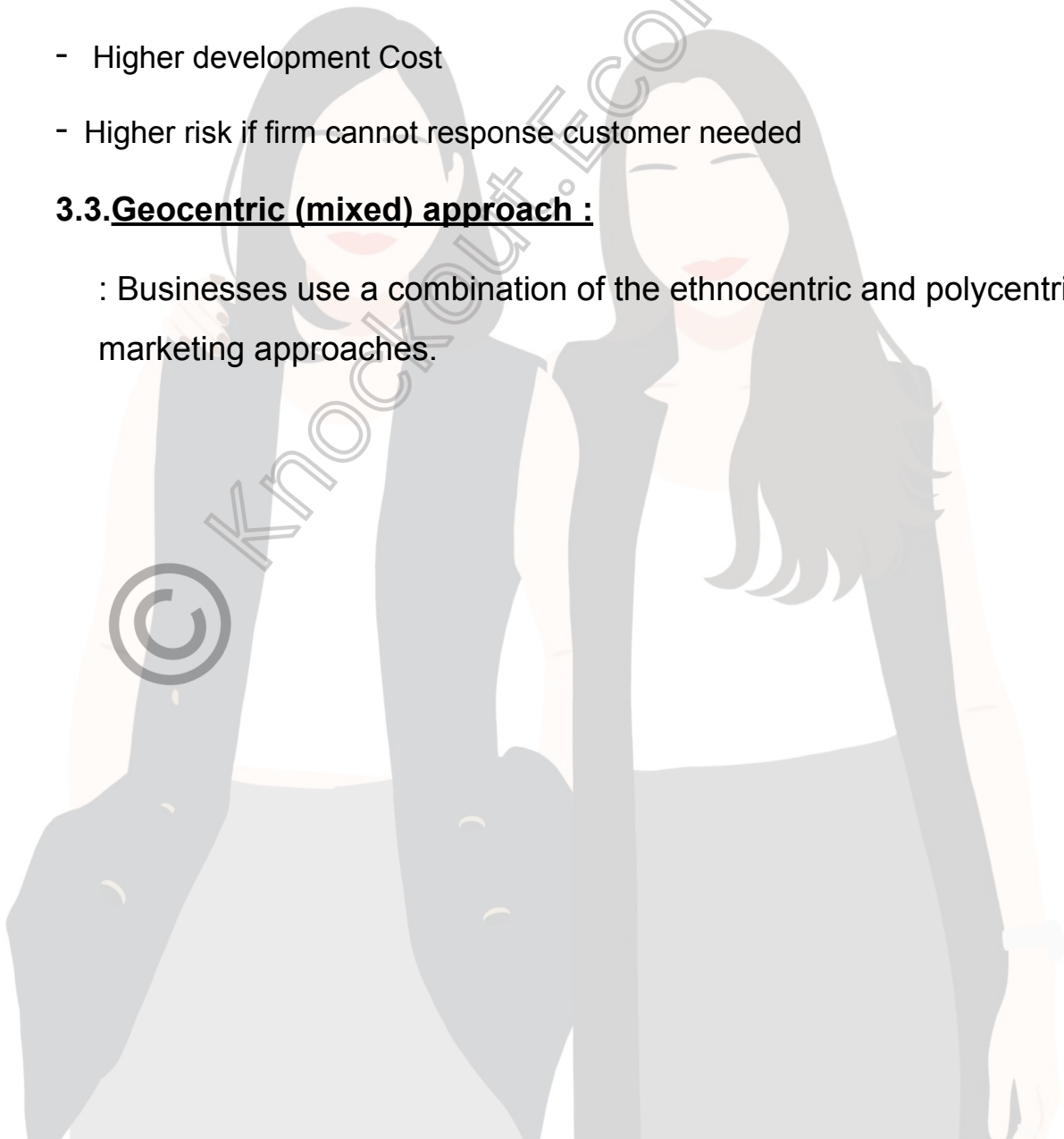
- Tailoring products to specific customer needs

#### **Disadvantages :**

- Higher development Cost
- Higher risk if firm cannot response customer needed

### **3.3. Geocentric (mixed) approach :**

: Businesses use a combination of the ethnocentric and polycentric marketing approaches.



#### **4. Application and Adaptation of the marketing mix (4Ps) to global market**

But if business operate in global scale? What strategies might a business use when operating in mass markets. The marketing mix is used in global markets and must be considered as part of a global marketing strategy.

<p><b>Price</b></p> <p>:What price should be charged in the global market? What price are charged by competitors</p> <p>Decision around price need to consider local factors such as incomes, taxes, rents, and other costs.</p>	<p><b>Products</b></p> <p>: Should the product be adapted for different markets or can it stay as it is?</p> <p>(Ethnocentric, Polycentric or Geocentric)</p>
<p><b><u>Promotion</u></b></p> <p>: What are the most effective promotion methods in different countries?</p>	<p><b><u>Place</u></b></p> <p>:How do consumers buy their products in local market?</p>

## 5. Application of Ansoff's matrix to global marketing decisions.

: Ansoff's matrix is the tool to help a business achieve growth. It can be applied to global markets and to help to inform decisions around marketing strategy.



▲ Figure 1 Ansoff's Matrix

### 5.1. Market Penetration

: Existing where business adapt product to existing market. Eg. Mc Donald develop Teriyaki Burger in Japan.

### 5.2. Market Development

: This involves the marketing of existing products in new markets. (Can adjust tastes etc.)

### 5.3. Product Development

: This is where a business promotes new or modified product in existing market.

### 5.4. Diversification

: This occurs when new products are developed for entirely new market.

## 6. Application of Porter's Strategic Matrix to global marketing decisions

- **Cost Leadership:** Where business attempts to be the lowest cost supplier in the market
- **Differentiated :** Where a business successful distinguished its product from those of rival in mass market
- **Focus :** which involves a business targeting a narrow range customers in one of two ways either cost or differentiation focus.

