

UNIT 1

- ▶ Marketing in Global Environment
- ▶ International Marketing
- ▶ Rural Marketing

MARKETING IN GLOBAL ENVIRONMENT

- ▶ **What is meant by global marketing?**
- ▶ Global marketing is the focus on marketing an organisation's products or services in the international marketplace – and in an increasingly global society, with people more connected than ever before, it's an increasingly important area of marketing management.
- ▶ **Here are the examples of famous companies that have excelled at globalization.**
- ▶ Coca-Cola. Possibly the most famous global brand in the world.
- ▶ SAP. Another highly successful example of a globalized company is SAP
- ▶ Domino's
- ▶ IBM



Global marketing involves planning, producing, placing, and promoting a business' products or services in the worldwide market.

There is significantly more to global marketing than simply selling goods and services internationally. It is the process of conceptualizing and subsequently conveying a final product or service globally. The company aims to reach the international marketing community.

Global marketing is a specialized skill. If marketing professionals do their job properly, they can catapult their company to the next level.

Several different strategies are possible. Which one to implement depends on the company's target area. For example, the menu of a fast food restaurant will depend on whether it is in Europe, Asia, Africa, etc.

For companies that produce and sell products and services that have universal demand, global marketing is crucial. Food, smartphones, and cars, for example, have universal demand. In other words, people all over the world want and buy them.

Global marketing is part of marketing. Marketing refers to analyzing the market, finding out what consumers want, and determining whether you can make it at the right price. You then produce it and sell it.

What is a global marketing strategy?

- ▶ A global marketing strategy is defined as a comprehensive plan crafted to reach customers from all over the world, ensuring that your business's message resonates with international audiences.
- ▶ For any business looking to expand its reach into other countries, a global marketing strategy is an ideal reference. This overall approach provides localized plans that are tailored for various regions and enables businesses to tap into new customer bases all around the world.
- ▶ Crafting an effective worldwide marketing strategy is more than just selling products overseas. It must encompass a combination of the four Ps of marketing – Product, Pricing, Promotions, and Place – with other crucial elements such as strategizing, tracking progress, and collecting social proof to optimize your efforts effectively

THE PROCESS OF GLOBAL MARKETING STEPS TO PLANNING A GLOBAL MARKETING CAMPAIGN

- ▶ **Global Market Knowledge**
- ▶ **Drafting a Marketing plan**
- ▶ **Brand Customization**
- ▶ **Local Communications**
- ▶ **Permissions**

It is already considered that if a company is marketing itself globally, means it has a base locally where the first stage of [product launch](#), use, and acceptance has happened and the company is expanding with global marketing. In order to develop a global [marketing campaign](#), the company should keep in mind that it should be unique but consistent worldwide while allowing tailoring and customizations to suit country-specific requirements. The following are the steps:

1) Global Market Knowledge

Knowing the market is the key to launching an effective Global marketing campaign. Every region, of the country, will have different tastes, preferences, and dislikes and the company has to know it before launching itself. In-depth market research (multiple if required) may have to be carried out to confirm the facts.

2) Drafting a Marketing plan

Only changing the language may not serve the [purpose of marketing](#). The adoption of local styles and if necessary changing the plan is of crucial importance. Identification of [goals](#) and then drafting the plan accordingly.

3) Brand Customization

Now that an overall [marketing mix](#) is ready, the company may have to customize it as per the regions. This is differentiated from [International Marketing](#) by the ad campaign being the same but the means of propagation differing countries-wise. Not every company will use this approach but some may have to. Ex: Google Pixel Ads are the same all over the world. On the other hand, One Plus has global ads and country-specific ads too.

4) Local Communications

The ads need to be localized and if needed modified region specific in that particular country to reach the audience. For ex: In countries like India there are more than 50 languages spoken and many companies design their ads in local languages to appeal to their customers. At times, mere translation may not be enough and the company may have to redesign the campaign entirely which will depend on the product or the service they are offering.

5) Permissions

Approvals and permits of local governing bodies are equally important as not getting the same may cause trouble with authorities which may result in a permanent ban of products. Law of the land is always higher than company policy.

Difference between Global Marketing and International Marketing

- ▶ **Global Marketing** is where the entire world is a marketplace for the company. There is hardly any difference in products available globally since the products are exactly the same. On the contrary, International marketing is country-specific marketing, and their marketing strategies are designed to meet local markets only.
- ▶ Apple products can be viewed for such marketing whereby they have uniform phones throughout the world while McDonald's customizes its menu options to fit local markets, Vodafone – with its country-specific plans is an example of International Marketing.

Advantages of Global Marketing

- ▶ **Global Reach**
- ▶ **Lower Costs**
- ▶ **Global Feedback**
- ▶ **Overcoming Time constraints**

Disadvantages of Global Marketing

- **Cultural barriers**
- **Limited Audience**
- **Political and Legal Constraints**
- **Inventory management**

INTERNATIONAL MARKETING

- ▶ International marketing is the marketing of products or services outside of your brand's domestic audience. Think of it as a type of international trade. By expanding into foreign

territories, brands are able to increase their brand awareness, develop a global audience, and of course, grow their business.

TYPES OF INTERNATIONAL MARKETING:

EXPORT

Not surprisingly, enterprises willing to expand their business into new markets start by exporting their products to a foreign country. This is because among all international marketing types, exporting entails the lowest risk.

You can either export directly to target customers or indirectly with the help of foreign sales agents or distributors. Thus, in direct exporting, there's no third-party involved. A company sells the products they manufacture in international markets.

On the other hand, indirect exporting makes use of international distributors. You can significantly benefit from this type of international marketing since these sales agents know how to make the most out of their own markets. So, it generally translates in better ROI.

LICENSING

Licensing takes place when a company, called licensor, allows a foreign firm to use its intellectual property for a specific period of time. The licensor gets royalties in return for this right.

So, licensing is an agreement between two enterprises. You may want to choose this method if you have a product that another company can license in a large market. This way, both of you will benefit from the contract.

There are lots of ways of licensing intellectual property. Being copyrights, patents, industrial methods, and trade names among the most common. Some well-known licensors are Warner Bros and Disney, for example.

FRANCHISING

Likewise, in franchising, a parent company allows a foreign firm to do business in its name. However, in the case of franchising, the foreign firm has to follow stricter guidelines.

What's more, licensing tends to be more common among manufacturers. While franchising is more popular among service enterprises, such as restaurants and hotels. Well-known examples of franchising are Coca-Cola and McDonald's, to name a few.

Franchises are pretty common in North America. Still, they exist all over the world. In order for franchising to succeed, there must be strong brand recognition. This type of international marketing offers you the chance to make money, but it implies indirect management.

JOINT VENTURES

A joint venture is a partnership between two enterprises from different countries. For a joint venture to succeed, it must be beneficial for both parties involved. This is a great way to enter the international market since the risk is shared.

Both companies have to work together. Yet, each one owns the entity to some extent. Besides, both contribute assets. The agreement must be fair to prevent any issues. You'll probably have heard about Sony-Ericson. It's one of the best examples of such a partnership.

Joint ventures function as if they were large independent companies. But together, they have the chance to make more money and minimize the risk. When done well, this type of international marketing can be tremendously beneficial.

FOREIGN DIRECT INVESTMENT (FID)

Foreign direct investment (FID) refers to marketing operations that take place in a country but are controlled by another country. Therefore, in foreign direct investment, a corporation places a fixed asset in a country different from their own to manufacture a product there.

What's more, the foreign business owns the subsidiary to the fullest. In other words, it has total control and influences the decision-making process. Mergers, acquisitions, logistics, retail, and services are all great examples of foreign direct investment.

And that's all for the main types of international marketing. As you may well already know by now, there exist different ways to enter the international market. Which one is best for your company depends on a lot of factors, such as how much money you want to put in or the risk you are willing to take.

Still doubting whether you want to take part in international marketing? Carry on reading! In the next chapter, I'll cover international marketing advantages and drawbacks.

Advantages of International Marketing

- ▶ **Higher sales**
- ▶ **Minimize costs**
- ▶ **Create employment opportunities**
- ▶ **Enhance living standard**
- ▶ **Special benefits at times of emergency**
- ▶ **Rapid industrial growth**
- ▶ **Market expansion**
- ▶ **Protect against economic downturn**
- ▶ **Effective use of surplus production**
- ▶ **Facilitate cultural exchange**

Disadvantages of International Marketing

- **High competition**
- **Cultural differences**
- **Government restrictions**
- **Distance issues**
- **War situations**

Rural Marketing

- ▶ **Rural marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic considerations, and includes pre and post-harvest operations, assembling, grading, storage, ...**

4A S OF RURAL MARKETING



Affordability – The incomes in rural areas are generally much lower than in cities. Consumers there often can't afford luxury items and instead focus on the necessary products. Marketers have to consider the affordability of rural consumers and how they like budget-friendly products. You should always be designing a product that fulfills the customer's needs and is within their budget.

Availability – The biggest challenge in the rural market is reaching the customer. Rural consumers are usually low-income earners who spend their money on necessities every day. However, sometimes products may not be readily available in rural stores, due to which such consumers may shift to another substitute product. Companies should try to offer their products to customers sooner. Many company products are marketed well, but by the time they get delivered, it's too late.

Acceptability – Products should be designed in a user-friendly way to benefit rural consumers. Design the product in a manner where customers would see a value, even if they have to put an additional amount of money on it. Consumers should have a sense of comfort when using the product and should not hesitate to go for it.

Awareness – The Customer awareness campaign should be designed to reach the customer's thinking. Commercials on TV, radio, and outdoors can be used to reach customers. This is why marketers need to focus on the mediums of communication and entertainment that are common in rural areas. Doing this will allow them to reach potential customers, create valuable brand awareness and draw sensible consumers to what they offer.

