

Global marketing

Global vs. glocal marketing

- Globalisation: global brand/marketing + local adaptations
 - Mass market: globalisation is useful
 - Luxury market: no need for globalisation
- Strengths of global brands
 - Economies of scale
 - Reassurance and familiarity
 - Promotion (e.g., F1 and Emirates)
 - Strong negotiating power

Global vs. glocal marketing

- Strengths of glocalisation
 - Increase market share (e.g., green tea Magnum in Japan)
 - Convince buyers that product is local (e.g., Ford)
 - Local designs may become global successes (e.g., Nissan Qashqai)
 - Local production helps establish greener image

Global marketing approaches

- Domestic/ethnocentric
 - Focus on home country
 - Attitudes/decisions of managers influenced by national culture
 - Useful if consumers want local products
- International/polycentric
 - All markets are different --> decisions made at local level
 - Local managers: develop products/brands for local taste
- Mixed/geocentric
 - Combines ethnocentric and polycentric perspectives
 - Empowers local managers, but where possible global is best

Market mix and global markets

- Local adjustments by marketing managers --> suit local needs
 - Product: size, taste/flavour, packaging
 - Promotion: methods & content
 - Place: outlets, delivery service
 - Price: pricing strategies adapted to local competition

Ansoff's matrix and global markets

- Assesses level of risk associated with strategic choices

Ansoff's Matrix

| | | PRODUCT | |
|--------|----------|--------------------|---------------------|
| | | Existing | New |
| MARKET | Existing | Market penetration | Product development |
| | New | Market development | Diversification |

- Use this tool when entering foreign markets

Global niche markets

- Advantages of selling products to *niche markets*
 - Charge higher prices
 - Less competition
 - Meet consumer needs more precisely
- *Cultural diversity* is driven by
 - Economic factors: difference in disposable income
 - Weather: temperature affects behaviour of people
 - History and tradition: doing business, diet, religion, ...
- Luxury market --> global niche market (use standardized marketing approach)
- Mass market --> difficult to use a standardized approach

Marketing mix and global niche markets

- Businesses at *top end luxury niches* focus on
 - Pricing: ambitious price levels
 - Product: strong brand
 - Distribution channel: luxury stores (e.g., airports, Harrods)
 - Promotion: glossy magazines
- Businesses in other global niche markets --> requires understanding of local tastes
 - Expected features of product
 - Price expectations
 - Understanding of traditional channels of distribution
 - Expectation of promotional messages

Cultural differences

- Potential to offend
 - Ethnocentrism
 - Process of integration
 - Family: difficult to live in *foreign culture*
 - Understanding *business culture*
 - Speaking the *language*
- > building trust
- > understand *formal* and *informal* procedures (e.g., business cards)

Different tastes

- Products may differ for 2 reasons
 - Adjust/adapt product to tastes (e.g., UK-Australia and UK-China)
--> can be controlled
 - Difficult to standardize ingredients of the product (e.g., water in Coca-Cola)
--> cannot be controlled (exogenous)

Language

- Over-reliance on one language: risky
 - High-context culture (Asia, Arab world)
 - Low-context culture (North America, Europe)
- Cultural audit

Unintended messages

- Unintended meanings
- Inaccurate translations
- Inappropriate branding/promotion

Analysing global marketing strategies

- Supply/demand in local markets
- Price/income elasticity of demand
- Recruitment/staffing
- Ethics
- Legislation
- Internet and marketing

Keywords

- Economies of scale: savings facilitated by an increased level of production
- Globalisation: business starting to operate on international level
- Global marketing strategy: adapt businesses marketing strategies to other countries
- Globalisation: development/sale of products around the world with specific local tastes
- Localisation: strategy that adjusts product to target customers
- Global niche market: customers living in more than one country with particular needs
- Cultural audit: study of organisation's cultural characteristics
- Ethnocentrism: own culture is viewed as superior
- High-context cultures: interpersonal relationships --> develop trust
- Low-context cultures: explicit and direct language --> communication style