Principles of Marketing
DBB 1313

DIPLOMA PENGURUSAN HAJI & UMRAH
DSK SCHOOL OF MANAGEMENT IIC

CHAPTER 10

GLOBAL MARKETING

Learning Outcomes

LO[1] Discuss the importance of global marketing

LO[2] Describe the external environment facing global marketers

LO[3] Identify the various ways of entering the global marketplace

Global Marketing

LO[1]

Discuss global marketing.

Global Marketing

Global Marketing- Individuals and organizations using a global vision to effectively market goods and services across national boundaries.

Having a global vision means…

- Recognizing and reacting to international marketing opportunities
- Using effective global marketing strategies
- Being aware of threats from foreign competitors

Benefits of Globalization

- Earn additional profits
- Raises living standards
- Offers access to foreign capital, global export markets, and advanced technology
- Promotes higher labor and environmental standards
- Expands economic freedom
- Raises productivity

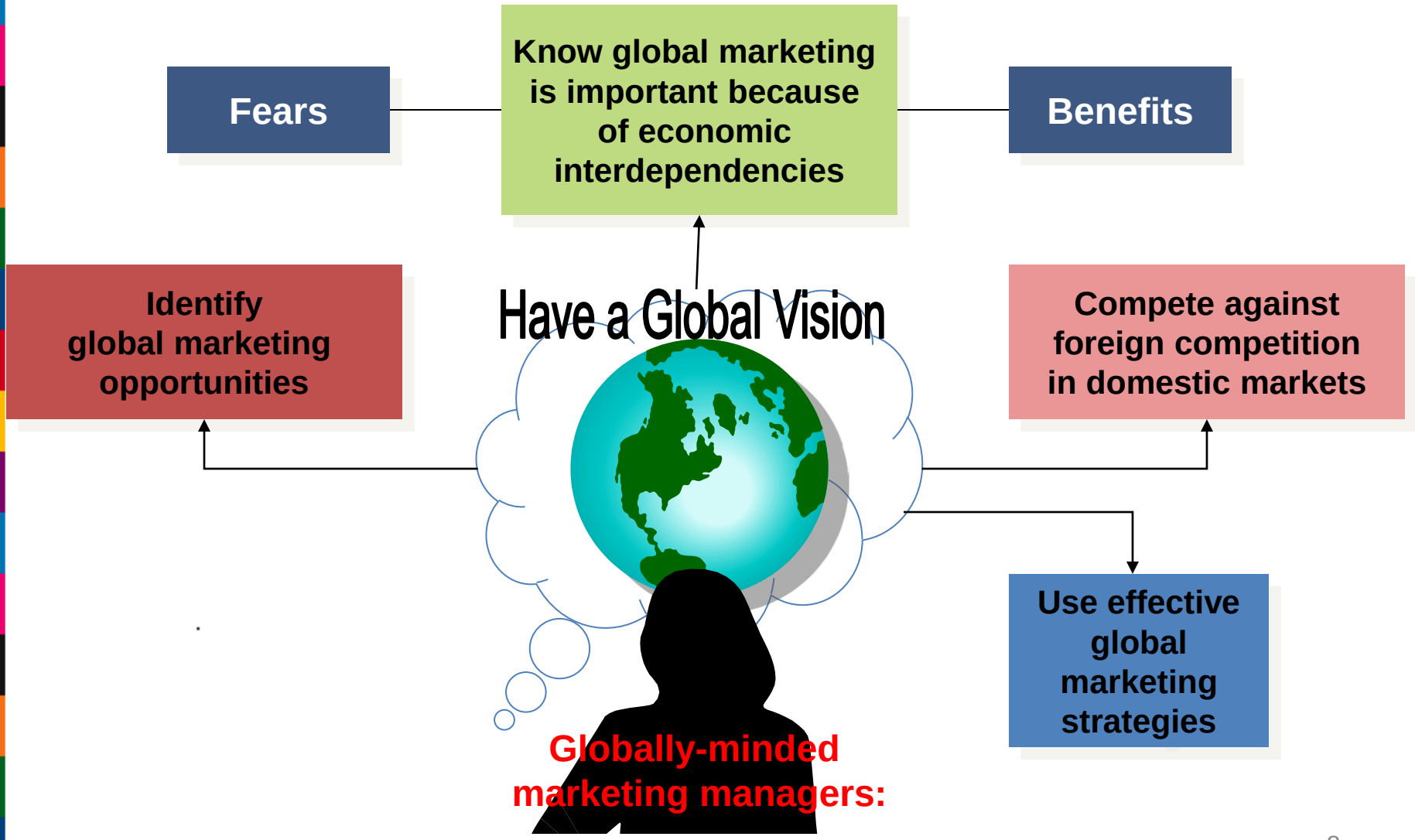
Deciding on the Global Marketing Program

- Standardized Marketing Mix
  - Same basic product, advertising, distribution, and other elements of the marketing mix are used in all international markets.
- Adapted Marketing Mix
  - The marketing mix elements are adjusted for each international target market.

LO[1]

Review Learning Outcome

The Importance of Global Marketing



External Environment Facing Global Marketers

LO^2

Describe the external environment facing global marketers.

External Environment Facing Global Marketers

Culture

Economic and Technological Development

Legal Consideration

Demographic Makeup

Natural Resources

Culture

Culture- The common set of values shared by its citizens that determine what is socially acceptable.

Economic and Technological Development

Developed Country	**Complex, sophisticated industries**
Less Developed Country	**Basic industries**

Legal Considerations and Trade Barriers

Tariff	**A tax impose on goods entering a country**
Quota	**Limit on the amount of a product entering a country**
Boycott	**Exclusion of products from a country**
Exchange Control	**Foreign exchange rate**
Trade Agreement	**An agreement to stimulate international trade**

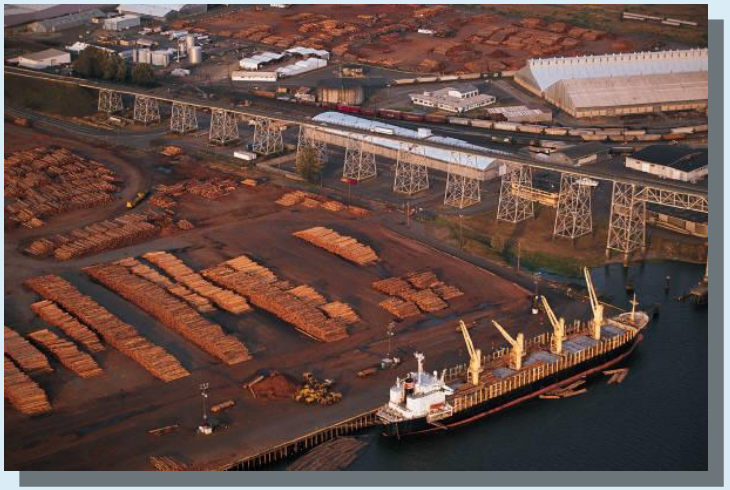
Demographic Makeup

Marketing Considerations:

- Population density
- Urban or rural
- Personal income
- Range of age

Natural Resources

- Petroleum
- Foodstuffs
- Precious metal
- Timber
- Water



LO²

Review Learning Outcome

External Environment Facing Global Marketers

Global Marketing by the Individual Firm

LO^3

Identify the various ways of entering the global marketplace.

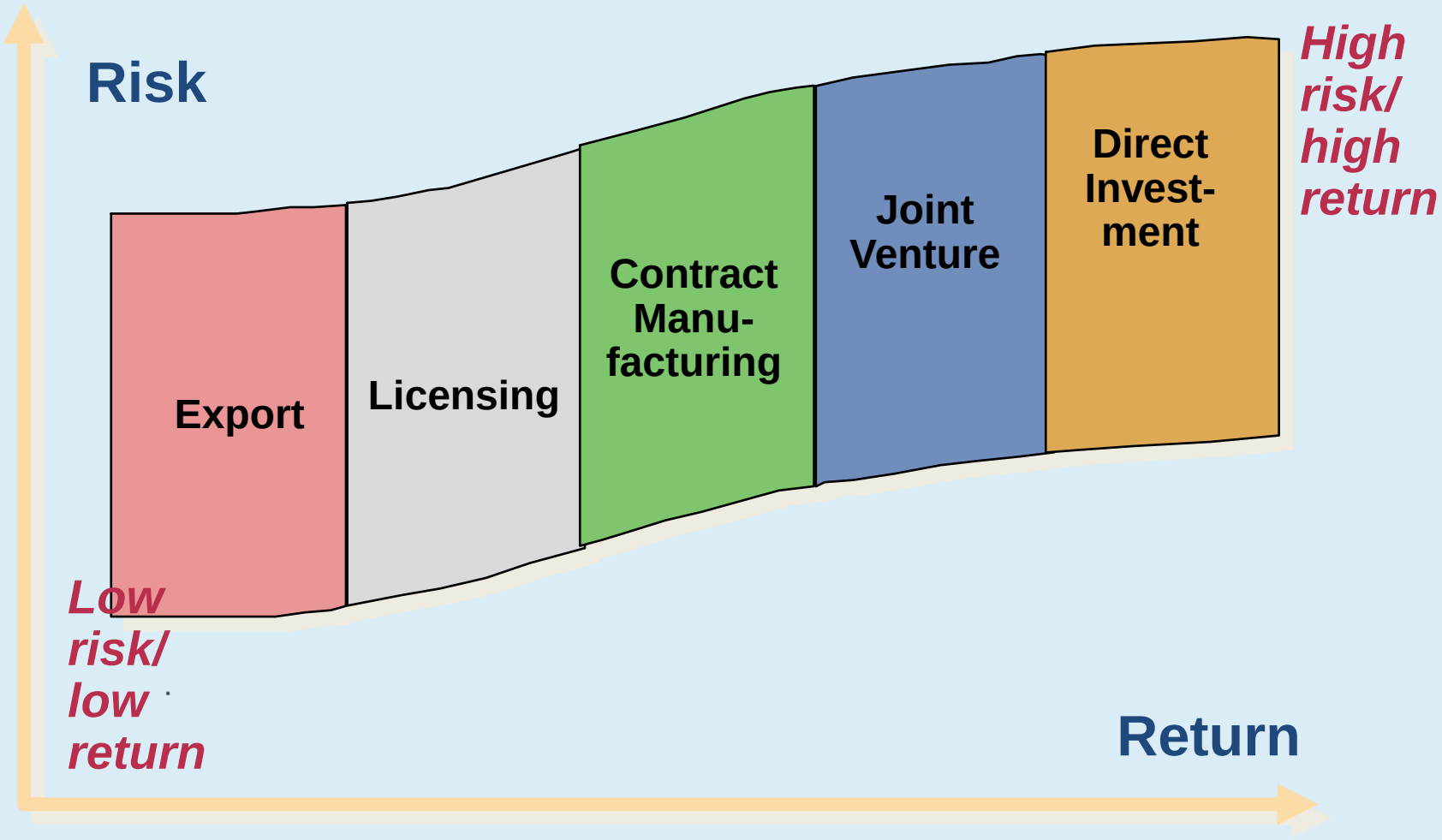
Ways to Enter the Global Marketplace

Export	**Sell domestically produced products to buyers in other countries**
Licensing	**Legal process allowing use of manufacturing/patents/knowledge**
Contract Manufacturing	**Private-label manufacturing by a foreign country**
Joint Venture	**Domestic firm buys/joins a foreign company to create new entity**
Direct Investment	**Active ownership of a foreign company/manufacturing facility**

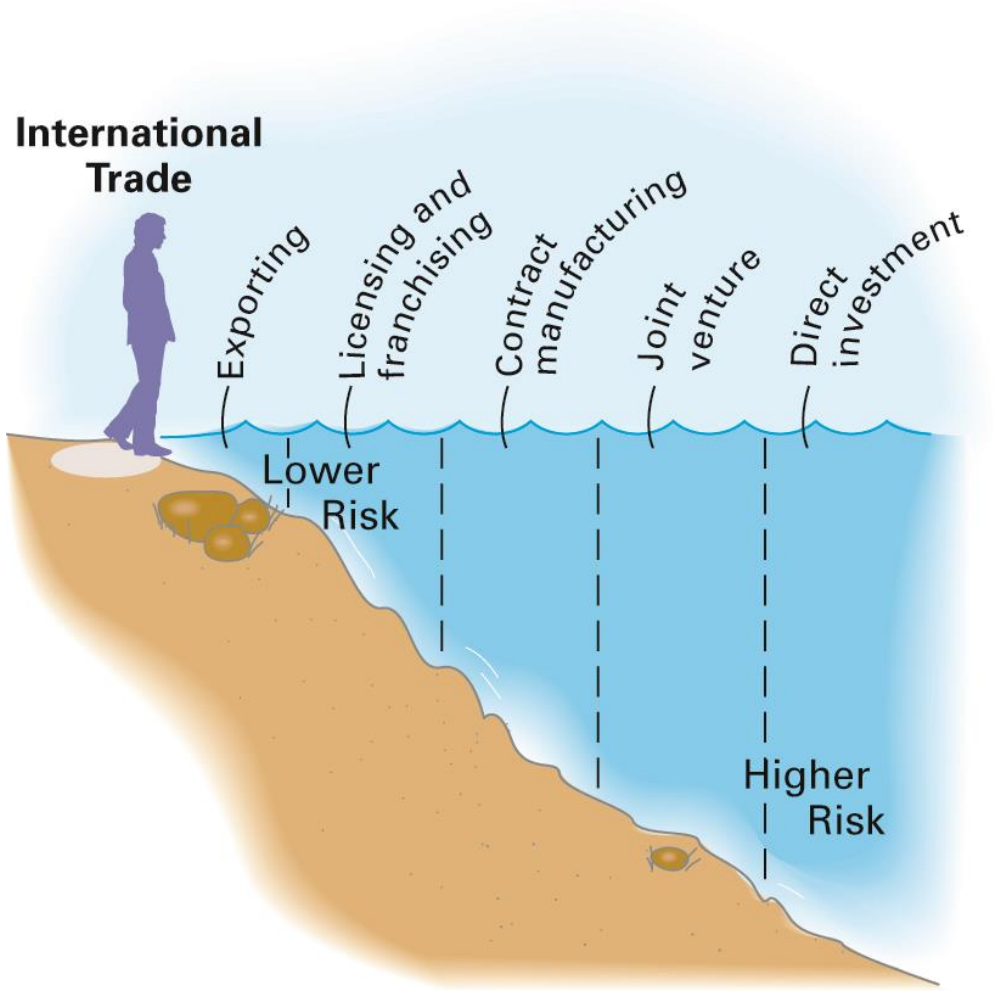
Export Intermediaries

Buyer for Export	**Assumes all ownership risks and sells globally for its own account.**
Export Broker	**Plays the traditional broker's role by bringing buyer and seller together.**
Export Agent	**Acts like a manufacturer's agent for the exporter in the foreign market.**

Risk Levels for Global Entry



LO[3]

Review Learning Outcome

Entering the Global Marketplace