Introduction to global marketing

‘The process of focusing the resources (people, money, and physical assets) and objectives of an organisation on global market opportunities and threats’

Keegan 1995

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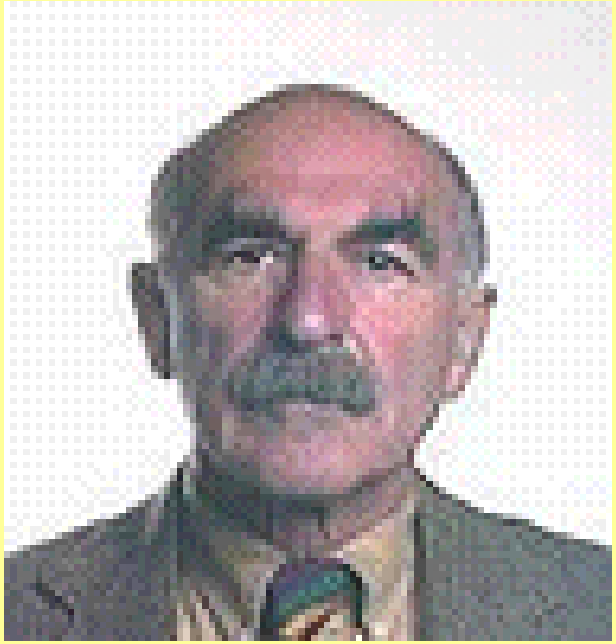

Theodore Levitt - Marketing Myopia

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- Marketing is now a universal discipline
- the new concept of marketing appeared 1960 - Marketing Myopia - Levitt
- now ‘strategic’ concept

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The Three Principles of Marketing

- Customer value and the value equation
  - i.e. value greater than competitors
  - Value equation is:

  VALUE = PERCEIVED BENEFITS / PRICE
- Competitive or differential advantage
  - advantage vis-à-vis competition

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- Focus
  - i.e. the concentration of attention
  - IBM ‘was’ focused on customer needs and wants for data processing
  - IBM crisis in early 1990s - ‘lost focus’
  - achieved through concentrating resources

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From Domestic to Global/Transnational Marketing

- Where is it made? V Where is it marketed?
- Domestic marketing
- Export marketing
- International marketing
- Multinational marketing
- Global/transnational marketing

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Driving forces

- ‘Global Village’ Mashall Macluhan
- Market needs - X-Box for leisure
- Technology - Third Generation phones (3G)
- Cost - low cost production e.g. Gap
- Quality - Is now taken for granted.
- Communications and Transportation

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Driving forces (2)

- Leverage (i.e. advantages of operating in numerous markets simultaneously)
  - experience transfers
  - systems transfers
  - scale economies
  - resource utilisation
  - global strategy. Scanning the globe!

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Restraining forces

- Market differences - diversity
- History - Guanxi
- Management myopia as a barrier
- Organisational culture as a barrier
- National controls/Barriers to entry e.g tariffs and Quotas.

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How have things changes after September 11th 2001?

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Underlying forces

- Dr. Howard Perlmutter ‘Orientation of Management and Companies’
- International money framework and exposure to currency fluctuations
- Post WWII World trading system - WTO (GATT)
- Global peace - post September 11th
- Arrival of global/transnational companies

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