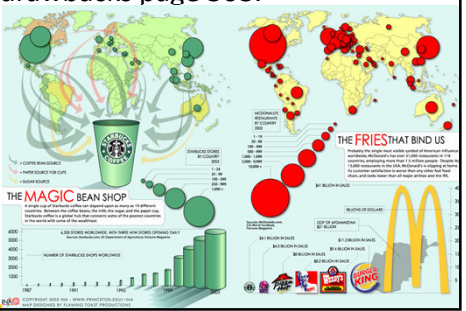


Globalisation

The growing trend towards worldwide markets in products, capital and labour, unrestricted by barriers.

Discussion – benefits/drawbacks page 368.



International Marketing

Selling products in markets other than the original domestic market.

- ▶ improved communications,
- ▶ transport links, and
- ▶ freer international trade

have created more opportunities for businesses to sell in foreign markets.



Multinationals and Transnationals

MNC – an organisation that operates in two or more countries, with a head office in its 'home country'.



TNC – as above, but with regional offices rather than a single international base.



Reasons and risks

Why sell in other countries?

Saturated home markets
 Profit and expansion
 Risk-bearing economies of scale
 Poor trade in domestic market (economy?)
 Legal differences/ease (PEST)

What are the main risks/barriers?

Political and legal differences
 Economic/social differences
 Cultural differences
 Business practice differences

Best methods of entry - discussion

Read about the following in your pairs, choose the one you think is best and be prepared to explain/justify to the class.

1. Exporting (directly and indirectly)
2. International franchising
3. Joint ventures
4. Licensing
5. Direct subsidiary investment

Activity 19.1 (372)



Alternative international marketing

Pan-global marketing – adopting a standardised product across the globe as if the entire world were one single market. Examples?

Global localisation – adapting the marketing mix to offer products that satisfy national and regional tastes and cultures.

Examples?

