



RAMA UNIVERSITY

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E-Content BBA402- Marketing Management

Lecture 38- Global Entry Strategies

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Global Entry Strategies

- Export
- Licensing and franchising
- Joint ventures
- Direct investment
- US commercial centers
- Trade intermediaries



Standardization

- Offer the optimal combination of price, quality, and reliability with products that are identical in design and function throughout the world
- Standardization can translate into lower operating costs and economies of scale in product development and marketing
- The ability to develop and invest in a unified brand and/or company identity throughout the world
- Companies manage a smaller total number of brands

Localization

- Localization may involve:
- altering existing products to fit the needs of the local target market
- creating completely new products to fit the needs of the local target market
- Increases the cost and complexity but results in products and marketing strategy that are a better fit for local market needs and ultimately a greater sales success

Additional Elements of Global Segmentation

- Culture: The interplay between language, religion, education, values, identity, history, and traditions
- Economic status: Stage of economic development, wealthy vs. poor nations, employment, GDP
- Social environment: Conditions and operational stability for business, government, politics, the legal system, health care, education, and other societal support structures

Global Targeting Decisions Should Consider

- Market size and growth potential
- Competition
- Compatibility

Language in Global Promotions

- There are nearly 3,000 languages in the world
- Even countries that use the same language have words with different meanings
- May be even more significant if a country's population speaks several languages
- Consider literacy rates





Global Considerations in Promotions

- Colors: Colors may have different meanings in different cultures
- Values: An individual's values arise from his or her education, moral or religious beliefs and are learned through experiences
- Business norms
- Religious beliefs and holidays



Global Pricing Considerations

- Pricing needs to account for risk associated with fluctuations in the relative value of different currencies in the markets where businesses operate
- Cultural expectations may dictate what consumers are willing to pay

Global Considerations for Distribution

- A country's transportation and economic infrastructure, customs, marketplace conditions, and the competitive landscape
- Product's positioning in the marketplace
- How products will be distributed across the different shopping venues unique to a particular country

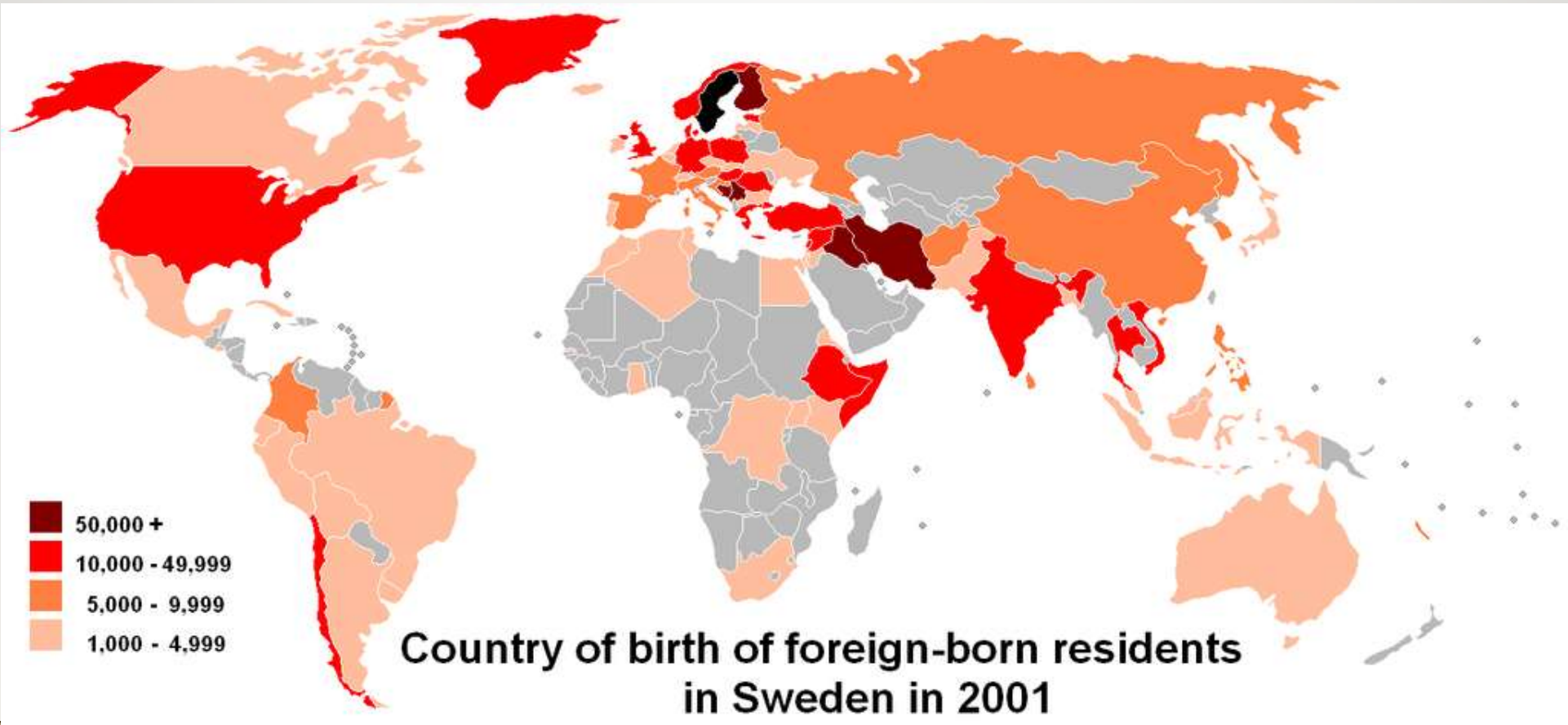




Demographics

- Age
- Social class
- Gender
- Religious affiliations
- Income brackets
- Education
- Geography

Demographic Analysis





Cautions about Using Demographics

- Demographic profiling is essentially an exercise in making generalizations about groups of people
- Marketers must also be careful to avoid interpreting demographic information using the mindset of their own “home” cultures