“Peter Johnson, a student, is awakened in the morning by his Sony clock radio. After showering, he puts on an Italian-made jacket while listening to the latest release by Tears for Fears, a British singing group. At Breakfast, he has a cup of Brazilian coffee, a bowl of cereal made from U.S.-grown wheat, and Colombian banana. A quick glance at his Swiss watch shows him that he will have to hurry if he wants to be on time for his first class. He drives to campus in a Toyota, stopping on the way to fill the tank with gas from Saudi Arabian oil. Once in class, he rushes to take a seat with the other students, 30 percent of whom hold non-U.S. passports.” (Global Economy, by Jean-Pierre Jeannet)

No doubt from the above statement we should have that globalization has been with us even around our daily life. Thus the globalization of markets is one of the major forces impacting on companies worldwide. Although it once meant forays abroad from a strong domestic market base, it has now assumed the meaning of open trade, in which a company can be attacked anywhere, including in its home markets. A global marketing strategy involves the creation of a single strategy for a product, service or company for the entire global market, encompassing many markets. Rather than tailor a strategy perfectly to any individual market, in global marketing the company aims at setting on one general strategy that can be applied throughout the world market while maintaining at the same time flexibility to adapt that strategy to local market requirements where necessary. In global marketing there are several types of companies participate: Multinational corporations, global corporations, exporters, importers, and many different service companies. Differing from International marketing, global marketing is a subcategory of international marketing with special importance in our present world. It is the last stage in the development of the field of international marketing.

To compete successfully in today’s global marketplace, companies and their management must master certain areas. Such as environmental competence to understand the global marketing environment, analytic competence to analyze global marketing opportunities, strategic competence to develop global marketing strategies, functional competence to design global marketing programs and managerial competence to manage the global marketing effort. (Global Marketing Strategies, by Jean-Pierre Jeannet & H. David Hennessey)
I. Understanding the Global Marketing Environment

The nations of the world are linked by a multidimensional network of economic, social, cultural, and political ties. As these connections become more important and complex, countries will find themselves richer but more vulnerable to foreign disturbances, and this vulnerability increasingly will move the issues surrounding international trade and finance into the political arena.

1. The Global Economy

World trade has grown sixteenfold since 1950, far outstripping the growth in GDP. GATT and WTO have helped to reduce tariffs from 40 percent in 1947 to an estimated 4 percent in 2000. As the WTO replaced GATT in 1996, the major challenge was to assure compliance and to assert the authority of the WTO over powerful regional trade agreements like the European Union (EU), the North American Free Trade Agreement (NAFTA), the Common Market of the South (MERCOSUR), and the Asian-Pacific Economic Cooperation (APEC). There are over eighty regional agreements between countries granting preferential access to each other’s markets. (P45-46 of Global Marketing Strategy) Thus understanding the economics of trade is critical to understanding that the need for free trade flows from country to country.

The basis for trade involves two advantages: Absolute Advantage and Comparative Advantage. As provided by Adam Smith, the theory of selling what you are best at is known as Absolute Advantage. David Ricardo pointed out that it is still possible to produce profitably what one is best at even if someone else is better, and this theory is well known as Comparative Advantage. Comparative Advantage measures a product’s cost of production, not in monetary terms but in terms of forgone opportunity to produce something else. In essence, the theory of comparative advantage says it pays for countries to engage in international trade exporting in which they are efficient and to import goods that they are relatively inefficient at producing.

In global economy, balance of payments is considered to be very important by many businesspeople, government officials and economists. It is an accounting record of the transactions between the residents of one country and the residents of the rest of the world over a given period of time. There are three important balance of payments measures: the balance on merchandise trade, the balance on goods and services, and the balance on current account. The last measure is considered to be a reflection of a nation’s financial claims on other countries.
The purchase of a foreign good or service can be thought of as involving two sequential transactions: the purchase of the foreign currency, followed by the purchase of the foreign item itself. A ratio that measures the value of one currency in terms of another currency is called an exchange rate, with which we are able to compare domestic and foreign prices. When a currency rises in value, it is said to appreciate, otherwise depreciate. Exchange rate is considered to be great impact of import/export business.

Stability in the international economy is a prerequisite for worldwide peace and prosperity. For this reason come out the international agencies for promoting economic and monetary stability such as International Monetary Fund (IMF), World Bank, Group of Seven, and European Monetary System.

It is a fact of life that there are both beneficiaries and victims from free trade, just as there are when virtually any change is made. Hence protectionist legislation turns to being. It tends to be in the form of either tariffs, quotas, or qualitative trade restrictions. But there is no doubt the world is moving toward a single global economy. The economies of the world are becoming more and more interlinked, with small changes in markets being felt in many places around the world. As the speed of change accelerates, successful companies will be able to anticipate the trends and either take advantage of them or respond to them quickly.

2. Cultural and Social Forces
Cultural anthropology examines all human behaviors. Culture includes the entire heritage of a society transmitted by word, literature, or any other form. It includes all traditions, habits, religion, art and language. Culture reflects the human aspect of a person’s environment; it consists of beliefs, morals, customs, and habits learned from others. These culture elements send direct and indirect messages to consumers regarding the selection of goods and services. That brings the reason that marketers must understand the culture, especially in an international environment.

Language is a key component of culture because most of a society’s culture finds its way into the spoken language. Thus, in many ways language embodies the culture of the society. Knowing the language of a society can become the key to understanding its culture. Global marketing communications are heavily affected by the existence of different languages. To overcome this language barrier, business people all over the world have to draw two major conclusions about the impact of language on global marketing. First, a firm must adjust its communication program and design communications to include the languages used by its customers. Second, the firm must be aware that a foreign language may contain different thinking patterns or indicate varying motivations on the part of
prospective clients.

Religion’s impact on global marketing becomes more apparent when the observer compares one religion to another. Global marketers need to search actively for any possible influences even when the influences are not very apparent. Developing an initial awareness of the impact religion has on one’s own culture is often very helpful in developing cultural sensitivity.

Education shapes people’s outlooks, desires, and motivation. To the extent that educational systems differ by country, we can expect differences among consumers. However, education not only affects potential consumers, it also shapes potential employees for foreign companies and for the business community overall. This will influence business practices and competitive behavior.

The role of the family varies greatly between cultures, as do the roles that the various family members play. Across cultures, we find differences in family sizes, in the employment of women, and in many other factors of great interest to marketers. Particularly since the family is a primary reference group and has always been considered an important determinant of purchasing behavior, these differences are of interest. Another factor to be taken into consideration in global marketing is family structure, in terms of such as nuclear family, extended family and etc. because the family plays very important role as a consumption unit, marketers need to understand family roles and composition as they differ from country to country.

It is impossible to predict all the possible problems that can be encountered abroad, it becomes necessary to have cultural analysis for international marketing to deal with cultural differences, to avoid self-reference criterion habit and cultural shock.

3. Political and Legal Forces
The past ten years have brought enormous political changes to this world, changes that are affecting the global marketing operations of global firms. Although these changes have resulted in the opening of many previously closed markets, numerous uncertainties remain. Herewith display the major political and regulatory forces facing global companies we are going to discuss about.

(1) Host country political forces.
Any country that contains an operational unit (manufacturing, finance, sales, and so on) of a global company can be defined as a host country. By definition, global companies deal with many different host countries, each with its own political climate. In each country, the political climate is largely
determined by the way the various participants interact with each other. It is influenced by the actions of the host country government and local special interest groups, as well as by the prevailing political philosophy.

The government plays the principal role in host countries in initiating and implementing policies regarding the operation, conduct, and ownership of businesses, and so can encourage or discourage foreign business through a variety of measures. As many political scientists have pointed out, governmental behavior flow from the government’s interpretation of its own self-interest (national interest), which typically includes the following goals: Self-preservation, security, prosperity, ideology, and cultural identity.

(2) Host Government Actions
As per the national interest we have presented above, it brings the following actions that host government may carry on. The certain political actions probably involve: jawboning, “buy local” restrictions, nontariff barriers, subsidies, operating conditions, local content, ownership conditions, boycotts, and takeovers.

(3) Home country political forces
Managers of global companies need be concerned not only about political developments abroad. Many developments take place at home that can have a great impact on what a company can do globally. Home countries are essentially guided by the same six interests such as self-preservation, national security, prosperity, prestige, ideology, and culture identity. So the political development in a company’s home country tends to affect either the role of the company in general or, more often, some particular aspects of its operations. Consequently, restrictions can be placed on companies by home countries as well. Therefore, an astute global manager must be able to monitor political developments both at home and abroad.

(4) International legal forces
In many ways, the legal framework of a nation reflects a particular political philosophy or ideology. Because the law system changes from country to country, globally active companies find themselves in a situation in which they have to conform to more than one legal system. Some major legal challenges require global companies for adjustment and consideration at the corporate level: laws against bribery and corrupt practices; laws regulating competitive behavior; product liability; bankruptcy laws; patent, trademarks, and copyrights; regulatory trends affecting global marketing, which involves three major trends like trade liberalization, deregulation, privatization.

(5) Political risk assessment and risk reduction strategies
Because many companies suffered some type of politically motivated damage in the past decades, they had to have established systems to systematically analyze political risk. To do assessment on political risk, companies need to decide first on the objectives of political risk assessment, then to set up organization of political risk assessment, thirdly to gather information concerning about political stability, foreign investment climate, profit remittance, and taxation. Several public or semipublic sources exist that regularly monitor political risk, such as The Economist Intelligence Unit (EIU), The International Country Risk Guide, and etc.

The value of political risk assessment is its integration of risk-reducing strategies that eventually enable companies to enter a market or remain in business. Local partners, invaluable status, vertical integration, local borrowing, minimizing fixed investments, and political insurance are major approaches adopted by many companies to reduce political risks.

II. Analyzing Global Marketing Opportunities

Every time a company decides to expand into foreign markets, it must systematically evaluate possible markets to identify the country or group of countries with the greatest opportunities, to discuss the variable influencing the different types of buyers: consumer, business, and government in target countries, and to collect the appropriate data to analyze the environment, the market and the consumers for products.

The assessment of global marketing opportunities begins with a screening process that involves gathering relevant information on each country and filtering out the less desirable countries. There are four factors we should take into consideration in the four stage of selection process: macrovariables which describe the total market in terms of economic, social, geographic, and political information; A proxy variables which is a similar or related product that indicates a demand for your product; microlevel considerations such as competitors, ease of entry, cost of entry, and profit potential; evaluation and rank ordering of the potential target countries, based on corporate resources, objectives, and strategies. Research on global investment decisions has shown that the four critical factors affecting market selection are market size and growth, political conditions, competition, and market similarity.

To get the factors for analyzing global marketing opportunities asks us to do global marketing research, which is meant to provide adequate data and cogent analysis for effective decision making on a global scale. Traditionally, marketing research has been charged with three broad areas of responsibility: market studies, competitive studies, and environmental
studies. However, global marketing researchers face five principal challenges: (1) complexity of research design; (2) lack of secondary data; (3) costs of collecting primary data; (4) coordination of research and data collection across countries; (5) establishing comparability and equivalence.

Although conducting marketing research globally usually adds to the complexity of the research task, the basic approach remains the four-step process: (1) problem definition and development of research objectives; (2) determination of the sources of information; (3) collection of the data from primary and secondary sources; (4) analysis of the data and presentation of the results.

The value of market research cannot be understated, especially in new developing markets. The use of properly conducted market research can reduce or eliminate most global marketing mistakes. Market research can uncover local adaptation needs, potential name problems, promotion requirements, and appropriate market strategies. Sound global marketing research techniques uncover potentially costly and often embarrassing situations.

III. Developing Global Marketing Strategies

To develop global marketing strategies brings us to develop a global mindset as the first step. The mindset is the outlook or frame of mind that the marketer carries around the world. The global mindset is characterized by a different view of the opportunities and the facts of the world market. It is more encompassing than the domestic, international, multinational, or even panregional perspective. It is a new, truly different dimension in managerial thinking that transcends traditional labels and shapes the outlook of global marketers. The marketing manager with a global mindset will need knowledge about the world markets encompassing key market knowledge, economic knowledge, political knowledge, cultural knowledge, historic knowledge, geographic knowledge.

Marketing managers who want to plot strategy with a global mindset will be challenged to process the vast amount of data they acquire in different ways. That case, we should examine the thinking and analytic routines the minds of executives have to go through as they chart global marketing strategies from a large set of data. We may concentrate on some of the unique marketing analytic skills, concepts, and tools that are relevant primarily in global marketing. These topics are grouped around the concept of the global logic, with special emphasis on how it applies to global marketing.
The source of global marketing logic might rest with the customer base, thus creating a global customer logic, global information logic, or global purchasing logic. However, the industry environment may generate its own global logic sources. These industry-based global sources follow by the form of global competitive logic, global industry logic, global size logic, and global regulatory logic. When the global logic is very strong, there is almost a mandate to pursue its marketing operations on a global scale, leading to a global imperative. Furthermore, if the global logic were disregarded, the firm presumably would suffer negative competitive consequences.

Companies need not just make a decision on whether or not to adopt a global marketing strategy, but more important, they need to select from a variety of generic global marketing strategies. First, companies have to review and consider their internationalization patterns, ranging from opportunistic, or unplanned patterns, to fully planned patterns of globalization, which involve subjecting a pattern to global logics. Second, firms have to select an appropriate expansion strategy, which might result either in global market reach through market coverage or in globalizing their asset base through building companies in many markets. Third, companies must determine the desired geographic concentration strategy, which includes a selection of the markets the company intends to cover.

Companies pursuing a global marketing strategy must determine the type of presence they expect to maintain in every market where they compete. One major choice concerns the method of entering any selected market, a company may want to export to the new market, or it may prefer to produce locally. A second major choice involves the amount of direct ownership desired.

Exporting to a foreign market is a strategy many companies follow for at least some of their markets, which encompassing indirect exporting and direct exporting. Indirect exporting means a firm carries out its exporting operations through a domestically located intermediary. The most common types of intermediaries are brokers, combination export managers, manufacturers’ export agents, and some group selling activities. Direct exporting means a company carries out exporting through intermediaries located in the foreign markets. The exporter may select from two major types of intermediaries: agents and merchants. Also, the exporting company may establish its own sales subsidiary as an alternative to independent intermediaries. The point at which the manufacturer can switch from an independent distributor to a company-owned sales subsidiary is calculated as: with increasing volume, the incentive to start a sales subsidiary grows. On the other hand, if the anticipated sales volume is small, the independent distributor will be more efficient since sales are
channeled through a distributor who is maintaining the necessary staff for several product lines.

Using licensing as a method of market entry, a company can gain market presence without an equity investment. Under licensing, a company assigns the right to a patent or a trademark to another company for a fee or royalty. Licenses are signed for a variety of time periods. Licensing agreements are subject to negotiation and tend to vary considerably from company to company and from industry to industry. A major disadvantage of licensing is the company’s substantial dependence on the local licensee to produce revenues and, thus, royalties, usually paid as a percentage on sales volume only. Another disadvantage is the resulting uncertainty of product quality.

Franchising, as a method of market entry, is a special form of licensing in which the franchiser makes a total marketing program available, including the brand name, logo, products, and method of operation.

Many companies find it to their advantage to manufacture locally instead of supplying the particular market with products made elsewhere. Numerous factors such as local costs, market size, tariffs, laws, and political considerations may affect a choice to manufacture locally, so it deserves considerable attention before a final decision is made. The type of local production may be contract manufacturing, assembly, or fully integrated production.

Under contract manufacturing, a company arranges to have its products manufactured by an independent local company on a contractual basis. Typically, contract manufacturing is chosen for countries with a low-volume market potential combined with high tariff protection.

By moving to an assembly operation, the international firm locates a portion of the manufacturing process in the foreign country. Typically, assembly consists only of the last stages of manufacturing and depends on the ready supply of components or manufactured parts to be shipped in from another country. Thus assembling is often not guaranteed, and in countries with chronic foreign exchange problems, supply interruptions can occur.

To establish a fully integrated local production unit represents the greatest commitment a company can make for a foreign market. The reasons lay on establishing local operations to gain new business, establishing foreign production to defend existing business, moving with an established customer and shifting production abroad to save costs.

Companies entering foreign markets have to decide on more than the most
suitable entry strategy. They also need to arrange ownership, either as a wholly owned subsidiary, in a joint venture, or in a strategic alliance.

Under a joint venture arrangement, the foreign company invites an outside partner to share stock ownership in the new unit. The particular participation of the partners may vary, with some companies accepting either a minority or majority position. In most cases, international firms prefer wholly owned subsidiaries for reasons of control; once a joint venture partner secures part of the operation, the international firm can no longer function independently, which sometimes leads to inefficiencies and disputes over responsibility for the venture. If an international firm has strictly defined operating procedures, such as for budgeting, planning, and marketing, getting the JV company to accept the same methods of operation may be difficult. Problem may also arise when the JV partner wants to maximize dividend payout instead of reinvestment, or when the capital of the JV has to be increased and one side is unable to raise the required funds. Experience has shown that JVs can be successful if the partners share the same goals, with one partner accepting primary responsibility for operations matters. The following cautions should be taken into account by firms considering a joint venture.

1. Do not enter into JVs with partners that are initially overconcerned with control or how to split up if the venture should fail.
2. The venture must be able to get the resources to grow and should not be restricted technologically or geographically.
3. The venture must develop its own culture
4. Venture managers need good access to top management at the parent companies.
5. Stay away from partners who are overly centralized and have no experience in sharing responsibility.

Alliances are different from traditional joint ventures, in which tow partners contribute a fixed amount of resources and the venture develops on its own. In an alliance, two entire firms pool their resources directly in a collaboration that goes beyond the limits of a joint venture. Although a new entity may be formed, it is not a requirement. Sometimes, the alliance is supported by some equity acquisition of one or both of the partners. In an alliance, each partner brings a particular skill or resource – usually, they are complementary – and by jointing forces, each expects to profit from the other's experience. Typically, alliances involve either distribution access, technology transfers, or production technology, with each partner contributing a different element to the venture. Experience suggests that alliances with two equal partners are more difficult to manage than those with a dominant partner.
IV. Designing Global Marketing Programs

Assembling a global marketing program requires an analysis of how the environment will affect the four marketing mix elements: price, product, place (distribution), and promotion (communication).

1. Pricing for global markets

Most companies begin pricing deliberations based on their own internal cost structure. Also of concern are country-to-country transfer costs, such as tariffs, transportation, insurance, taxes, and local channel costs.

Prices have to reflect the realities of the marketplace, so income levels and competition are the two factors must be analyzed. The income level of a country’s population determines the amount and type of goods and services bought. Incomes are expressed by gross national product (GNP) or gross domestic product (GDP) divided by the total population. GNP per capita or GDP per capita is a surrogate measure for personal income and is used to compare income levels among countries. The nature and size of competition can significantly affect price levels in any given market. The number and type of competitors greatly influence pricing strategy.

A number of environmental factors also influence pricing on the global level. These external variables, uncontrolled by any individual company, include the general economic environment, foreign exchange, inflation, government price controls, and government regulations.

Managerial issues in global pricing require constant management attention, which involve transfer pricing, quoting in foreign currencies, gray-market pricing, and export price escalation. The cost to the importing or buying subsidiary depends on the negotiated transfer price agreed on by the two involved units of the international firm. Because negotiations on transfer prices do not represent arm’s-length negotiations between independent participants, the resulting prices frequently differ from free-market prices. Quoting in foreign currencies will face the foreign exchange risk. The tools used to cover a company’s foreign exchange risk are either (a) hedging in the forward market or (b) covering through money markets.

One of the most perplexing problems global companies face is the phenomenon of different prices between countries. When such price differentials become large, individual buyers or independent entrepreneurs step in and buy products in low-price countries to re-export to high-price countries, profiting from the price differential. This arbitrage behavior creates what experts call the “gray market” or “parallel imports”. To deal with gray markets, global companies can carry out a number of strategies in...
a reactive way and a proactive way to prevent the practice from occurring at all. These range from confronting the culprit to price cutting, supply interference, and from product differentiation to using strict legal enforcement of contracts, etc.

The additional costs described earlier may raise the end-use price of an exported product substantially above its domestic price. This phenomenon, called export price escalation, may force a company to adopt either of two strategic patterns. First, a company may realize its price disadvantage and adjust the marketing mix to account for its “luxury” status. Alternatively, a company may grant a “discount” on the standard domestic price to bring the end-user price more in line with prices paid by domestic customers.

Although it is becoming increasingly clear for many companies that market-by-market pricing strategies will cause difficulties, many firms have found that changing to a uniform pricing policy is rather like pursuing a moving target. Even when a global pricing policy is adopted, a company must carefully monitor price levels in each country and avoid large gaps that can then cause problems when independent or gray-market forces move in and take advantage of large price differentials.

2. Global product and service strategies
The international firm will want to know whether existing products have to be adapted to certain global requirements or whether they can be shipped in their present form. Usually the firm has to select the particular features its products should incorporate and to determine the desired function and performance of these features. The major elements of product design include product dimensions, design features, quality, and global standards.

There are eight stages involved in the new-product development process: idea generation, screening, concept development and testing, marketing strategy development, business analysis, product development, market testing, and commercialization. The purpose of each stage is to determine whether the idea should be dropped or moved to the next stage.

Branding today turns to be such a strong force that hardly anything goes unbranded. Branding gives the seller several advantages: the brand name makes it easier for the seller to process orders and track down problems; the seller’s brand name and trademark provide legal protection of unique product features; branding gives the seller the opportunity to attract a loyal and profitable set of customers; branding helps the seller segment markets; strong brands help build the corporate image, making it easier to launch new brands and gain acceptance by distributors and consumer. Generally speaking, the best brand names suggest something about the product’s
benefits; suggest product qualities; are easy to pronounce, recognize, and remember; are distinctive; and do not carry negative meanings or connotations in other countries or languages.

Most physical products have to be packaged and labeled. Well-designed packages can create convenience value for customers and promotional value for producers. In effect, they can act as “five-second commercials” for the product. Marketers develop a packaging concept and test it functionally and psychologically to make sure it achieves its desired objectives and is compatible with public policy and environmental concerns. Physical products also require labeling or identification and possible grading, description, and product promotion. Sellers may be required by law to present certain information on the label to protect and inform consumers.

Warranties and service policies have to be considered as an integral aspect of a company's global product strategy. To be successful in global markets, companies need to be flexible in product and service offerings. Additional efforts are frequently required in product support services to assure foreign clients that the company will stand behind its products.

3. Managing global distribution channels
To be successful in the global marketplace, a company needs market acceptance among buyers and market access via distribution channels. There are two major categories of potential channel members: (1) those located in the home country and (2) those located abroad. Within a manufacturer’s home market, the types of export-related channel members could be export management company, export agent, direct exporting, and internet. Types of foreign country channel members involve import intermediaries, local wholesalers or agents, and retailers.

Within the structure of the marketing mix, the global marketer makes distribution decisions about each of the following variables: (1) distribution density, (2) channel length, (3) channel alignment and leadership, and (4) distribution logistics.

Density refers to the amount of exposure or coverage desired for a product, particularly the number of sales outlets required to provide for adequate coverage of the entire market. The key to distribution density is the consumer’s shopping behavior, the effort expended to locate a desired item. It is important for marketers to find out where consumers buy the types of products the firm plans to market early in the distribution analysis.

The concept of channel length involves the number of intermediaries involved in bringing a given product to the market. Channel length is usually
influenced by three factors: a product’s distribution density, the average order quantities, and the availability of channel members.

Channel alignment deals with the structure of the chosen channel members to achieve a unified strategy. The longer the channel, the more difficult it becomes to maintain a coordinated and integrated approach. To achieve maximum efficiency in a channel of distribution, one participant must emerge as the channel captain, or dominating member.

Distribution logistics involves the physical flow of products as they move through the channel. The total task of logistics management consists of five separate though interrelated jobs: traffic or transportation management, inventory control, order processing, materials handling and warehousing, and fixed facilities location management. The firms that are able to combine the various logistics areas under the responsibility of one manager have a chance at achieving either substantial cost savings or enhanced market positions by increasing service levels at minimum costs.

The success of a firm’s international efforts depends on the partners it selects. The factors influencing the selection of channel members follow with cost, capital requirement, product and product line, control, coverage, and synergy. Selecting the most suitable channel participants and gaining access to the market are extremely important steps in achieving an integrated and responsive distribution channel. However, without proper motivation of and control over channel participants, sales may remain unsatisfactory to the foreign marketer. Better control over channel participants, firms should take into account the most common causes of channel conflict: a) bypassing channels to sell directly to large customers, b) oversaturating a market with too many dealers/distributors, c) establishing too many levels in the distribution system, 4) opening new discount channel that offer the same goods at lower prices.

To actually gain access to distribution channels may well be the most formidable challenge in global marketing. With fewer chances to outflank nonresponsive channels abroad, global marketers may develop the following approaches to the difficult situation of gaining access to distribution channels: piggybacking, original equipment manufacturers (OEMs), and acquisitions.

Distribution systems throughout the world are continuously evolving in response to economic and social changes. So five major trends in global distribution should be considered by managers: a) large-scale retailers, b) globally active retailers, c) direct marketing, d) online retailing, and e) information technology. These trends are likely to reshape the global
distribution system and the way companies tap into markets all over the world.

4. Global promotion strategies
Research evidence and experience have demonstrated that the single-country/domestic communications model is applied to consumers in other countries as well. However, international firms have to overcome some additional barriers: the cultural barrier different source effects, and various noise levels.

In domestic or single-country, environment, companies achieve a balance in their promotion mix on the basis of experience, costs, and effectiveness. For most companies, communications mix decisions require the selection of an appropriate balance between advertising and personal selling.

In a domestic setting, push-oriented marketing strategies emphasize personal selling rather than advertising in their promotion mix. Personal selling is usually more effective when a company is faced with a short channel marketing industrial or other complex products to other companies or governmental agencies. But for consumer goods marketing firms that need to approach a large segment of the market, usually select pull strategies, which is characterized by a relatively greater dependence on advertising directed at the end user for a product or service. However, in selecting the best balance between advertising and personal selling for the pull versus push decision, companies have to analyze the markets to determine the relative need for these two major communications mix elements.

There are also other forms of promotion such as sales promotion, sports promotions and sponsorships, direct marketing, and so on. All forms of direct and interactive marketing apply to the global market as well. With the global telecommunications infrastructure developing rapidly, the applications for the World Wide Web and Internet-based interactive marketing will continue to expand and will undoubtedly become ever more important communications mix elements for globally active firms, large or small.

V. Managing the Global Marketing Effort

Organizing the marketing efforts of a company across a number of countries is a difficult process. As the scope of a company’s global business changes, its organizational structure must be modified in accordance with the internal and external environments. As the number of countries in which a company is marketing increases, as product lines expand, and as objectives change, so will the organization.
The task of molding an organization to respond to the needs of a global marketplace involves building a shared vision and developing human resources. A clear vision of the purpose of the company that is shared by everyone gives meaning and direction to each manager. Managers are a company's scarcest resource. The process of recruiting, selecting, training, and managing the human resources must help build a common vision and values.

The process of global marketing would not be able to function in a complex organization without the necessary attention to planning and controlling. The planning and controlling processes are critical parts of the marketing process that require communication and agreement from different parts of the organization. It is no surprise that the planning and controlling process lead to conflict. However, they also promote a firm's understanding of the world market, its development of effective strategies, and its successful implementation of those strategies with excellent results.