Chapter 18
Managing Marketing in the Global Economy

Chapter Questions
- What major decisions does a firm face in planning for international markets?
- What are the keys to effective internal marketing?
- How can a company improve its marketing implementation skills?
- What tools can a company use to monitor and improve its marketing activities?

Global Firm
A firm that operates in two or more countries and captures R&D, production, logistical, marketing, and financial advantages in its costs and reputation that are not available to purely domestic competitors.

Major Decisions in International Marketing
- Whether to go
- Which markets to enter
- How to enter
- The marketing program
- The marketing organization

When to Restrict Internationalization?
- Market entry and market control costs are high
- Product and communication adaptation costs are high
- Population, income size, and growth are high in the initial countries chosen
- Dominant foreign firms can establish high barriers to entry

Modes of Entry into Foreign Markets
- Indirect exporting
- Direct exporting
- Licensing
- Joint ventures
- Direct investment
### International Product and Communication Strategies

- Straight extension
- Product adaptation
- Communication adaptation
- Dual adaptation

### Price Choices

- Set a uniform price everywhere
- Set a market-based price in each country
- Set a cost-based price in each country

### Organizing the Marketing Department

- Functionally
- Geographically
- Product or brand
- Market
- Matrix
- Corporate-divisional
- Global

### Role of Marketing at the Corporate Level

- To promote a culture of customer orientation
- To assess market attractiveness
- To develop a firm’s overall value proposition, vision, and articulation of how it proposes to deliver superior value to customers

### Tasks Assigned to CMOs

- Coordinate the company’s internal marketing activities
- Coordinate marketing with finance, operations, and other company functions to serve the customer

### Managing the Marketing Process

**Marketing implementation** is the process that turns marketing plans into action and ensures that assignments are executed in a manner that accomplishes the plan’s stated objectives.
Necessary Skills for Implementing Marketing Programs

- Diagnostic skills
- Identification of company level
- Implementation skills
- Evaluation skills

Types of Marketing Control

- Annual-plan control
- Profitability control
- Efficiency control
- Strategic control

The Control Process

- What do we want to achieve?
- What is happening?
- Why is it happening?
- What should we do about it?

Marketing Audit

Comprehensive, systematic, independent periodic examination of a company’s or business unit’s marketing environment, objectives, strategies, and activities with a view to determining problem areas and opportunities, and recommending a plan of action to improve the company’s marketing performance

Six Major Components Examined During Marketing Audits

- Macroenvironment/task environment
- Marketing strategy
- Marketing organization
- Marketing productivity
- Marketing systems
- Marketing function (4 Ps)

Cause-related Marketing

Marketing that links the firm’s contributions to a designated cause to customers’ engaging directly or indirectly in revenue-producing transactions with the firm
For Discussion

Will the globalization of the world make product and communications adaptations irrelevant? Why or why not?