

EXPLAIN THE ROLE OF GLOBAL MARKETING IN INTERNATIONAL BUSINESS

Global marketing means marketing a product with broadly the same marketing mix as though the world were a single market place, e.g. Sony, Coca Cola.

Global marketing plays a major role in international business as more companies are turning to globalisation, the world is becoming one marketplace. This is due to:

- 1 Competition - domestic market too small
- 2 Breaking down of trade barriers, e.g. World Trade Organisation
- 3 Consumer desires of uniformity of products world wide
- 4 Tools for promotion and growth are available - information technology and production technology

There are many benefits to going global and having a standardised global mix for the company itself but also for international business.

- Economics of scale - mass production allows goods to be produced much cheaper.
- Product uniformity - same product is capable of being sold world wide.
- contacts in other countries - facilitating establishment there.
- Developments in Information Technology.

Global marketing will mean:

Global Product:

- product may be altered to suit different markets.

Global Price:

- will vary due to costs of transportation/taxes/competition.

Global Place:

- as well as the normal channels of distribution. There can be agents/direct selling/alliances.

Global Promotion:

- as well as advertising, sales promotion and PR, goods can be promoted through trade fairs, trade missions and the Internet.

Even though a common pool of advertising will be used in every market, not all markets can be treated the same. An adapted marketing mix may have to be used.

This may lead to increased costs but also increased sales, e.g. McDonalds sells beef burgers in Europe but chicken, fish and vegetable burgers in India.

As you can see global marketing is playing a major role in international business.

- The world is becoming one market place.
- Products have become common in a lot of countries.
- Companies have the ability to expand and develop.
- New developments in IT have taken place.

Explain the purpose of main E.U policies and directives

The general purpose of E.U policies and directives is to set out strategies for action in particular areas.

The following are the policies and their purposes:

1 Single European Market (SEM)

Purpose: To remove barriers and allow for free movement of

- Goods
- Services
- Capital
- Labour

Also remove physical, technical and fiscal barriers.

2 European Monetary Union (EMU)

Purpose: To create a single currency in the E.U eg THE EURO, along with a single market.

3 Common Agricultural Policy (CAP)

Purpose:

- To unite the Agricultural Market (single market)
- To achieve financial solidarity (intervention)
- To obtain E.U preference (show preference to EU output)

Eg: To decrease farming costs and stabilise prices for agricultural produce. *-by imposing tariffs on non-EU countries*

4 Common Fisheries Policy (CFP)

Purpose:

- Maintain fish stocks/improve management of resources
- Modernise the industry
- Promote freedom of access to EU waters, for members
- To sustain fishermen's income

5 EU Competition Policy

Purpose:

- to ensure there is free competition between firms in the EU

6 EU Social Policy

Purpose:

- To protect the rights of workers and citizens in the EU
- Aims to improve and harmonise working conditions in the EU

7 EU Environmental Policy

Purpose:

- To improve the structures of EU regions and industries through the allocation of the available funds eg European Social Fund etc.

DIRECTIVES

Directives are a method of implementing laws, which are issued by the Council of Ministers

Requires a change in national laws eg WEEE directive

PURPOSE

To set out a specific result, which is to be achieved by member states by a certain date, but giving them the freedom to decide how the goal is achieved.

EXAMPLES

- General product safety
- Misleading Advertising