

# Environmental factors affecting globalization assignment

[Sociology](#)



**ASSIGN  
BUSTER**

According to Kotler and Armstrong (2006-2010) the four P's of marketing- product, price, place and promotion- are often easier for companies to determine within the domestic market (Business, Para. 1). Operating in a global market means that the organization has begun to offer their goods and services worldwide to expand the market and increase sales. Globalization presents a huge opportunity for success for many organizations. Domestic and global marketing helps to promote the organizations success and continue the expansion of the business by redesigning marketing plan to fit certain aspects.

Toyota Corporation is an organization affected by these environmental factors because of the choice to operate domestically and globally. Global Economic Interdependence Marketing in the world today is highly dependent on global economic interdependence. Organizations that conduct domestic and global marketing are the automobile industries such as the Toyota Corporation. The Toyota Corporation uses its economic interdependence to help increase the sales revenue. The increase occurs because of the purchasing of vehicle parts and materials from other countries.

The purchase from other countries is a key impotent that increases the countries market share. The effect of trade practices and agreements plays a large role in Toyota's strategies and operations within the boundaries of the countries. Toyota has many factors they must consider different tariffs, taxes, trade barriers and agreements when pricing and selling products globally. The World Trade Organization is an organization that helps to ensure and promote world trade by reducing tariffs and their international trade barriers.

<https://assignbuster.com/environmental-factors-affecting-globalization-assignment/>

Demographics and Physical infrastructure Demographics and physical infrastructure are very important factors that effect the marketing decisions of the organization. Demographics relate to race, gender, age, ethnicity or the income guidelines of a particular target market. Physical Infrastructure relates to the setting in which marketers are promoting the organization. These settings include roads, schools, bridges, offices buildings, and other various developments. The two factors are important because they help to determine what target market to advertise for.

Once this is in place the marketing plan and marketing strategy can be put into place. Cultural Differences Cultural differences are very important in every organization whether it functions domestically or globally. Cultural differences can be the barrier between the failure and the success of a business. Each country has its own folkways, norms, and taboos. When designing global marketing strategies, companies must understand how culture affects consumer reactions in each of its world markets (Armstrong & Kettle, 2009).

The organization has to conduct several studies to understand the way the customers in other countries may be affected by the organizations promoting the sale of their reduce or service. This factor is very important in marketing globally because it is very easy to offend other countries unintentionally. In the end this leads to unwanted publicity and legal issues for the organization. Social Responsibility and Ethics versus Legal Obligations Social responsibility and ethics plays an important role in marketing decisions.

When making and promoting a good quality automobile, Toyota must be careful not to violate their social and ethical responsibilities to its consumers. According to Toyota (2010), Toyota believes that helping people improve the quality of life in their communities is an essential corporate responsibility (about philanthropy/guideline, Para. 1). Violations of the corporations' social and ethical concerns lead to legal issues. According to Armstrong and Kettle (2009), Companies can in good conscience do whatever the market and legal systems allow.

A second philosophy puts responsibility not on the system but in the hands of individual companies and managers. The role ethics plays in marketing is personal integrity, corporate conscience, and consumer welfare. The Toyota Corporation standards are set on a level here they balance out and stay in compliance to avoid legal obligations. In relation to social responsibility and ethics the two factors work hand in hand to ensure Toyota stays above standard. Toyota's responsibility lies in providing its customers with more informed choices to ensure a better quality product.

**Political Systems and International Relations** The political system set up today in the world of marketing also plays a major role in choosing to do business abroad. Political systems weigh heavy on marketing because the organizations must follow the political systems of the country. The political System and international relations have complete control over the foreign affairs. Political systems all over the world operate under different influences. International relations provide an influence of power. Within the

Toyota Corporation these two factors play an important part in Toyota's decision to do business in the United States.

Today Toyota is one of the top-selling brands in America, and they are committing themselves to continual improvement in everything they do, along with breakthrough products for the future (Toyota, 2010). Foreign Corrupt Practices Act of 1977 The FCPA is a law enacted in 1977 and revised in 1988. This law prohibits the bribery of foreign government officials by the United States persons and prescribes accounting and record-keeping practices. This is highly an influential factor in Toyota's marketing decisions. Toyota is a company that began in Japan.

When the company decided to do business abroad the rules changed. Toyota had to develop certain aspects of the business that would allow the company to be sustainable functioning globally. Toyota is dealing with influences from FCPA, local, national, and international legislation. Local isolation influences the way the business affairs are run within the local boundaries. The national legislation influences the way all national business affairs are run abroad. International legislation creates the rules and laws that govern over international business affairs.

The rules, laws, and regulations put into place by these agencies help the domestic and global functioning organizations maintain compliance and maximize their profits. Technology Technology and innovation have brought on such a promising future for Toyota Corporation. Technology has taken Toyota by storm by creating a roughhouse in the automobile industry.

Toyota is well-known for its management philosophy and the world's first

<https://assignbuster.com/environmental-factors-affecting-globalization-assignment/>

mass-market hybrids (Toyota, 1995-2011 Technology has managed to play a part in Toyota Corporation becoming the worlds' second leading automobile industry.

Through the continued advances of technology Toyota Corporation will increase its market shares and continue to maximize its profits. Conclusion Toyota is a major automobile industry that operates domestically and globally. Marketing in the world today continues to be affected by so many factors in the environment. Those major factors include political and legal issues, social, cultural economics, technological, and competitive. These factors surround the basis of the decisions made within marketing.

Most organizations in the world that function domestically have the opportunity to go global if the opportunity presents itself. Choosing to go global is a huge risk for any company. Toyota is a company that tried and stayed true and has proven that through all hardships they rose above the challenges. Toyota Corporation is an organization affected by these environmental factors because of the choice to operate domestically and globally their success continue strong today. References Armstrong, G. & Kettle, p. (2009).