

Global e-marketing flashcard



**ASSIGN
BUSTER**

As the real estate maxim has it, the three rules of real estate valuation are location, location, location. In global marketing, strategies and practice reflected the importance of distance. The most important variable impacting trade behavior, for example, is distance.

The primary trading partners of every country are the proximate neighbors: for the United States they are Canada and Mexico, for Canada and Mexico it is the United States. For France it is Germany, and for Germany it is France, and so on around the world.

There has always been a positive correlation between trade and proximity. However, the internet is totally independent of distance. Electrons traveling at the speed of light get to anywhere in the world in the same time and at the same cost. If a person sends e-mail, it does not make a difference in time or cost whether the mail is addressed to my next door neighbor or to someone halfway around the world.

The same thing is true of a Web site: The location of the site does not affect the cost or speed of access. For the first time in history, the world has become a level playing field.

Anyone, anywhere in the world can communicate with anyone else in the world in real time with no premium charged for distance. These long-standing historical patterns of trade are a reflection of the importance of physical distance in global marketing. The improvement of transportation and communications technologies has been a major driver pushing the world toward greater globalization. Costs have come down and service has improved steadily and dramatically since the end of World War II.

The Internet and IT have been major new drivers of globalization since the beginning of the 1990s.

A Web presence is instantly global. The global reach of credit card issuers, package delivery services, and the Internet has created a whole new level of possibilities for global retail and business-to-business marketing by even the smallest firms. For example, until the Internet, the aftermarket for motorcycle accessories was fragmented by country. The only way an accessory would cross national boundaries was if the manufacturer set up marketing and distribution operations in overseas or foreign markets.

Today, this is no longer necessary.

Motorcycle Consumer News, a reader-sponsored magazine, which does not accept paid advertising, reviews new accessories and products for motorcyclists. For the past year, the magazine has included reviews of products that are marketed in other countries with the telephone number, and Web and e-mail addresses of the manufacturer. Readers of the magazine anywhere in the world can communicate directly with the supplier, who can receive payment via credit card with card authorization and ship anywhere in the world via express delivery.

The dramatic decline in communications and shipping costs and the decline of both tariff and nontariff barriers to trade have opened up world markets to companies that were formerly too small to participate in world markets.

COMMUNICATIONS E-mail is a major new communications tool that supplements the fax and telephone to eliminate the barrier of distance.

It is instant, cheap (free to most users), and insensitive to time zone. We can read e-mail when we wish regardless of time zone considerations. E-mail is a marketing communications tool that offers unprecedented power for one-on-one messages for both B2B and B2C communications.