

International business



International Business Year The ment in question number one is correct when we consider the logical prominence of each of the three strategies discussed here. Based on the size of the business, its scope and the nature of operation are the elements that decide the strategy of trade. Some businesses require adequate support from the localized strategy while others demand international strategy.

Exchange of goods or services in the foreign market is directly interactive with accessory elements of sales. A transcending customer experience is the most critical of all challenges involved in international business. There is a say, “ You can always buy in your own language but you must sell in your customer’s language” (Institute of Linguist Great Britian, 1995, p. 187). This is true when we consider the aspect of Localized marketing strategy.

Localization strategy thus demands a great deal of geographic surveys and international brand management which involves a considerably larger proportion of money.

The international strategy runs over elaborate business literature by which it completes the process of decision making and execution of the trade between countries. This strategy is rather scientific as it institutes decision making characters such as market speculation, international trade agreements and other cooperative arrangements. The main theme of this strategy is driven by predictions about the outcomes of the trade. However, in this process, a better chance is enhanced with various examinations and experiments done on the subject at different levels based on the political, topographical and socio-economic conditions of the trading country. Many of the international business giants are successful only because of the effectiveness of international strategy.

Apparently the most sophisticated one, transactional strategy is more beneficial to trade as it maintains a high degree of integrity and consistency of international business data. Transactional strategy is largely adopted by firms and corporatists managing international banking, insurance and stock broking. This strategy requires the involvement of computerized mechanism rather than human elements. Since the transactional strategy is more transparent than the other two, it is needless to say that it has to be protected with the strongest transaction support system available for the trade.

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Competitive advantage of a firm demands it to perform beyond the expected levels in order to compete with the market in a given period of time. Due to insufficient supply of factors of production, the unit banks on comparatively cheaper but available resources. As this theory suggests that involvement of comparatively cheaper elements of business ruin the prestige of organization's international identity, it is advisable to run the business in a challenging way. Since the international trade norms are after globalization, it is essential to see that an organization is not in a way to eliminate the entry of competitive advantage. Thus when a business unit is forced to outperform others in the same trade, it has to consider licensing proprietary technology to foreign competitors to give up competitive advantage.

3

The case study shows the failure of the Philippine importer in paying off the exporter in New York. In this regard, the speculation for the possibility of a trade is immaterial. This is an outbound trade; hence the exporter must ensure the inclusion of the following elements or steps.

- a) the attachment of a reciprocal distribution agreement
- b) a complete market analysis of Philippines
- c) clear cut estimations on competitive conditions
- d) obtain absolute awareness about export from the U. S. Department of Commerce
- e) perpetual assistance from any Export Management Company in the U. S.
- f) find available sources to support export financing
- g) obtain a Letter of Credit from the importer
- h) take a Bill of Exchange- either a 'sight draft' or a 'time draft' from the importer.

After documenting all the above requirements, the exporter can approach the Eximbank of the U. S. to avail financial aid for pursuing the export. The exporter must also ensure that the commodity is registered with the Foreign Credit Insurance Association (FICA) as it covers all political and commercial risks.

References

Institute of Linguist Great Britian. (1995). The Linguist: Journal of the Institute of the Linguists, (34-35). Institute of Linguists, 187.