

Essay on international business management

[Business](#), [Management](#)



Globalisation of markets needs total dedication toward international marketing; it symbolizes the view that world is a single entity. For e. g. Levi's jeans, Nike trainers and Coca-Cola have all crossed global borders; however there is some visibility of the tailoring of the message (Vignali, 2001).

McDonalds is the right e. g. to be discussed this time. It has about 30, 000 restaurants in almost 100 countries and considered to be a 'global brand'.

McDonalds also follows the strategy of tailoring its 'foodas per the needs of the customers and their preferences. They have several restaurants in India and they are dealing in a market with 40% vegetarians of the total population, with an antipathy to fish and frozen meat; with a dislike to beef or pork amongst meat eaters; and with a likeness of spice. So, they come up with a new Maharaja Mac which was made from mutttons, which replaced Big Mac, which is like all over the world.

Vegetarian rice-patties with flavored spices and vegetable were also offered, which suggests that McDonalds changes its strategy as per the needs and wants of the customer, which is what marketing is all about (Hollensen, 2007). Even if we look at the promotional strategy of McDonalds, it looks to localize its marketing communications strategy as it needs to consider the mammoth range of cultural and ethnic differences that it would be faced within each country. It would be immature to ignore the several local markets and the factors which can affect the performance of its product in them.

It also needs to examine consumers' attitudes towards its usage pattern; product and ethnic; moral and religious considerations in that environment.

Though the idea is to promote McDonalds as a global image, McDonalds focuses on the needs of the communities they are penetrating. In communications framework, the slogan " brand globally, advertise locally" (Sandler and Shani, 1991) is the McDonalds promotional strategy. McDonalds has a wide range of advertising campaigns in several countries.

For e. g. in the U. K, they use the England footballer Alan Shearer as a figurehead to endorse their hamburgers, whereas in France they use Fabien Barthez which is a very famous French international goalkeeper (Vignali, 2001). The point is that the message that they are trying to deliver is the same, but they use different celebrities in different cultures to get their message across. The advertising of McDonalds is different in China, as, by autumn 1994, they still had not showed an advertisement on Beijing television.

As articulated by the General manager that it was pointless to place and advertisement on television because Chinese commercials, unlike in the West, appear only during the interval in between the programmes. And after one programme, audiences normally switch to another channel, which means that advertisements have a very little chance of being seen. Therefore, newspapers and famous magazines were seen as a better mean of presenting McDonald's public image. In the Beijing region, McDonalds relied on a transitional public relations company, to deal with the Chinese new media (Vignali, 2001).

Correspondingly, another " quintessential global cult brand" (IKEA) as named by Jobber (2007) portrays a standardization strategy which is

tremendously culture sensitive that involves prompt responsiveness to shifting global consumer behavior. The target market signifies consumer between the age group of 25 to 40 (middle wage families in urban areas). The international marketing strategy incorporates a mix of both global and local standpoint. The basic product range is identical but the differences occur in the way catalogue is meant for consumer groups (Hollenson, 2007).

Wind (1986) stressed the ideology of "thinking globally act locally", which explains that an organization should keep a worldwide viewpoint, but they should take into consideration the countries characteristics and cultural norms before making their marketing strategy. By following the approach "thinking globally act locally", firm end up their focus only on the domestic market and can also avoid the pitfalls of globalization. The company should enthusiastically follow a market oriented approach and must tailor the marketing according to a particular country. 6. Conclusion

So after getting hold of market segmentation and international marketing standardisation, we can now assert that IMS contradicts the very principal of market that is market segmentation. Because it talks about consumer homogeneity all over the world and since market segmentation is done to classify the different customer's behaviours, needs, attitude, motive and buying pattern of a particular product/service. These days we can find so many examples of firms and businesses which are moving away from international marketing and global marketing activities (Vignali, 2001).

Furthermore, some companies have reinforced the world "global" from their strategic method. As James (2001) discusses that Coca-Cola's strategy has

now become "think local, act local", and this shift of the company can be better described as not a withdrawal, but a move toward globalization which is relatively directed at greater integration. And organizations following such strategy incorporate their efforts; ensure local flexibility whilst exploiting the benefits of global integration and efficiencies, as well as ensuring the universal diffusion of innovation (Hollensen, 2007).

McDonalds realized that despite the cost savings intrinsic in standardization, success is often accredited to bring able to adapt to a specific environment. Now, their overall pricing objective is to increase market share and in each country they look at the barometer for setting price. Below is the table given, which will help in justifying our argument: (Table A) In the U. S. A, for example, the cost of a Big Mac with fries is equivalent of a Chicago office worker's earnings during 14 minutes.

Whereas, a meal like this is seen as a luxury, as opposed to a normal product, and would cost a lot more relative to earnings. It is important to recognize that a marketing strategy strives to attain success in the market. A market is almost similar but yet comprises vital differences. A company's marketing strategy is more likely to fail if they instinctively think that a strategy which works in one country might work in another country. The way to success can be achieved with a thorough understanding of why the consumers will be going to buy our products in each market, and which can vary across markets.

Company will be victorious when a comprehensive understanding about the consumers' need, motives, and attitudes toward a particular service/product

is accomplished. So, international marketing standardization in principal contradicts the very principal of marketing: marketing segmentation, but if companies can add the approach of localization to globalize marketing, then they will spread their same message of 'being global' and with that, they can also conform with the basics of marketing, which is all about identifying and anticipating customers needs and preferences (CIM, U. K).