

# Globalization of the world economy



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## **Introduction:**

As far as we can see, because the rapid globalization of the world economy, people not only could choose the product from the local firms, but also could select the product from universal companies. Therefore customers can compare the product between completely different firms and choose the product, which could make them feel satisfaction. Maybe this competitive situation of market would offer lots of benefits to customers. Meanwhile, this competitive situation are becoming more globalization and more serious between companies. Such as the circumstances of construction and agriculture, the firms, which offer their products for them, they also should face to the serious competitive realistic. Even though in this competitive circumstance, lots of firms still can survival. Obviously, kinds of reasons made them achieve their goals and become the final winner in the competitive market. However, the marketing orientation is one of the most important aspects in market; it is the necessary part of marketing. Also, marketing orientation still an intriguing concept for many carries the pledge of superior company performance through the satisfaction of customers' needs (George, 1995, online). So, global firms use marketing orientation to focus different areas and customers to create more customers. For example, one of the glob firms “caterpillar”, it was founded by Benjamin Holt and Daniel Best in 1890. At that moment, the equipment of construction was very big and only have simple function, therefore, in 1999, Caterpillar unveils new line of compact construction equipment at CONEXPO, world's largest construction show, in response to changing customer needs for smaller, more versatile construction equipment (Caterpillar, online). This is a good

example for us to know that the importance of management of function within a global firm. In this essay, it will discuss and analyze how marketing orientation works in global firms and its importance, moreover it will explain the service quality and customer relationships management within the overall marketing mix of a firm.

Marketing orientation is often a key issue in a company turnaround. There are three main alternatives to adopting a marketing orientation. There are, production-orientation, product-orientation and sales-orientation, but production-orientation and product-orientation have been put up as its opposites with sales-orientation in between (Evert, 1990. online). As a global firm, it must have a completely marketing orientation system, the feature of marketing orientation is anticipate customer requirement, do whatever customers want, and markets its products and services. Such as, Caterpillar global firm, it has been through the special designs, produces and maintains of their equipment to help them create huge customers in their area. The Cat logistics brand provides integrate world-class supply chain solutions and services to Caterpillar and more than 65 other leading corporations in market sectors including automotive, industrial, consumer durables, technology, electronic, manufacturing logistics and others (Caterpillar, online). In the competitive market, global firms want to survive, they have to co-operate with local firms, it can improve the competitiveness of companies. Cat logistics has more 105 offices and facilities in 25 countries around the world (Caterpillar, online).

One of the main aspects of marketing orientation is consumer focus, it means companies have to focus their customers, do whatever they want,

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and do what ever they desire. Cat rental stores do it very well, it serve as a convenient source for Cat products. Numbering over 16000 locations around the global, because focus the different customers Cat offer short and long-term rentals for the general construction industry. Furthermore, in different area they have different business model, “ with stores typically renting Cat machines and allied products complementary to the Cat offering, for example, specialized tools for jobsite needs and in Cat rental Stores also offer the equipment sales and servicing (Caterpillar, online)”. Because the global warming and oil price increase dramatically, customers would like to choose the equipment, which can burn low fuel for save more money and protect ecological environment. Therefore, “ Cat unveiled the new products, which call the D7E, it will burn less fuel per hour than other tractors, reducing emissions and move about 25 percent more material per gallon of fuel burned when compared to conventional drive systems”. (Caterpillar, online). To let their customers feel more convenient they formed a new sector in 2008, which only focused exclusively on electronics and connected worksite solutions. “ They produce the new management tools call “ AccuGrade” machine control, which can help customers improve operational efficiencies, reduce waste and fuel down fuel consumption and emissions”. (Caterpillar sustainability report, 2008, online). Cat also made goals for products, services and solutions, such as, provide lead ship in the safety of people in, on and around our products, reduce customer greenhouse gas emissions by 20%, increase customer energy efficiency by 20%, and increase customer material efficiency by 20% (Caterpillar sustainability report, 2008, online). Follow these goals, Cat not only can create much more customers than before, but also can be survival in this competitive market.

As far as we can see Cat done it very well in customer's services, they keep in touch with their customs for know what their customers want and promote their service quality to gain more reputation for the company. Cat chairman said, " our customers-like consumers everywhere-are looking for more value from Caterpillar's products and services, such as, repair, rebuild and upgrade their equipment, team Caterpillar has these solutions.

As a global marketing strategy, global firms want to create more customers in oversea, they have to has more dealers in others countries, because, when their customers need to rebuild or repair their equipment, dealers can help the customers much easy to connect with them and solve problems. Cat has huge distribution network in the world; totally has 197 Dealers in more tan 200 countries, along with 23 distribution centers in 11 countries, they can deliver most parts within 24 hours (Caterpillar parts, online).

The last but not the least, follows the idea do what your customer want and give convenient to your customers. " Cat parts are designed to keep their equipment running at peak performance to reduce downtime and lower your owning and operating costs". Also, when customer's equipment needs maintaining one piece of equipment or many, the support their customers can get from the local dealer (Caterpillar parts, online). Overall, all of these point make Caterpillar has become the biggest marker of construction and agricultural in the world. They deliver the best products, high quality services and high technology to their customers, in order to create more and more oversea customers. Moreover, we can clearly know that how important of management in the global firm.

The Marketing Mix also call the 4 P's of Marketing, because it include 4 parts, there are product, price, place (distribution) and promotion. Moreover, “ the marketing mix is one of the most widely accepted concepts in the discipline of marketing”.(Stephen, 1991, book). In the field of marketing, service quality and customer relationships management is frequently defined as the consumer's judgment about a firm's overall excellence or superiority (Stephen, 1991, book). Through service quality and customer relationships management we can predict the future of the firm weather running well or not. We all know that customers are the most important part in the marketing. In addition, firms ought to improve their service quality in order to build more stable customer relationships. Therefore, the services marketing mix represents a useful, effective, and simple tool for managing and innovating the quality of service encounters (Stephen, 1991, book). Elements of the traditional marketing mix also clearly influence satisfaction with service just as they influence satisfaction with goods. As I mentioned before, global firm Cat use their high level service quality and good customers relationships lead to Cat has become the largest global firm of construction and agricultural in the world. Services can be positioned on a variety of dimensions, depending on the needs they address, their benefits, individual service features, their users, as well as how and when they are consumed (Stephen, 1991, book). At Caterpillar, service does not end at the sale. With every purchase, Caterpillar offers their customers the full extent of their experience and legendary customer service, the deal and the handshake is not the end, it is the beginning of a beautiful partnership (Caterpillar parts and service online).

In conclusion, we can through the case study about Cat clearly recognize that how important of marketing orientation has, in the global firm.

Obviously, Cat use specialize marketing orientation such as, designs, produces and maintains to focus the different area and customers, in order to create numbers of customers. In my opinion, this is the reason that Cat has become the largest global firm of construction and agricultural in the world. In additional, global firms through improve their service quality to build the stable customers relationship with their customers, so they can keep their high percentage of market-share in oversea. After all, all these points are necessary for global firms to be survival and get more market order in this competitive market.

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