

Virtual Guest Lecture

Development of the Global Marketing Plan

28.10.2020

By Svend Hollensen



Pearson

Housekeeping rules + Info

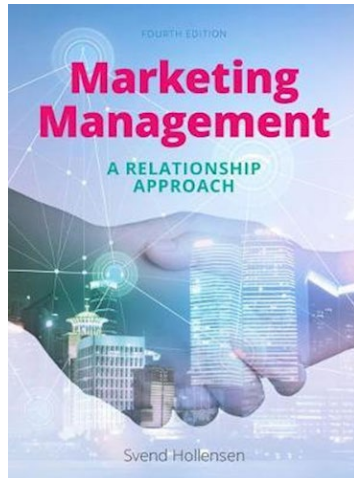
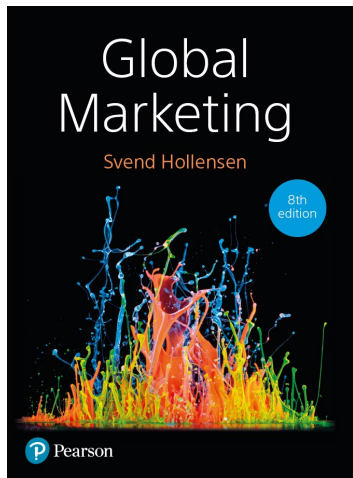
- Questions at the end
- Use Q&A to type your question
- Or 'raise hand' button to ask your question via audio
- Upvote a question if you also have the same question
- Recording will be shared
- Slides will be shared

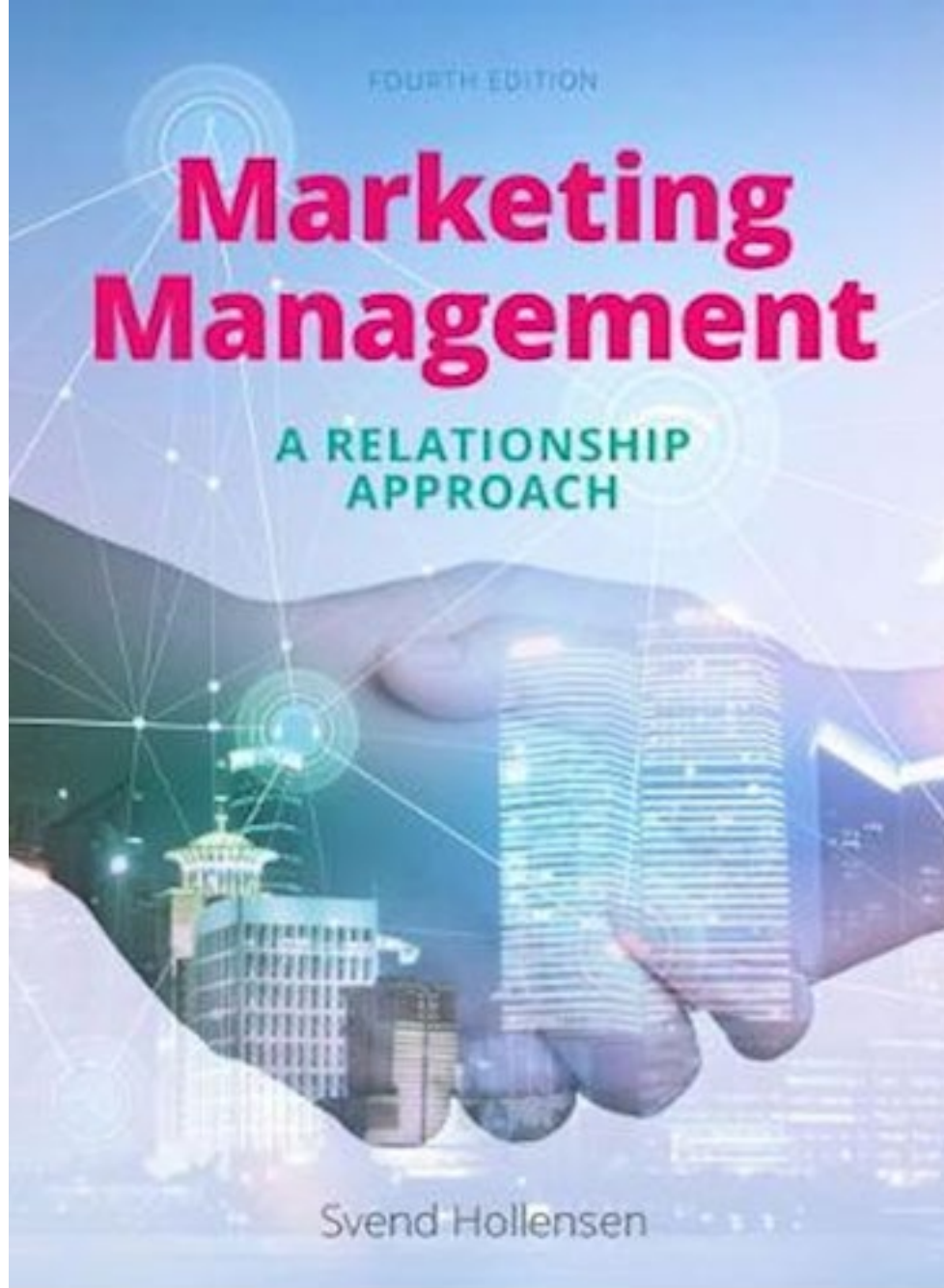


Svend Hollensen

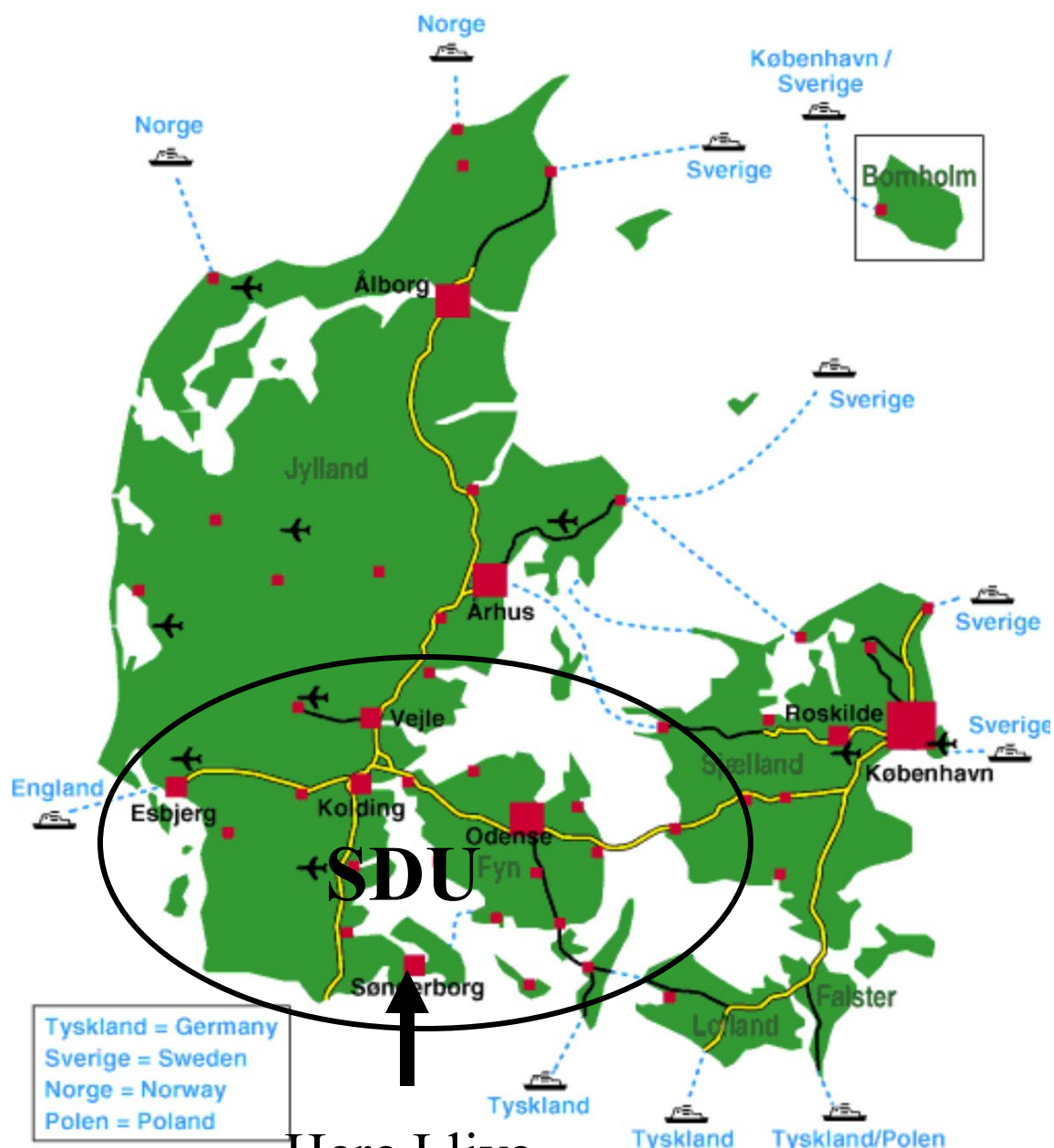


- Ph.D. (Dr.) and Associate Professor of International Marketing at University of Southern Denmark (Sønderborg).
- Practical experience in Marketing from his work at multinational companies.
- Multiple publications to his name including Internationally recognized Journals and Pearson Marketing books.
- Research Interests: Relationship Marketing, Globalization, Internationalization of companies, and Internet-of-Things (IoT)





4th ed. published
in January 2019

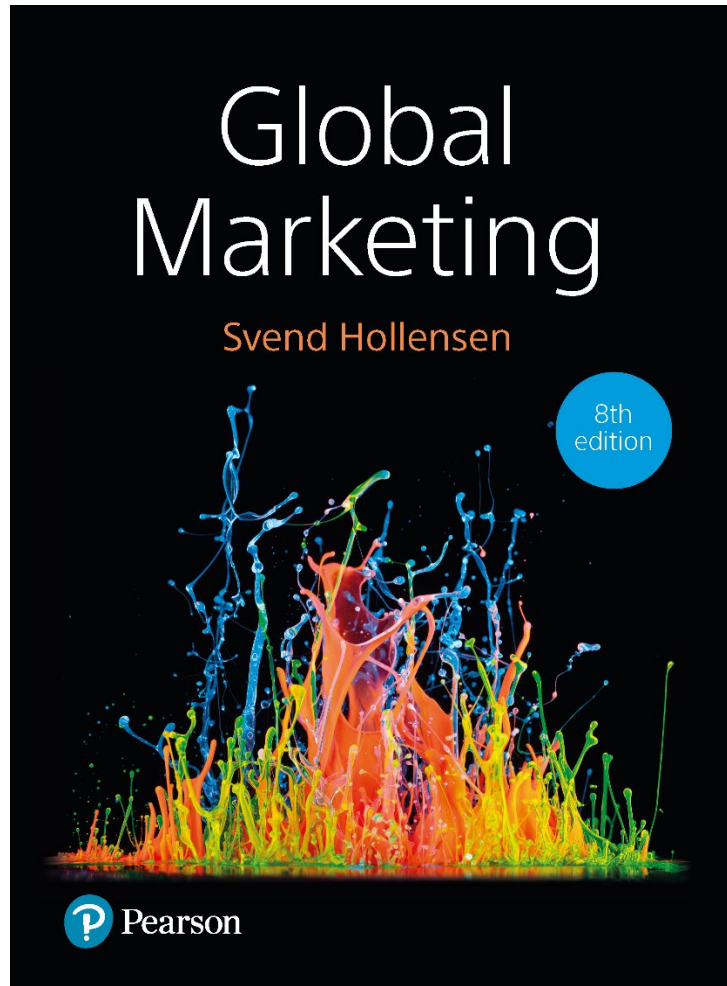


University of Southern Denmark Sønderborg



Global Marketing

Eighth Edition



Development of the Global Marketing Plan

Part I - V

Chapter 1

Global Marketing in the
firm, pp. 5-7

**The
Economist**

On the blink—the EU's bad crisis

Covid nostra: crime and the pandemic

Starting a business in a slump

The Mekong dries up

MAY 16TH–22ND 2020

Goodbye globalisation

The dangerous lure of self-sufficiency



Leaders

May 14th 2020 edition >

Globalisation unwound

Has covid-19 killed globalisation?

The flow of people, trade and capital will be slowed



Luca D'Urbino

In these Covid-19 times:

We are stuck as persons

But data is flowing across borders more than ever

In Global Marketing this means that planning & data management is becoming more and more important

Global Marketing =



‘Global Marketing’ and ‘International Marketing’ are synonyms, but ...



GM, 8e, p. 16:

Global marketing is defined as the firm's commitment to **coordinate** its marketing activities across national boundaries in order to find and **satisfy global customer needs better than the competition**. This implies that the firm is able to:

- develop a global marketing strategy, based on **similarities and differences between markets**;
- exploit the knowledge of the headquarters (home organization) through **worldwide diffusion (learning) and adaptations**;
- transfer knowledge** and 'best practices' from any of its markets and use them in other international markets.



Global:



Localization

Local:

Localization refers to adapting your mobile app to the language and cultural requirements of your target local market.

Instead of translating your app name from English to the local language, consider renaming your app to something that is more relevant in the local language.

Other elements that should be localized include:



Figure 1.1: The five-stage decision model in global marketing

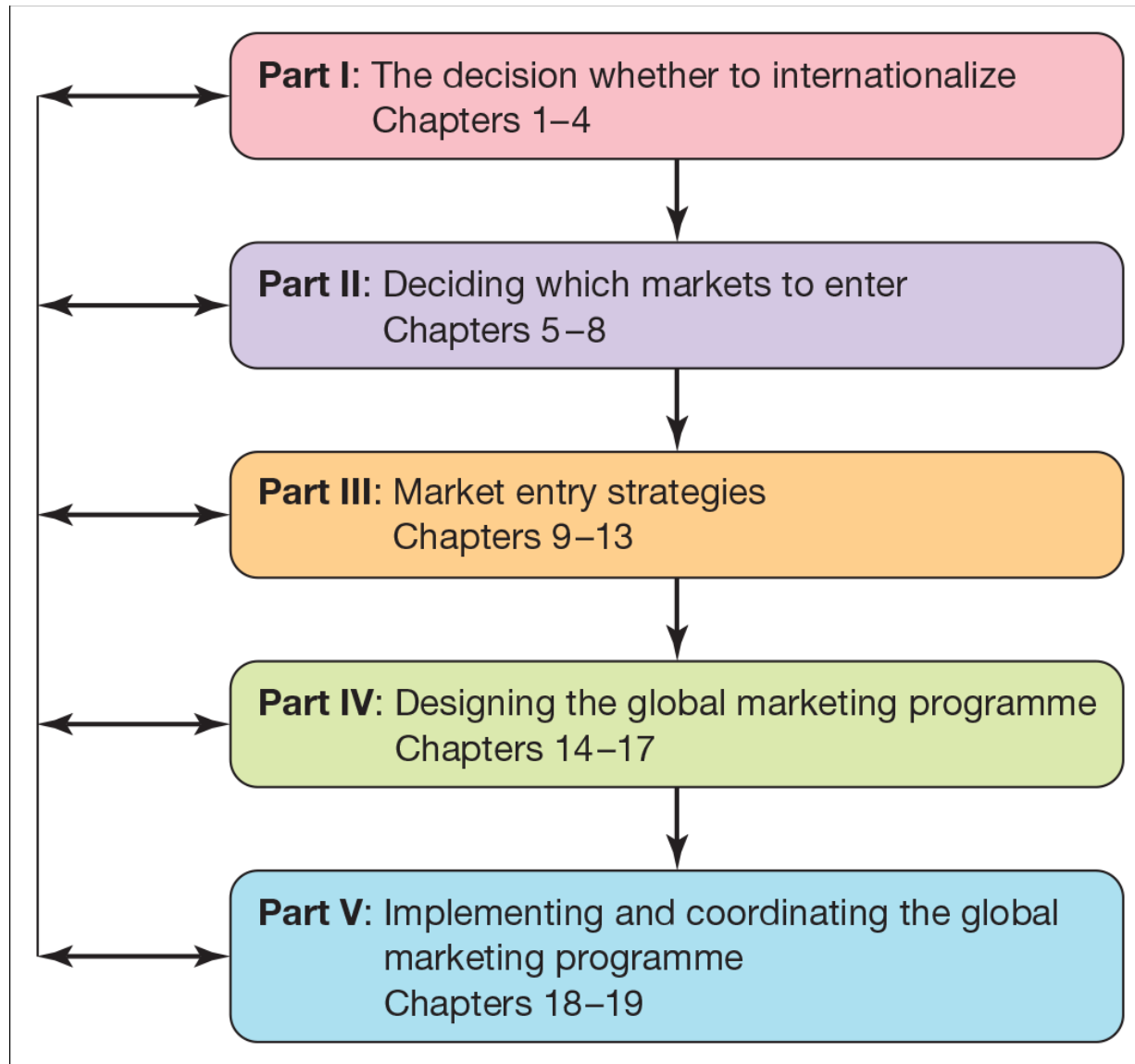
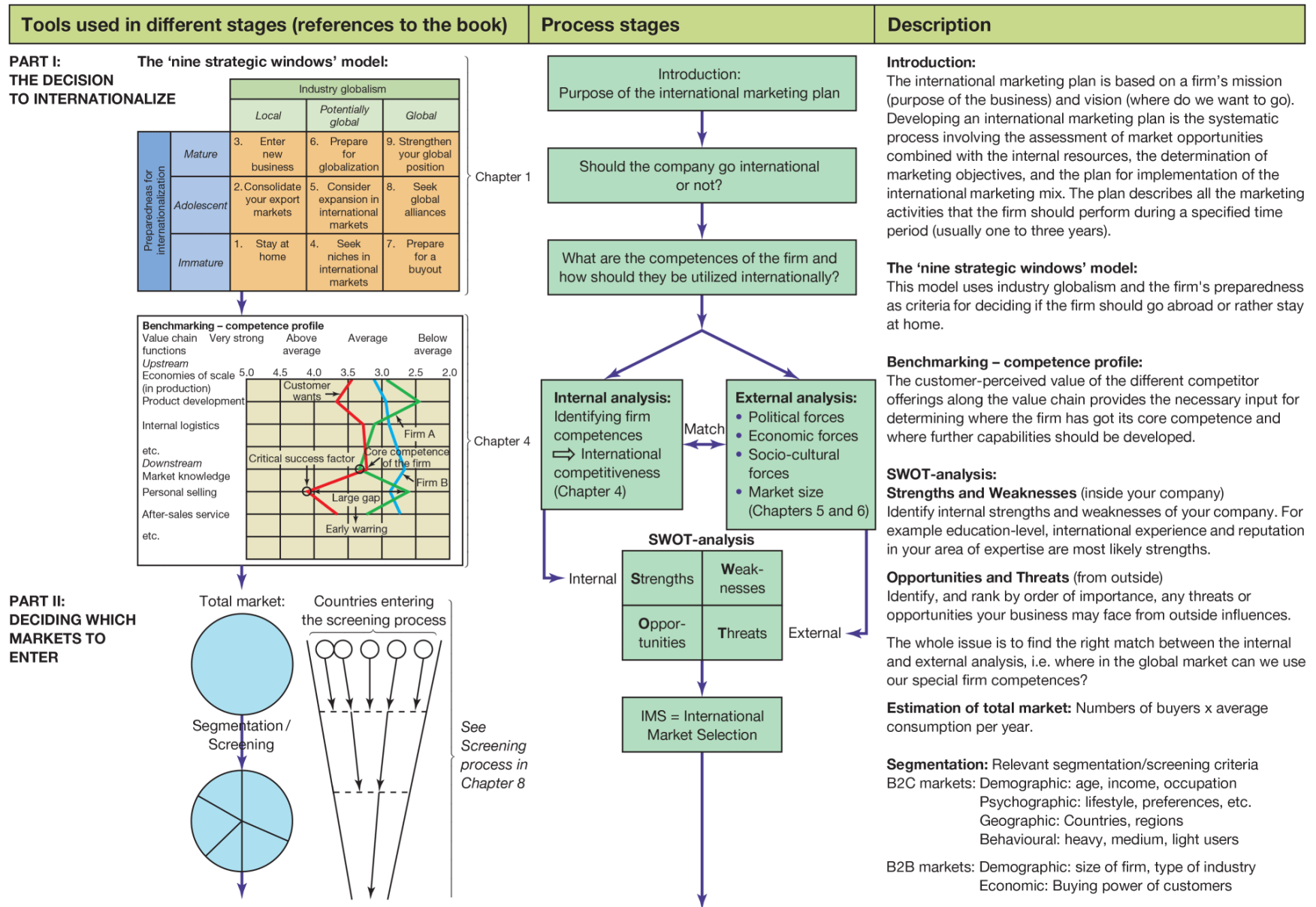
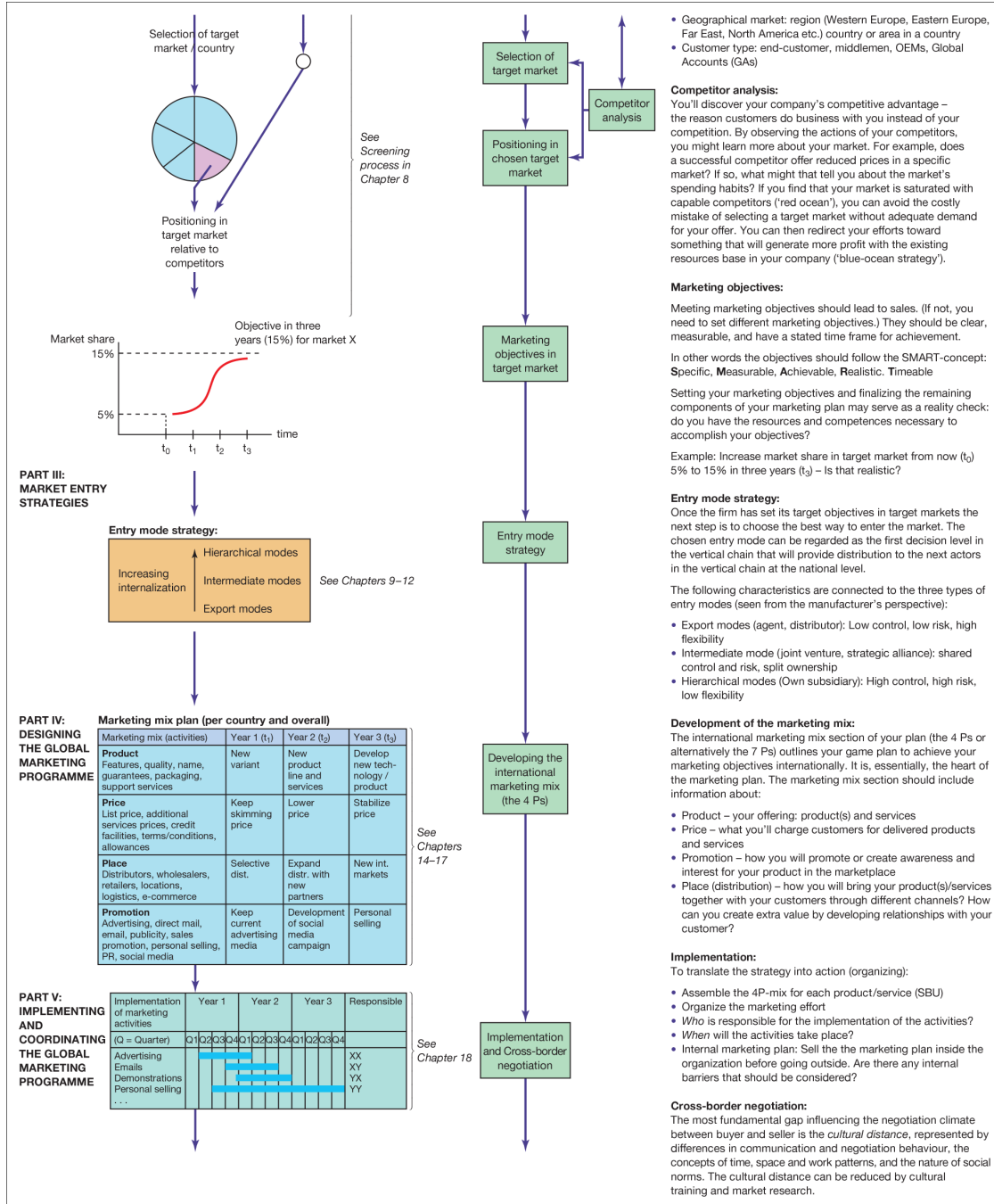


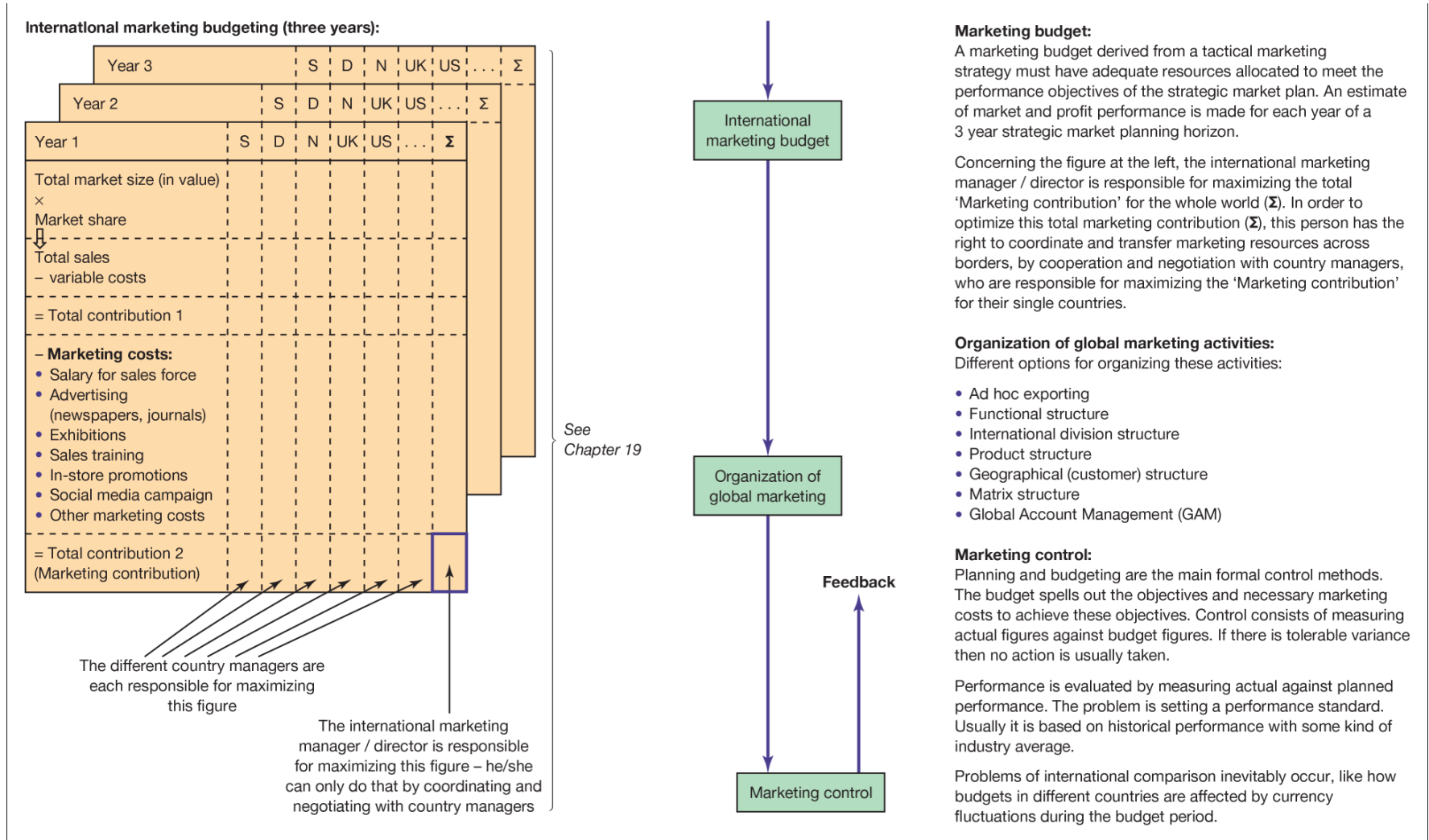
Figure 1.2: Development of an international marketing plan





(Continued)

Figure 1.2: Development of an international marketing plan (Continued)



Source: Hollensen, S. (2008) *Essentials of Global Marketing*, FT/Prentice Hall, pp. 6–9. Copyright © Pearson Education Limited.

Financial consequences of the Global Marketing Plan

Figure 19.14: Int. Marketing budget 200X and its underlying determinants

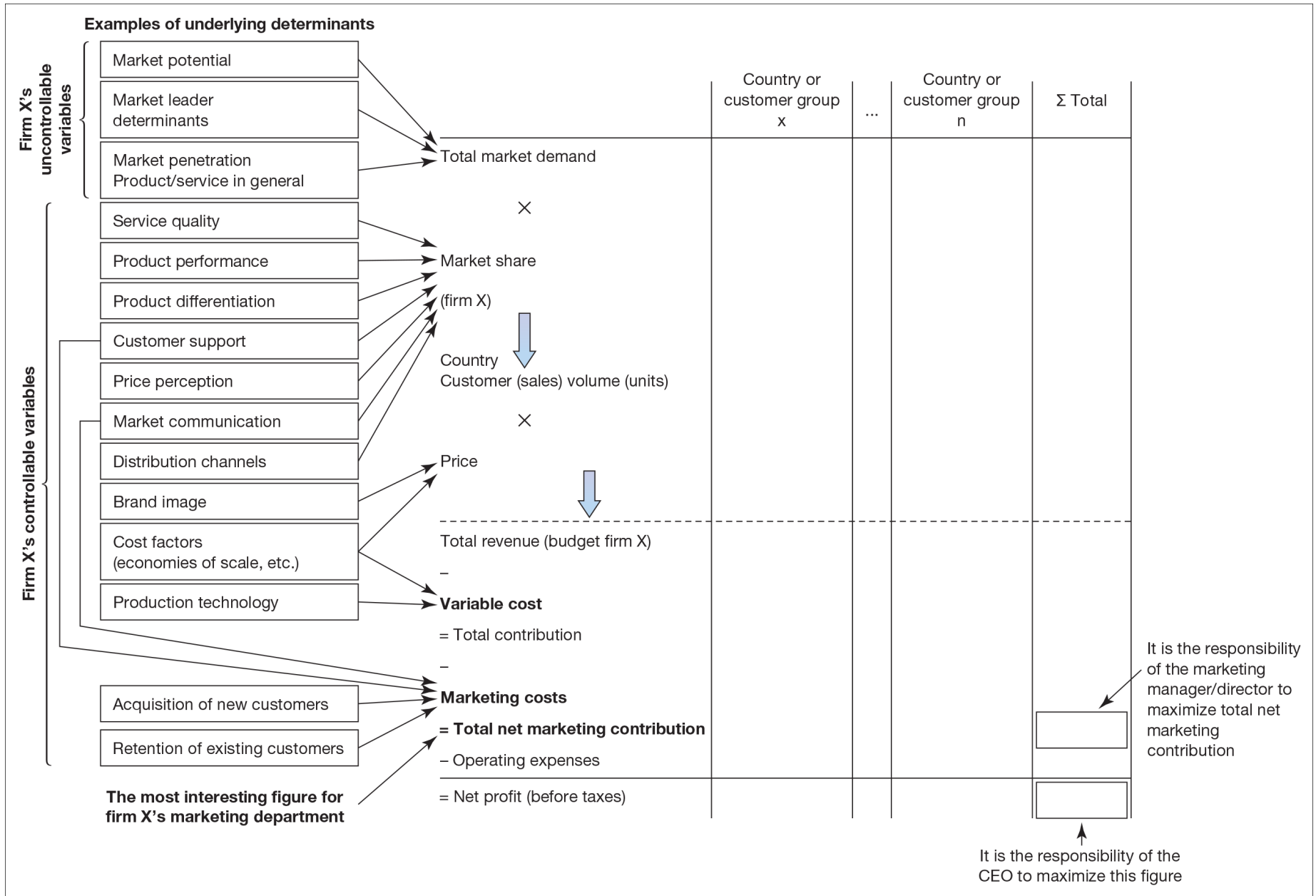


Table 19.4: An example of an international marketing budget for a manufacturer exporting consumer goods

International marketing budget	Europe						America				Asia/Pacific			
	UK		Germany		France		US		Canada		China		Other markets	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Net sales (gross sales less discounts, allowances, etc.)														
– Variable costs														
= Contribution 1														
– Marketing costs:														
Sales costs (salaries, commissions for agents, incentives, travelling, training, conferences)														
Consumer marketing costs (Social media and other online marketing costs, TV commercials, radio, print and sales promotion)														
Trade marketing costs (fairs, exhibitions, in-store promotions, contributions for retailer campaigns)														
= Σ Total contribution 2 (marketing contribution)														
B = budget figures; A = actual.														

Note: on a short-term (one-year) basis, **the export managers or country managers are responsible for maximizing the actual figures for each country** and minimizing their deviation from budget figures. The **international marketing manager/director is responsible for maximizing the actual figure for the total world** and minimizing its deviation from the budget figure. Cooperation is required between the country managers and the international marketing manager/director to coordinate and allocate the total marketing resources in an optimum way. Sometimes certain inventory costs and product development costs may also be included in the total marketing budget (see main text).

Source: Marketing Management: A relationship approach, 2nd edn. Financial Times/Prentice Hall (Hollensen, S. 2010) p. 583, Copyright © Pearson Education Limited.

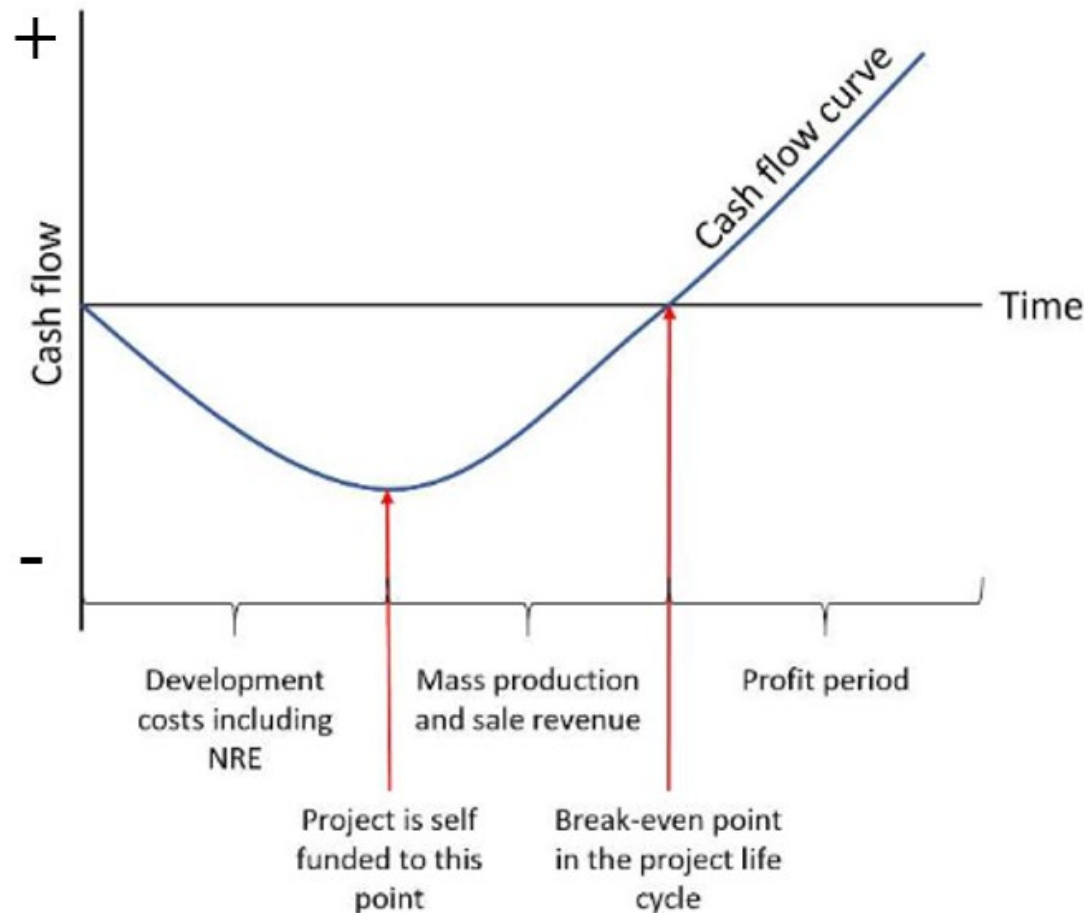
One of the most important metrics

Break Even Point	
Break Even Point (in units)	$= \frac{\text{Fixed Costs}}{\text{Contribution Margin Per Unit}}$

Compare Break-Even with the necessary market share, in order to reach Break-Even

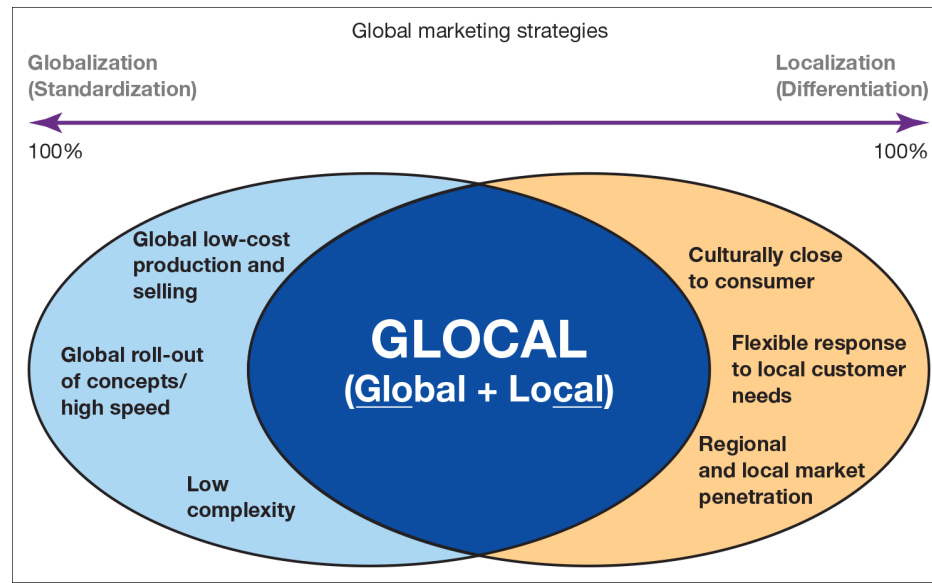
Development of new international markets is very similar to a NPD project, concerning accumulated cash flow

New Product Development Cash Flow Profile



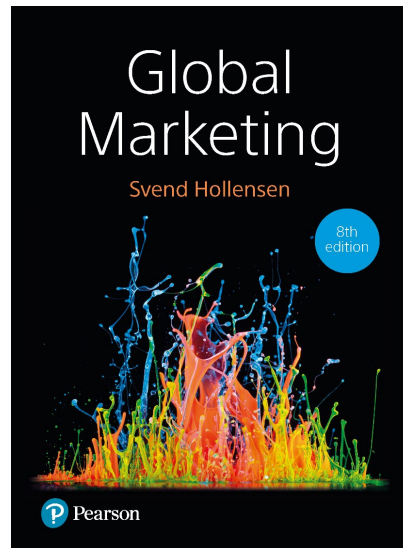
NRE = Non-Recurring Engineering costs = Any cost that is spent as a one-off cost on a NPD project

Remember the next Online session about
Glocalization Strategy
on the 4th November
10:00 – 10:45 AM



Thank you !

Questions are welcome now or
later on svend@sam.sdu.dk



(SDU University of Southern Denmark, Sønderborg)

Questions sent in

- 1. How important it is to address the needs of Bottom of the Pyramid group while developing a Global Marketing Plan?
- 2. What would be, according to you, the strongest competitive advantage allowing companies to position themselves better than their competitors that certainly needs to be emphasized in a Global Marketing Plan?
- 3. What is your opinion on highlighting the societal impact/value for the society that the product or service offers in the marketing message, and do you see a need of integrating a separate section on the "value/impact on the society" in the Global Marketing Plan?
- 4. Do you think with the (rather uncontrollable anymore) development of technology and social media is it still possible for customers to gain a real insight into the value of products or services, or it can be easily manipulated (for example by buying paid reviews or likes on Facebook)?
- 5. Although, it is hard to generalize, do you think that companies, while having access to an immense and tempting amount of Big Data on customers and their behavior, are able to meet the standards for conducting marketing research and refrain from buying data/market insights from third parties?