Virtual Guest Lecture

Development of the Global Marketing Plan

28.10.2020 By Svend Hollensen





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









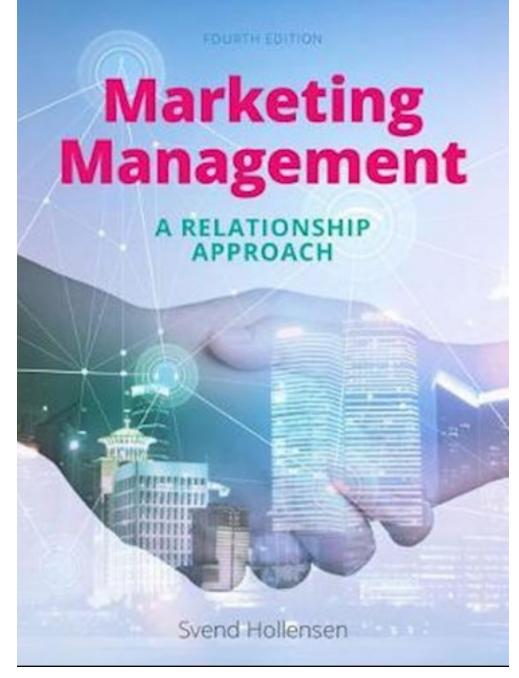
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Svend Hollensen

- 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





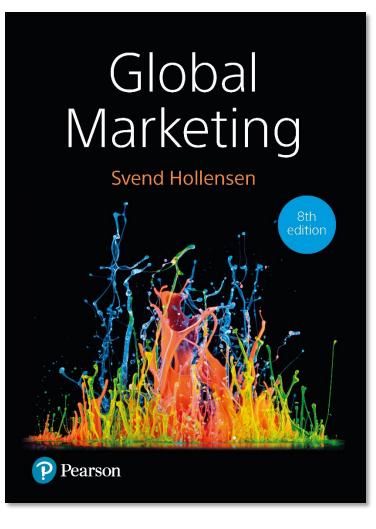


University of Southern Denmark Sønderborg



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





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:





Local:

Localization

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

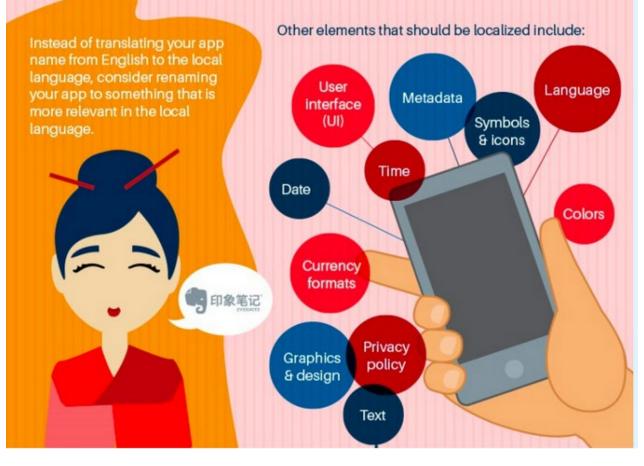




Figure 1.1: The five-stage decision model in global marketing

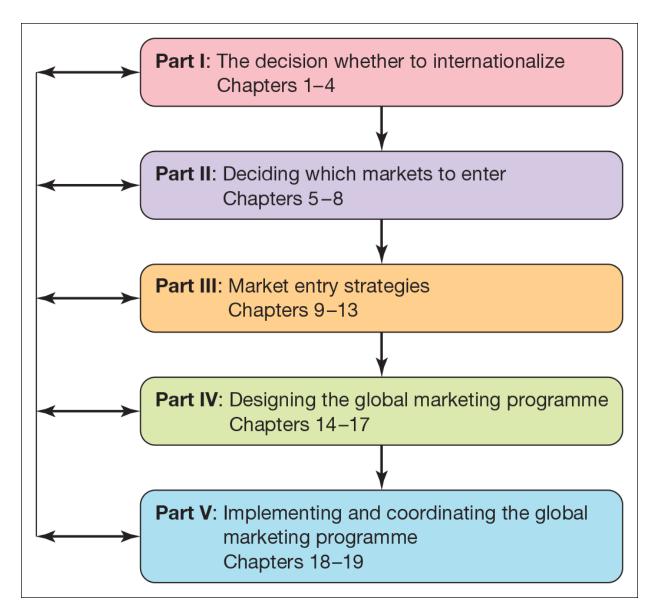
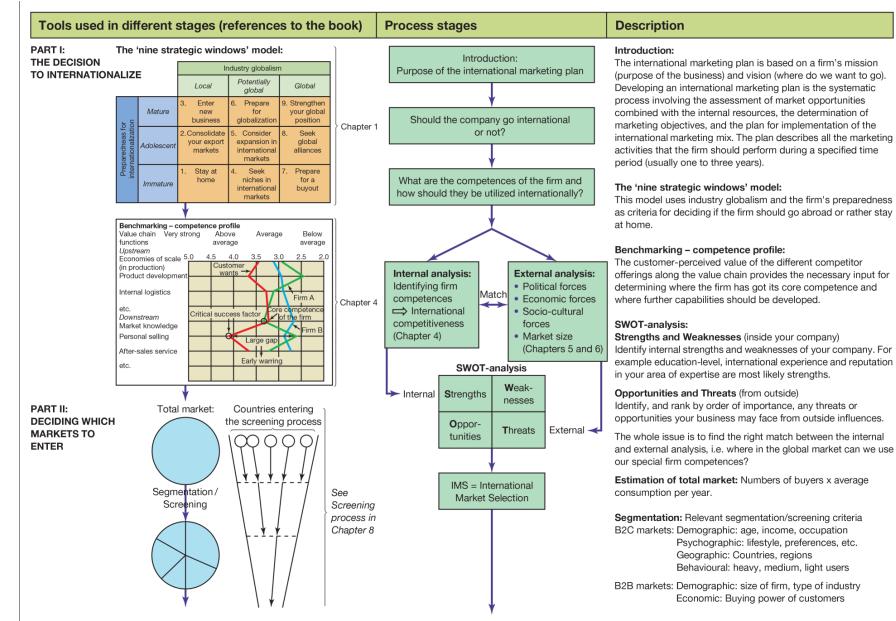
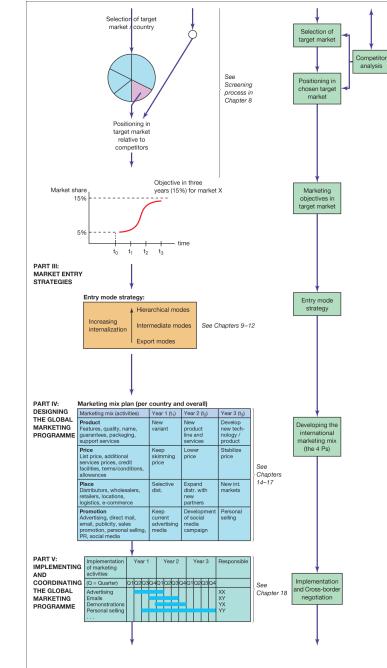




Figure 1.2: Development of an international marketing plan



Pearson



 Geographical market: region (Western Europe, Eastern Europe, Far East, North America etc.) country or area in a country
 Customer type: end-customer, middlemen, OEMs, Global Accounts (GAs)

Competitor analysis:

You'll discover your company's competitive advantage – the reason customers do business with you instead of your competition. By observing the actions of your competitors, you might learn more about your reduced prices in a specific market? If so, what might that tell you about the market's spending habits? If you find that your market is saturated with capable competitors ('red ocean'), you can avoid the costly mistake of selecting a target market without adequate demand for your offer. You can then redirect your efforts toward something that will generate more profit with the existing resources base in your company (blue-ocean strategy).

Marketing objectives:

Meeting marketing objectives should lead to sales. (If not, you need to set different marketing objectives.) They should be clear, measurable, and have a stated time frame for achievement.

In other words the objectives should follow the SMART-concept: Specific, Measurable, Achievable, Realistic. Timeable

Setting your marketing objectives and finalizing the remaining components of your marketing plan may serve as a reality check: do you have the resources and competences necessary to accomplish your objectives?

Example: Increase market share in target market from now (t_0) 5% to 15% in three years (t_3) – Is that realistic?

Entry mode strategy:

Once the firm has set its target objectives in target markets the next step is to choose the best way to enter the market. The chosen entry mode can be regarded as the first decision level in the vertical chain that will provide distribution to the next actors in the vertical chain at the mational level.

The following characteristics are connected to the three types of entry modes (seen from the manufacturer's perspective):

- Export modes (agent, distributor): Low control, low risk, high flexibility
- Intermediate mode (joint venture, strategic alliance): shared control and risk, split ownership
- Hierarchical modes (Own subsidiary): High control, high risk, low flexibility

Development of the marketing mix:

The international marketing mix section of your plan (the 4 Ps or alternatively the 7 Ps) outlines your game plan to achieve your marketing objectives internationally. It is, essentially, the heart of the marketing plan. The marketing mix section should include information about:

- · Product your offering: product(s) and services
- Price what you'll charge customers for delivered products and services
- Promotion how you will promote or create awareness and interest for your product in the marketplace
- Place (distribution) how you will bring your product(s)/services together with your customers through different channels? How can you create extra value by developing relationships with your customer?

Implementation:

- To translate the strategy into action (organizing):
- · Assemble the 4P-mix for each product/service (SBU)
- Organize the marketing effort
- Who is responsible for the implementation of the activities?
- When will the activities take place?
 Internal marketing plan: Sell the the marketing plan inside the organization before going outside. Are there any internal barriers that should be considered?

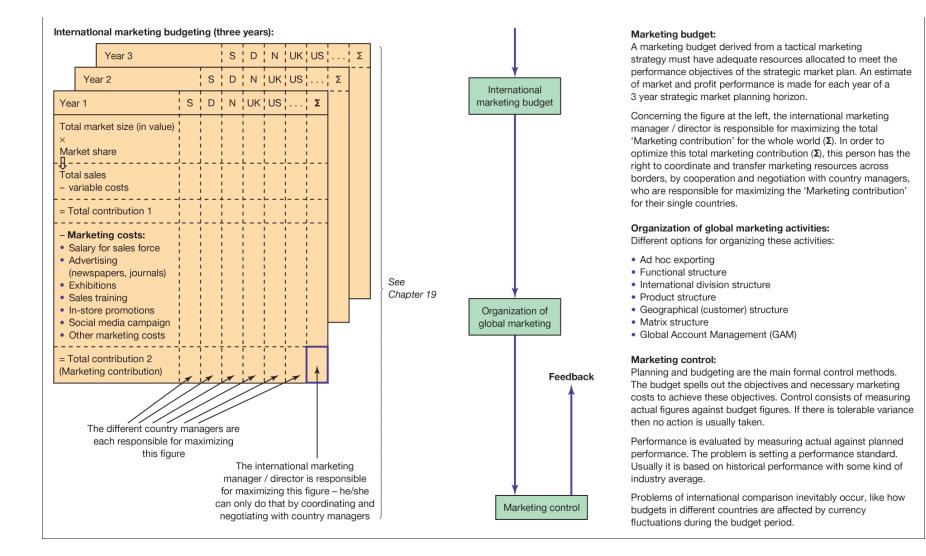
Cross-border negotiation:

The most fundamental gap influencing the negotiation climate between buyer and seller is the *cultural distance*, represented by differences in communication and negotiation behaviour, the concepts of time, space and work patterns, and the nature of social norms. The cultural distance can be reduced by cultural training and market research.

(Continued)



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



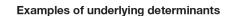
Source: Hollensen, S. (2008) Essentials of Global Marketing, FT/Prentice Hall, pp. 6–9. Copyright © Pearson Education Limited.



Financial consequences of the Global Marketing Plan



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



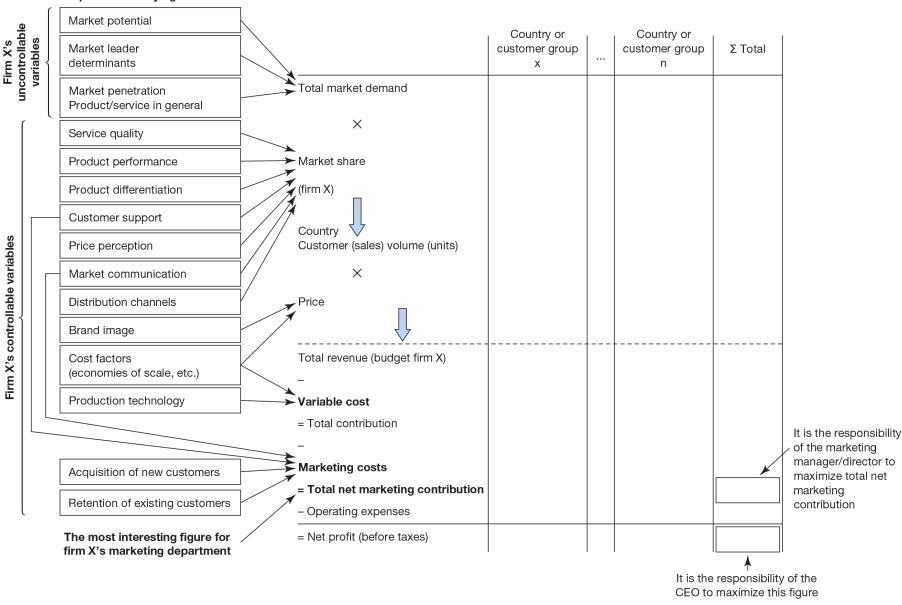


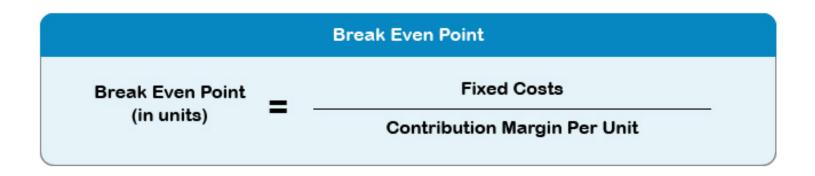
Table 19.4: An example of an international marketing budget for a manufacturer exporting consumer goods

International marketing budget	Europe						America				Asia/Pacific			
	UK		Germany		France		US		Canada		China		Other markets	
Year =	Α	В	Α	В	А	В	Α	в	Α	в	Α	в	Α	В
Net sales (gross sales less discounts, allowances, etc.)														
 Variable costs 														
= Contribution 1														
Marketing costs:														
<i>Sales costs</i> (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)														
<i>Trade marketing costs</i> (fairs, exhibitions, in-store promotions, contributions for retailer campaigns)														
$= \Sigma$ 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 betw een 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.



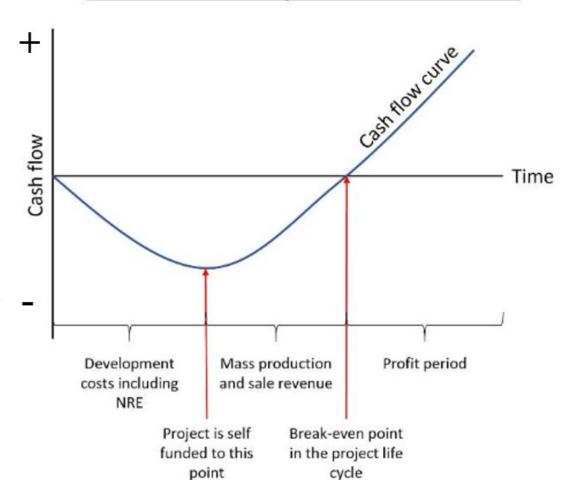
One of the most important metrics



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

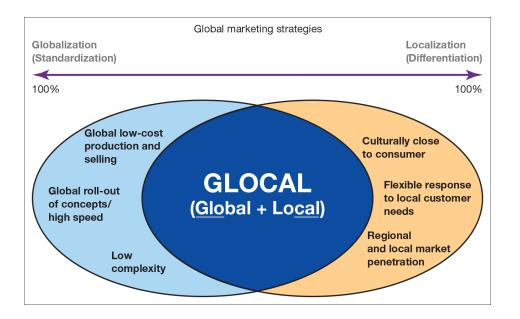


New Product Development Cash Flow Profile

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

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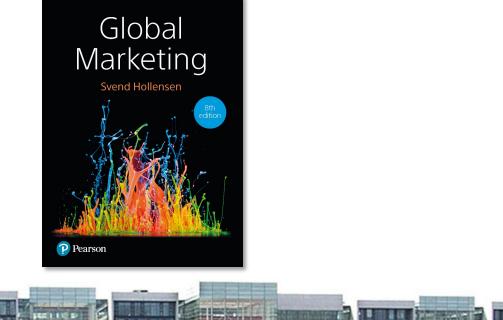
Remember the next Online session about Glocalization Strategy on the 4th November 10:00 – 10:45 AM





Thank you !

Questions are welcome now or later on <u>svend@sam.sdu.dk</u>





(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?

