

## Post session Q&A follow up - Virtual Guest Lecture by Author Svend Hollensen

Topic: Development of Global Marketing Plan

28<sup>th</sup> October 2020 - 13:00 - 13:45 AM CET

- 1. Question by Martijn:** You are also a teacher. The book is very well set-up for students. Really easy to follow. However: How do you let your students make the "International marketing budgeting" table? I found it sometimes difficult to let my students work on the different models.

**Answer:** Dear Martijn, You are right - often it is difficult to find the real financial figures, because for companies it is confidential information. Therefore, when my students have to make a marketing budget, I ask them to clarify the assumptions before they make the budget, for example make an assumption about the contribution margin (%) - in this way it may be possible to calculate the Break Even - if you are able to estimate the total required investments (including the marketing costs)

- 2. Question by Sascha:** Are the marketing and sales costs in order to reach a certain sales volume incorporated in 'fixed costs' in the equation?

**Answer:** Dear Sascha, a very good question. Should you consider marketing costs as a variable costs or fixed costs (an investment) - a never ending discussion. My take is here that it is an investment in brand-building and pre-condition for sales, but then your contribution margin should be defined as net sales price minus the variable cost per unit (what I call Contribution I). For example, if you want to establish a sales operation in China, in the fixed costs you would include building costs, production machines, renting of shop facilities and other traditional fixed costs, but I would also include the salaries for the sales force and the social media costs, because they are necessary 'investments' in order to get something sold into the Chinese market. That is also the reason why my budget contains two kinds of contributions: Contribution I (without marketing costs included) and Marketing Contribution (after we have paid the marketing costs - I also call this Contribution II).

**3. Question by Björn:** Which should govern, profit, planet or people?

**Answer:** What I mainly talked about in the presentation was the company Profit perspective, but the other two Ps (People, Planet) are getting more and more important these days. It is important for companies to integrate these two perspectives in the daily operations and also in the yearly financial reporting. So, there is a societal pressure to integrate the Tripple Bottom Line perspective (the three Ps) into the daily operations.

**4. Question by Sascha:** At which point would you advise companies to set an objective (position in the market) when entering a foreign market? Before having done market research or after?

**Answer:** Dear Sascha - At least the company should do a rough market analysis / research before they enter a foreign market. Else they would have no idea what they are going for. Then afterwards (after setting the objective) the company should do a more detailed market market research, in order to get inputs for the important marketing mix decisions.

**5. Question by Sascha:** adding to my question: If a company's goal is to enter a market by finding a first launching customer is extensive market research necessary?

**Answer:** Dear Sascha - No - not 'extensive' - in that case the first customer can start a 'snowball' and lead to other interesting customers. But I would still do a 'rough' market reseach to get a clearer picture about the total market demand etc.

**6. Question by Mishaw: What is the name of the book that explain the IMS?**

**Answer:** Dear Mishaw - Global Marketing, 8th edition 9781292251806

**7. Question by Amandeep:** If we want the copy of the book, is there any cost which we have to pay?

**Answer:** Please contact your local Pearson office to request a copy. Or request a copy here <https://www.pearson.com/uk/educators/higher-education-educators/program/Hollensen-Global-Marketing/PGM2782036.html>. it is possible to get a complimentary copy of the book, if you are a lecturer at a University / Business School / College :-)