

Key Definitions

1	Global marketing strategy	Involves the planning, producing, placing and promoting of a business's products in a worldwide market.
2	Glocalisation	Not having a common marketing strategy for all countries. Adapting to local expectations by taking in to account local tastes, customs and traditions, to meet customers needs.

Ethnocentric Approach

1	Definition	A business making little or no attempt to adapt their products for the local market.
2	Advantages	Economies of scale – same raw materials are used so can be bought in bulk No development costs of adapting products to local markets, no market research or testing required.
3	Disadvantages	Product may not sell well if it is not adapted to the needs of the local market

Geocentric Approach

1	Definition	Known as the 'glocalisation approach', using a combination of an ethnocentric and polycentric approach. Maintain and promote the global brand name, but tailor its products to local markets.
2	Advantages	Products are still tailored to suit the needs of the local market so are likely to sell well.
3	Disadvantages	Higher cost of product development.

Polycentric Approach

1	Definition	Businesses adapting their product offer to suit the local markets in which they intend to sell to.
2	Advantages	Product should sell well - designed to specifically meet the needs of the local market.
3	Disadvantages	Developing bespoke products is expensive. Difficult to compete with established local brands

Adapting the Marketing Mix to Global Markets

1	Price	Decisions need to take in to account local factors, such as incomes, taxes, rents and other costs. The same price will not be offered to customers in all countries.
2	Product	A decision needs to be made as to what extent products should be modified/adapted
3	Promotion	When promoting products businesses need to be conscious of language differences.
4	Place	Businesses need to take in to account how local consumers typically buy their products.

Global Niche Markets

1	Definition	Targeting a very specific range of people, often referred to as subcultures. These are people with common interests or hobbies. The customers for a global niche market live in more than one country and have specific needs that are not met fully by the global mass market.
2	Features	A clear understanding of the needs and wants of the market segment An emphasis on quality Excellent customer service Expertise in the product area Prioritising profit, rather than market share Innovation
3	Advantages	Prices are higher than in mass markets. Demand is more price inelastic. The product is distributed through specialist retailers or directly to the consumer. This is important for maintaining brand image.
4	Disadvantages	Products sell in low volumes compared with mass markets, so profits need to be high enough to make it worthwhile. The small size of the market may prevent economies of scale, particularly when it comes to distribution. This may make it harder to compete with domestic competition.

The reasons why Businesses that target Global Niches are Growing & Successful

1	The internet & E Commerce	allows information to be spread on a global scale. The internet allows businesses to understand and meet local demands that before would not have been possible.
2	Social Media	The rise of platforms such as Facebook, Twitter and You Tube has lead to a growing trend for vloggers. Vloggers often promote niche brands to subscribers.
3	Ease of Travel	facilitated by low cost airlines. Increased travel allows individuals to be exposed to global brands when visiting other countries

How Cultural Differences will impact on Marketing

1	Language	English is not the first, or even second language in many countries, so packaging/instructions may need to be adapted. Language can also lead to product names being inappropriate in in other countries.
2	Fashion/Dress	Not all clothing is appropriate in all countries. Adverts/images on packaging may need to be adapted.
3	Colours	Colours have different meanings throughout the world. E.g. In the Far East white, rather than black is associated with mourning. This means that logos, packaging may need to be altered.

Adapting the Marketing Mix to suit Global Niches

1	Product	Emphasis on quality, e.g. luxury cars, watches and perfumes.
2	Price	Charging higher prices so that the product is not intended for the mass market.
3	Promotion	Strategies are often based around the brand name and reinforcing the exclusivity of the brand. It needs to be more targeted than in mass market promotion. The business needs to be sensitive to cultural differences.
4	Place	Need to be more careful when selecting distribution channels so that they maintain control and the brand is not tarnished in any way. The products are often sold through networks of exclusive dealers for this reason.

Key Terms		
1	Cultural Audit	Study and examination of an organisation's cultural characteristics, (such as its norms, philosophy and values,) to determine whether they hinder or support its vision and mission.
2	Ethnocentrism	When people view their own culture/ethics/norms as superior. People expect people to have the same values as themselves, and can be quite shocked when these differ, from what they consider the norm!
3	High-context Cultures	Cultures, including much of the Middle East, Asia, Africa and South America, that are relational, collectivist, intuitive, and contemplative. This means that people in these cultures emphasise interpersonal relationships. Developing trust is an important first step to any business transaction.
4	Low-Context Cultures	Cultures such as those in north America and much of Europe, that tend to say what they mean, A communication style that relies heavily on explicit and direct language.

Cultural/Social Considerations for Businesses		
1	Cultural Differences	Businesses need to take account of cultural differences and build trust. Companies need to think about every level of the business relationship: the introductions, the negotiations and communicating on a day to day level. When meeting someone in a business setting there can be elaborate formal and informal procedures, that if not followed, can cause much offence.
2	Language	Understanding other languages makes communication much easier and helps to cement relationships. Over reliance on one language is risky as it may lead to miscommunication and less sensitivity towards other cultures.
3	Unintended meanings	Businesses have to consider both verbal and non-verbal communication. Gestures in one region, may have differing meanings in other regions and cultures.
4	Differing tastes	Depending on the product and country, some adaptations to the product may be required. E.g. religious beliefs may impact on ingredients used, or how they are prepared. Legislation may also differ from country to country, requiring products to be altered.
5	Inappropriate branding and promotion	It is important to check with native speakers of a language that a translation is correct, not all words can always be translated directly in to another. It is important to also consider cultural norms when creating advertisements to ensure that they don't cause offence. E.g. What is considered acceptable in one country could be seen as sexist in another.