

**A STUDY ON GLOBAL MARKETING IN INDIA**

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**ABSTRACT**

Global marketing is defined as the process of adjusting the marketing strategies of your company to adapt to the conditions of other countries. Of course, global marketing is more than selling your product or service globally. It is the full process of planning, creating, positioning, and promoting your products in a global market. Big businesses usually have offices abroad for countries they market to. Currently, with the proliferation of the internet, even small businesses can reach consumers anywhere in the world. If a business chooses not to extend internationally, it can face domestic competition from international companies that are extending their international presence. The presence of this competition almost makes it a requirement for many businesses to have an international presence

**INTRODUCTION**

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Only a few generations ago, it took months to ship products to a market in another country, and doing so was such a difficult undertaking that only huge trading companies were able to take the risk. Then, developments in transportation technology made it possible for people and products to move much more quickly, and the first push towards globalization began.

More recently, information technology—and particularly the Internet—has shrunk the world even further. A business might have partners and employees half a world away, and consumers can get products from those locations in a matter of days.

Global marketing is more than simply selling a product internationally. Rather, it includes the whole process of planning, producing, placing, and promoting a company's products in a worldwide market. Large businesses often have offices in the foreign countries they market to; but with the expansion of the Internet, even small companies can reach customers throughout the world.

Global marketing is particularly important for products that have universal demand, such as food and automobiles. Thus a beverage company is likely to be in more markets than say, a wooden toy company; but even a wooden toy company may find niche markets in diverse corners of the world. However, even today most companies are focused on the domestic market (which is the largest economy in the world), with only one percent of U.S. companies invested in exporting. Nevertheless, the value of U.S. exports continues to increase, amounting to some \$2.1 trillion in 2011.

**Objectives of the Study:**

1. To understand the Development of global marketing campaign.
2. To study the benefits of global market in India.
3. To understand the marketing Issues in global marketing.
4. To find out the strategies used by the companies.

**Methodology:** This paper is based on empirical study using empirical evidence. This is based on experimentation on the relevant topic. Sources of the data are collected from many research references. The present study is based on secondary data collected from various magazine and journal.

**Review of Literature**

Mohanty (2010) in his speech has commented about the impact of global financial crisis of 2008 on the Indian economy, he comments as the crisis showed that while increasing globalization and trade integration have brought enormous economic and financial benefits to the Emerging Market Economies (EMEs), they have also widened the channels through which a slowdown in economic activity in advanced economies could spread to the EMEs. Mohan (2009) in his speech has commented about the impact of global financial crisis on the various sectors of the Indian economy. Prasad and Reddy (2009) have assessed the impact of financial crisis on India; they say that the impact of the crisis on the Indian economy relatively has been less when compared to USA, UK and European Union. Sengupta (2008) has observed that surplus inventory of houses and increase in interest rates led to a decline in housing prices in 2006-07 resulting in an increased defaults and foreclosure activity that collapsed the housing market. Onaran (2008) has viewed that due to the failure of a few leading institutions in US, the entire financial system in the world has been affected.

**TOP 10 BIGGEST GLOBAL COMPANIES (excluding oil and energy)**

1	Wal-Mart	6	ING Financial service
2	Toyota	7	General Motors
3	Volkswagen	8	Samsung Electronics
4	Japan Post Holding	9	Daimler
5	Glencor International (Commodities)	10	General Electrical

Source: *Fortune Magazine*

**DEVELOPMENT OF GLOBAL MARKETING CAMPAGIN**

When marketing products globally, companies must recognize that a marketing mix that works in the domestic market may not have the same success in another market. Differences in local competition may require a different pricing strategy. Local infrastructure may affect how products are produced and/or shipped. In some cases, it may be more profitable to produce things locally; in others, it may be cheaper to ship them in from across the globe.

Partnerships with local businesses may be an important step in expanding into one market; while in another market, such partnerships might dilute the brand (*See also Local Marketing*). The savvy global marketer must consider all these aspects of marketing in addition to the task of communicating cross-culturally.

When promoting a product or brand globally, a company must make decisions regarding trade-offs between standard and local messages. A single message is cheaper to produce and maintains the consistency of the brand; but it may not perform well in some regions due to differences in cultural values or expectations.

A global company must carefully research the various markets, and prepare to make adjustments to its product and messaging wherever required. Sometimes this requires changing a name (for example, the Chevy Nova didn't sell well in Spain, as "no va" in Spanish means "no go"). Sometimes it even involves changing the packaging (in America, Gerber baby food has a cute baby on the label to represent the brand, but in some countries shoppers expect the picture to represent the contents of the jar, and were appalled by the image).

Individual marketers working with global campaigns should strive to learn the language of the market they're assigned to, both for the purpose of managing business relationships with local companies and in order to verify translation efforts. For example, how do you evaluate the work of someone who has translated your company website? Is it a meaningful translation, or just full of buzz words?

Additionally, marketers should personally visit their target markets, and spend time in them—even moving to them for a time. Here they can develop local contacts, as well as gain a deeper understanding about how business is conducted in the area. In Japan, for example, it is not enough just to speak Japanese; you must also conduct business the Japanese way. Learn what is valued culturally—and what is offensive.

Developing, and respecting, the local business talent is also critical to global marketing. If you have an office in Hong Kong, for example, you want to make full use of talented Hong Kong Chinese professionals in your marketing, advertising, and distribution. Many companies have lost opportunities and alienated allies by having the attitude that as Americans, they automatically knew better than their foreign partners.

**MARKETING MIX IN GLOBAL MARKETING**

- **Product** — Should the product stay the same in each market, or does it need to be adjusted to fit local tastes?
- **Price** — Is a new pricing strategy required to deal with variations in local competition? Walmart, for example, discovered that several retailers in Germany already occupied their low-price niche.
- **Placement** — How do customers in the locality make their purchases?
- **Promotion** — Can your message reach across cultures? Are any unexpected responses due to cultural patterns?

**BENEFITS OF GLOBAL MARKETING**

- First, it can **improve the effectiveness of your product or service**. This is because the more you grow, the more you learn, and the faster you learn, you become more effective at producing new product or service offerings.
- Second, you are able to have a **strong competitive advantage**. It is easy enough for companies to be competing in the local market. But there are very few companies who can do so on the worldwide arena. Hence, if you can compete in the worldwide market and your competitors cannot, you have become a strong force in your industry!
- Third, you **increase consumer awareness of your brand** and product or service. Through the internet, consumers can keep track of your progress in the world.
- Finally, global marketing can **reduce your costs and increase your savings**. In focusing on other markets, you can attain economies of scale and range by standardizing your processes – not to mention the savings that you get when you leverage the internet!

**GLOBAL MARKETING ISSUES**

Companies, especially their marketing teams, often face the following issues and mistakes when expanding worldwide. These can become hurdles in achieving international success.

**Non-Specification of Countries**

Many businesspersons usually think of foreign markets vaguely, like they want to shift to Asia or they want to increase their growth by offering their products to Europe. It is problematic to take things too simply. Europe can mean the European Union, Western Europe, Eastern Europe, and so on and so forth. Consumers always identify themselves at the local level and marketing teams have to remember that each country has its own norms, laws, payment types, and particular business practices.

By being specific in the start, companies can prioritize the markets they want to get into, generate a staffing plan, and allocate the budget. These are all important for a business to attain its global objectives.

**No Focus on Internal Information**

You have to conduct specialized and complicated market research when you are going to create a global market entry strategy. You would need to consider the potential opportunity in the market, how easy or hard it would be for your business to work in that market, and how successful you already are in the market.

There are a lot of companies that concentrated on outside data to help their decision-making, as described above. Nonetheless, you can simply use your own internal information to get the data, on whether there is a strong fit between your product or service and the market. Remember that data from third parties do not understand your company or even know your consumer. Only you have the best input on this.

**Lack of Adaptation of Sales and Marketing Channels**

Most Western companies think that they can go into new markets by doing the same things that brought them success domestically.

As previously mentioned, it is important to have brand consistency, but differing markets would like particular marketing approaches. Moreover, marketers have to consider at which channels it would be best to market, based on market behavior.

Case in point, for Brazil, marketing campaigns are more successful through Facebook because of its popularity there. However, in Latin America, you can draw in a bigger audience through Twitter. Hence, you may need to check which channels give you the best results through market research.

#### No Adaptation of Product Offerings

Business can only attain a fit between their product and the market one at a time. However, more often than not, businesses attempt to launch the same products in varying markets. In essence, they are ignoring that they are interacting with a different set of consumers.

Case in point, if a tech company sells a similar product abroad that it sells domestically and if the new customers do not know the advanced features of the product, the company could be in trouble. Alternatively, the company should begin with the basic version.

On the same note, a market that is more advanced might need additional features than what the product already has.

#### Non-Usage of Local Team Leads

Perhaps one of the usual mistakes companies make in global marketing is failing to consider the input of strong and competent employees in their foreign markets, especially when establishing strategic decisions.

These individuals are significant because they know their country and your company. Since one of the biggest issues businesses face when including local input is communication, the marketing team must have a system that guarantees that local perspectives are gathered and distributed often.

#### Lack of Knowledge on Global Logistics

Marketers often make use of software that allows them to publish website content, send email, publish updates on social media, and accomplish other marketing-related activities. However, these tools do not always support each market. For example, you have payment solutions only for a couple of countries, but your customer relationship management system has many contacts coming from a hundred countries.

Marketers have to guarantee that they could market to customers in the countries they are entering. They should consider how to display the local currency, how to email consumers in particular time zones, and how to support the languages of the consumers.

### GLOBAL MARKETING STRATEGIES

Global marketing strategies are actually important parts of a global strategy. In order to create a good global marketing strategy, you must be able to answer: “What I am trying to achieve in an international market?” “What are my company’s strengths and weaknesses for that market?” “How can I counter challenges in the market?” “What potential will I have in this market?”

Moreover, a good global marketing strategy incorporates all the countries from all regions of the world and coordinates their marketing efforts accordingly. Of course, this strategy does not always cover all the countries but should be applied for particular regions. For example, you can break down regions like North America, Latin America, Europe and the Middle East, Asia and the Pacific, and Africa.

Beyond its breakdown per country or region, a global marketing strategy almost always consists of several things: (1) uniform brand names; (2) identical packaging; (3) similar products; (4) standardized advertising messages; (5) synchronized pricing; (6) coordinated product launches; and (7) harmonious sales campaigns.

As a whole, these two are the most well known global marketing strategies used by companies expanding internationally:

- **Create a consistent and strong brand culture.** Creating a strong and consistent brand that always seems familiar to customers is a priority for companies growing internationally. With the ever-more rising and expanding internet, brand structure has become more of a brand culture. To be more specific, it has become more prevalent nowadays that the brand you support reflects your culture. It can be damaging if you compromise your brand culture. For example, Google found out the hard way when it launched a self-censored search engine in China, even though China subjects its new media to government blocks. Google’s brand has been known to make the world access information at anytime. How can Google set up something in China against its own culture? As a result, customer backlash versus Google was substantial.
- **Market as if there were no borders.** Due to the proliferation of digital platforms, brands cannot always adopt different strategies per country. In a way, due to the internet, companies have to adopt a marketing approach that is more or less unified.

**A Framework for Global Marketing**

	<b>Dominance of Local Considerations</b>		<b>Dominance of Global Considerations</b>
<b>Pricing</b>	Discounts, Responding to seasonal trends	Policy guidelines for regional trading blocs common markets	Policy guidelines for the worldwide system
<b>Distribution</b>	Channel selection, Schemes & Discounts	Internet initiatives, warehousing	Policy guidelines
<b>Advertising &amp; Positioning</b>	Execution, Choice of sponsor Choice of Media	Theme, Choice of brand name	Choice of agency, Positioning Management of brand equity
<b>Product Development</b>	Local Customization	Module building	Design & Prototype development
<b>Market Research</b>	Questionnaire Administration	Questionnaire Design	Identification of Information to be collected

**Table 1: Annual Growth Rate of Real Gross Domestic Product**

Year	GDP at Factor Cost in (%)
2000-01	4.3
2001-02	5.5
2002-03	4.0
2003-04	8.1
2004-05	7.0
2005-06	9.5
2006-07	9.6
2007-08	9.3
2008-09	6.7
2009-10	8.4
2010-00	8.4
2011-12	6.9

Source: Economic Survey 2011-2012

**Table 2: Annual Growth Rate of Real Gross Domestic Product Sector wise.**

Year	<b>Agriculture &amp; Allied activities</b>	<b>Manufacturing, Construction, Electricity, Gas &amp; Water supply</b>	<b>Trade, Hotels, Transport &amp; Communication</b>	<b>Financing, Insurance, Real Estate &amp; Business Services</b>	<b>Public Administration, Defense and other services</b>
2000-01	0.3	6.5	6.4	4.5	4.6
2001-02	5.5	2.7	8.6	7.1	4.1
2002-03	-4.9	7.1	8.5	7.7	3.9
2003-04	802	7.9	11.1	5.8	5.4
2004-05	1.1	10	9.7	8.7	4.9
2005-06	4.6	10.7	12	12.6	7.1
2006-07	4.6	12.7	11.6	14	2.8
2007-08	5.5	10.3	10.9	12	6.9
2008-09	0.4	4.7	7.5	12	12.5
2009-10	1.7	8.6	10.3	9.4	12
2010-00	6.8	7.4	11.1	10.4	4.5
2011-12	1.9	4.5	11.2	9.1	5.9

Source: Central Statistical Organisation.

**CONCLUSION**

Global marketing has to respond to the twin needs of global standardization and local customization. In their quest to maximize local responsiveness, companies should not overlook opportunities to standardization and cut cost. On the other hand an excessive emphasis on generating efficient through a standard marketing mix may result in the loss of flexibility. The challenge for global marketers to identify the future which can be standardized and build up a core product. Then customized offering can be designed around the core product for different markets. In real life, striking the right balance between standardization and customization can be extremely challenging.

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