

THE IMPLICATIONS FOR A GLOBAL MARKETER IN THE NEW AGE WORLD

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ABSTRACT

The growth and development being seen by world today in terms of cultural exchange, adaptation and organizational development are all the gifts of globalization. But increasingly the term is used negatively due to various factors. The main objective of this study is to highlight the current issues and the implications of global changes for a global marketer in today's scenario. Taking a generalized view of globalization through extensive study of various related researches, the study looks into the mixed views on globalization, thus highlighting its pros and cons. Further the strategic aspects to understand globalization's perspective for a new age CEO are studied. Later it narrows down to the main challenges for a global marketer and the changes in international market trends. The study highlights the challenges such as climate change, national protectionism, increasing poverty and unemployment for a global marketer. Further, Competition among various countries enforcing more protectionism policies in the attempt to defeat each other in economic aspects is another important repercussion from the current trends.

Keywords: Globalization, International marketing trends, protectionism, cross-border, socio-economic changes.

INTRODUCTION:

We live in a fast-paced era of exceptional changes. These changes are giving a whole new meaning to buyer seller relationships while breaking down the shackles within the industries, regions and countries, thus prompting CEOs to question the existence of their very own business.

Globalization is the most talked subject in today's world. It came into limelight due to the explicit exchange of knowledge, capital and trade supported by technological innovation. The Nobel Prize winning economist, Amartya Sen, highlighted globalization in his ten points as- "Has enriched the world scientifically and culturally, and benefited many people economically as well."

-July, 2001(USA)

In general terms, globalization is a process that has been taking place for hundreds of years and is characterized by a borderless market place. There have been changes over the years in how globalization is perceived but reaching a consensus has not been possible. Debra (1993) argues that there are no global organizations; and companies over the world are following herd mentality. Thus, implying that as the consumer becomes smart and more aware; the problems for such firms would increase. Pieterse (1994) views globalization as a process of hybridization. He states that whether it is past or present, globalization can be adequately described as processes of hybridization: structural hybridization which increases the range of operations of an organization; and cultural hybridization which leads to opening up of communities, characterized by an era of boundary crossing.

LITERATURE REVIEW:

The advent of globalization witnessed people moving to alien countries with the aim to conquest. The demographic pressure and natural calamities were other factors that contributed to exchange across borders. Whilst later trade was restricted to the elite class only but new ideas, information technology further contributed to the growth of globalization. Sheffield *et al.*, 2013 state four stages of globalization as follows:

16th Century is the 1st phase experiencing maritime exploration, discovery and mercantilism, the European Renaissance and the emergence of modern nation states following the Peace of Westphalia of 1648.

The late 18th Century which witnessed the Industrial Revolution as well as increased productivity, demand and human technology can be termed as the second phase.

The third phase was marked by extensive growth in East Asia from the 1970s. As a result, there was a growth in GDP ratios as compared to previous years.

The end of the 20th Century, gave an edge to the whole globalization process, wherein the developed and developing countries worked hand in hand resulting in positive flow of cross border exchange and investment.

It is surprising that where globalization in itself was considered harmful, there have been concerns over its own existence. Questioning the originality of globalization, Wolf (2003) discusses the threats to globalization in terms of ideas, interests, international relations and instability as these differ from firm to firm and country to country. Studies have mostly been related to the economic or cultural or global aspects but no study emphasized on the human quotient and the role of emotions. In one such study Svašek and Skrbiš (2007) gave an interesting insight into relationship of human emotions and globalization. They discuss about the mobility issues and feelings of people in experiencing unfamiliar ideas, routines thereby concluding that cultural differences and norms are always not accepted globally and do affect a person's state of mind.

Robertson (2012) discusses major weaknesses in the usage of the term globalization and varied perspectives attached to it. He therefore suggests replacing it with glocalisation as involves the creation and the incorporation of locality, cultures without which no corporation can exist.

Shah and Ramamoorthy (2014) present two perspectives of globalization:

1. The physical perspective- is the current world of advancements in technology, science, communications and industries which has led to an economic, social and political flux.
2. The spiritual perspective-is more holistic in its approach. It is characterized by love, harmony, cooperation and mutual support. It is human centric.

Though physical perspective has given the world a reasoning and customer a better understanding of what to expect from a product but a materialistic, greedy world has emerged as a consequence. Therefore, there is a need to integrate these two for a better world. Efforts should be more directed towards promoting international cooperation, understanding and to usher international peace rather than only opening up of the economies (Shah and Ramamoorthy, 2014).

Is globalization actually doing any good to people?

Lehman Brothers Holdings bankruptcy (2008) is a good example of impact of globalization. The financial crisis that followed suggests that we are part of huge global economy where one incident affects the other. There are mixed views and opinions when it comes to impacts of globalization. Brain drain has been a major drawback of globalization. Docquier and Rapoport (2012) in their study designed a stylized growth model thereby concluding that globalization leads to making human capital scarcer in countries where it is already scarce and richer where it is already rich. This is a matter of concern for the future. The outsourcing of production inherent in globalization also holds the potential to increase the environmental impacts from the manufacture of industrial products. This occurs both due to a higher CO₂ emission per produced output and to an increased consumption allowed by the lower prices as result of the outsourcing, Herrmann and Hauschild (2009).

Most authors have similar views regarding positives of globalization that it has helped firms in developing nations enjoy the phenomenon. Baba A. and Baba M. (2013) found out in their study that home countries of majority of multinational corporation have attracted 100% FDIs as compared to most of least developed countries. This implies that globalization is good for firms of better developing nations.

METHODOLOGY:

The study incorporates an exploratory research method. Exploratory research is heavily based on finding patterns from the previous researches (Saunders *et al.*, 2012). To understand a particular phenomenon, exploratory research facilitates in developing a foundation for the study and the relative aspects needed for further research (Anushree *et al.*, 2010)

Reaping the benefits of globalization- A strategic perspective:

A CEOs deeper knowledge of the market and the non-market variables is the most important feature for a global firm. In an era where consumer is more value oriented in terms of any product or service offering-What a CEO can do?

Friedman and Lewis (2014) stress upon the proactive approach to innovate and adapt quickly in the age of fast paced globalization. Friedman and Lewis (2014) give the following characteristics of the new age CEO:

- Apologizes for a corporate blunder
- Has these qualities- integrity, creativity, global thinking, intelligence, and energy
- Appreciates the employees and keeps them engaged.
- Instils corporate social responsibility

In a globalized world, a CEO who visions not only to maximize wealth but also emphasizes on employee engagement and growth, creating a learning organization and promoting diversity within the firm is a successful CEO. Some authors are of the view that firm has its own unique advantages which are beneficial to come at par with global competition. Narula (2012) states that firm specific assets (FSAs) provide a foundation for emerging MNEs. For CEOs the key is to reap the benefits of

Location (L) specific advantages in collaboration with Ownership (O) specific advantages. This would provide stability in the host country in the beginning of market entry stage.

In a multi-polar world the CEOs whilst enjoying the benefits of home market has an advantage of suitable expansion. In order to lead, Kobrin (2015) argues that a cross-border nonmarket strategy is inconsistent with a globally integrated strategy. He further proposes a global non market environment through multilateral cooperation. This would ensure symmetry between firm's market and non-market environments. From expansion point of view and catering to markets globally a CEO would benefit from multilateral cooperation within the industries.

Many firms enter a market and their product fails. Alwan (2013) highlights this fact by stating that a successful global organization believes and truly understands the effect of the first factor, which is the gateway to overcoming greater consumer barriers and entry to many global markets. A successful global marketer will strategically plan and execute the first factor which is that the product's country of origin's political orientation aligns within the world stage.

Cleveland *et al* (2014) studied the relationship between ethnic identity (EID) and globally-oriented disposition (cosmopolitanism: COS) as bases for international market segmentation. The study has important insights into tapping the potential as a global marketer. The findings state that while consumers are deeply rooted to their culture, they have a tendency to glocalize. It implies that they easily absorb foreign or global ideas with the best practices and bond them with their ethnic culture and identity. This becomes significant in terms of the variable impact of demographics and identity across consumer behaviors.

Challenges for a Global Marketer:

Researchers are of the view that CEOs are posed more with challenges as most of the opportunities have already been taken care of. The major issue with any global marketer is that till the time a crisis does not affect, it is not a matter of concern for them. This attitude affects the overall sustainability of a global firm.

1. According to Fernando (2012) two global sustainability challenges- poverty and climate change are going to be the biggest challenge for a global marketer. In such cases short term decision making leaders would have no effective strategy. Strategies are profit oriented and profits are quarterly based today. So, the short term gain does not provide substantial sustainability to a firm. Only leaders who vision strategic corporate responsibility can overcome such challenges.
2. Emerging markets become a challenge for existing marketing practices (Sheth, 2011). Emerging markets are characterized by heterogeneity, lack of basic infrastructure and various other factors which pose a challenge for a global marketer as they have to devise ways of dealing with issues never dealt with.
3. Global mobility and global talent management are going to be biggest concern for a CEO. Collings (2014) discusses the challenges and opportunities for the integration of mobility and talent as they involve culture, behavior and great degree of employee turnover. Once the overseas project is over, the employees tend to leave the organization; therefore retaining employees will be a major task ahead.
4. The major issue for any global marketer is coping with the non-market which comprises of political, legal, economic and social aspects.
5. According to Dov Baron, leadership speaker and author, the biggest challenge facing CEOs in 2015 would be generating loyalty in employees, as well as customers, from the millennial generation. He states that millennials will be a major part of workforce. In fact, the U.S. population now includes more than 70 million people from the millennial generation.
6. According to David Cote, Chairman and CEO, Honeywell, there has been drastic shift in the essence of globalization, wherein we are aiming towards protectionism as compared to cooperation and then leading to growth of the organizations, as well as the world. According to Cote (2017) we are rushing towards the closure in the name of protectionism and saving our countries.

Changes in International Marketing trends

The changes in the global scenario have been through different stages to see the current day light. Therefore to keep up with the future and to work towards growth and development in the future, it becomes pertinent to study current trends which are the succession or the previous global behavior across borders.

Cavusgil and Cavusgil (2012) have given four forces that define the current nature of marketing in the global context. The forces are a combination of trends that are external as well as internal to the business enterprise. These forces are going to influence firm’s decisions and therefore better understanding and active approach is important for a firm’s success.

- a) Drastic volatility in the global economy, technology, and the social terrain: It demands out of the box thinking in terms of uncertainty is part of a bigger picture now and a traditional perspective may be fatal.
- b) Strenuous engagement with turbulence of destructive shocks: The mere attachment of the word global changes the dynamics of marketing function, process and organization.
- c) Development of morphing strategies to cope with shifting market forces: This demands allocating assets to capability centric areas.
- d) New understanding of marketing performance: Risk has a whole new meaning in today’s world. Therefore, new ways of assessment is the key to survival of firms.

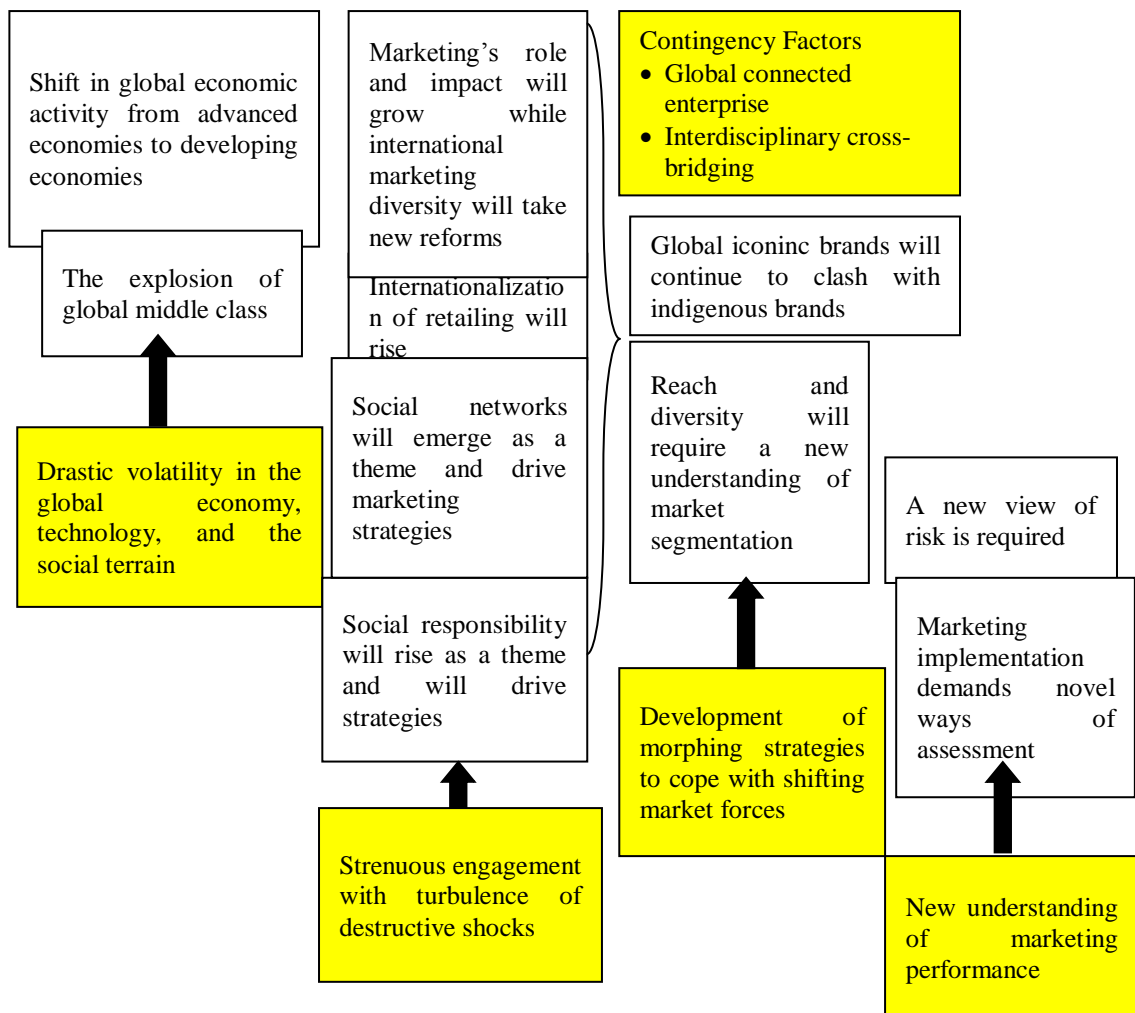


Fig. 1: Conceptual framework of four forces defining international marketing
 Source: Cavusgil and Cavusgil (2012)

BREXIT in UK is a good example of suggesting change in the global trade agenda. If implemented in the right way UK could affect the mindset of the less developed nations and thereby reduce the protectionist attitude so as to enable the importers and exporters to grab the new opportunities. (Baghdadi, 2017)

The political goals are narrowing the gates and leading to more closed economies. With the China's digital trade barriers, UK's attempt to manage its own trading relationships and Trumps' declining the Transatlantic proposal, the changes in relationships across borders are evident thereby strongly indicating shifts in the 'Going Global' ideology. (Baghdadi, 2017)

Drivers of success in entrepreneurial marketing: In a world of online shopping entrepreneurial marketing is the buzzword. Mort *et al* (2012), identify four key strategies of entrepreneurial marketing in the context of born global firm:

- a) Opportunity creation
- b) Customer intimacy-based innovative products
- c) Resource enhancement and importantly
- d) Legitimacy

This study gives insights in entrepreneurial marketing. It finds that entrepreneurial marketing contributes to the achievement of superior performance in small firms through purposeful strategy based on effectuation approach.

RECOMMENDATIONS:

- By doing a bit for the welfare of the society, it is easier to grab the attention of consumer as it is relative to value driven concept.
- Focus on self-assessment and developing early scanning capabilities, quick response and risk mitigation strategies. Creative responses and agile organizations are the need of the hour.
- Embrace the technological advancements as it can bring the firm's closer.
- A flexible vision is needed that allows the global leaders to cling on to their company's strengths even if the environmental factors do not support.
- Protectionism can be imposed only by being highly innovative and challenging enough to the other nations, so as to be totally self-sufficient that one doesn't have to ask for any
- Why always think about global perspective, protectionism can be practiced by developed nations. Instead of going for global perspective, go for opportunity perspective and target the potential markets which needs funds, growth and development.

CONCLUSION:

The core of globalization has always indicated that if nations, organizations do not become part of it, there are less chances for them to cope up with emerging trends and innovations. Blame on various countries to support terrorism is another major setback for globalization. One cannot limit the countries or growth owing to protectionism for any cross border trade or exchange. These growing barriers already impose to threaten the essence of conventional globalization deterring the ever changing market dynamics. Globalization is an ongoing process; and processes have an innate quality of evolving over a period of time. This implies that every CEO must inculcate such qualities within as well as throughout the organization. For instance, a rare drug being produced will have buyers from all over the world; therefore, it becomes difficult to create barriers when it comes to welfare of the people. WHO and other organizations will always make sure that health issues are addressed globally rather nation wise. Therefore, global marketers should keep an eye on the before formulating any strategies.

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