

7.1: Global Market Planning Summary

Summary

A wide variety of internationalization moves are available after choosing to expand. Moreover, some flatteners make global moves easier, while some make them more difficult. Indeed, even importing and outsourcing can be considered stealth, or at least early, steps in internationalization, because they involve doing business across borders. As companies look for growth in new areas of the world, they typically prioritize which countries to enter. Because many markets look appealing due to their market size or low-cost production, it is important for firms to prioritize which countries to enter first and to evaluate each country's relative merits. For example, some markets may be smaller in size, but their strategic complexity is lower, which may make them easier to enter and easier from an operations point of view. Sometimes there are even substantial regional differences within a given country, so careful investigation, research, and planning are important to do before entry.

Evaluating whether to enter a new market is like peeling an onion—there are many layers. For example, when evaluating whether to enter China, the advantage most people see immediately is its large market size. Further analysis shows that the majority of people in that market can't afford US products, however. But even deeper analysis shows that while many Chinese are poor, the number of people who can afford consumer products is increasing.¹

Through global market segmentation, a company can identify and group customers or countries according to common needs and wants. Demographic segmentation can be based on country income and population, age, ethnic heritage, or other variables. Psychographic segmentation groups people according to attitudes, interests, opinions, and lifestyles. Behavioral segmentation utilizes user status and usage rate as segmentation variables. Benefits segmentation is based on the benefit buyers seek. Global teens and global elites are two examples of global market segments.

After marketers have identified segments, the next step is targeting: The identified groups are evaluated and compared, and one or more segments with the greatest potential is selected from them. The groups are evaluated on the basis of several factors, including segment size and growth potential, competition, and compatibility and feasibility. Target market assessment also entails a thorough understanding of the product-marketing question and determining marketing model drivers and enabling conditions in the countries under study. The timing of market entry should take into account whether a first-mover advantage is likely to be gained. After evaluating the identified segments, marketers must decide on an appropriate targeting strategy. The three basic categories of global target marketing strategies are standardized global marketing, niche marketing, and differentiated multi-segment marketing.

Positioning a product or brand to differentiate it in the minds of target customers can be accomplished in various ways: positioning by attribute or benefit, positioning by quality/price, positioning by use or user, and positioning by competition. In global marketing global consumer culture positioning (GCCP), foreign consumer culture positioning (FCCP), and local consumer culture positioning (LCCP) are additional strategic options.

References

1. Art Kleiner, "Getting China Right," *Strategy and Business*, March 22, 2010, accessed January 23, 2011, <http://www.strategy-business.com/article/00026?pg=al>.

Source

This page is licensed under a Creative Commons Attribution Non-Commercial Share-Alike License ([Links to an external site](#)) [Links to an external site](#) and contains content from a variety of sources published under a variety of open licenses, including:

- "International Expansion and Global Market Opportunity Assessment", chapter 8 from the book *Challenges and Opportunities in International Business* (v. 1.0) under a Creative Commons Attribution-NonCommercial-ShareAlike 3.0 License without attribution as requested by the work's original creator or licensor.
- The course note from the 'Global Marketing' course published online by Centre for Teaching and Learning (CTL) of Universiti Teknologi Malaysia (UTM). 'The Economic and Political environment' is Copyright (c) by Dr. Inda Sukati and made available under a Attribution-Noncommercial-Share Alike 3.0 license.

This page titled [7.1: Global Market Planning Summary](#) is shared under a [CC BY-NC-SA 4.0](#) license and was authored, remixed, and/or curated by [Babu John-Mariadoss](#) via [source content](#) that was edited to the style and standards of the LibreTexts platform.

- **6.1: Global Market Planning Summary** by Babu John-Mariadoss is licensed [CC BY-NC-SA 4.0](#). Original source: <https://opentext.wsu.edu/cpim/>.