

The Global Marketing Environment

Should a company sell a product in the same way in every foreign market? Or, is it necessary to adapt to various aspects of a country's business environment? For example, a food company may change the flavor of a product to adapt to the cultural tastes of a foreign market. Global marketing decisions are commonly influenced by geographic, economic, cultural, and political factors.

A country's climate, terrain, and other geographic factors influence marketing decisions. Cake mixes sold in the mountains of Peru have slightly different ingredients and instructions than those sold at lower elevations.

Economic factors include a country's infrastructure—transportation, communication, and utility systems. This can influence how a company distributes and advertises a product.

The social and cultural influences on marketing include family, customs, and religious beliefs. A company would not advertise showing a teenager talking back to a grandparent in a country in which the people show great respect for the elderly.

Trade barriers are examples of political and legal factors affecting global marketing. Tariffs and import restrictions can limit how and where a product is sold.

As international marketing managers look for potential customers in other countries, they need to identify a target market. This refers to the specific customers as defined by geography and demographic characteristics. For example, a target market for certain types of baby food may be defined as large families (five or more people), with children under age two, living in urban areas of countries with developing economies.

- 1) Geography (climate, terrain, waterways, natural resources) has a very important influence on marketing activities in a country. Research a country's geography (or think of a country in which you are familiar with). Describe how these factors might affect the creation, promotion, and distribution of a product.
- 2) Describe why a country's infrastructure is important for marketing activities.
- 3) Research a country's cultural and social influences (or think of a country in which you are familiar with). Describe how these factors might affect the creation, promotion, and distribution of a product.
- 4) Describe why a country's culture is important for marketing activities.