

# Strategic Thinking in the Global Era

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**ABSTRACT:** New manufacturers and new products are appearing everywhere. This means constant challenges for even the most competitive companies, regardless of location. The most important problem facing any large business today is how to build a truly global service organization that draws on economies of scale, yet meets unique and constantly changing local demands. Hence, this paper focuses some of the important issues arising from the new marketing paradigm, as well as the changes that will be required in organizational architecture.

**KEYWORDS:** Global era, Strategy, Strategic thinking of marketing, Competition.

## I. INTRODUCTION

Conducting business on a global basis is difficult under the best of circumstances. In turbulent markets affected by political and economic unrest such as the Asian crisis or by the information revolution and environmental change, continuing to follow the same marketing strategy is extremely risky. Companies therefore need to examine their ways of doing business, and the concepts and methods they use, and then decide what to keep, modify, delete and most importantly, add.

## II. CHANGES AND CHALLENGES

New manufacturers and new products are appearing everywhere. Close to 200 countries are vying in the world marketplace and global supply chains to offer products that are significantly cheaper than many of their competitors'. This means constant challenges for even the most competitive companies, regardless of location. We have only to look at the economic crisis in Asia to see just how quickly things can change, yet the changes also offer enormous opportunities. Changes include:

- Globalization of business, including increased global competition and the emergence of regional and global customers and resource markets.
- Rapid and radical developments in science and technology, in particular in the fields of computing, telecommunications and information sciences.
- Shifting industry boundaries and competitive structures, including mergers and acquisitions of unprecedented magnitude and strategic alliances within and across traditional industry groups.
- Changing demographics, together with changing popular values, expectations and behavior.
- Increased scrutiny of business decisions by government and the public, with greater focus on the ethical dimensions of these decisions.
- Increased deregulation, privatization and co-operation between business and government.
- Changes in business practices.
- Changes in the social business contract between companies and their employees, customers and other stakeholders.

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The issue of brand equity adds to this complexity. Companies devote a lot of time, energy and money to building the value of their brands. Technology is another tricky issue. It has been one of the driving forces in the global economy over the past decade, yet countries differ in how they embrace it and in the benefits they seek.

The most important problem facing any large business today is how to build a truly global service organization that draws on economies of scale, yet meets unique and constantly changing local demands.

### III. GLOBAL THINKING

There is no place that should not be considered by successful global companies. The realities of a finite organization may mean that you concentrate on limited import and export initiatives at first, but they always have the option of forming strategic alliances in specific countries or regions, or on a global basis, furthermore, at every stage of development they should ensure that the whole organization thinks globally about each line in the value-added chain.

At the local market level, the managers requires to determine the optimal positioning, branding, product and service offerings, pricing, communications and distribution within the company's overall marketing strategy. Companies must also address a number of cross-country questions, including:

- What is the optimal portfolio of countries by mode of entry and segment?
- What new market entry strategies should be considered?
- How important is simultaneous global launch and what is the optimal schedule of entry?
- What is the optimal design for an integrated global supply chain-including global sourcing and manufacturing facilities- and how should it be implemented?
- How should the company capitalize on local government policy, tariffs and trade restrictions?
- How should the company capitalize on opportunities for barter, offset and counter trade?

#### 3.1 The future of Global Enterprise:

Successful global enterprises in the 21<sup>st</sup> century will have 12 interrelated characteristics. They will have flatter, less hierarchical, more cross-functional organizations. Empower the individual and groups within them; have a global perspectives; be networked; base themselves with reference to a corporate vision, with shared values and culture; be time competitive; create value; be innovative and entrepreneurial and be flexible and knowledge based.

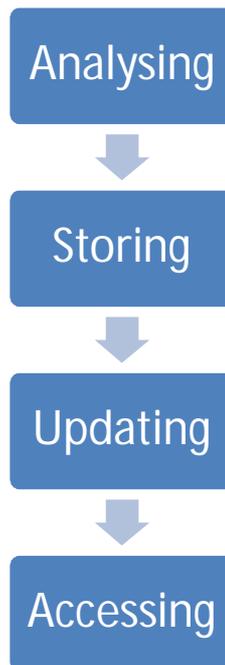
These businesses will have to create and implement a new marketing paradigm to reflect the interrelated characteristics of the new organization and capitalize on advances in the science of marketing. This new approach establishes marketing as a business philosophy rather than just one of the business functions. As such, its concepts and methods should be a relevant to the chief executive and the board as they have traditionally been to the brand manager.

Marketing needs to become the "eyes and ears" of business, it should provide early warning of external change and insights into how to address it. This requires that marketing's concepts and methods should themselves be adjusted constantly to reflect these changes, and that corresponding changes are made to the organizational architecture.

#### 3.2 The new marketing strategy process

Another critical component of marketing strategy is constant innovation. This requires effective mechanisms for gathering information from local markets about what customers want and need and, of equal importance, what local, regional and global competitors are doing or planning. A strong network is required for gathering intelligence and there has to be an effective process for analyzing, storing, updating and accessing it.

#### **IV. PROCESS OF THE NEW MARKETING STRATEGY**



This process begins with a “Swot” analysis and the development of the likely environmental scenarios. This is followed by the creation of a corporate vision that reflects both external perspectives and internal perspective. Once the vision has been established, the next challenge is to define a new business paradigm that reflects the benefits customers seek and the value the company can create. Global marketing strategy and the related organizational architecture must balance global and local tensions. This is a matter of having a global concept and a corresponding local and global strategy. The company needs to blend standardization and differentiation, while focusing on both adaptation to local conditions and the achievement of cross-country co-ordination, integration and synergy.

##### **1.1. Implementing the strategy**

According to the new paradigm of marketing in the information age, traditional industry focus is replaced with focus on a truly borderless company that spans traditional industry lines. Our geographical scope, moreover, changes from one that is split between domestic and international operations to a global one. Another important shift is from a mass-market to a “segments of one” mentality. This is made possible by the enormous advances in database marketing and mass customization in recent years, which allow companies to reach individual consumers economically with customized messages, media and even products and services.

Our communications strategy will also change radically – from advertising and occasional use of public relations to integrated, interactive, customized marketing communications. If we focus on “segments of one” our advertising and marketing must have a message that captures each customer’s interest and is delivered effectively through targeted media. In the end, our business model will no longer be based on transactions but on relationships. Customer and supplier will co-operate. Our company will not sell products or services; rather, it will provide solutions to customers’ needs.

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**V. CONCLUSION**

Successful enterprises in the future will have to rethink their strategies so they reflect the characteristics of modern business and recent advances in the science of marketing. This paper focuses some of the important issues arising from the new marketing paradigm, as well as the changes that will be required in organizational architecture.

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