



Strategic Global Management

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In global level of management, ...

- 1. Organization and managers must learn to play by **a new set of rules** at global level.
- 2. Organization must be flexible to respond rapidly to new competitive, and **market changes**.
- 3. Organization must **benchmark** continuously to achieve best practice.



In global level of management, ...

- 4. Organization must **outsource** aggressively all over the world to gain efficiency.
- 5. Organization must nurture only a few **core competencies** in race to stay ahead of rivals.

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What are five Ps of strategy? (Mintzberg, 1996)

- ▶ Plan
- ▶ Ploy
- ▶ Pattern
- ▶ Position
- ▶ Perspective

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Strategy = Plan

- **Plan** means have a roadmap to achieve an intended set of goals or objectives

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Strategy = Pattern

- **Pattern** means to follow the same consistent past behavior overtime to reach the objectives.

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Strategy = Position

- **Position** means the position or image of the products, brand name, logo, and companies within the market or in the consumer mind and stakeholder mind.

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Strategy = Ploy

- ➡ **Ploy** means a specific maneuver intended to outwit competitors.

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Strategy = Perspective

- **Perspective** means the natural extension of the mindset or ideological perspective of the organization.



Problems with modern strategic global management

- 1. Strategic management is too static in the globalization for today's dynamic markets and changing technology.
- 2. Rivals can easily and quickly copy your strategic management plan, position, and perspectives. Therefore, your 5Ps is temporary.
- 3. In many industries of the global business, there are hyper-competition.



Problems with modern strategic global management

- ▶ 4. The focus is now not one but three factors: productivity, quality, and speed in order to translate into essential superior performance and then to have sustainable profitability.
- ▶ 5. In order to outperform rivals in global business, organization must deliver greater value to customers at a lower costs.



Problems with modern strategic global management

- ▶ 6. Better cost advantage arises from performing particular activities more efficiently than competitors.
- ▶ 7. Operation effectiveness is a major key of success by performing activities better than rivals perform them.
- ▶ For example, better utilize its input, reduce cost per unit, reducing defects in products, or develop better products faster, eliminate waste effort, employ more advanced technology, and motivate employees better, and have a greater insight to manage particular activities.



Global Image of Important Players

- ▶ 1. Japanese firms were so far ahead its rivals in terms of superior quality within market prices (Honda, Toyota).
- ▶ Japanese firms using total quality management or strategic management in terms of quality effectively into every process of production.



Global Image of Important Players

- ▶ 2. American firms were so far ahead its rivals in terms of innovation (Google, Facebook, Apple, Uber, Netflix, Amazon and Pfizer-Vaccine mRNA)
- ▶ American firms often invest more on research and development come up with strategy of innovation via new idea, new technology, innovative products and services.



Global Image of Important Players

- 3. European firms were so far ahead its rivals in terms of better design and high ends products (Mercedes, Porsche, Rolex, Dior).
- European firms often have strategic management in terms of differentiation strategy and focus strategy by adding more value to design and high-ends quality products and services.



Global Image of Important Players

- ▶ 4. Chinese firms were so far ahead its rivals in term of low costs and low prices (Haier, Lenovo, Huawei).
- ▶ Chinese firms often use strategy of low cost and low prices to gain the largest market share due to its massive labor cost advantages.



Changes in Macro Environment from the Millennium.

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Changes in Macro Environment from the Millennium.

- ▶ 1. Change in computer technology and information technology as well as social media. This change makes customers everywhere in the world have or be able to get the same information with high speed.
- ▶ In other words, consumers have more knowledge and their holistic needs and wants become similar worldwide.



Changes in Macro Environment

- ▶ 2. The falls of the USSR empire and the emerging of China in global market.
- ▶ This is the end of cold war, but it is the beginning of true globalized business wars. The focus of the nations is not war, but economy, business, and job. The emerging of China as a big player in the world market.
- ▶ (Four big players in the world: USA, China, Japan, and EU)



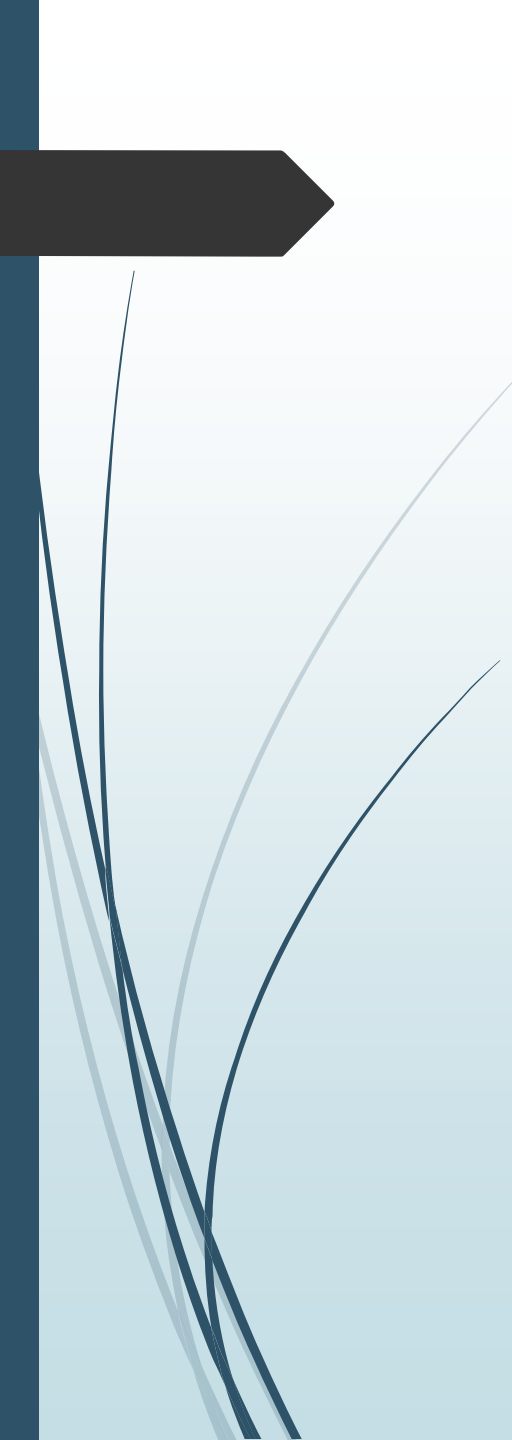
Changes in Macro Environment

- ▶ 3. The Pandemic of Covid19
- ▶ This is means information technology dominating the world and online business expanding dramatically
- ▶ In other words, we do not compete with only the local competitors as in the past, but we have to compete with all international competitors inside and outside our countries. The online business dominates the world of business.



What are the effects to modern consumer behaviors?

The answer are...



Who are consumers? (Defining)

- ▶ **Buyer** – the person who buys our product such as mother, housewife, purchasing department.
- ▶ **Users** – the person who use our product such as patient who uses our pill
- ▶ **Influencer** – the person who can influence the buyer and users such as doctor who told the mother to buy specific brand of medicine for her children. In Thailand, online influencer often review the new goods and offer their public comments.

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1. Customer loyalty decline.

- Customers have too many choices to choose from.
- The product life cycle is shorter.
- Customers switch brand easily and require new product constantly.
- To satisfy customers, firm has to offer new ideas, new products, new technology, and innovative product.

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2. Quality sensitive

- ▶ Customers have access to information from around the world.
- ▶ Customers are able to compare product quality with other international products
- ▶ The benchmark of quality is higher. Customers can no longer accept low quality standard.
- ▶ Firm has to benchmark with international quality standard, not local standard.

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3. Price sensitive

- ▶ Customers are able to compare various prices and will accept only best product with the lowest price.
- ▶ Consumers will switch to the lowest price and has a very low brand loyalty.
- ▶ Firm must be able to lower its cost and offer the lowest price.

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4. Time sensitive (Speed is essential)

- ▶ Customers want only products that can serve their need right now, or at this moment.
- ▶ Firm must be able to provide speed products and services such as 24 hours ATM, E-banking, One stop service, instant noodles cup.



5. Co-creation services

- ▶ Modern customers want to participate in the process of production and services such as be able to choose favor of ice cream, Contest – allow participation to call and vote.
- ▶ Firm must provide product and service that customized and allow customers to participate in the process.

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6. Variety products and choices

- Customers want a product and service in form of buffet, which allows customers to pick and to choose from many choices available.
- Firm must offer products with variety of color, size, pattern, accessories, etc.

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7. Service mind

- ▶ The focus is customer center. The point is to satisfy customer. Without customers, the business will be gone.
- ▶ To know what customers want and need, firm must invest in research and survey to find out how to satisfy customers.

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Old and New strategies

- ▶ Old strategies

- ▶ 1. Competing other firms with old products in the existing market space with the same old competitors.

- ▶ New Strategies

- ▶ 1. Creating a new product and services , then offering a new product and service in a new market and new customers.

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Old and New strategies

- Old strategies

- 2. Beat other competitors with low price and high quality. Sometimes the firm gains market share, but there is no profit.

- New strategies

- 2. Make other competitors' products and services obsolete.
- By offering new ideas, new products, and new services.
- The focus is adding values that customers want.

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Old and New strategies

- Old strategies
- 3. the main objective is try to get the highest market share of exiting market.

- New strategies
- 3. try to be the only one in the new market.
- no competitors means no risk



Assignment # 4

- 1. Compare the differences between old strategies and new strategies.
- 2. Define the word “customers” with your own examples.
- 3. List and explain seven major effects of macro environment to consumer behaviors with your own example.
- 4. List and explain meaning of 5 Ps of strategy.
- 5. From your observation, provide five examples of changing in consumer behavior during the pandemic Covid 19.