

IBB3311 Strategic Global Management

Lecture # 5.

By Asst. Prof. Dr. Kevin Wongleedee

Director of ILPC

What makes a successful
global brand?

...

What makes a successful global brand?

- 1. The ability to connect with **local preferences**. This is to adapt to what consumers in a certain country prefer.
- Example: In USA, McDonald's offer mainly beef burger, but...
- In India, McDonald's offer veggie burger
- In Korea, McDonald's offers shrimp burger

What makes a successful global brand?

- 2. The ability to **maintain quality and consistency** across all markets.
- Example: when customers check in Hilton Hotel anywhere in the world, they expect a certain standard of service, quality, and cleanliness.

What makes a successful global brand?

- 3. Ability to create **a unique brand image and identity**.
- Example: Apple logo has become synonymous with “innovation”, exemplified by its slogan “Think Different”
- The Apple brand name and logo are recognized around the world and it becomes an image of high tech, innovation lifestyle.

What makes a successful global brand?

- 4. Ability to choose the **right local partner.**
- Example: 7Eleven Inc., USA with local partner, CP All Public Co. in Thailand
- 7Eleven Inc., USA has granted the exclusive right of franchise of 7Eleven to local partner, CP All Public Co. in Thailand. It becomes one of the most successful story of convenience stores, about 11,983 stores, in Thailand with rapid growth and high profit.

What makes a successful global brand?

- 5. Suggest your ideas.....
- 6. Suggest your ideas.....

What is global
environment of business?

What is global environment of business?

A set of forces surrounding a company that determine its ability to obtain productive resources – land, labor, capital, and enterprise.

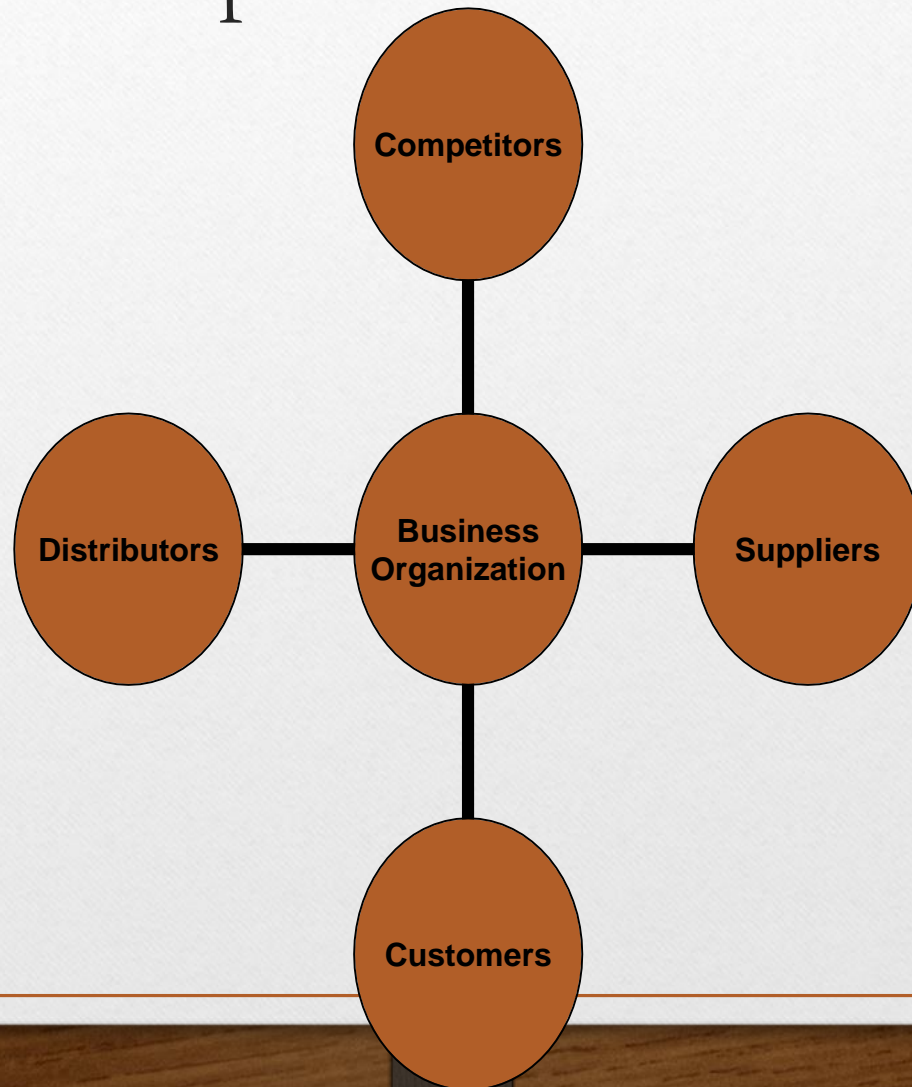
There are two kinds of forces.

- 1. Internal environment **specific forces**
- 2. External environment **general forces**

Internal Environment Specific Forces.

- Forces in the global environment that directly increase or decrease a company's sales revenues or operating costs, and thus profitability.

Internal Environment Specific Forces



Internal Environment

Specific Forces

- 1. Competitors
- If the firm is in a highly competitive business or so many firms offering the same products and services, the **customers** will have **market power** or the ability to choose any firm that offering low price and high quality.

Internal Environment

Specific Forces

- 1. Competitors
- If we are in the business that no or few competitors, the customers will not have many choices to choose from.
- In other words, the **firm** has a **market power** or the ability to charge high price and thus high profit.

Internal Environment

Specific Forces

- 2. Suppliers
- If there are so few suppliers offering the raw material, this means the **suppliers** will have **market power** or ability to charge us high price and thus low profit for the firm.

Internal Environment

Specific Forces

- 2. Suppliers
- If there are many suppliers offering the same raw material, this means the **firm** has more **market power** to negotiate for low price and thus high profit for the firm.

Internal Environment

Specific Forces

- 3. Distributors are middleman, broker, wholesaler, independent agent, or retailer such as 7Eleven.
- If there are many distributors in the market, it is good for the firm because the firm can unload a large quantity of products to these distributors and allow them to have low profit margin.

Internal Environment Specific Forces

- 3. Distributors
- If there are only a few or no distributor, it may be hard for the firm to try to contact customer directly and cost a lot of money.

Internal Environment Specific Forces

- 4. Customers
- If our product can solve customers problems or satisfy customer's need, the company will be able to sell more with higher price.

Internal Environment Specific Forces

- 4. Customers
- If our product becomes obsolete or out of trend or out of fashion, the customers will not buy our product and will shift their focus on competitor's product.

External Environment

General forces

- These forces are called general forces because they affect everyone such as employee, firm, competitors, and customers. Moreover, they are forces that in the global environment.

External Environment

General forces

- 1. Political Force
- This change of political force that affect the world. For example, the terrorists attacked New York city on 9/11 has the effect to reduce all airline passengers and airline profit.

External Environment

General forces

- 2. Economic Force
- This is a very important force that affect every country economically. For example, the recession in US has spread and become worldwide recession. Every country has seen their export goes down, their income goes down, and consumer spending goes down.

External Environment

General forces

- 3. Socio-culture Force
- This is the force that often change consumer lifestyle and spending habit. For example, American lifestyle of fast food restaurant has been every where in the world.

External Environment

General forces

- 4. Demographic Force
- This is the change in age, race, gender, income, education. For example, after the year 2000, the population of the world has change and move around the world. In Bangkok, there are many foreigners than in the past.
- Notice: Demographic change-senior citizens, obesity, health problems

How to build a competitive
advantage for a firm?

...

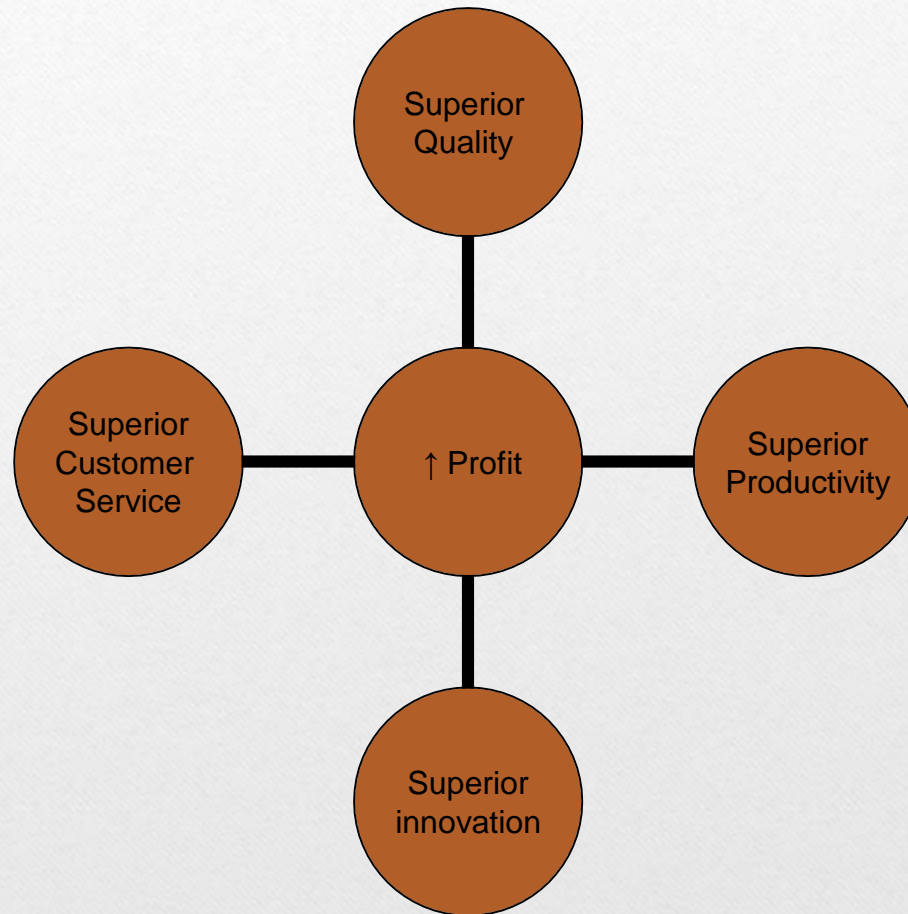
What is competitive advantage?

- The competitive advantage is the ability to offer special product that can satisfy customer's need better than its competitors.
- Competitive advantage may be in form of new technology, new invention, abundant of cheap labor and raw material and so forth.

What is the result of having
competitive advantage?

Increase in sales as well as profit.

What is competitive advantage?



What is competitive advantage?

- 1. Superior in Quality
- Quality means less or no mistake during the process of production, or less or no defective product and services as well as less or no waste from the system, and thus increase the firm's profit.

What is competitive advantage?

- 2. Superior Productivity
- Productivity means our worker, employee, and the organization can produce more by using less resources and thus increase profit.

What is competitive advantage?

- 3. Superior Innovation
- This means the firm often comes up with new ideas, new product, new technology to solve customer's need and want.

What is competitive advantage?

- 4. Superior Customer Service
- This means the firm can offer before and after sales service that emphasize on customer's satisfaction. For example, if the majority of customers want to shop and buy our product late at night, so we open late to satisfy these customers.

Case Study:

- Selling in China
- Imagine that you are an experienced salesperson who works for global pharmaceuticals company (Pfizer) in the United States. The company wants to promote you and offer you a position as an expatriate manager in charge of the sales operation in China.

Case Study

- 1. List five kind of information (e.g. Number of pharmaceutical retailers) do you need to collect to help you perform efficiently in your job.
- 2. In your opinion, What are three major differences between consumer purchasing habit in China and consumer purchasing habit in your home country (USA)?
- 3. How do the pandemic of Covid19 affect China pharmaceutical market and consumer purchasing power? Explain.

Assignment # 5

- 1. Provide six ideas of what makes a successful global brand with your own example for each.
- 2. List and explain four ways of being competitive advantages. Suggest one of your own way for being competitive advantages.