YESHWANTRAO CHAPHEKAR COLLEGE, PALGHAR

PRESENTATION

ON

CLASS: T.Y.BMS

SUBJECT: SERVICES MARKETING

CHAPTER- 9.INTERNATIONAL & GLOBAL STRATEGIES IN SERVICE MARKETING

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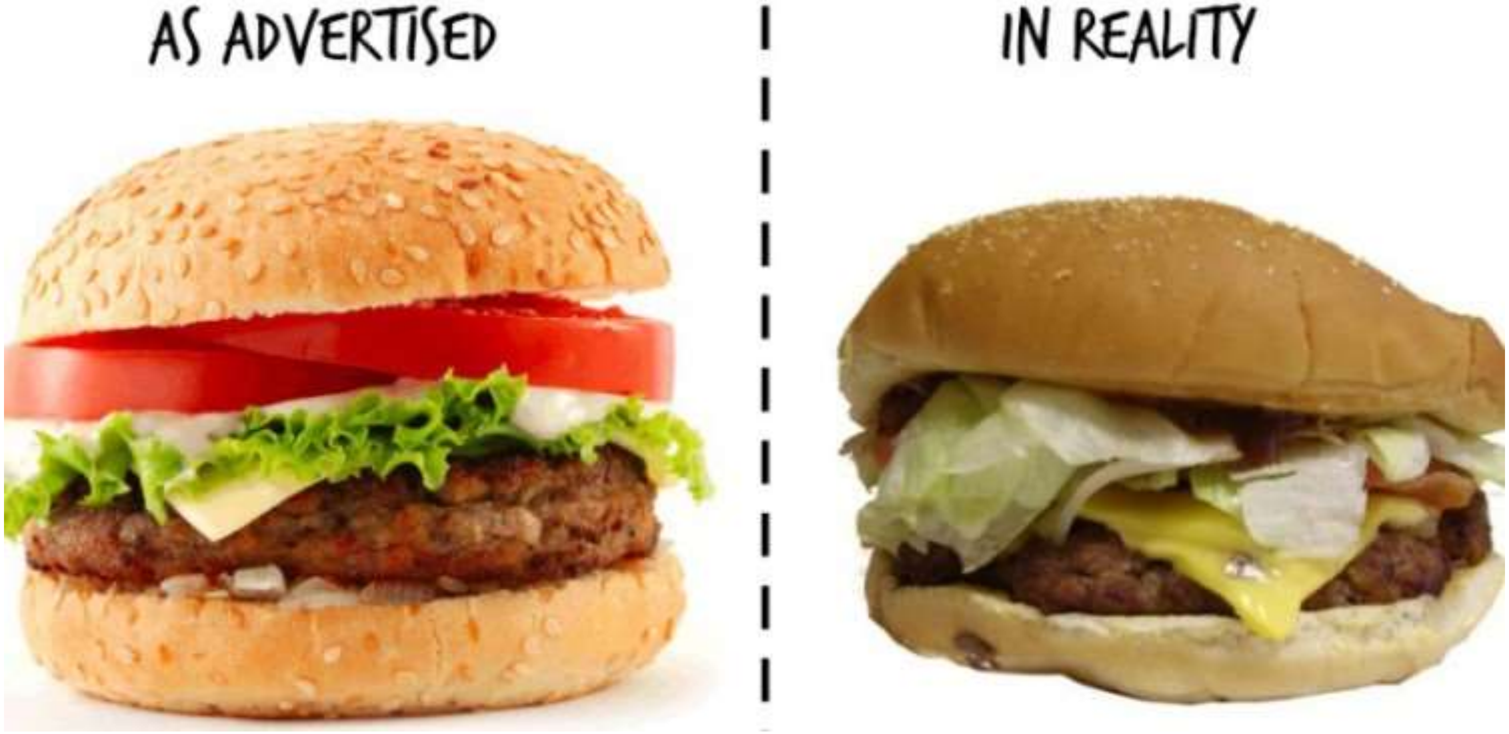
UNETHICAL PRACTICES IN SERVICES MARKETING:

1. False Advertising :

- Making false claim through advertising.

FALSE ADVERTISING



FALSE ADVERTISING

FALSE ADVERTISING

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2. Misleading the public :

- The field of personal training offers services to individuals who want to get into better physical shape.
- A good way for a personal trainer to market his services is to inform people of his education and credentials as a personal trainer.
- If he specializes in a certain segment of the population, such as women, he can market to women who want to lose weight.

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- On the other hand, if he puts out an advertisement featuring one of his best female clients as a success story, he can be crossing the line.

- The trainer may mislead potential clients into thinking that their results will mirror those of that particular client.

Misleading the public

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3. Disclaimers :

- Ethical issues can arise when marketing and delivering any type of service.
- As a result, a service provider must act to ensure that its marketing tactics advertise the true services that it can deliver.
- Service businesses can accomplish this by inserting a disclaimer into their marketing materials.

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- Eg- A business can feature a testimonial from a satisfied customer but emphasize that, although this particular customer had this result, the business cannot guarantee that all customers will end up with this result.

DISCLAIMERS

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4. Irresponsible Market Research :

- Improper market research and grouping can lead to stereotyping that shapes undesirable beliefs and attitudes which affect marketing behaviour.

- Eg- Assuming that all the women like pink and therefore basing an entire advertising campaign on that belief could be a costly mistake.

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5. Unethical Advertising and Promotion :

- Making false claims about what the product does, and its importance is an unethical way to gain profit.

- Eg- Nestle’ baby food.

UNETHICAL ADVERTISING & PROMOTION

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6. Delivery Channel Practices :

- Marketing in ways like cold calling through telemarketing companies that purchase leads is not only annoying, they are disruptive and untrustworthy.
- Unsolicited approaches are these days almost synonymous with direct marketing and have left the industry with a tainted reputation.
- So have TV commercials, email spam, etc which people are going to significant lengths to avoid.

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7. Dealing with competitors:

- Many companies advertise cheap prices as a "bait" and then once they draw in the customers, "switch" them over to a costlier product.

- Because the advertised good was not available, insufficient or not of any value to the customer.

- Many online surveys and work at home opportunities use this unethical marketing activities.

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8. Pricing Strategies :

- Different pricing strategies are used to create barriers that prevent smaller companies from entering the market is unethical.

IMPORTANCE OF ETHICS :

1. Ethics corresponds to basic human needs :

- It is a human trait that the man desires to be ethical not only in his private life but also in his business affairs.

- Moreover most of the people want to be a part of the organisation which they can be publicity proud of and be respected.

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2. Values creates creditability with public :

- If a company is perceived to be ethically and socially responsive, it will be honoured and respected even by those who do not have intimate knowledge of its actual working.

- Since the people believe that the company offers value for money there will be instinctive prejudice in favour of its products.

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3. Values gives creditability to management :

- Organisational goals, when perceived by the employees as genuine, create common goals, values and language.
- The management has creditability with its employees because it has credit with the public.

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4. Values help better decision making:

- Ethical attitude helps management make better decisions.
- i.e. decisions that are in the interest of the public, their employees and the company’s long term good, though the decision-making is slower.

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5. Ethics and profits:

- Both ethics and profits go together.
- A company which is inspired by ethical conduct is a profitable one.
- Value driven companies are sure to be successful in the long run.

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6. Law cannot always protect society :

- Technology develops faster than the government can regulate.
- People in an industry often know the dangers in a particular technology better than the regulatory agencies.
- Further the government cannot always regulate all activities which are harmful to the society.
- An ethical oriented management takes measures to prevent pollution and protect workers health.

ELEMENTS OF TRANSNATIONAL STRATEGY :

1. Global market participation :

- Management selects various countries in which to market its services not only on the basis of attractiveness but it also considers the potential of each market to contribute to broader globalization benefits.

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2. Delivering global products :

- The firm offers one or more standardized core products that require a minimum of local adaptation.
- In some cases the form may offer a broader product line in some markets than others, but each quarter product conforms to standard specifications wherever it is marketed.

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3. Global marketing activities :

- Management employs a consistent marketing approach around the world, although not all elements of marketing mix needs to be identical.

- Typically, corporate design is identical, and advertising teams and executions are somewhat similar.

- Market positioning, however may vary somewhat in the light of local competitive offerings.

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4. Global competitive moves :

- This actions are integrated across countries.
- The same type of move may be made in different countries at exactly the same time or in some systematic sequence.
- In highly competitive industries, an assault by competitor on the firm's own position in one country may be countered by a vigorous marketing campaign against the same competitor in a different country.

FACTORS FAVOURING TRANSNATIONAL STRATEGY :

1. Market Drivers :

- Factors that stimulate the move towards transnational strategies include common customer needs across many countries, global customers who demand consistent service from suppliers around the world.

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2. Competition Drivers :

- The interdependence of countries, the presence of competitors from different countries are among the key drivers.
- Firms may be obliged to follow their competitors into new markets in order to protect their position elsewhere.

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3. Technology Drivers :

- The advances in IT such as enhanced performance computerisation and software plays a crucial role.

- For information-based services the growing availability of broadband telecommunication channels, capable of moving vast amount of data at great speed, is playing a major role in opening up new markets.

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4. Cost Drivers :

- There may be economies of scale to be gained from operating on an international level.

- Barriers to entry caused by the upfront cost of equipment and facilities may be reduced by such strategies as equipment leasing, management contracts, or awarding franchises to local entrepreneurs.

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5. Government Drivers :

- Government policies can serve to encourage or discourage development of transnationally integrated strategy.

- Among these drivers are the favourable trade policies, compatible technical standards, etc.

- Tax laws, environmental regulations and technical standards may increase or decrease the cost or discourage or encourage certain types of activity.

DIFFERENCE BETWEEN THE GLOBAL STRATEGY & INTERNATIONAL STRATEGY :

1. Degree of involvement and coordination from the center :

- Involvement and coordination from the centre.
- An international strategy does not require strong coordination from the centre.
- A global strategy, on the other hand, requires significant coordination between the activities of the centre and those of subsidiaries.

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2. Degree of product standardization and responsiveness to local business environment :

- Product standardization and responsiveness to local business environment.

- An international strategy assumes that the subsidiary should respond to local business needs unless there is a good reason for not doing so.

- In contrast, the global strategy assumes that the centre should standardize its operations and products in all the different countries, unless there is a compelling reason for not doing so.

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3. Strategy integration and competitive moves :

- The third difference has to do with strategy integration and competitive moves.

- Integration and competitive move refers to the extent to which a firm's competitive moves in major markets are interdependent.

- Eg- A multinational firm subsidizes operations or subsidiaries in countries where the market is growing with resources gained from other subsidiaries where the market is declining .

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- The international strategy gives subsidiaries the independence to plan and execute competitive moves independently- that is competitive moves are based solely on the analysis of local rivals.

- In contrast, the global strategy plans and executes competitive battles on a global scale.

- Firms adopting a global strategy, however, compete as a collection of globally integrated single firms.

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- An international strategy treats competition in each country on a ‘stand-alone basis’, while a global strategy takes ‘an integrated approach’ across different countries.

MOVING FROM DOMESTIC TO TRANSNATIONAL MARKETING :

- Global/transnational marketing focuses upon leveraging a company‘s assets, experience, and products globally and upon adapting to what is truly unique and different in each country.

- Increased numbers of companies big and small are concentrating on global market.

- Eg- Chinese goods have made inroads into the Indian markets and Indian goods have found acceptability in the European Union market.

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- They look at the entire world as a one market.
- Eg- American Express, Merrill Lynch , etc.
- Global companies must forget the idiosyncratic differences between countries and cultures and instead concentrate on satisfying universal drives.


Thank You