# Lec A

## Marketing

International business’

A international business is the trading of goods, services, technology, capital and/or knowledge across national; borders and at a global or transnational scale

Transnational is like Kathmandu- hq at nz, couple stores in aus and uk, international is more presence overseas

Non-profit business included

Transactions of economic resources include:

* Capital, skills, and people
* For the purpose

What is marketing

The process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational

What is comparative advantage – the management perspective

* The theory of ‘comparative advantage’ was theorized by economists in the 19th century to explain trade between nations
* Benefits occur when countries produce goods in which their opportunity cost
* Country that good at making cars trades with country that is good at making food

Limitations

* Assumes perfect knowledge – it assumes consumers will always know where the lowest prices are and will buy at the lowest prices. This is not always the case
* Assumes no transport costs
* Rate of inflation ignored – exchange rates
* Assumes no import controls
* Non price competitiveness ignored
* Research and development investment is ignored

Case – kiwifruit

South Korea loves kiwifruit

Tariff = import tax

Trade quotas

Limit amount of goods can import

Billions of $$ lost due to trade restrictions

Make HQs in tax havens where pay no tax and make all branches around the world make no profit so all profit in tax haven