

- Global Market Research
- Finding Supply Opportunities in global market trade
- Markets and Offshoring , financial feasibility

# Global/International Market Research

International marketing research is the systematic **design, collection, recording, analysis, interpretation, and reporting of information** pertinent to a particular marketing decision facing a company operating internationally.

- **Identification of opportunities**
  - accessibility
  - profitability
  - market size
- Scanning international markets to identify and analyze **opportunities**
- Building **marketing information systems** to monitor environmental trends
- Carrying out primary marketing research for input into the development of marketing strategies

# Primary research in international markets

## **Multi-country studies**

1. Project discussed at length with the client
2. Fieldwork agencies in each country selected
3. Questionnaire designed centrally
4. Translated locally, translation checked centrally
5. Piloted locally
6. Finalised centrally
7. Interviewers briefed locally by executive of central company
8. Fieldwork carried out locally
9. Coding and editing plan provided for the local agencies
10. Edited and coded questionnaires returned to head office
11. Coding and editing check carried out centrally
12. Computing and analysis carried out centrally

# Finding supply opportunity in global market

Researching the geographical segments that are competitive

## 12 Pillars of competitiveness

- |                                 |                                  |   |
|---------------------------------|----------------------------------|---|
| 1. Institutions                 | 5. Higher education and training | 9. Technology readiness                 |
| 2. Infrastructure               | 6. Labour market efficiency      | 10. Market size                         |
| 3. Macroeconomic environment    | 7. Goods market efficiency       | 11. Business sophistication             |
| 4. Health and primary education | 8. Financial market efficiency   | 12. Research and development innovation |

# Finding supply opportunities with the help of global leaders

- **Walmart** sets up global sourcing centre in Bengaluru that sources India-made products for catering to 14 foreign markets. It procures over 95 per cent of the goods sold in Best Price stores from local companies
- **Amazon** takes 'Make in India' to the world, bolstered by its Global Selling Programme. It is empowering sellers from small towns in India by scaling up their businesses and leveraging the digital economy



# Supply Opportunity by exporting

1. **Market Development Assistance Scheme** -Entrepreneurs get funding for participating in trade fairs. It assists exporters for export promotion activities.
2. **Export Oriented Unit (EOU) Scheme** - Provides an internationally competitive duty-free environment coupled with better infrastructural facilities for export production.
3. **Market Access Initiative (MAI) Scheme** - Export Promotion Scheme, envisaged to act as a catalyst to promote India's exports on a sustained basis.
4. **Software Technology Park (STP) Scheme** - 100 per cent export-oriented scheme for undertaking software development for export using.
5. **Services Exports from India Scheme (SEIS)**-The SEIS has been introduced to increase exports of notified services. The duty credit scrips and goods imported/domestically procured against them shall be freely transferable

# Global Market & Offshoring

- It is a natural extension of global resourcing, transfer of worker's productivity to abroad as a part of an in-house transfer of work.
- Reallocation of a business process or entire manufacturing facility to the foreign country.
- MNE's are particularly active in shifting production facilities or business processes to foreign countries to enhance their competitive advantages.
- It is common especially common in the service sector, including banking, software code writing, legal services and customer-service activities

- **Offshoring** is when production operations are performed in another country. It allows companies to maintain complete control over the operation and production of the business.
- **Outsourcing** relies on an outside vendor to complete tasks, **offshoring** relies only on those within the same company.



# Offshoring

## Types

1. Product Offshoring
2. IT enabled offshoring
3. Innovation offshoring

## Evolution

1. Initially started with blue collar jobs in early 70's
2. By 80's white collar job people also moved to other countries
3. Development of internet accelerated R&D and manufacturing offshoring

## Reasons

1. Competitive pressure & access to skilled personals
2. Long term benefit and cost cutting
3. Lack of skilled labour and decrease in age population

# Models of Offshoring

- ❑ **Global Shared Services** - Mass insourcing, something like captive centres, this is followed primarily to combine internal operations to large centers.
- ❑ **Hybrid Model**- Known as "Dual Shore" - 30% work onsite( requirement gathering, client interaction) and 70% offshore ( coding, testing and fixes).
- ❑ **Multi-sourcing model**- Having multiple off-shores to get wide range solutions or "best-of-breed" strategy.
- ❑ **Global Delivery model** - also termed as blended outsourcing, this model has advantage of backup delivery locations in case of failures. Eg: TCS, CTS, Accenture etc.
- ❑ **Build-Operate-Transfer Model (BOT)** - company can create a shared services or development center in offshore and manage it for a limited period of time by signing a contract with an offshoring corporation. This ensures quick time to achieve stability in the project progress.

OFFSHORING

# How effective is offshoring?



# Financial Feasibility

- ❑ Skilled labor at cheap price will boost the economy in developed country.
- ❑ Creation of new wealth and jobs in developing country.
- ❑ With the theory of comparative advantage, both countries can enjoy greater total consumption and well being in aggregate by trading with each other.
- ❑ Offshoring firms to lower costs and save scarce resources.
- ❑ Capture domestic market and generate revenues.
- ❑ What goes around comes around - Developing countries look back at US for more complex work.
- ❑ Total exports from US companies to India / China have grown manifold.
- ❑ Economic benefits are also linked to improved political relations.

# Recent trends in global entrepreneurship

