**Corporate Strategies and Relationship to World Market Strategies**

The corporate strategy focuses on what markets to server and what products to offer. Traditionally these strategies have been classified as being either growth or consolidations strategies.Michael Porter with his differentiation, cost-based and focus strategies are typical generic strategies that a firm often selects when in a growth mode. Miles and Snow have developed four strategies that can also be used. (Porter and Miles and Snow are explained further in the next mini-lecture) However a new aspect to corporate strategy development is the global strategy of the firm. The global-market strategy focuses on the way in which the firm will utilize its resources in order to implement its product mix strategy.  The Global-Market Strategy affects the product mix strategies across the firm's product lines. Traditionally firms choose to follow either an International, Global, Multi-National or Transnational Strategy.

* A firm following an International strategy has a domestically centralized manufacturing, R&D, and corporate planning operations. It will export products utilizing a decentralized marketing operation. They offer a global product with different promotional, pricing, and distribution mixes. Caterpillar Tractor follows an international strategy.
* A firm following a Global strategy has domestically centralized corporate and marketing operations, but decentralized manufacturing and R&D. The offer a global product, relying on efficiencies and technology acquired from global resources. Ford Motor company traditionally follows a global strategy.
* A firm following a Multi-National strategy has a domestically centralized corporate planning operations. Their marketing, manufacturing, and R&D, are all decentralized. They offer "local" products that provide maximum utility to the market that they are sold in: produced, designed, and marketed locally. Proctor and Gamble, like many of the consumer products firms, follow a multi-national strategy.
* A firm following a Transnational strategy is often a diversified firm, serving multiple markets, with multiple product technologies. There are typically conglomerates, that need to serve their global businesses with different strategies. A Transnational Strategy, is one in which the firm will have a centralized corporate planning operations, but each of its businesses will following the best global-market strategy based on the environment in which it exists. Thus, a firm like GE will follow a global strategy for their Turbine business, an international strategy for their plastic and silicone business, and a multinational strategy for their electronics business.

Once a firm identifies its corporate and global-market strategy, it can then use portfolio analysis to decide on which markets it should invest, and which it should consolidate. This tool along with SWOT analysis and Segmentation are part of your environmental scan portion of your marketing plan. With information from a situational analysis the firm can formulate its corporate and market strategies. The situational analysis includes competitive and customer buying behavior analysis.