A strategic business plan is a step-by-step document that an organization creates to ensure organizational success. Depending on the type of organization and the business it does, the global and domestic marketing plans can be drastically different from each other. International considerations are a major part of a strategic plan, and affect the domestic portions of the plan too. As mentioned in previous modules, a strategic business plan includes a vision for the organization, a mission statement, a well thought-out financial plan, human resource strategies, and an overall situational analysis for either the domestic or global market. In the following segment, we will turn our attention to several of the differences between doing business globally and doing business domestically.

Doing business internationally is not the same as doing business domestically. There are not only new skills to learn, but also new knowledge to acquire about the country the organization is entering. Organizations need to learn about the different laws and regulations, along with customer purchasing habits. Moreover, organizations may be required to change their marketing strategies, and possibly the materials used in product development, to appeal to the global market they are entering. It is important to understand that the way the organization operates the business will be determined by the culture of the international market they are entering. There may or may not be a link with this culture to the domestic market. Organizations should not be inhibited by the differences between domestic and international business, but should look at this as an opportunity for success.

When it comes to promoting a product or service, one size doesn't fit all. Certain aspects of the marketing plan may need to change depending on whether the organization is marketing domestically or globally.

**Domestic Marketing**

Domestic marketing is selling within one's own country. Typically, this is the primary area where organizations seek to market their goods or services. The organization is likely familiar with domestic elements such as the market, customer needs, geography, demographics, and distribution methods. The home country  is often the easiest place for an organization to launch a product. Product, price, place, and promotion are easier for companies to determine within the domestic market. Finally, there are no language barriers in domestic marketing, and obtaining and interpreting data on local marketing trends and consumer demands is easier and faster. This allows the company to make decisions and develop marketing strategies that are effective and efficient. Local markets are not as broad as international markets.

**Global Marketing**

Global marketing is when an organization offers its products or services worldwide. As mentioned in the previous segment, most organizations begin marketing their goods or services within their own country, and then expand to the global market-space. This global expansion is typically in order to capture greater market share and open up new avenues for sales. Every country has independent business laws, and any organization that aims to enter into business in another country must first know about these laws. Consumer preferences may also differ, so marketing strategies should be formulated to meet the needs of various international consumers. International marketing requires more time and effort, and can also be more risky. This risk occurs because the international market is very uncertain; a company must always be ready for sudden changes. Finally, a company requires a higher level of commitment to succeed in an international market.

There are a number of additional items that need to be considered when thinking about the differences between domestic and global markets. These items include culture, data accessibility and reliability, span of control, product mix, customer preferences, overall business operations, and currency.

*Culture*: No two cultures are the same, and understanding the business culture in another country is one of the first keys to success in international business. Culture defines everything a society does, including business practices, responses to advertising and marketing, and overall sales. It is important to conduct research on the culture of the country that an organization intends to enter. Understanding these areas allows an organization to be better prepared to enter the global market.

*Data Accessibility and Reliability*: The degree of technology can vary substantially in global markets. If an organization’s product or service requires a high degree of technology to use or implement, then markets with low levels of technology will not be suitable or sustainable for operations.

*Competition*: In today’s global markets, every organization is pitted against worldwide competitors with consistently improving productivity, better performance, and shrinking prices. Typically, the lowest cost producer usually wins. Many global producers accept lower profit margins, which increases competitive pressures.

*Consumer Preferences*: The success of your marketing strategy involves gaining a comprehensive understanding of the particular markets that an organization serves. A large portion of these markets may be based on consumer preferences. A simple method of identifying consumer preferences is to answer the questions, who is buying the goods and why are these consumers purchasing these items.

*Product Mix*: When gathering market information on the product the organization intends to introduce, it is important to understand the overall product market, the competition and the product market entry strategy. It can be difficult to find information for some markets; however, it is important for organizations to gather as much information as possible in order to enter the market successfully.

*Business Operations (Logistics)*: Worldwide shipping (transportation and logistics) must take into consideration costs, time delays, and country restrictions. Each country has its own laws governing what goods may be imported. Companies must comply with all importation laws, and must be willing to invest time to learn the various rules and regulations concerning exports and imports.

*Currency*: Pricing products for a global marketplace can be challenging. In addition to online sellers needing currency converters, or payment processing systems that accept multiple currencies, organizations must also be aware of pricing sensitivities by country, by product and by market.

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| **Characteristics** | **International Marketing** | **Domestic Marketing** |
| 1. Culture  | Multicultural  | Typically single culture  |
| 2. Data accessibility  | Difficult  | Easy  |
| 3. Data reliability  | Typically low  | High  |
| 4. Competition  | Intense  | Less than globally  |
| 5. Consumer preferences  | Country dependent  | Vary to a small extent  |
| 6. Product mix  | Adaptability required  | Standardization required  |
| 7. Business operation  | More than one country  | Home country only  |
| 8. Currency exposure  | Required  | Required only if importing  |

Marketing is the efficient and effective management and use of a company's resources to meet the consumers' demands and the company's objectives. It involves selling the company's products to satisfy the needs of consumers. This marketing could be performed nationally or internationally. For international markets, it is important for organizations to understand that the way they conduct day-to-day business will be affected by cultural aspects of the international market they are entering. These aspects will be different than in the domestic market. We will now use this newfound knowledge in our discussion on organizational issues in global markets.