



全球化定位和市场进入策略研究
Global Placement
and Market Entry Strategy

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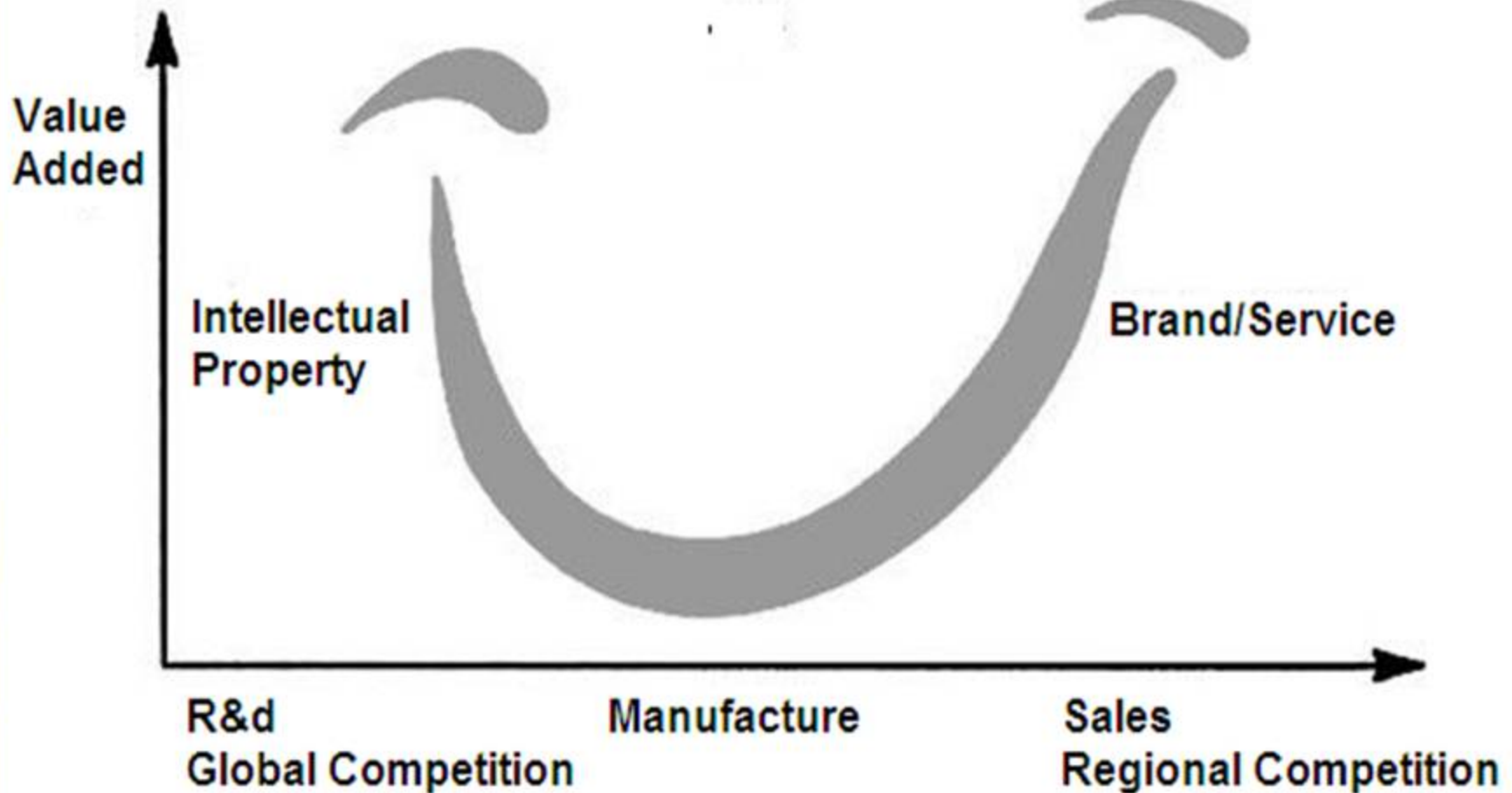
Israel~China

Global Marketing Placement

- Understanding Global Markets and Marketing
- Assessing the Global Economy and Technology
- Evaluating Cultural and Social Environments
- Integrating Global, Regional, National Markets
- Conducting Marketing Research
- International Market Planning
- Setting Global Prices
- Global Placement and Distribution Channels
- Controlling Global Marketing Systems

Global Marketing Placement

Smiling Curve



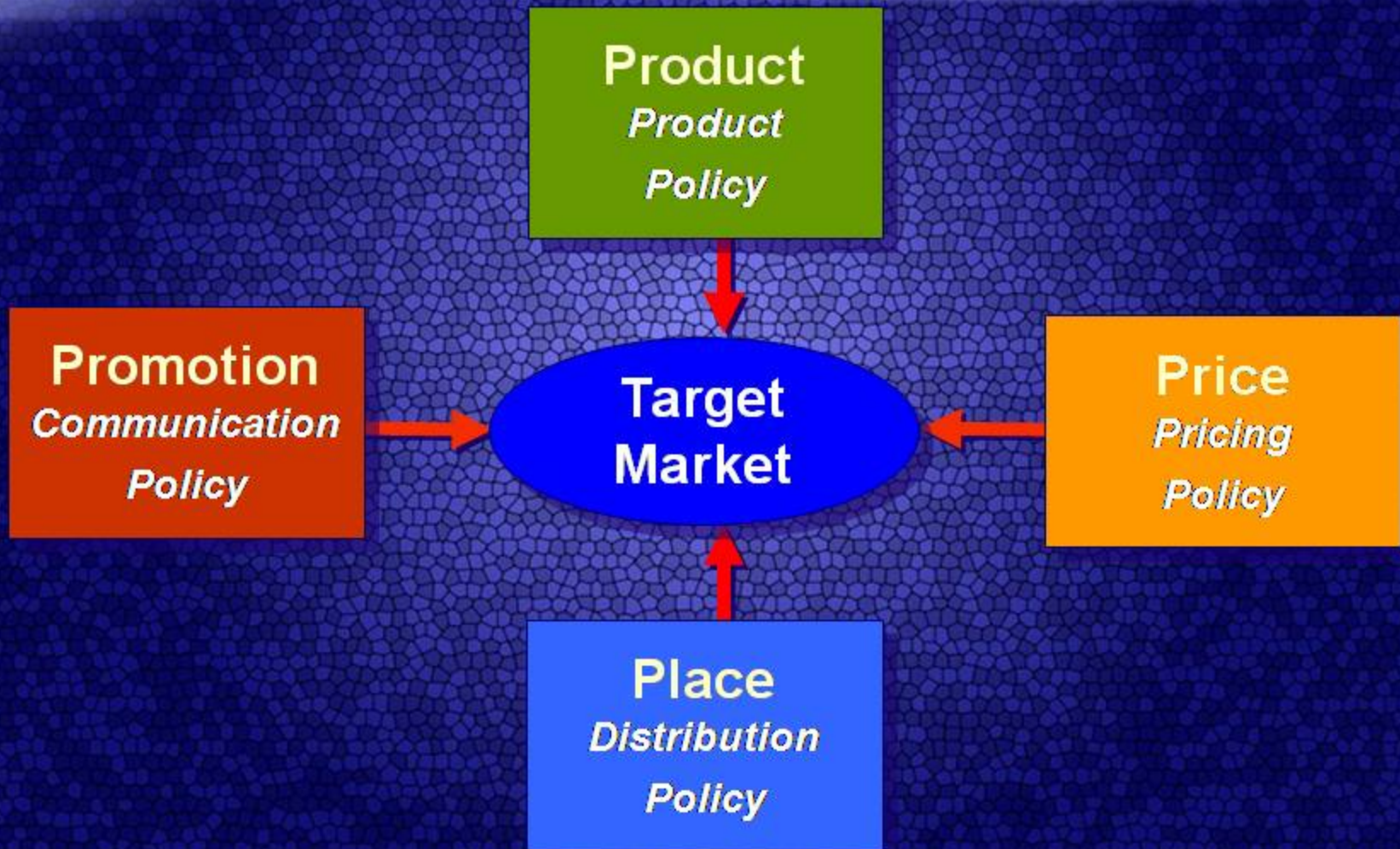
Global Marketing Placement

- To increase their profit by increasing total revenue or decreasing the cost of goods
- The attractiveness of International market
- The saturation of domestic market needs and intensive market competition
- To take advantages of the regulations and polices of domestic and foreign market
- To avoid risk
- To expand product life cycle
- To take part into global production chain

Global Marketing Placement

- For U.S. companies, 75% of total world market for goods and services is outside the country
- Coca-Cola earns 75% of operating income and 2/3 of profit outside of North America
- For Japanese companies, 90% of world market is outside the country
- 94% of market potential is outside of Germany for its companies even though it is the largest EU market

Modes of Market Entry



Modes of Market Entry

International Distribution Decisions

- Company size
- Size of potential market
- Level of customers' globalization
- Complexity of total product
- Hierarchical level of purchase decision maker
- Importance of customer services
- Available means of contact with customers
- Strong need to control local marketing practices

Modes of Market Entry



Entering Global Markets

- Manufacturing Facilities ● Sales & Service Center ● Sales Office/Rep.



Elspec North America
Freeport, IL, USA

Elspec Portugal, Ltd.
Porto, Portugal

Elspec Engineering, Ltd.
Caesarea Industrial Zone, Israel

Elspec Technologies
Beit Shean, Israel

Entering Global Markets

Israel-China Structure Map in China



Market Evaluation and Pricing

**Pricing is an active instrument of
accomplishing marketing objectives**

- Profit
- Return on investment
- Market share
- Total sale volume
- Inventory

Market Evaluation and Pricing

Skimming versus Penetration pricing

- A skimming pricing policy is used when the objective is to reach a segment of the market that is relatively price insensitive and thus willing to pay a premium price for the value received.
- A penetration pricing policy is used to stimulate market growth and capture market share by deliberately offering products at low prices.

Market Evaluation and Pricing

Reasons for selecting a Skimming strategy

- Firms with preference for short-term cash
- Products with high entry barriers
- Products with rapidly changing technology
- Products with large price insensitive segment
- Limited suppliers exist

Market Evaluation and Pricing

Reasons for selecting a Penetration strategy

- Firms with preference for market share leadership
- Products with high after-sales revenues
- Product with large price sensitive segment
- Fierce competition
- Segment experiencing rapid and sustained economic growth

Distribution Channel Management

- **Company's internal factors**

 - Financial situation

 - Sales capability

 - Service capacity

- Provide the best coverage of the target market

- Satisfy the buying requirements of the target market

- Maximize revenue and minimize cost

- Risk control for both product and market

Distribution Channel Management

Sources of Channel Problem

- Channel member bypasses another member and sells or buys direct
- Uneven distribution of profit margins among channel members
- Channel member is not giving its products adequate promotion attention
- Channel member is not giving good service
- Manufacturer changes its channel policy

Severe Market Competition

Competition Problem

- Life is getting tougher for foreign companies
- World's fiercest battleground for global brands
- Regional market arising of many local competitors (Global brands but local firms)
- Tense competitions and dropping prices
- Customer want decrease price, a high-quality product and more better services
- Growth is flagging while costs are rising

Severe Market Competition

Firms in Competitive Markets

- Each firm in a competitive industry sells only a small fraction of the entire industry sales.
- The competitive firm is a price taker and knows that its production decision will have no effect on the price of the product.
- A perfectly competitive firm should choose its output according to the general rule.

Risk of International Market

Market Environment

- **Macroeconomic environment**
- **Political stability**
- **Legal and judicial framework**
- **Governance including**
- **Efficacy of the regulatory framework**
- **Labor market**
- **Capital market**
- **Basic infrastructure**
- **Dispute settlement mechanism**

Risk of International Market

Commercial Risks

- **Market risk**
- **Interest rate change**
- **Exchange rate risk**
- **Credit risk**
- **Operating risk**
- **Legal risk**
- **Currency transfer restriction and inconvertibility**
- **Breach of contract**
- **War and civil disturbance**

One Belt and One Road



Going Chinese and Going Global



- Trade in China Culture Business Promotion Center is a Global Placement Organization established in 2004.
- Successful experience with foreign company and government organization, including business partners, entrepreneurs, investors, innovators, experts, educators.
- A reliable high-quality alternative to in-house resources, for high-tech companies in China.

Going Chinese and Going Global



- Mr. Jianqi Deng, Master degree from Shanghai JiaoTong University Automation Department.
- Israel Elspec Ltd. China Manager, UK ICG Capital and Finance Corp China Representative.
- Co-Funder of “Trade in China Culture Business Promotion Center”.
- Has good relationship in Europe, Asia, Africa, and Global Jewish Circle, with ample experience for international business and market promotion.

Thanks For Listening



International Business, Power and Infrastructure,
Clean Energy, Bulk Commodity.

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