GLOBALIZATION

According to Friedman (2000 in Blythe & Zimmerman, 2005), globalization is the “inexorable integration of markets, nation-states and technologies to a degree never witnessed before-in a way that is enabling individuals, corporations and nation states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals corporations and nation-states farther, faster deeper and cheaper than ever before.”  Simply put, it is the connectivity of individuals and institutions across the globe or at least over most of it. Globalization essentially results in the belief that distinctions between national markets are fading and will eventually disappear as the world becomes a global village. It is therefore safe to conclude that globalization is a phenomenon that is here to stay and as such, managers should make deliberate efforts to monitor the global environment to enable their organizations to adapt to changes in this environment.

Many organizations pursue growth strategies in order to improve their position in the global market place (Usunier & Lee, 2013). While this strategy might prove to be successful for some organizations, others fail terribly because of their inability to identify the unique cultures of consumers in international markets, which in turn influence their individual tastes and preferences. Organizations should carry out market research in order to identify the characteristic of global markets so that they can determine the best marketing strategies to adopt for such markets. Despite their differences global consumer has some similar characteristics such as impulse spending, acknowledgement of brand image, focus on quality and

Nonetheless, companies should not become disillusioned with sales in the international market place because as old markets become saturated, new ones must be discovered. The main challenge faced by organizations is that of customizing their products to meet the demand of international markets. However, well managed companies eventually shift their attention from customizing their products for foreign markets to offering globally standard products that are low priced, advanced and reliable. This means that the company ultimately concentrates on what customers want as opposed to what they think they might like.

On the other end of the spectrum, the due to huge initial investment required to successfully exploit international markets, some companies are better off focusing on niche markets within their domestic markets, especially where they lack adequate funds to pursue growth strategies.

To conclude, globalization has had a profound effect on modern business organizations. While it has availed new opportunities for growth and expansion, exploitation of these opportunities continues to be an uphill task for most organizations. As such, it is not in the best interest of all organizations to expand into overseas markets. Some organizations should be globalized while others should remain local.

References

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