**WHAT ARE TNC**

1. Are firms that produce and market goods in more than one country - For example Mcdonalds, Microsoft, Ford. They are also known as Multinationals
2. They have a global perspective – They see the world as one giant market. They don’t have strong ties to any one particular country
3. They carry out market research, raise finance, source raw materials and manufacture wherever they can maximise a profit
4. Most TNC have their headquarters in USA, Europe
5. Irish TNC included Kerry Group, Greencore and Cement Road Stone Holding (CRH)

**GLOBAL COMPANY**

Treats the world as one single, giant production location and marketplace

Characteristics

1. **Global Market** - the world as one single marketplace. Regardless of location
2. **Standardised Products** – Sells the same product in broadly the same way throughout the world with minor variations
3. **Economics of Scale** – By mass producing quantities of goods these can be achieved. This reduces production cost per unit to a low level
4. **Global Branding** – They invest in developing a recognisable brand. All elements of the marketing mix as the same world wide

Reason for Developing a Global Company

1. **Own Market Saturation** – Can increase sales in their own market
2. **Spread the risk** – Not dependant on one country (Unilever)
3. **Economics of Scale** – Can be achieved by selling to large markets
4. **Opening of Global Markets** – EU and WTO
5. Faster transportation and Tele Communication links – ICT – E-mail, EDI, Video Conferencing
6. E-business – Buying and selling on the internet

**GLOBAL MARKETING MIX**

Global Marketing means marketing a product globally with broadly the same marketing mix as though the world were a single marketplace. This provides

* + Cost savings – Product design and advertising can be the same
	+ Recognition – Global Brands = customer loyalty

Standardised Global Marketing mix

using the same basic mix in different countries. This is used by coca cola. Sometime adjustments have to be made for each country

Adapted Global Marketing Mix

Adjusting the mix to take into account Cultural, Geographic, Economic and other difference in various countries

1. *Global Product*

This is a product that is the same all over the world. It’s easier for consumers to recognise and trust a product. Product sharing means that part of a product is made in one country and then shipped to another for further assembly Product design may need to be adjusted Brands names

1. *Global Price*

Price may vary from country to country due to the following

* + Standard of living
	+ Transportation costs
	+ Import and sales tax
	+ Levels of competition
	+ Different Adjustments
1. *Global Place*

The channels of distribution tend to be more complex. The channel available to a global company include

* + Export directly to the customer (Dell)
	+ Use distribution agents – (car dealers)
	+ Licensing – A foreign licensing agreement is a deal that gives permission to a local firm to manufacture or distribute a global firms goods or service. In return the global business receives a commission on sales
	+ Joint venture – Resource and capital are invested in both companies and profits are shared
	+ Set up a foreign subsidiary – set up a manufacturing plant in the country concerned
	+ Use an export trading house – buying the product in one country and the resells it at a profit in another country
1. *Global Promotion*
* Instead of designing different campaigns for each country, one global promotion campaign can be implemented
	+ Global Advertising – poster and websites can be easily translated into different languages
	+ Global Public Relations – using it good reputation in one part of the world to improve relations in another country
	+ Internet –
	+ Trade Fair – Is a business exhibition where suppliers display their products to potential customers

BE CAREFUL

Pepsi

* ‘Come alive with Pepsi’ was translated in china to ‘Pepsi brings your ancestors back from the dead’

KFC

* ‘Finger Licking Food’ in china translates to ‘Eat your fingers off’

**BENEFITS OF OPERATING GLOBALLY**

1. Access to a global Market
2. Huge Economics of Scale (Discounts)
3. Global Brand Recognition
4. Expansion and business survial
5. Customer needs may not be properly met (Standardised products)
6. Diseconomies of scale –
7. Increased risks

**HELPING IRISH GO GLOBAL**

Enterprise Ireland

* This is a state agency responsible for assisting Irish owned firms to grow and expand by exporting internationally
* They assists Irish firms by
	1. Providing Market Research
	2. Assisting with international Advertising
	3. Providing Translation services
	4. Providing advice
	5. Provides Grants and venture capital investment