

## Chapter 4 Global Analysis

### Section 4.2 The Global Marketplace

#### Review Key Concepts

1. Accept all reasonable examples. Some plausible answers are: Political ideology (i.e., Communist Cuba), government stability, (overthrow of a government), trade regulations (quotas or high tariffs), and any other laws that affect a company's operations, such as taxes, restrictions on advertising or poor legal recourse in cases of piracy.
2. Socio-cultural factors that make doing business abroad difficult include differences in language and symbols, holidays and religious observances, social and business etiquette. Accept all reasonable examples. One example is McDonald's® in India does not sell beef burgers, instead they sell mutton burgers. Translating advertising messages into a foreign language could be problematic, "Nova" in Spanish means "no go" which is not what you want to say about an automobile.
3. Globalization, adaptation (product and promotion), and customization are three different types of global marketing strategies. Accept all reasonable examples. An example of globalization is Coca Cola® brand Coke which uses the same advertising message around the world. An example of product adaptation is Unilever's® Sunsilk hair products which are formulated to match consumers' needs (prevalent hair types) in different countries. An example of promotion adaptation is McDonald's advertising in Sweden to only adults because advertising to children is prohibited. Customization is creating a product solely for one country or region, such as Yuan Ye, ready-to-drink tea for the Chinese market.

#### Practice Academics

##### Social Studies

4. Translations, problems encountered, suggested changes, and new ads should be reviewed to see if the same advertising message is communicated.

##### Mathematics

5. \$45.45 ( $\$50 \div \$1.10 = \$45.45$ )