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The Rise of Agri-Business Enterprises Desire towards Market Shares and the Need for Global Strategic Marketing Management

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Abstract

Basically, the desire of reducing cost and maximise profits along with gaining market shares have attracted the attention of many organization to spread their wings in the international arena. Many organizations have opted to global expansion to capitalise from many opportunities such as foreign government bureaucracy such as that of African and Middle East, the sizeable population such that of China and India, the degree of corruption, foreign exchange movement as well as the technological piracy. To discuss this matter in a broad perspectives, this piece of writing however, intends to establish whether or not it is important to for the firms to go abroad. This paper, however, will potentially fall into four crucial points when firm choose to expand its boundaries globally which includes-the decision to go abroad, deciding on market to enter, deciding how to enter the market, deciding on the market programmes as well as the decision on the marketing organization. To accomplish this academic paper, however, our discussion of international strategic marketing management for agribusiness will provide information, concept, processes, ideals, theories, tool and models that may well contribute to the efficiency and effectiveness in the implementation and performing of function in the international agribusiness management.

Keywords: International trade theories; Agribusiness value chain; Global expansion decision; Decision on Market penetration; Decision on entry methods and strategy; Decision on marketing programmes

Introduction

Until recently, international marketing management has been the most significant tool for many expatriate managers working or wishing to operate their firm internationally. However, before we deeply explore this significance, it is far more important to understand the international theories which paved the way toward successful international business in our daily life. While trade may well be defined as the concept of exchanging goods and services between two people or entities the international business carries different view which simply goes beyond national boundary (Figure 1).

It's basically concerned with the nature of the operation and indeed two or more countries. While that definition sounds very simple on the surface, there are great deal of theory, model and tools which constitute the international trade [1]. In this respect, therefore, there a number of trade theories which evolved over the past century and still remain relevant and significant today. Over time, the economists managed to developed theories to describe the mechanism of global trade whereby the main historical theory which is known as classical perspective and it's well known as country based approach. However, by mid-twentieth century the theory began to shift from country-based approach to explain about firm and was well known as firm-based approach in which sometime is known as modern approach [2-5]. Indeed, both of these approaches classical and modern will be carrying significant contribution and will be discussed below beginning with classical or country-based international trade theories (Table 1).

Figure 1: Agri-business enterprises-need for global strategic marketing management.

Classical or Country-based International Trade Theories

Mercantilism, this theory was developed during the 19th century and it is regarded as the earliest effort to develop economic theory whereby by the country's wealth is determined by the accumulation of gold and silver (bullions) [6]. The sublime about this point is basically, the country increasing holdings of gold and silver was targeted to promote export and discouraging the importation of goods and services. In other word, however, the nations concentrated on making sure that the export exceeding the import to gain trade surplus and avoid the import exceeding the export which could result in trade deficit [7]. Historically, during the 16th to 19th century whereby the world have witnessed the rise of some nations upon which their rulers were keen to expand their armies and build strong institutions. Therefore, the rulers were able to accumulate large amount of gold and silver following the trade export and the most common way to promote trade export

Classical Country-Based Theories	Modern Film-Based Theories
Mercantilism	Country Similarity
Absolute Advantage	Product Life Cycle
Comparative Advantage	Global Strategic Rivalry
Heckscher-Ohlin	Porters National Competitive Advantage

Table 1: Classical or country-based international trade theories.

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was to discourage import by using what was known as protectionism strategy which is still relevant today. While that is in mind, the nations increased their wealth through their colonies a classic example in that of British Empire which acquired a great share of colonies around the world [8]. Although the mercantilism considered being one of the oldest theories, it still remains in our modern thinking whereby countries such as Japan, German, Singapore and Taiwan favour the exports and discourage the imports by adopting what is known as the neo-mercantilism by promoting protectionist policies by subsidizing their firms. Moreover, nearly every country adopts protectionism strategy in one way or another to protect key industries in the economy [9]. However, while the country adopt this strategy other industries as well as the consumers are affected as the protectionism policy leading to high tax to imported products and services and eventually the price soar up.

Absolute Advantage

Very remarkably, during the 1776 in his popular book Adam Smith (The British economist) questioned the leading mercantile theory evolved over time in his book "The Wealth of a Nation" in which a recent version has been edited by some scholars and economist and come up which new theory known as absolute advantage which emphasis on nation's efficiency to producing goods and services than another nation [10]. The writer argues that, the national trade should not be regulated or restricted by government policy and interventions but rather the natural flow according to the market force. He noted that, if country A could potentially produce cheaper and faster than country B then the country A has the advantage than country B and could focus on specialising on that good and services [11-13]. Similarly, if country B is better in producing certain good it should be specialising on that good as well [14,15]. He believes that, by specialization the country would generate efficiency as the labour force would become more skilled by doing similar tasks. The Smith theory agrees with the fact that, increased efficiency people from both countries would be benefited and the trade would be increasingly encouraged. In his theory, the writer argue that, the wealth of a nation should not be judged based on how much gold and silver has been accumulated but rather how the living standard of people has been improved.

Comparative Advantage

Meanwhile, the argument emerged against the absolute advantage on the ground that one country many well be efficient in the production of different goods therefore could have advantage in many areas, and, in contrast the other one may not be able produce either of them therefore may result into no advantage [16]. To answer this challenge, however, David Ricardo the English economist came up with what is known as the theory of comparative advantage in 1817. The beauty about this point is basically, David Ricardo seasoned that although country A may have absolute advantage on production of both goods, the specialization and even trade could occur between the two countries. In this respect, therefore, the while absolute advantage focus on the absolute productivity the comparative advantage seemingly focus on relative differences [17].

Heckscher-Ohlin Theory (Factor Proportions Theory)

More significantly, due to the subtle on which product will give a nation advantage found in the two theories of Smith and Ricardo, during the early 20th century two Swedish economists Eli Heckscher and Bertil Ohlin focus their attention on how country could gain comparative advantage by utilizing the factors which are abundance in the country [18]. Basically, their theory based on the country's factors of production which include labour, land and capital that focus on the balance between the supply and demand and sometimes known as factor proportions theory. The theory emphasises that, the countries may produce and export goods and services that required resources or factors that were in great supply and, therefore, cheaper production factors. In contrast, countries would import goods that required resources that were in short supply, but higher demand. A classic example based in China and India where a number of populations help to become a destination of many labour-intensive industries [19].

Leontief Paradox

Indeed, after deep study on American economy during the early 1950s, the Russian born American economist Wassily W Leontief suggested that the US has abundance in capital, therefore, the country should export more capital-intensive goods. However, following his research using the actual data revealed the opposite as the US was importing more capital-intensive goods than export. Meanwhile according to factor proportion theory, however, USA was supposed to import labour-intensive goods but, in fact it was exporting them [20,21]. This theory was given name Leontief Paradox as was regarded as a reverse of what was required in the factor proposition theory. In subsequent years, however, economists have noted historically at that point in time, labour in the United States was both available in steady supply and more productive than in many other countries; hence it was genuine to export labour-intensive goods. Over the decades, however, many economists have used theories and data in describing and minimizing the impact of the paradox. But, the beauty of the matter, and, what remains clear is that international trade is complex network and is impacted by numerous and often-dynamic and turbulent factors. In other words, trade cannot be explained neatly by one single theory, and more importantly, our understanding of international trade theories continues to evolve time by time.

Modern or firm-based trade theories

Perhaps even more significantly, in contrast to the country-based theory, after the World War II the new modern theory developed which named firm-based theory introduced by business school professors not the economist and was aimed toward evolving within the Multination Organizations MNCs growth, as the country-based theory was not sufficiently able to address the expansion of both MNCs and inter-industry trade which basically refers to trade between two countries of goods produced in the same industry [22]. For example, Malaysia exports palm oil to Germany and imports olive oil from US. Unlike the country-based theories, firm-based theories includes other products and services factors, including brand and customer loyalty, technology, and quality, creativity, into the understanding of trade flows in the market concerned. These theories may well be explained below.

Country similarity theory

During 1961 the Swedish economist Stefan Linder Country Similarity Theory as an effort to describe the concept of intra-industry trade as he admitted that, consumers in the countries with similar stage of development would have similar preferences. He contended that, companies first produce for domestic consumption and when they exporting goods abroad they often find that markets that look similar to their domestic one, in terms of customer preferences, offer the most potential for success. He suggested that, country similarity theory then states that most trade in manufactured goods will be between countries with similar per capita incomes, and intra-industry trade is almost common [23]. This theory is often most useful in understanding trade in goods where brand names and product quality are significant factors in the buyers' decision-making and indeed purchasing processes.

Product life cycle theory

Indeed, during 1960s the Professor Reymond Vernon from Harvard Business School developed what was known as product life cycle theory originated from marketing field and mentioned three stages upon which the product pass through namely: new product, maturity product and standardized product. As the theory assumed that, the new product begin at home country and goes on abroad, the theory looked useful during 1960s as the theory was focusing on the success of US manufacturers after the World War II. A good example is personal computer (PC) went through its product cycle, as the PC was a new product in the 1970s and was developed into a mature product during the 1990s. Today, the PC is in the standardized product stage, therefore the majority of production processes are taking place in low-cost countries such as those of Asia [24]. However, the product life cycle theory produced less explanation on the current trade patterns where innovation and manufacturing process occur around the world. For instance, many MNCs conduct their research and development in developing market as the highly skilled labours and facilities are usually cheaper although research and development is typically associated with the first or new product stage and therefore completed in the home country, these developing or emerging-market countries, such as India and China, offer both highly skilled labours and new research facilities at a substantial cost advantage for global firms that is why General Motor was able to manufacture cars in China and sell them in the US market recently.

Global strategic rivalry theory

Nonetheless, global strategic rivalry theory which emerged in the 1980s and championed by the economists Paul Krugman and Kelvin Lancaster and was focusing on how Multinational organizations may well gain competitive advantages over their competitors. The theory mentioned the phrase barriers to entries which means the obstacles a new firm may face when trying to enter into an industry or new market which includes research and development, ownership of intellectual property rights and patent rights, economies of scale, unique business culture.

Porter's national competitive advantage theory

Basically, in the continuing evolution of international trade theories, Michael Porter of Harvard Business School developed a new model to explain national competitive advantage in 1990. His theory argued that, a nation's competitiveness in an industry depends on the capacity of the industry to innovate and upgrade. However, his theory focused on explaining why some nations are more competitive in certain industries. To deeply illustrate his theory, Porter identified four determinants that he linked together. These four determinants including (Figure 2).

Figure 2: Porter's national competitive advantage theory.

Local market resources and capabilities (factor conditions): Porter reflect the value of the factor proportions theory, which considers a nation's resources (e.g., natural resources and availability of labour) as key factors in determining what products a country will import or export. Porter added to these basic factors a new list of advanced factors, which he defined as skilled labour, investments in education, technology, and infrastructure and perceived these advanced factors as providing a country with a sustainable competitive advantage.

Local market demand conditions: Porter believed that a sophisticated home market is critical to ensuring on-going innovation, hence creating a sustainable competitive advantage. Companies whose domestic markets are sophisticated, trendsetting, and demanding forces continuous innovation and the development of new products and technologies. Many sources credit the demanding US consumer with forcing US software companies to continuously innovating, thus creating a sustainable competitive advantage in software products and services.

Local suppliers and complementary industries: It is to remain competitive, however, large global firms benefit from having strong, efficient supporting and related industries to provide the inputs required by the industry. Certain industries cluster geographically which provides efficiencies and effectiveness.

Local firms' characteristics: Local firm characteristics include firm strategy, industry structure, and industry rivalry. Local strategy affects a firm's competitiveness. A healthy level of rivalry between local firms will spur innovation and competitiveness.

Agricultural Products Economics (Agribusiness Management)

Basically, agribusiness remains as one of the very exciting, diverse and dynamic sort of field which relies on weather and uses unprecedented and incredible array of technology connected to natural resources and indeed embraces the world. The truth about this issue, is basically, this field involve the food we eat everyday as the final consumer, the farming which produce the raw materials and become useful as well as the transportation of goods from one place to another which require efficiency due to the its nature of complexity in relation to the global demand of food and fibre production and marketing system. It involve diverse number of activities such as faming or growing, harvesting, storing, transportation, processing as well as distribution of the food and fibre related products not only at home but around the World. Indeed, Freddie defined agribusiness management as the management of any firm involved in food and fibre production and marketing system. For the purpose of our discussion, however, we may well divide food production and marketing system into three sectors including food sector where food processing, marketing and distribution take place. Also production agricultural sector which involves purchased inputs, natural resources as well as the management which are combined to produce crops and livestock goods. And the last one which input supply sector which is responsible for proving several inputs in production and servicing within the agricultural arena a great example is firms such as Syngenta, DuPont, John Deere and DeLaval (Figure 3).

The Food Sector

Basically, this sector involved in getting the raw firm commodities being processed, packaged, distributed as well as sold to final consumer. This include means that, the very widely variety of processing and marketing firms are quite responsible to adding value to the harvested commodities as soon as they leave the firm gate. The paper will consider food sector by looking at food in retailers, away from home food firm, whole selling firm, food manufacturing and processing as well as the assembly and transportation firm and their linkage with other sectors.

Retailing food

Indeed, food retailing has become most popular in the food business and is contributing a significant contribution in national economy. It has been classified as into three general categories: grocery stores, supercentre or other food stores. The grocery stores -involves traditional supermarkets, convenience stores, speciality food stores such as fish, meat and bakeries markets, superettes and small grocery stores. However, supercentre involves warehouse and has been recently championed by firm such as Wal-Mart. Indeed, the combination of all these food stores remains important to the improvement of agribusiness management.

Food services

As the matter of fact, the food services which comprise three types of firms become very important sources of income. These firms include traditional restaurants, first food or quick service restaurants and institutional food services firms. The traditional restaurant as sometimes known as full-service restaurant has become very popular due to the life style and cultural changes of the consumers as many people seem to prefer to eat away from home by meeting with friendly, family and colleagues at local restaurant for leisure, conversation, or convenience, as this contributed to the growth of cuisines. However, fast food services also present both restaurants and the growth of industry as now good is expanding nationally and internationally. More profoundly, the institutional food services which consist of food services offered at hotels, schools and colleges, government offices, corporate eating establishments, airlines as well as the hospitals account for a significant portion of food consume in our daily life.

Food whole selling

According to Freddie the food whole selling presented a $678 billion business conducted by 26,745 whole sellers by 2009 as the merchant whole sellers who buy grocery products from processors or manufacturers and resell them to the retailers, institutions as well as the business account for 70% of the whole business. Usually, the sells offices and branches are owned by the large manufacturers and the whole sell agent and brokers are buying and sell to their representatives in return to commission.

Figure 3: Agricultural products economics (agribusiness management).

Food processing and manufacturing

Indeed, food processing and manufacturing such as that of beverage, tobacco, fibre, yarn and thread mills as well as the tanneries are making huge impact in the agribusiness industries. The food processing and manufacturing industry may well change the raw agricultural commodities in either ingredient for further processing or indeed as the final consumer products such as soybeans, bakers, meat packers, flour millers, wet corn mills, breakfast cereal companies, brewers, snack firms, fruits and juice, diaries firm, vegetables, as well as the tanneries are the great examples of food and fibre processor and manufacturers. In 2007, the shipment in this sector account for $590 billion (2007 Economic Census). However, due to growing need for vertical and horizontal integration many firms now engage in processing in the products such as animal feed, grain milling and meat packaging. More significantly, the situation where commodities required to be shifted from one point to another that is where the transportation and logistics firms come into action. These firms facilitate the transportation of products from farmers to processors or manufacturers and they play crucial roles toward agribusiness and that is where linkages between the industries occur.

The Production of Agricultural Sector

More importantly, the production of agricultural sector becomes the centrepiece of our food production and marketing system in the country. It is basically includes the farms and ranches which provide inputs necessary for food and fibre sector which seem to have connected and impacted together. This sector will describe the dynamic nature of agricultural production on our food production and marketing system by looking on farm demographic, farm income as well as future issues.

Farm demographic nature

According to Ahearn and Weber firm can be defined as "any establishment from which $1,000 or more of agricultural products were sold or would normally be sold during the year". However, this definition includes a number of part time farmers with limited numbers of acreage as well as the modest production. It also includes part time farmers or full time ones. The firms have been divided in three categories including rural residence firm- charactering by limited resources, retirement and residential firm, intermediate firms- include operators considering as their major occupation with income below $250,000 and commercial firm- they are family or non-family firms under with income over $250,000. Basically, these firms have been growing and falling over time due to several reasons such as financial problems.

Firm income

Indeed farming income has been tremendous despite twist and turns in the pricing of some commodities whereby the farmers fail to control the pricing and production. However, the farmer may face price risk, but this provide little helps compared to the price they receive and the production expenses they incurred such as fuel, nitrogen fertilizers cost especially when there is short supply of natural gas. It was this reason that forced the US government to come up with policy to support the farmers when the market conditions are no favourable since 1930s. In this respect, therefore, some crops and livestock products such as peanuts, wheat and diary have substantial government involvement, while other crops and livestock products such as pork, soybeans and lettuce have little government involvement.

The input supply sector

More occasionally, in the subject of food production and marketing system consists of some firms which manufacture and distribute inputs which are useful in the agricultural production sector. Therefore, at this stage, the agricultural input industry becomes very crucial in providing products and services to agricultural producers. Many products and services such as seed, machinery, equipment, fertilizer, pesticides, herbicides, animal nutrition, crop protection as well as the credit and banking firms are becoming the popular enterprises in the category of input suppliers. Many firms have been involved in this sector such as John Deere, Syngenta, Pfizer Animal Health and Monsanto are example in the agricultural inputs. In distribution aspect, however, the firm like Deere has been the major supplies of tractors and trucks while seed industry annually investing to develop and manufacture hundreds of new hybrids and varieties of seeds. On the other hand, the chemical industries the likes of Syngenta and DuPont are very common in producing crop protectants that reduce weed and insect pressure. Following recent development in biotechnology, however, these kinds of firms have merged which led to some crop being modified to resist certain pests while other crops have been modified to resist herbicides which help in the weed control. This comes to terms with what is known as Genetically Modified Organism (GMOs).

Moreover, the firm production inputs are distributed from manufacturer to firm through very wide variety of sales and marketing distribution channel. This involve input distributors such as individual, company, cooperatives, e-business or anyone responsible to make sure the inputs are available on time at the farm. Sometime the firm own their distribution firm to capitalize on economy of a scale, company such as Helena Chemical Company which produce fertilizer, spray adjuvant, and specialty products reach its customers through retail and whole selling all over the USA. Notwithstanding with, the agricultural services and financing such as farm management services, veterinary care, consulting businesses as well as the firm lending are just few example of business involve in this area.

Reasons for global expansion

Basically, to discuss this aspect affirmatively, one must consider wide variety of reasons as to why firms are deciding to go global:

- Increasing Market share by increasing sales
- Cost reduction based on labour and technology
- Maximizing profits and assets by acquisition
- Seeking and increasing, knowledge, technology and innovation
- Long term and short term security of the business
- Market saturation due to its smallest size at home
- The nature of competition at home market such as hyper competition

Decision on which market to penetrate

Despite the fact that many organizations wish to expand their operation internationally it is pretty clear that not all of the may well able to fulfil those ambitions. The truth about this point is, basically, some organizations refused to go global after realizing the complex nature of the international operation or indeed the lack of resources which could be used to compete effectively in the market. However, before opting to spread the organization wings globally is crucial that the firm should carefully assess which market to inter or indeed which kind of product or service will better suit the firm to achieve its intended goals and objectives. In order to be able to choose better market to enter there many models, tools, theories and information one could use and assist in the decision making.

PESTEL Analysis

The PESTEL analysis tool helps the firm to make decision about the country marketing situation based on political, economic, social, technological, environmental as well as the legal aspects as described above. However, marketing auditing may well be decided based on the strength and weakness of the organization. Therefore, it is far more important to understand the resources and competences before the firm choose the market to enter. Moreover, the firm should be able to technically use the SWOT analysis model to gain market share as described below Table 2.

Strength and opportunity

The firm may well exploit the market by using its strength to capitalize on the opportunities. Therefore, the best available strategic option required under this circumstance will be offensive strategy which includes:

- Aggressive marketing
- To invade new market
- To launch new product development
- To set up marketing innovation
- Engaging on cross sell approach
- Applying horizontal integration approach

Strength and threats

The firm, on the other hand, could well use its strength to eliminate or reduce the threats existing or that might occur in the business by using strategy known as defensive strategy which includes options such as:

- Vertical integration approach
- The marketing penetration
- Value chain cost cutting approach

Political Factors	Economic factors
Government organisation/attitude Political Stability/instability	Economic Growth Unemployment Policy Inflation, interest rates and other monetary policies Consumer confidence
Social Factors	**Technological Factors**
Income Distribution Demographic changes Labour/Social mobility Life style Changes Fashion Changes	New invention and development Rate of technology transfer Life cycle and speed of technological obsolescence Changes in information technology Changes in mobile technology
Legal Factors	**Environmental Factors**
Tax polocies Employment laws Safety regulations Competition regulations	Environmental regulations and protection

Table 2: PESTEL analysis.

- Customer retention approach
- Pricing Matching approach

Weakness and Opportunity

Likewise, the firm may well use its weaknesses to deal with the opportunities existing by applying the common strategy known as turnaround strategy which includes the options such as:

- Staff reduction approach
- Budget cutting (spending cut)
- Downsizing or consolidation approach
- Cost leadership or focus differentiation

Weakness and Threats; the firm may well deploy its weaknesses to deal with the threats existing in the market by using the strategy known as the contraction strategy which includes options such as:

- Harvesting approach which target to increase selling
- Divest approach which require to abandon some products or services
- The early retirement approach
- Liquidation approach

In spite of having known the market situation based the threshold resources owned by the firm it is also significant to assess on the marketing attractiveness, risk factors and business strength.

Market Attractiveness (Table 3)

Decision on entry methods and strategy (How to enter the market)

More significantly, the decisions to choose better entry methods and strategy usually rely very much on the level of risk posed to that kind of methods or strategy. This is to say the more the risks entry method poses the less likely to be used by the organization in its international operation. This reflect the fact that despite having several entry methods and strategies such as domestic purchasing, piggyback operation, distribution and agents, direct market, licensing, strategic alliance, joint ventures, assembly operation, franchising, company acquisition as well as the wholly owned subsidiary (mergers) the firm normally choose one which is suited within its capability and organization mission and vision along with long and short term goals and objectives. Until recently, Joint Venture has become the most popular entry method used by several organizations as it helps to share in terms of experts, technology, fund and resources required to operate the agricultural business. However, entry methods and strategy are going side by side with marketing orientation such as Ethnocentric, Polycentric, Regional-centric and Geocentric.

Ethnocentric approach: This one of the most common type of marketing orientation whereby the firm tends to inherit everything from parent company such as managers and operations techniques. The advantages of this orientation is connect the overseas firm with the parent company culture, however, it is very cost as it involves frequent movement of the managers to travel overseas for close supervision of the operation which target short term.

Polycentric approach: On the other hand, this marketing orientation involve the situation whereby the firm operate based on the local practices of the country as the it employs local people, however, the advantage of this approach is less cost and it uses the available employees who know the local business very well but the main disadvantage is that it may not connected to parent company and if not well managed may lead to severe damage.

Regional-centric approach: Under this approach the firm operate based on the regional practice of the country it operates, therefore the firm looking the wide range regional labour availability. This help to cover the gap on expertise and technology in the firm by recruiting people from within the regional labour pool. This approach requires the firm to use its competence well to compete effectively in the market in the long run.

Geocentric approach: It is one of the most complex marketing orientations used by the firm such as McDonald whereby the firm operates based on global practice. The firm may well employ someone from any part of the world to work and this approach most likely deployed for longer run of the firm.

More profoundly, despite the numbers of theories of the international operations it is very important to note that before the firm decide to expand its boundaries globally it should consider the advice given by management guru Richard Lynch when he argued that the firm should be built in the company's resources and capabilities in its home market as stipulated below;

- Differentiated products such as L'OREAL patented cosmetics products.
- Low cost products such as Chinese manufacturing low labour cost with low currency advantage.
- Dominant market share such as Wall-Mart and Microsoft Company.
- High performance products such as Japanese bullet trains.
- High quality and reliability such as that of Mercedes and Honda automobile products.
- Superior service level such as that produced by GUCCI and DHL.
- Network and support services such as that produced by Apple.
- Core competences such as that produced by Canon in its optical lenses.

Market Attractiveness	Risk Factors	Business Strength
Overall market size.	Possible loss or eventual failure.	Overall market share and share growth
Annual market growth rate.	Contingency loss on effective working capital.	Product quality and brand reputation
Historical profit margin.	Foreign exchange rate	Distribution network and promotional effectiveness
Competitive intensity.	Bribery and cheating	Production capacity and unit cost
Technological requirement.	Reputational risk as translated to domestic country.	Materials suppliers and Research and development
Inflationary vulnerability.	Equity partnership	Managerial personnel
Energy requirement.	Support channel and suppliers	
Environmental impact.	The cost of market withdrawal	

Table 3: Market attractiveness.

- Branding such as that of NESTEL in its ice cream products.
- The reputation of the company such as that of Nike in its sportswear.
- Knowledge such as that of produced by NORVATIS pharmaceutical company.
- Leadership and Human Resources expertise such as that produced by McDonald.

Decision on the marketing programmes and strategies

Indeed, once the firm is able to penetrate in the market will be faced with very significant challenge when it come the which market position the organization intends to be whether the market leader, market challenger, market follower of market niche. In fact, this decision will give direction to the form and firm will be able to decide on this matter careful marketing auditing. This section involves a rigorous number of tools, theories and information that will help the firm to compete effectively in the market in connection with the resources and competences it possess (Table 4).

Competitive positioning: Michael Porter (1980s) from Harvard Business School however, developed with the model which may well help the organization to position itself in the market it operates. He developed model which is known as Generic Strategic which consists three important positioning options such as Differentiation, Cost leadership and Focus. Therefore, the company may potentially opt to differentiate itself in terms of products or services and being unique at that particular market. Therefore, that uniqueness will help the organization to gain competitive advantage. Also, the firm may adapt cost leadership by exploiting the organization resources and manufacture quality products using very low cost and selling it in the very reasonable cost. Indeed, the firm may also position itself based on focus positioning strategy by focusing on certain market segment which it thinks that it may well compete effectively sometimes known as Niche Market. On the other hand, some experts developed a Hybrid strategy which basically look at the combination of the above strategies depends on the organization resources and objectives (Figure 4).

Ethical and social responsibility consideration: Basically, sustainable business has been the very significant sources of development in many societies. In this respect, therefore, a number of multinational organizations have grown hot to establish and expand both domestically and globally. It is argued, however, that many of these organizations have little regard or not at all when it comes to ethical and social responsibility. However, before discussing the concepts which underpinning the phrase "Ethical and Social Responsibility", it is far too significant to consider the originality of them more deeply. While that is in mind, the concept of ethics and social responsibility has been originated from Moral Philosophers who came out with ethical theory where by in this paper have been divided into two categories. Normative theorists who simply investigate the attempts normatively and reach to conclusion about what things are good or bad and indeed what action is right or wrong. This branch of moral philosophers supported by philosophers such as John Stuart and Jeremy Bentham (1806-1873) and (1748-1832) respectively. Moreover, it involves sub-branch such as Teleology (Consequentialist Theory) and Deontology (Non-consequentialist Theory) which simply fall under the above branch of philosophers (Normative Theory) which based on case to case and believe that two situations must not be similar.

Perhaps even more significantly, the Descriptive Theory is another branch of moral philosophers who investigate the matter but do not try to reach any conclusion over what thing is good or bad or what action is right or wrong. However, instead, descriptive study attempt to describe and explain the World without reaching any conclusion about the matter. This branch supported by Universalism Theory (Deontology) whereby in (1724-1804) Immanuel Kant's theory which suggests that, the means are more important than the end results. This approach was overwhelmingly echoed by the very popular English saying "The means justify the ends". More occasionally, the Virtual Theory found under this branch has been championed by Laczíniak and Murphy believes that acting beyond the call of duty based on personal self-interest is the spirit of goodness (The ends justify the means). Very interestingly, based on Justice Theory found as the sub branch in the Descriptive theory which supported by John Rawls believe on justice and fairness in the social contracts. In other words, this theory constitutes the fact

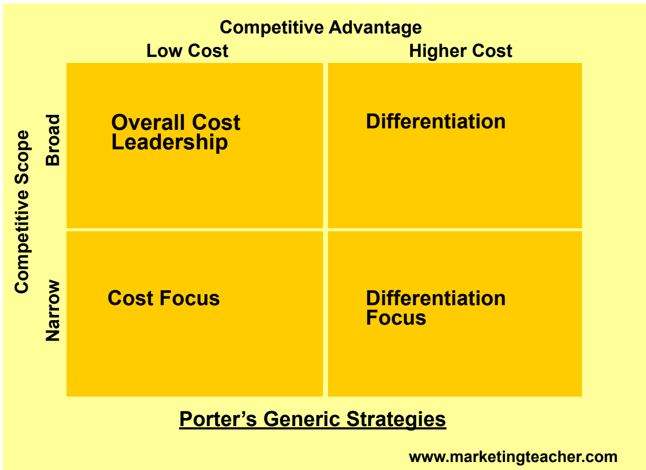

Figure 4: Porter's generic strategies.

Nature of the firm	Strategies deployed	Defending approach
Market leader; intends to expand its market share	To attract new users and creating new uses To innovate new product lines	Position defence-re-defining product or service Flanking defence-looking for another market segment Pre-emptive defence-operates in various cultures Counter offensive defence-quick reaction i.e., Coke introduce sprite to counter of 7UP Contraction defence-redefine the product or services
Market Challenger; intends to defining the strategic objection and opponents	To attack the market leader To attack the firm's own size To attack the smaller firms	Frontal attack-strength to strength ie Toyota and Honda Flank attack-Korea and Taiwan Encirclement attack- Seiko attacked Swiss watch
Market follower; intends to survive in the market.	To become imitator To engage in adaptation	None
Market Niche; intends to focus on certain segment.	Low volume concentration.	None

Table 4: Nature of the firm position and defensive approach.

that the agreement may well be fair if the circumstance of the choice itself is fair (equal opportunity).

Until recently, however, ethics has been well defined as a moral philosophy based on the study of the moral values and rules, therefore it is concerned with moral principles, value systems and orientations-with the concepts of right or wrong which is accepted by individuals or social groups and govern acceptable conduct on both a personal level and groups. At the same time, the phrase Social Responsibility may well be defined as the concept which refers to the overall way upon which the businesses try to balance their commitment to certain groups as well as the individual in the society. However, the phrase corporate social responsibility refers to the ideas that the business leaders should not function amorally, however, should concentrate on contributing to the welfare of the society based on the organization activities.

Until recently, many organizations have tried to come up with several strategies in order that could well be able to build upon the sense of personal ethics and social responsibility. It starts from code ethics and code of conducts to the overall programs on social responsibility as organized by corporate level of the organization. Despites all these attempts toward ethics and social responsibility only four ways may well define whether or not the organization fall under high or low standard of ethical consideration. Obstructionist-considered to be the lowest standard as the firm do very little to whether deny or eventually avoid responsibility. Defensive stance- it is regarded as the up level standard whereby the organization performs its operation based on legal approach rather than the ethical requirement. Accommodative stance- followed by defensive stance, this approach takes second as the organization become socially responsible only when required to do so and will not completely engage in proactive behaviour to seek such opportunity. Proactive stance- considered to be the highest degree of social responsibility as the managers behave as the citizen of that particular society and actively seeking the opportunity to contribute positively.

Decision on the marketing organization

In the meantime, the organization and operation plan is among the most important factor which needs to be considered in any business as this will help to organize the entire organization process and responsibility to be designed so as to enable the entire business to carry on efficiently and effectively. In fact, it is in the hand of the management to choose the best model to be adopted by the firm operation both domestically and internationally depending on the size of the organization itself either Tall-Centralized Organization or Flat-Decentralized Organization (Table 5).

Strategic implementation and evaluation

Basically, when setting up a business it is very crucial that there should be tools to be deployed in helping to implement the objectives and goals of the business. Therefore, if that is purely factual the best model to be used is McKinsey 7s framework to deal with that particular issue and the framework can be illustrated as following (Figure 5).

More remarkably, management guru agree with fact that any business strategies of any organization must be evaluated regularly in order to know whether it is fit with the business itself as well as the stakeholder. Therefore, the best tool to be used when evaluating the business is SAF which stand for (Suitability, Acceptability and feasibility) which can be illustrated as following:

Suitability-It looks at the overall rational of the strategy itself along with the high economy of scale.

Acceptability-It is greatly look at the positive responses from our respective stakeholders such as shareholders, customers, employee, suppliers etc.

Feasibility-It focuses on the strategy will be feasible in terms of capability based on human resources, financial capability, marketing capability as well as the information technology capability.

Managing Strategic Change

More occasionally, not always but sometimes the changes required within the business process which related to human resources, marketing, financial as well as the technology and innovation. However, some expert admitted that sometimes changes occur within the organizational culture which also includes the changing of leadership. In this respect, therefore, the business, however, may well consider these four types of changes and will be deployed according to the time and need of a certain objectives and goals.

Conclusion

What and even more significantly, the business in the global

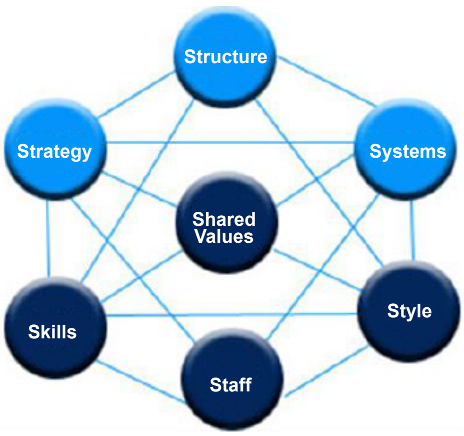

Figure 5: McKinsey 7s framework.

Organization level	Functions and activities
Corporate Level Planning	To make important overall business decisions which include planning the budget of our business and other important decisions about the firm such as joint venture but does not compete directly
Strategic Business Unit (SBU) planning	Its concerns with the SBU which this business will choose to set up and how it will be operated. This will depends on the nature of the business growth and objective, and sometimes involves projects by the firm
Functional Level Planning	This will be concerned with overall functional planning such as marketing and sells, human resources management, finance, information management and other functions. This level is directly involved in to competition with other firms by setting up several strategies
Operational Level Planning	The operational planning will focus on the activities related to functional planning such as sales, promotions, advertising as well the research and development

Table 5: The organizational planning.

operation has been has been faced with challenging issues of culture. This always considers the fact that, the expatriate managers must be well aware with the entire cultural practice of the country in operation including the need to obey the law and regulation of the country in question. In this regard, however, deliberate efforts must be put in place to make sure that managers learn the cultural as the business goes on to avoid unnecessary conflict or complete closures of the business operation.

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