Theme 4

Peculiarities OF ADVANCE OF GOODS IN THE INTERNATIONAL MARKETING

Words from the lecture

A — words
- purpose
- determine
- profit
- be absent
- accessibility
- conditions

B — words
- opportunities
- foreign
- commodity
- expand
- footwear market

C — words
- market of lumber
- sharing
- capital markets
- adjustable
- annually

D — words
- openness
- government
- infrastructure
- labor
- raw materials

COMMODITY POLICY OF FIRM IN THE INTERNATIONAL MARKET

The commodity policy defines a position of firm concerning most that good, its packing, a brand, service and problems of updating.

There are three options of a trade policy.

1 **The first option of a trade policy** corresponds to standard trade approach "Take goods such what it is, and find on it buyers". Such trade approach demands a few efforts and costs of production and marketing and low qualification and responsibility of heads of the organization.

2 **The second option of a trade policy** is that under certain external conditions (import quotas, high duties, the low export prices) the management of this organization can become interested in implementation of production of goods for the market of some countries.

3 **The third option of a trade policy** is based on considerable changes of a product or even on creation of the completely new. It is connected with large volume of costs of marketing, production and designing of a product. Usually the purpose is improvement of positions in competitive fight without the concrete foreign market (a commodity innovation).

The most important factors of a choice of goods for activity in the foreign markets is:

factors of a choice of goods:

ecological component of goods

brand

- service component of goods

esthetic parameters

compliance to the international standards

- packing

MARKETING POLICY OF FIRM IN THE INTERNATIONAL MARKET

The marketing policy is a set of decisions on structure of channels of distribution of goods. The choice of vertical, horizontal, multichannel systems of distribution is carried out on the basis of the following actions:

- – analysis of needs of clients;
- – definitions are more whole than the channel;
- detection of specifics of sale of goods in the chosen country;
- – estimates of different options of channels;
- detection of specifics of sale of goods in the chosen country;
- – estimates of different options of channels;
- – a choice of one or several ways of distribution of goods in the foreign market.

There are three forms of the organization of distribution of goods abroad:

There are some forms of it

Treat own sales channels of the enterprise:

– export department of the enterprise;
– export organization within the country;
– foreign office of firm;
– subsidiary abroad.

forms of the organization of distribution of goods abroad

forms of the organization of distribution of goods abroad :

National sales channels

- the export (foreign trade)
– the trading houses;
– transport-forwarding companies;
– representatives of the foreign companies.

In recent years one more sales channel – **the Internet** was adde

Abroad treat marketing intermediaries:

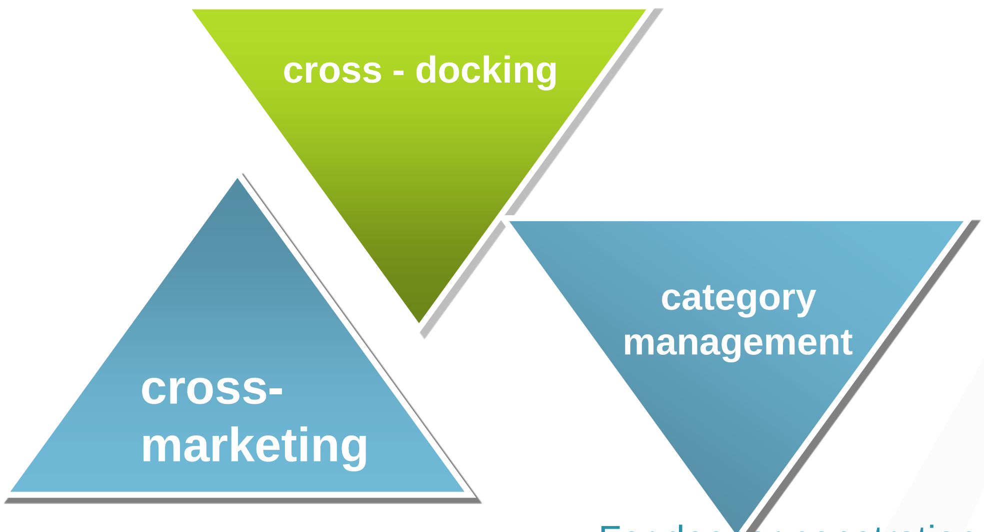
– the wholesale importing organizations;
– commission agents;
– international brokers;
– sales agents: purchase agents, sale agents;
– concessionaires;
– distributors.

It is possible to allocate three options of sales (a way of sales):

- 1) to sell goods in the territory to the intermediary (including foreign) who resells it then outside the country;
- 2) to sell goods in others territory to the intermediary;
- 3) to sell goods in others territory it is independent.

In foreign practice is actively used :

The cross - docking assumes that in the center of system there is one big distributor center with a huge warehouse where all orders arrive and where all goods sold in this region are stored.



A classical example of a cross-marketing – alliance of airlines with hotels when large hotel complexes have agreements on granting mutual discounts when servicing certain airlines. At such scheme the client of the company A at the same time is the potential client of the company B.

For deeper penetration on the foreign markets practice so the called category management when each category of goods is considered in the range separately and the administrative functions necessary for advance of these goods are charged to the category manager who works only with one group of goods.

3. PRICE POLICY OF FIRM IN THE INTERNATIONAL MARKET

Usually at the disposal of the enterprise there are three basic points for determination of the price of sales:

- – expenses (prime cost);
- – demand;
- – competition.

Product cost - an important indicator, but it is difficult to work with it when it is necessary to make marketing or other administrative decisions.

It is more convenient to use so-called conditional and constants and variable expenses which sum too gives prime cost.

Full national product cost of a product, except costs of production, includes:

cost of packing and special preparation for export

share of costs of functioning of export service of the enterprise

the export prime cost before sending a product (costs for loading and international transport, insurance expenses on transport, "consular" expenses)

Thank You!