Implementation of International Marketing Strategy

- Global organizational structure
- Global marketing decision making
- Global marketing control

Organizational Structure

- Provides a route of decision making and coordination along with a system for reporting and communication.
- Basic international organizational design include three categories for structure development:
  - Little or no formal organization for international activities.
  - International division.
  - Global organization.

International Marketing Organization

- Degree of involvement in international marketing activities
- Low
- High

- Export Department
- International Division
- Global Organization

- Low involvement
- High involvement
### Global Matrix

<table>
<thead>
<tr>
<th>Product</th>
<th>Asia</th>
<th>EU</th>
<th>Latin Am.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product A&lt;br&gt;Tobaccos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product B&lt;br&gt;Foods</td>
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<td></td>
<td></td>
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<tr>
<td>Product C&lt;br&gt;Apparels</td>
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</table>

### Factors affecting organizational structure and decision making

- The degree of involvement in international operations.
- The business(es) in which the firm is engaged.
- The size and importance of the markets.
- The human resources capability of the firm.
- Past organizational structure.
- Type of international marketing strategy: structure must fit the strategy.
  - Global marketing strategy:
  - Multidomestic marketing strategy:

### International Marketing Decision Making

- **Centralization**
  - Global headquarters
- **Decentralization**
  - Regional headquarters
  - Country subsidiaries
Decentralized versus Centralized Structure

- The decentralized structure gives a high degree of autonomy to subsidiaries.
- The centralized structure has control and strategic decision making concentrated at headquarters.
- Coordinated Decentralization
  - Overall corporate strategy is provided from headquarters.
  - Subsidiaries are free to implement it within the range agreed on with headquarters.

Levels of Coordination

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>5 Central Control</td>
<td>No national structures</td>
</tr>
<tr>
<td>4 Central Direction</td>
<td>Central functional heads have line authority over national functions</td>
</tr>
<tr>
<td>3 Central Coordination</td>
<td>Central staff functions in coordinating role</td>
</tr>
<tr>
<td>2 Coordinating mechanisms</td>
<td>Formal committees and systems</td>
</tr>
<tr>
<td>1 Informal cooperation</td>
<td>Functional meetings; exchange of information</td>
</tr>
<tr>
<td>0 National autonomy</td>
<td>No coordination between decentralized units; which may even compete in export markets</td>
</tr>
</tbody>
</table>

Level 5 = highest; Level 0 = lowest. Most commonly found levels are 1-4.

Roles for Country Organizations

- **High Strategic Importance of Local Market**
  - **High Competence of Local Organization**
    - **Strategic Leader**
    - **Contributor**
  - **Low Competence of Local Organization**
    - **Black Hole**
    - **Implementor**