

# International Business

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# International Business

It refers to the conduction of Business activities in more than one country.

A Comprehensive and Integrated shift towards a Globalized Economy.



# INTERNATIONAL BUSINESS

- **International Trade to International Marketing**

Producers in the developing countries used to export their products to the nearby countries and gradually extended the exports to the far off countries.

Gradually, the countries extended the operation beyond trade. For ex India used to export raw cotton, raw jute and Iron ore during the early 1900s .The industrialization in 1960 enabled India to export Cotton Garments, jute products and steel during 1960s.

#### Shift from Exporting to International Marketing

In addition to mere exporting India ,during 1980s started creating market by creating demand of products like textiles,electronics,leather products,Tea,coffee etc., creating distribution channel, doing consumer research, and promotions. This led to the emergence of the concept of International marketing. This is true not only with India, but almost with all developed and developing economies.

# **An overview of International Business**

- **International Marketing to International Business**

The Multinational companies which were producing the products in their home countries and marketing them in various foreign countries before 1980s, started locating their plants and other manufacturing facilities in foreign /host countries .Later ,They started producing in one foreign country and marketing them in other foreign countries. This led to the emergence of International Business

For example Uniliver Limited located its subsidiary in India i.e. Hindustan Uniliver Limited. It produces its product in India and markets them in other neighboring countries like Bangladesh, Srilanka ,Nepal etc.

# Factors that Influence International Business

- Accurate / Timely information
- Socio-Cultural.
- Market Segmentation.
- Large in Size
- Economical
- Nationalism and Business policy
- Political
- Natural Environment

# Goals of International Business

- To Achieve higher rate Profits
  - Expanding the Production Capacities beyond the demand of the home country.
  - Severe competition in the home country
  - Limited home Market.
  - Nearness to Raw Materials.
  - Availability of Quality Human resources at Less Cost.
  - Liberalization and Globalization / Tariffs and Import Quotas
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- To increase Market Share

# Advantages of International Business

- ❖ High Living Standards
- ❖ Increased Socio-economic Welfare
- ❖ Wider Market.
- ❖ Reduced effects of Business Cycle.
- ❖ Reduced risks
- ❖ Large Scale economies.
- ❖ Potential untapped Market.
- ❖ Provides the opportunity and challenges to Domestic Business.
- ❖ Division of Labor and Specialization.
- ❖ Optimum and Proper utilization of world resources
- ❖ Cultural Transformation & knitting the world into interactive traditional village



## International Business Approaches

- Ethno centric Approach
- Polycentric Approach
- Regio-centric approach
- Geo centric Approach

- Thank you !