BUSINESS ACUITIES

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INTERNATIONAL BUSINESS

CONTENTS

EDITORIAL BOARD

E-COMMERCE

Introduction to E-Commerce

In today's digital landscape, ecommerce plays a crucial role in business success. Understanding the journey from clicks to conversions is vital. This presentation will explore effective strategies to enhance your digital marketing efforts and drive sales. Let's unlock the secrets to thriving in the online marketplace!

Analysing where these clicks come from can reveal valuable insights. Focus on traffic sources such as social media, search engines, and email marketing to optimize your marketing strategy and improve your conversion rates.

The conversion funnel illustrates the customer journey from awareness to purchase. It's essential to understand each stage: awareness, interest, desire, and action. Tailoring your marketing efforts to address customer needs at each stage can significantly enhance your conversion rates.

Content is king in the digital realm. Creating engaging and relevant content can capture your audience's attention and encourage them to take action. Use storytelling, visuals, and calls-to-action to guide users through their buying journey effectively.

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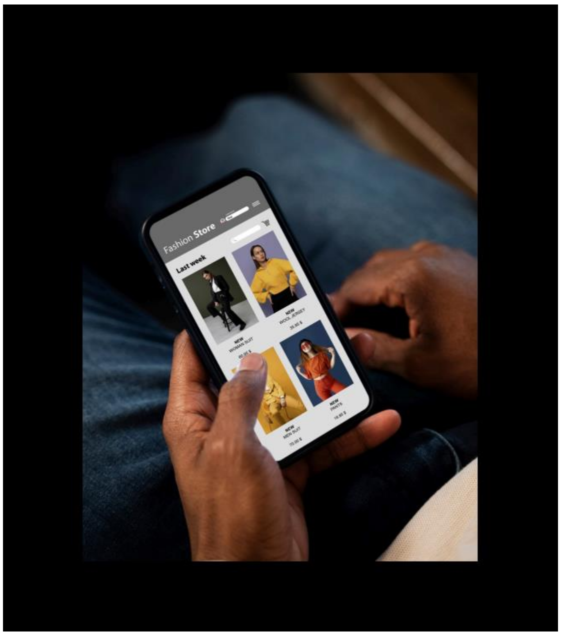
Optimizing User Experience

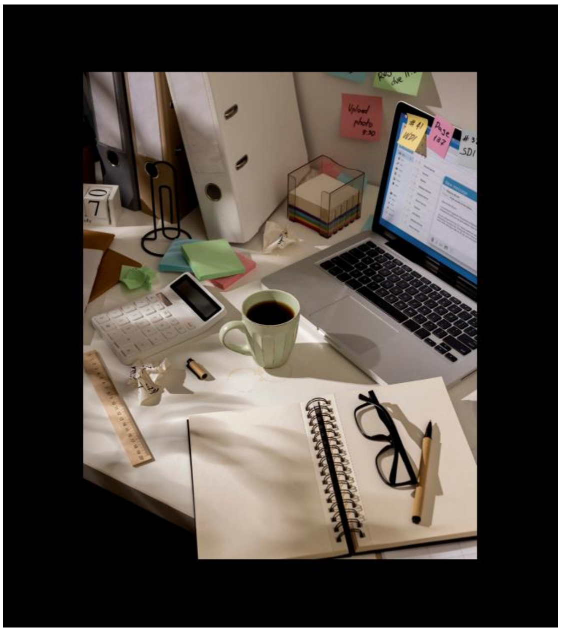
A seamless user experience (UX) is key to converting clicks into sales. Ensure your website is mobile-friendly, loads quickly, and has intuitive navigation. A positive UX can significantly reduce bounce rates and encourage customers to complete their purchases.



Incorporating social proof into your marketing strategy can build trust and credibility. Showcase customer reviews, testimonials, and case studies to influence potential buyers. When customers see others' positive experiences, they are more likely to convert.

Analyzing and Adapting

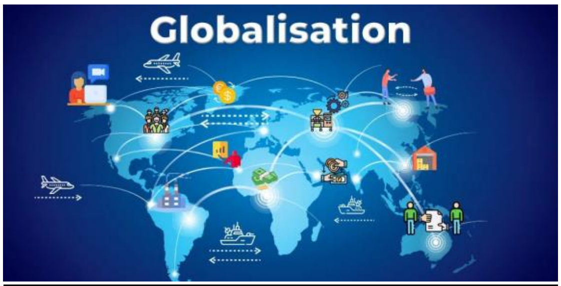
Regularly analyze your marketing performance to identify what works and what doesn't. Use tools like Google Analytics to track user behavior and conversion rates. Adapting your strategies based on data insights can lead to continuous improvement and better results.



Conclusion

Mastering the art of e-commerce and digital marketing requires continuous learning and adaptation. By focusing on clicks, conversions, and customer experience, you can drive growth and success. Embrace creativity and data-driven strategies to thrive in the competitive online market.

GLOBALIZATION



Globalization is the increased flow of goods, services, capital, people, and ideas across international boundaries according to the online course global business boundaries. "We live in an age of globalization," "That is, national economies are even more tightly connected with one another than ever before."

ADVANTAGES OF GLOBALIZATION

1. ECONOMIC GROWTH

It's widely believed that one of the benefits of globalization is greater economic growth for all parties. There are several reasons why this might be the case, including

- **Access to labor**: Globalization gives all nations access to a wider labor pool. Developing nations with a shortage of knowledge workers might, for example, "import" labor to kickstart industry. Wealthier nations, on the other hand, might outsource low-skill work to developing nations with a lower cost of living to reduce the cost of goods sold and pass those savings on to the customer.
- **Access to jobs:** This point is directly related to labor. Through globalization, developing nations often gain access to jobs in the form of work that's been outsourced by wealthier nations. While there are potential pitfalls to this (see "Disproportionate Growth" below), this

work can significantly contribute to the local economy.

- **Access to resources:** One of the primary reasons nations trade is to gain access to resources they otherwise wouldn't have. Without this flow of resources across borders, many modern luxuries would be impossible to manufacture or produce. Smartphones, for example, are dependent on rare earth metals found in limited areas around the world.
- **The ability for nations to "specialize":** Global and regional cooperation allow nations to heavily lean into their economic strengths, knowing they can trade products for other resources. An example is a tropical nation that specializes in exporting a certain fruit. It's been shown that when nations specialize in the production of goods or services in which they have an advantage, trade benefits both parties.

2. INCREASED GLOBAL COOPERATION

For a globalized economy to exist, nations must be willing to put their differences aside and work together. Therefore, increased globalization has been linked to a reduction though not an elimination of conflict.

3. INCREASED CROSS BORDER INVESTMENT

According to the course Global Business, globalization has led to an increase in cross-border investment. At the macroeconomic level, this international investment has been shown to enhance welfare on both sides of the equation.

The country that's the source of the capital benefits because it can often earn a higher return abroad than domestically. The country that receives the inflow of capital benefits because that capital contributes to investment and, therefore, to productivity. Foreign investment also often comes with, or in the form of, technology, know-how, or access to distribution channels that can help the recipient nation.

DISADVANTAGES OF GLOBALIZATION

1. INCREASED COMPETITION

When viewed as a whole, global free trade is beneficial to the entire system. Individual companies, organizations, and workers can be disadvantaged, however, by global competition. This is similar to how these parties might be disadvantaged by domestic competition: The pool has simply widened.

2. DISPROPORTIONATE GROWTH

Within countries, globalization often has the effect of increasing immigration. Macro economically, immigration increases gross domestic product (GDP), which can be an economic boon to the recipient nation. Immigration may, however, reduce GDP per capita in the short run if immigrants' income is lower than the average income of those already living in the country.

3. ENVIRONMENTAL CONCERNS

Increased globalization has been linked to various environmental challenges, many of which are serious, including:

- Deforestation and loss of biodiversity caused by economic specialization and infrastructure development
- Greenhouse gas emissions and other forms of pollution caused by increased transportation of goods
- The introduction of potentially invasive species into new environments.

IMPACT OF GLOBALIZATION

Globalization has transformed the business landscape, presenting both opportunities and challenges.

The benefits include: Expanded market access and customer base

Increased competition, driving innovation and improvement

Access to global talent and skilled workforce

Improved supply chain management and efficiency

Exchange of ideas, technologies, and best practices

However, globalization also poses challenges such as:

Cultural and language barriers to communication

Regulatory differences and compliance issues

Market volatility and economic uncertainty

Intellectual property protection concerns

Environmental and social responsibility issues.

FOREIGN MARKET ENTRY

A Market entry strategy is the planned method of delivering goods or services to a new target market and distributing them there.When importing or exporting , it refers to establishing and managing contracts in a foreign country.

MARKET ENTRY STRATEGIES

EXPORTING

Exporting is the most traditional & well established form of operating in foreign markets. Exporting can be defined as the marketing of goods produced in one country into another The tendency may be not to obtain a much detailed marketing information as compared to manufacturing in marketing country. Forms of exporting includea) Direct Exporting b) Indirect Exporting.

FRANCHISING

Franchising is the practice of using another forms successful business model. Examples: Starbucks, Subway, McDonalds Etc. Franchiser issues the Franchisee. (Allows the operator to use the brand name and other facilities for which the operator is being charged certain amount). Every country have different policies and laws for franchising.

LICENSING

Licensing term can be defined as "The method of operating in other country wherein a Firm of one country agrees to permit a company in another country to use the manufacturing, Processing, Trademark & other skill provided by the Licensor". Licensing is expensive and it requires process like agreement & It is similar as Franchise Operation. Example: Coke, Pepsi, etc.

CONTRACT MANUFACTURE

Company doing International marketing contacts with firms in foreign countries to manufacture /Assemble the products while retaining the responsibility of marketing the product. This is a common practice in international market. Many multinational employ this in India. Ex – Hindustan lever, Park Davis, Ponds.

MANAGEMENT CONTRACTS

Management Contracts is agreement between two companies, whereby one company provides managerial assistance, Technical expertise & Specialized service to the second company of the Agreement for a certain period in return for monetary compensation. It Emphasize the growing importance f the services, business skills & management expertise as sellable commodities in international trade.

JOINT VENTURE

An enterprise in which two or more investors share ownership and control over the property rights & operations is known as Joint Venture. It is the easy strategy of entering the foreign market. Any form of association which implies collaboration for more than transitory period is also termed as Joint venture. Joint venture can be in the form of a) Foreign Investor showing interest in local company. b) A local firm acquiring an interest in an existing foreign firm. c) Both foreign and local entrepreneurs jointly forming a new enterprise

STRATEGIC ALLIANCES

The Strategy seeks to enhance the long term competitive long term advantage of the firm by forming alliance with its competitors instead of competing with each other.The Goals are to leverage critical capabilities, increase the flow of innovations & increase flexibility & responding to market and technological changers.

MERGERS & ACQUISITIONS

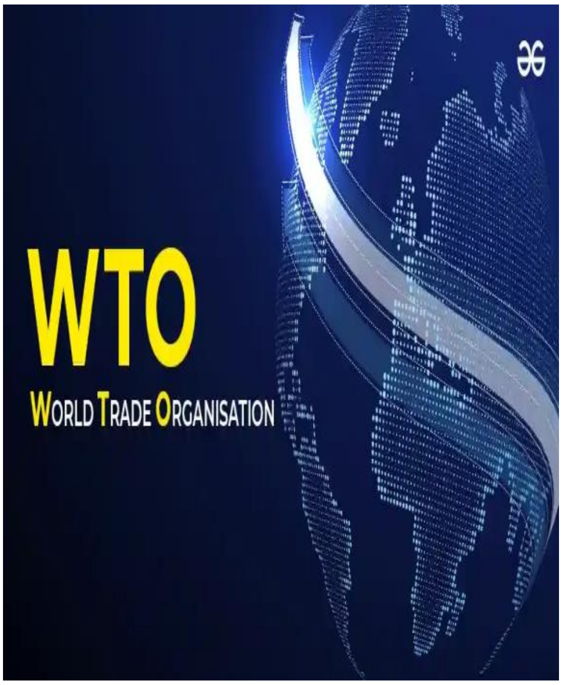
This Strategy is also known as expansion strategy & have been important & powerful driver of globalization. Merger & Acquisitions are major aspects of corporate strategy which help dealing with the buying, Selling, dividing & Combining of different companies having similar entities which help an enterprise to grow rapidly in its sector. For Example – Telecom sector, Banking Sector etc .

TRUNKEY PROJECTS

A Turnkey Operations is an agreement by the seller to supply a buyer with a facility fully equipped and ready to be operated by the buyer, who will be trained by the seller. This term is used in “Fast food Franchising” when a franchiser agrees to select a store site, build the store, equip it, train the franchise & Employee. Many Turnkey contracts involves government/Public sector as Buyer. A Turnkey Contractor may subcontract different phases/parts of the project.

INTERNATIONAL TRADE AGREEMENT

The law of international trade has deep roots in international relations, bearing witness to the importance of trade in the creation of welfare. History includes a number of developments that were largely determined by trade interests, for instance the expansion of the ancient Greek and Roman civilizations, and the era of colonialism. More recently, deeper trade integration has steered the countries of Western Europe away from the devastating effects of two world wars towards peace and cooperation, leading to a collective creation of welfare. The international organization with the highest profile in this area is undoubtedly the World Trade Organization, the successor to the General Agreement on Tariffs and Trade. Regional trade blocs are increasingly being formalized in regional trade agreements, often with dispute settlement mechanisms attached. Finally, over and above regional trade agreements, countries are linked via a wide array of bi- and multilateral trade agreements.



The World Trade Organization would seem to have accepted regional integration as a fait accompli that it monitors but whose agenda it cannot directly set. Interestingly, some of the regional developments described below are complicated by interwoven aims. For instance, both the Southern Common Market MERCOSUR and ANDEAN have internal trade integration agendas of their own; however, they concurrently work on plans to launch a Free Trade Area of the Americas.

HISTORY

The World Trade Organization (WTO) has more than 130 members, accounting for over 90% of world trade. Over 30 others are negotiating membership. The forerunner of the WTO was the 1947 General Agreement on Tariffs and Trade, or the GATT. The GATT was the cornerstone of international trade law and trade negotiations for more than four decades. It achieved this status only after the collapse of the agreement on an International Trade Organization (ITO). ITO had been prepared after World War II, under the auspices of the United Nations (U.N.), in particular of the U.N. Economic and Social Council and the U.N. Conference on Trade and Development. After it became clear that the U.S. Congress would not ratify the ITO agreement, plans to have the ITO established were dropped and by default the GATT became the single most important international trade (law) instrument. GATT's profile was at its highest at the time of negotiating the eight successive "rounds" of tariff negotiations. These each led to new "schedules" of tariff concessions, in which the contracting parties (as the states adhering to the GATT were known) individually agreed to cut tariffs on specified products, according to the agreed timetable. The last of these rounds, the Uruguay Round, led to the creation of the WTO by the 1994 Marrakech Agreement. GATT 1947 was integrated into the WTO Agreement, and, together with the GATT 1994 Agreement, forms the backbone of international trade in goods.

The WTO's top-level decision-making body is the Ministerial Conference, which meets at least once every two years. Below this is the General Council (normally ambassadors and heads of delegation in Geneva, but sometimes officials sent from members' capitals), which meets several times a year in the Geneva headquarters. The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body. At the next level, the Goods Council, Services Council, and Intellectual Property (TRIPs) Council report to the General Council. Numerous specialized committees, working groups, and working parties deal with the individual agreements and other areas such as the environment, development, membership applications, and regional trade agreements. The first ministerial conference in Singapore in 1996 added three new working groups to this structure. They deal with the relationship between trade and investment, the interaction between trade and competition policy, and transparency in government procurement. At the second ministerial conference in Geneva in 1998 ministers decided that the WTO would also study the area of electronic commerce, a task to be shared out among existing councils and committees.

EMERGING MARKETS AND ECONOMIES

"Emerging markets" is a term that refers to an economy that experiences considerable economic growth and possesses some, but not all, characteristics of a developed economy. Emerging markets are countries that are transitioning from the "developing" phase to the "developed" phase.

CHARACTERISTICS OF EMERGING MARKETS

1. MARKET VOLATILITY

Market volatility stems from political instability, external price movements, and/or supply-demand shocks due to natural calamities. It exposes investors to the risk of fluctuations in exchange rates, as well as market performance.

2.GROWTH AND INVESTMENT POTENTIAL

Emerging markets are often attractive to foreign investors due to the high return on investment they can provide. In the transition from being an agriculture-based economy to a developed economy, countries often require a large influx of capital from foreign sources due to a shortage of domestic capital.

Using their competitive advantage, such countries focus on exporting low-cost goods to richer nations, which boosts GDP growth, stock prices, and returns for investors.

3.HIGH RATES OF ECONOMIC GROWTH

Governments of emerging markets tend to implement policies that favor industrialization and rapid economic growth. Such policies lead to lower unemployment, higher disposable income per capita, higher investments, and better infrastructure. On the other hand, developed countries, such as the USA, Germany, and Japan, experience low rates of economic growth due to early industrialization.

4.INCOME PER CAPITA

Emerging markets usually achieve a low-middle income per capita relative to other countries, due to their dependence on agricultural activities. As the economy pursues industrialization and manufacturing activities, income per capita increases with GDP. Lower average incomes also function as incentives for higher economic growth.

THE FIVE MAJOR EMERGING MARKETS

1. BRAZIL

Brazil's economy on a relative basis grew rapidly during the early 2010s at a rate of 7.5%. Due to political instability and trade sanctions, however, the growth rate slowed down and became negative in 2016 (-3.5%). Brazil also experienced considerable improvements in income levels and poverty reduction in 2003-2014, but changes have been sluggish since 2015 due to lower economic activity.

The Brazilian economy has been affected largely by political uncertainties and lower government expenditure. However, the outlook for the country's future is positive. The domestic economy grew 0.6% in 2019 and is expected to sustain the growth through infrastructure improvements and foreign investments, along with its reliance on agricultural commodities like soybean and coffee.

2.RUSSIA

Driven primarily by oil exports and a rise in oil prices, Russia experienced exponential growth in its GDP during the period 1999-2008 (before the Global Financial Crisis). The transition from communism to capitalism that has been taking place since 1991 has boosted economic growth in the country through economic reforms and an export-oriented trade policy.

However, since 2014, Russia's economy has been negatively affected by political conflicts and trade sanctions that have been imposed by the US, Canada, Japan, and the EU, along with fluctuations in the price of oil, which accounts for close to 52% of Russian exports. The Russian economy grew at a rate of 1.7% in 2019 and is expected to grow faster if geopolitical tensions with trade partners like the US, Canada, Japan, and the EU reduce.

3. INDIA

India established itself as an emerging market after trade liberalization and other major economic reforms in 1991. The Indian economy has been growing steadily at relatively high rates. It averaged 7.1% in the past decade, with some fluctuations due to political instability and economic reforms.

Essentially, India's long-term economic growth can be attributed to the expansion of the manufacturing and service sectors, driven by exports and foreign investment. India is also experiencing gains both in capital and labor productivity due to technological advancements and educational reforms. As of now, India is one of the largest emerging markets, along with China.

4.CHINA

The Chinese economy has posted an average growth rate of 10% since the enactment of trade liberalization and economic reforms in 1978. China's economic growth has been propelled by government spending, expansion of its manufacturing sector, and exports (specifically electronic equipment).

However, the country's income per capita is still low. Although only 3.3% of the Chinese population lives below the poverty line, 30% of the population lives below US$5.50/day. Nonetheless, as the Chinese government focuses on increasing GDP through consumption, disposable incomes are likely to increase, leading to sustained economic growth.

5. SOUTH AFRICA

South Africa was inducted into the BRICS association in 2010, after experiencing negative GDP growth in 2009 following the 2008 Global Financial Crisis (-3%). Following the financial crisis, the South African government implemented a number of policies to boost GDP through government expenditure and consumption. Economic growth increased in 2010-12 before slowing down in 2012-16 and rising again in 2017.

South African exports are composed primarily of commodities from mining. Therefore, export volumes depend on the prices of commodities, which are highly volatile. Fluctuations in export volumes explain part of the variation in GDP growth over the last few years.

Although South African GDP per capita has been increasing over time, so has the unemployment rate (29% as of 2019). High levels of unemployment and crime have hindered the economy's growth and investment potential, and are issues that need to be addressed through policy reforms.

INTERNATIONAL HUMAN RESOURSE MANAGEMENT

IHRM is set of organizational activities aimed at effectively managing and directing human resources/labour towards achieving organizational goals. Typical functions performed by HRM staff would be recruitment, selection, training and development, performance appraisal, dismissal, managing promotions and so on.

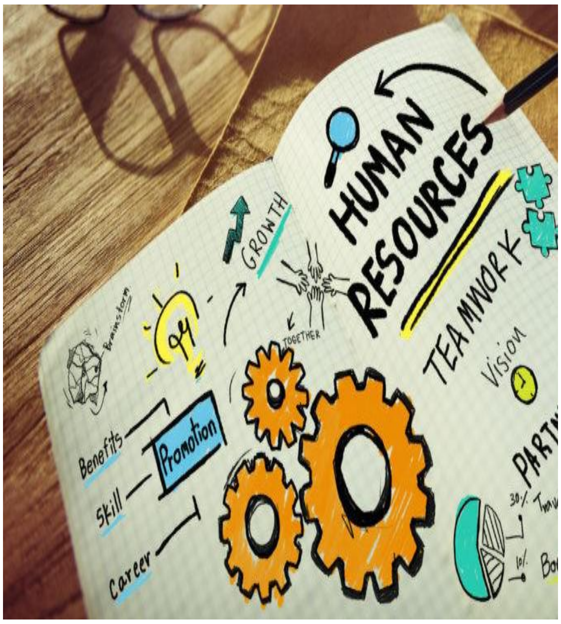
IHRM can be defined as set of activities aimed managing organizational human resources at international level to achieve organizational objectives and achieve competitive advantage over competitors at national and international level. IHRM includes typical HRM functions such as recruitment, selection, training and development, performance appraisal and dismissal done at international level and additional activities such as global skills management, expatriate management and so on.

International Human resource management is the process of procuring allocating and effectively utilizing the human resources in a multinational corporation. While HR Managers in these organization have to integrate HR policies and practices across a number of subsidiaries spread in several countries so that the organization goals can be achieve at the same time they have to make these policies and practices sufficiently flexible to allow significant differences in these policies in different countries.

International HRM is concerned with identifying and understanding how the MNC's manage their geographically dispersed worked force in order to leverage their HR resources for obtaining local as well as global competitive advantage.

IMPORTANCE OF IHRM

The importance of international human resource management is getting increase everyday as we have globalisation and internationalisation over the world. As a result, numbers of the multinational companies are getting increase. According to Brewster et al. (2007), the multinational companies are increasing and there is economic dominance as 80% of the industrial output for the world is produce by the world's 1,000 largest companies. Brewster et al. (2007) also mentioned that as the number of multinational company increases, global transferring is increasing such as sending works between team members of the company based everywhere over the world. In addition, through this trend, diversity is increasing within the organisation and the multiculturalism must be carefully considered by the organisation to utilise its human resources effectively in their organisation. The one of crucial role of human resource manager is developing effective human resource management policies and practices for organisation such as recruitment, reward, training, development, flexibility, work-life balance, employee relations and communications (Brewster et al, 2007). However, these policies and practices can be varied between national cultures. Rosenzweig and Nohria (1994) argued 'that HR is the area of management most likely to be subject to national differences' (Cited in Brewster et al, 2007). In these days, many large companies are trying to expand the company from their own country of origin to all over the world. These multinational companies are all facing same issues, which are developing policies and practices for the human resource management in their subsidiary overseas operations. In this paper, as a senior human resource manager of a multinational company in the Great Britain, will be discussed the main factors which will be considered while developing policies and practices for subsidiary in Latin America and also differences of policies and practices between the UK and the Latin America subsidiary operations.



FUNCTIONS OF IHRM

Globalization, the process of integrating a business's operations and strategies across a wide array of cultures, products and ideas, is having an impact on the role of human resource managers. Once concerned with the impact of local issues on employees, human resources must now consider the effects of workforce diversity, legal restrictions and the interdependence between training and professional development on the organization. As such, the five main functions of global human resource management are vital concepts to the strategic operation of a business.

RECRUITMENT

Attracting, hiring and retaining a skilled workforce is perhaps the most basic of the human resources functions. There are several elements to this task including developing a job description, interviewing candidates, making offers and negotiating salaries and benefits. Companies that recognize the value of their people place a significant amount of stock in the recruitment function of HR. There is good reason for this -- having a solid team of employees can raise the company's profile, help it to achieve profitability and keep it running effectively and efficiently.

TRAINING

Even when an organization hires skilled employees, there is normally some level of on-the-job training that the human resources department is responsible for providing. This is because every organization performs tasks in a slightly different way. One company might use computer software differently from another, or it may have a different timekeeping method. Whatever the specific processes of the organization, human resources has a main function in providing this training to the staff. The training function is amplified when the organization is running global operations in a number of different locations. Having streamlined processes across those locations makes communication and the sharing of resources a much more manageable task.

PROFESSIONAL DEVELOPMENT

Closely related to training is HR's function in professional development. But whereas training needs are centered around the organization's processes and procedures, professional development is about providing employees with opportunities for growth and education on an individual basis. Many human resource departments offer professional development opportunities to their employees by sponsoring them to visit conferences, external skills training days or trade shows. The result is a win-win: it helps the employee feel like she is a vital and cared-for part of the team and the organization benefits from the employee's added skill set and motivation.

BENEFITS AND COMPENSATION

While the management of benefits and compensation is a given for human resources, the globalization of companies in the twenty-first century has meant that HR must now adapt to new ways of providing benefits to an organization's employees. Non-traditional benefits such as flexible working hours, paternity leave, extended vacation time and telecommuting are ways to motivate existing employees and to attract and retain new skilled employees. Balancing compensation and benefits for the organization's workforce is an important HR function because it requires a sensitivity to the wants and needs of a diverse group of people.

IHRM AND TRAINING AND DEVELOPMENT

Training and development increases in complexity as MNEs move abroad. Types of training and development depend on a number of factors: The degree to which management is centralized. The types of workers employed in subsidiaries or joint ventures. The importance of branding, and the extent to which employees are expected to reflect the brand. The cultural expectations of training. In a global company, the training may well be centralised so that suppliers, employees and distributors are aware of the brand image that needs to be communicated.

INTERNATIONAL HUMAN RESOURCE MANAGEMENT AND EMPLOYEE RELATIONS

Human resource management and employment relations are at the heart of any modern organisation. Our Human Resource Management and Employment Relations major focuses on understanding people and relationships at work – what makes organisations work, what motivates employees, and what the future of work could be. You explore how employees, employers, government and trade unions shape people‘s experience of work and the outcomes from work. Choose from a wide range of papers to tailor your study to your interests. You can investigate the relationship between strategic human resource management and organisational performance, inequalities in work and organisations, and ways to build inclusiveness in organisational life. You can also explore employment regulation issues, negotiation and conflict management, strategic career management; and workrelated injuries and illness, and how to prevent them.