



MEMAHAMI TREND BISNIS (Lanjutan)

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Doing Business in Global Markets

it is important to understand the language used in global trade. For example, **importing** is buying products from another country. **Exporting** is selling products to another country.

As you might suspect, competition among exporting nations is intense. The United States is the largest importing nation in the world and is the secondlargest exporting nation, behind China

WHY TRADE WITH OTHER NATIONS?

No nation, not even a technologically advanced one, can produce all the products its people want and need.

Even if a country did become self-sufficient, other nations would seek to trade with it to meet the needs of their own people. Some nations, like Venezuela and Russia, have an abundance of natural resources but limited technological know-how.

Other countries, such as Japan and Switzerland, have sophisticated technology but few natural resources

Free trade is the movement of goods and services among nations without political or economic barriers.



PROS



- The global market contains over 7 billion potential customers for goods and services.
- Productivity grows when countries produce goods and services in which they have a comparative advantage.
- Global competition and less-costly imports keep prices down, so inflation does not curtail economic growth.
- Free trade inspires innovation for new products and keeps firms competitively challenged.
- Uninterrupted flow of capital gives countries access to foreign investments, which help keep interest rates low.

CONS



- Domestic workers (particularly in manufacturing-based jobs) can lose their jobs due to increased imports or production shifts to low-wage global markets.
- Workers may be forced to accept pay cuts from employers, who can threaten to move their jobs to lower-cost global markets.
- Moving operations overseas because of intense competitive pressure often means the loss of service jobs and growing numbers of white-collar jobs.
- Domestic companies can lose their comparative advantage when competitors build advanced production operations in low-wage countries.

The Theories of Comparative and Absolute Advantage

Countries exchange more than goods and services, however. They also exchange art, sports, cultural events, medical advances, space exploration, and labor. Comparative advantage theory, suggested in the early 19th century by English economist David Ricardo, was the guiding principle that supported the idea of free economic exchange

Comparative advantage theory states that a country should sell to other countries those products it produces most effectively and efficiently, and buy from other countries those products it cannot produce as effectively or efficiently.

GETTING INVOLVED IN GLOBAL TRADE

People interested in a job in global business often think they are limited to firms like Boeing, Caterpillar, or IBM, which have large multinational accounts.

However, real global job potential may be with small businesses. In the United States, only 1 percent of the 30 million small businesses export yet they account for about 30 percent of the total U.S. exports.



Importing Goods and Services

Howard Schultz, CEO of Starbucks, found his opportunity while traveling in Milan, Italy. Schultz was enthralled with the ambience, the aroma, and especially the sense of community in the Italian neighborhood coffee and espresso bars that stretched across the country.

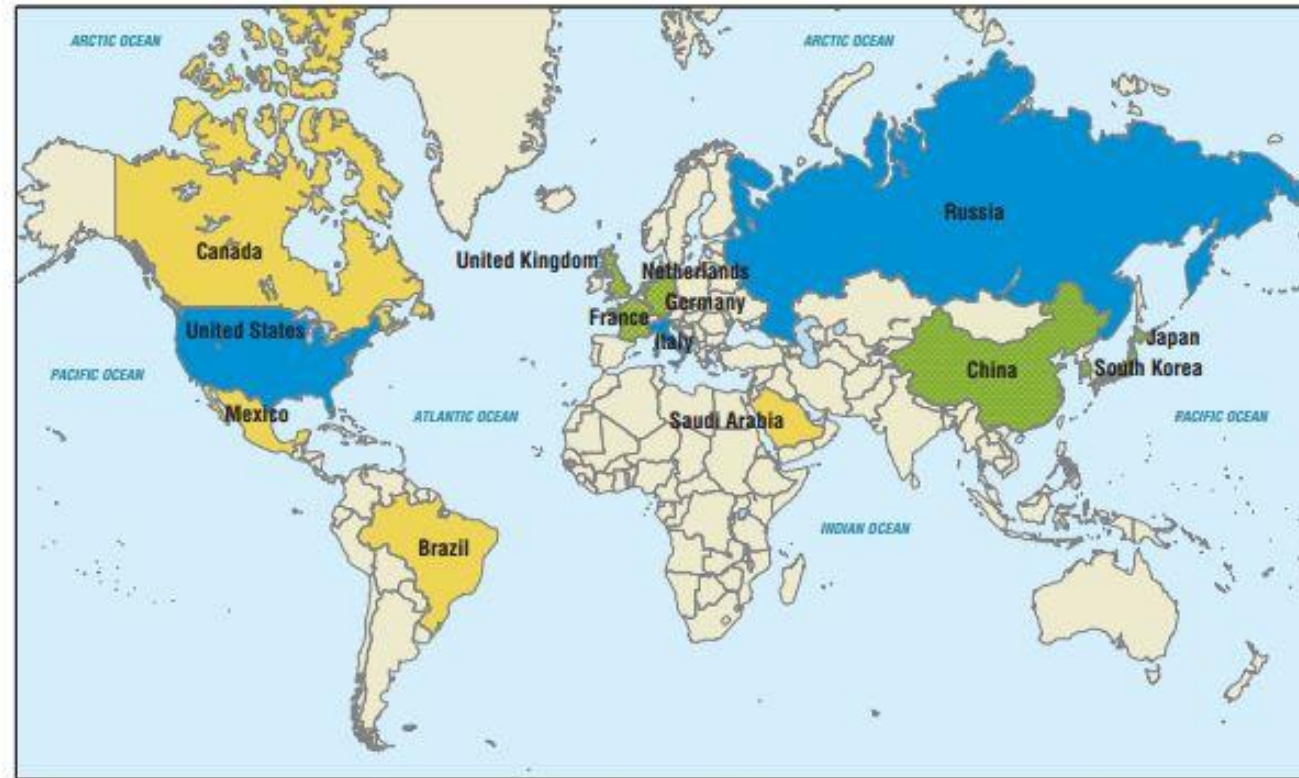
He felt such gathering places would be great in the United States. Schultz bought the original Starbucks coffee shop in Seattle and transformed it according to his vision.¹⁵ Because the Italian coffee bars caught his attention, U.S. coffee lovers now know what a grande latte is

Exporting Goods and Services

Who would think U.S. firms could sell beer in Germany, home of so many good beers? Well, some of Munich's most famous beer halls now have American outposts where you can buy U.S. beers like Samuel Adams Boston Lager.

If this surprises you, imagine selling sand in the Middle East. Meridan Group exports a special kind of sand used in swimming pool filters that sells well there.

**FIGURE 3.3 THE
LARGEST EXPORTING
NATIONS IN THE WORLD
AND THE LARGEST U.S.
TRADE PARTNERS**



World's Largest Exporting Nations **Top U.S. Trading Partners** **Both**

World's Largest Exporting Nations Top U.S. Trading Partners Both

STRATEGIES FOR REACHING GLOBAL MARKETS



McDonald's: Over 100 Cultures Served

For decades McDonald's has been the undisputed king of global food franchising. With more than 34,000 restaurants in over 118 countries, Mickey D's serves more than 69 million customers every day.

So how did McDonald's become such a global powerhouse? It certainly didn't get there through hamburgers alone. Since it first began expanding overseas, McDonald's has been careful to include regional tastes on its menus along with the usual Big Mac and French fries. For instance, in Thailand patrons can order the Samurai Burger, a pork-patty sandwich marinated in teriyaki sauce and topped with mayonnaise and a pickle. If fish is more your taste, try the Ebi Filet-o shrimp sandwich from Japan.

McDonald's is also careful to adapt its menus to local customs and culture. In Israel, all meat served in the chain's restaurants is 100 percent kosher beef. The company also closes many of its restaurants on the Sabbath and religious holidays. McDonald's pays respect



to religious sentiments in India as well by not including any beef or pork on its menu. For more examples, go to www.mcdonalds.com and explore the various McDonald's international franchises websites. Notice how the company blends the culture of each country into the restaurant's image.

McDonald's main global market concern as of late has been Asia. So far McDonald's strategy seems to be working. In Shanghai the company's Hamburger University attracts top-level college graduates to be trained for management positions. Only about eight out of every 1,000 applicants makes it into the

program, an acceptance rate even lower than Harvard's! McDonald's is reaching out further in Asia and in 2014 opened its first store in Vietnam. The Vietnamese location in Ho Chi Minh City is the country's very first drive-thru restaurant. Bringing McDonald's to Vietnam is a dream come true for Henry Nguyen, founder of Good Day Hospitality, who has been wanting to introduce the brand to Vietnam for

over a decade. Nguyen brought in 20 top McDonald's employees from Australia to help aid in the opening while also sending prospective Vietnamese employees to Queensland to learn the ropes in a real-life restaurant setting. In the end, one can only hope that McDonald's remains dedicated to quality as it continues adapting and expanding into the global market.

Sources: Erin Smith, "Some McSkills to Share," *The Warwick Daily News*, February 4, 2014; Kate Taylor, "New Year, New Expansion: McDonald's to Open First Restaurant in Vietnam," *Entrepreneur*, December 23, 2013; Vivian Giang, "McDonald's Hamburger University: Step inside the Most Exclusive School in the World," *Business Insider*, April 7, 2012; and McDonald's, www.mcdonalds.com, accessed February 2014.

REFLEKSI

- Informasi penting hari ini

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- Manfaat penting dari informasi penting hari ini

- Tindak lanjut yang dapat saudara lakukan
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Thank You