

# International Business Management

❑ International business refers to the trade of Goods, services, technology, capital and knowledge across national borders and at global or transnational level.

It involves cross border transactions of Goods and Services between two or more countries

# IB APPROACHES

1. Ethnocentric approach
2. Polycentric approach
3. Regiocentric approach
4. Geocentric approach



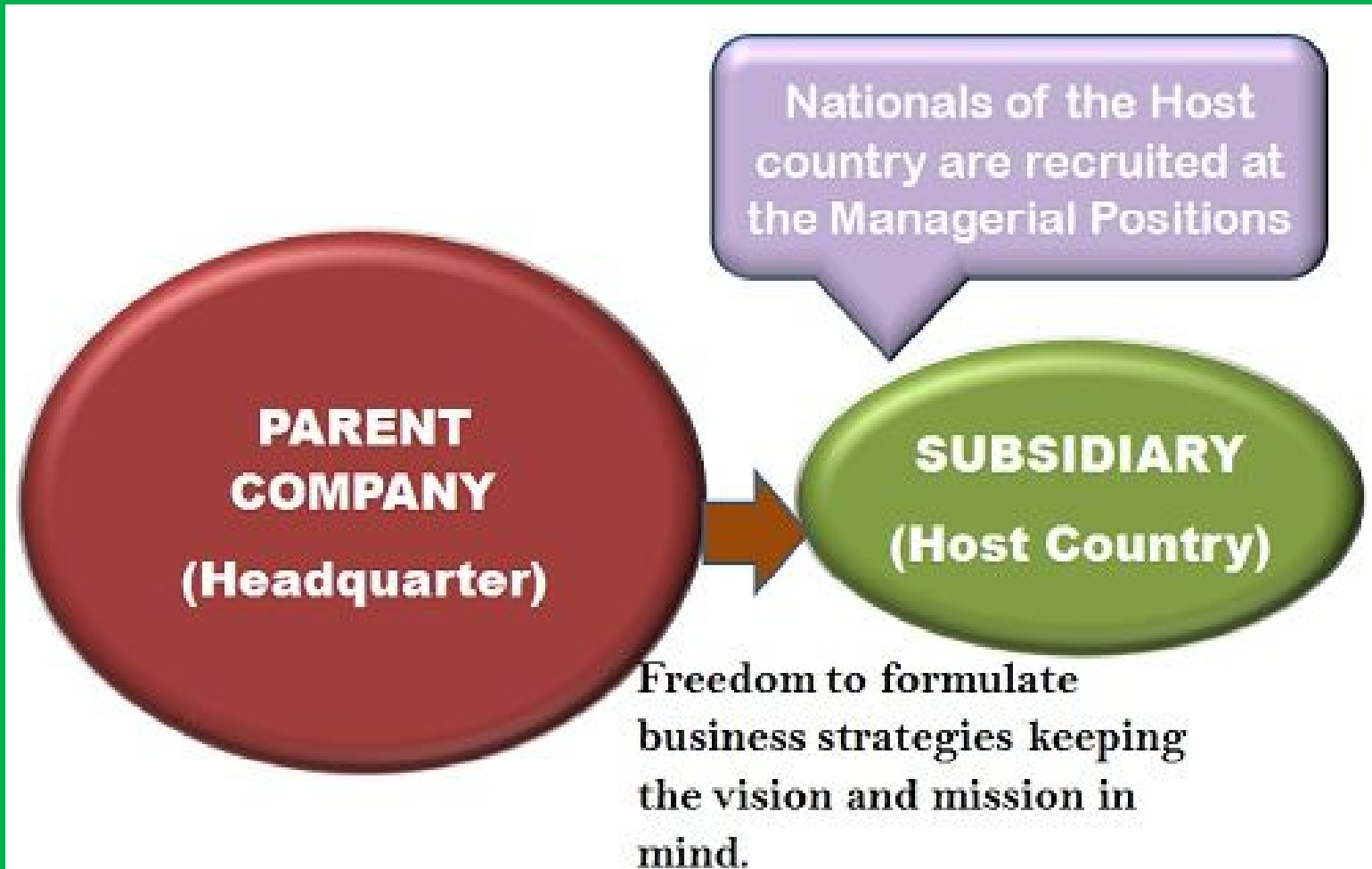
# Ethno Centric Approach

## 1. Ethnocentric Approach

- ❖ Under this approach MNC's at their headquarters formulate mission, objectives, important decisions for the subsidiaries and expect the subsidiaries to implement them and report back to all functional managers at headquarters level
- ❖ Therefore it sources HR for subsidiaries from its own countries or the country where headquarters are situated
- ❖ When a company follows the strategy of choosing only from the citizens of the parent country to work in host nations, it is called anethnocentric approach. Normally, higher-level foreign positions are filled with expatriate employees from the parent country. The general rationale behind the ethnocentric approach is that the staff from the parent country would represent the interests of the headquarters effectively and link well with the parent country.



## 2. PolyCentric Approach



# 3.Regio Centric Approach

## Regiocentric orientation

- In the regiocentric approach, the firm treats the region as a uniform cultural segment and adopts a similar business strategy within the region, but not across the region.



# Geo Centric Approach

## IB APPROACHES

### 4. Geocentric approach

- Under this approach, the company analyses the tastes, preference and needs of the customers in all foreign markets and then adopts a standardized marketing mix for all the foreign markets.
  - Coca-cola adopted this strategy by selling its popular soft drink with the same content, packaging, branding & advertisement themes worldwide
  - Whirlpool designs a world-washer – small, stripped-down automatic washing machine for Mexico, Brazil & India. However, it modified its product for Indian market to wash the delicate “sarees”.
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