

The Choice and Development of International Marketing Model from the Perspective of Value

Liyan Zhang*

School of Business, Changwon National University, Changwon 51767, Korea

*Corresponding Author

Abstract: After nearly 30 years of development, the value chain theory has a profound impact on economic globalization. This theory originated from the mutual catering between industrial structure adjustments in developed countries and changes in economic development strategies in developing countries. It is a manifestation of the deepening of international division of labor and cooperation. This article adopts qualitative research methods and uses value chain theory to systematically analyze the reality of global value chain development. With the support of value chain theory, companies need to consider when choosing different international marketing models according to their own operating conditions. The company's own value balance and the optimization of its internal structure can explore reasonable models and ways for the company's international marketing, and improve the company's competitiveness and influence in the international market.

Keywords: value chain, international marketing, market

1. Introduction

The global value chain has become one of the typical characteristics of the development of economic globalization. The value chain theory is a new value analysis theory proposed by Michael Porter, a famous professor at Harvard Business School in the United States, in 1985. After the foundation and additional costs are accumulated, a comprehensive analysis of this value generation chain is carried out, so as to make certain strategic thinking and judgments for the company's marketing strategy. Because in the process of international marketing, companies need to consider whether they are suitable for various export or global sales strategies in international marketing[1]. Therefore, companies should consider their own international marketing scope and reasonably measure the actual development of the company. Lay a better strategic judgment foundation for the promotion and development of the enterprise. In the current process of corporate strategic considerations, the choice of international marketing strategies should be integrated with the various potential values and various direct costs of the company itself. Only if it can win a broader profit space for the company, choose to meet the ideal international marketing model can make appropriate international marketing decisions for the long-term development of the company.

2. The reality of the development of global value chains

Although the concept of global value chain was proposed late, it has become the pillar and central nervous system of the world economy. For all industries that adopt the global value chain model, the production process has been fragmented and reorganized on a global scale. Under the background of economic globalization, the core production factors represented by capital and technology have realized dynamic flow and efficient allocation on a global scale, and in the process of continuously improving the efficiency of factor allocation, the original production method has been gradually changed to brings new market opportunities. The deepening of economic globalization and the reconstruction of global value chains have actually accelerated the pace of enterprises' integration into global value chains.

2.1 The rapid development of global value chains

Since the 1980s, under the influence of neoliberal economic thinking, developed countries in Europe and the United States have actively participated in the division of labor in the global value

chain, gradually relaxing market control, especially the financial market, encouraging developing countries to open their markets, and significantly promote the process of economic globalization development. In this context, under the leadership of multinational companies in developed countries, advanced production factors such as capital and technology flow from developed countries to developing countries[2]. As a result, emerging developing countries have begun to integrate extensively into the process of economic globalization, and the development of economic globalization has generally improved the level of economic development of relevant countries. At the same time, the reform and opening-up China relied on its low-cost competitive advantage of production factors, and its southeast coastal areas actively participated in international division of labor through processing trade, embedded in the low-end links of the global value chain, and became a world brand made in China[3].

After the 1990s, the industrial gradient between Japan and the "Four Little Dragons" in Asia has gradually narrowed. Japan's voice in the global value chain has been weakened, and the various links in the value chain have gradually evolved from a vertical division of labor to a horizontal division of labor. As a result, the global value chain in East Asia and even the world started the process of deconstruction and reconstruction[4]. As a representative indicator of global value chain trade, the proportion of multinational company-related trade in international trade has shown phase changes. For example, in 1980, the proportion of multinational company-related trade in international trade was about 33%. It rose rapidly to 70% in 2010, and to 75% in 2010[5]. Moreover, with the rapid development of transportation, communication and information technology and the continuous improvement of the international trade environment, the cost of cross-border allocation of various links in the global value chain has been greatly reduced, and the global value chain has entered a period of rapid development. Its growth was the highest in 1990-2007. Rapidly, the share of global value chains in global trade has increased by an average annual rate of 0.6%, reaching its peak in 2007, accounting for more than 50%.

2.2 The development of global value chains has entered a stage of reconstruction

Since the 2008 financial crisis, the trend of economic globalization has slowed down significantly, the growth rate of international trade has been significantly lower than that of GDP, the proportion of cross-border trade in global commodity output has been declining, and trade in intermediate goods has stagnated, making the intensity of trade between all links of the value chain begin to decline. The proportion of multinational company-related trade in international trade has slowly declined since reaching a peak in 2010, and it has shown a characteristic different from the past, that is, the proportion of trade volume of advanced economies in international trade has dropped significantly, while the proportion of trade in developing economies has decreased significantly[6]. The proportion of international trade in the economy has been increasing year by year, giving new connotations to the deconstruction and reconstruction of global value chains.

Especially since the COVID-19 in 2020, international trade, transnational investment, international passenger flow and logistics have all shown a cliff-like decline, which has brought more complex external shocks to the reconstruction of global value chains, and economic globalization has almost entered a state of shock, accelerated the process of restructuring the global value chain and industrial chain.

2.3 Multinational companies dominate global value chain governance

In the governance of global value chains, whether it is its rapid development or the dynamic evolution of deconstruction and reconstruction, it is always dominated by multinational companies in developed countries. Multinational companies allocate all links of the global value chain to related companies around the world through equity or non-equity investment to improve the efficiency of resource allocation. Correspondingly, the rapid growth of intra-industry trade, intra-company trade, and intra-product trade has in turn further strengthened the cross-border division of labor and cooperation in global value chains. The universal application of the global procurement model of multinational companies has resulted in the formation of an international industrial chain, supply chain, and value chain for the production and sales of products. The proportion of intra-company trade in global trade has continued to increase. Take 2018 as an example. The leading global value chain turnover accounts for 80% of global trade[7]. In recent years, the growth rate of overseas sales revenue and the number of employees of the world's 100 largest multinational companies has been significantly higher than the growth of the parent company's performance.

Take the United States as an example. Even though the world share of the United States' gross domestic product is declining year by year, US multinational corporations still occupy a dominant position in global value chain governance and control the core links of the global value chain, which is still the biggest benefit of economic globalization[8]. In addition, the vast number of emerging market countries and developing countries are clearly at the middle and low end of the global value chain. More than 50% of U.S. trade imports come from global value chains controlled by domestic multinational companies. If the related transactions with multinational companies are deducted, the US trade deficit will drop by more than 65%, and the deficit with China will drop by 30%; if the export factor of foreign-funded enterprises in China is further deducted, the US deficit with China will be reduced by about 73%. Relevant data not only reflects the dominant position of US multinational corporations in global value chain governance, but also a further explanation of the huge international trade deficit in the United States.

3. Analysis on the cost of international marketing of enterprises based on the value chain

In the process of international marketing, the company's international marketing value is formed under the relative additional cost and basic cost. The basic cost of an enterprise includes the basic raw materials for products and services and the necessary costs for processing these raw materials. After statistics and further calculations on these related resources, a comprehensive cost can be made for the value generation and development of the enterprise judge.

In the calculation of the basic marketing expenditure cost, the company must take into account the necessary costs of the company and the various expenses that the company needs to pay when purchasing the basic resources of various products and services. These costs actually generate value for the company. It is indispensable, for companies to launch their own products, they must have a certain industrial chain and the accumulation of various costs. Therefore, when companies choose different international marketing channels, they need to choose different marketing scopes more carefully. If the company must spend more costs in the process of global marketing, then the company must choose a smaller range of international marketing models, such as export marketing or localized foreign marketing methods, etc., which will help the company in the marketing process, a balance of cost and income can be obtained.

The potential cost of the enterprise, including the cost of human resources of the enterprise and the maintenance and expenditure of these costs of various intellectual property rights, does not necessarily directly affect the product or service itself, but it is necessary for the enterprise to promote international marketing fees paid. Therefore, when companies consider the choice of international marketing strategies, they need to perform factor analysis on the value composition based on the measurement of the value chain. Only by comprehensively analyzing the various resources that constitute the value of the product or service can it be able to make the cost of the company's international marketing. An accurate judgment can help the company to expand the international market while obtaining a reasonable profit margin.

4. Analysis of the development of international marketing models from the perspective of value chain

In the case that the basic payment cost of the enterprise is relatively high, based on the consideration of the value chain, the enterprise should choose the basic international marketing model such as export marketing. Because blindly expanding overseas markets, it may drag the enterprise to spend more costs, thus failing to obtain a broader profit margin. If there is not enough profit margin, the cost of enterprise expenditure will cause the enterprise to lose money. Therefore, in the process of international marketing, if the basic cost is relatively high, which will affect the reasonable maintenance of the enterprise, it needs to adopt export marketing, etc. model.

From the perspective of benefits, if the basic payment cost of the company is relatively low, but the cost of various intangible expenditures to the company is relatively high, especially if the company has to pay higher costs in the fields of human resources and intellectual property, then it should consider allowing companies to adopt a goal-oriented approach to international marketing. Companies need to conduct a comprehensive analysis of the destination market, and in the process of promoting marketing in the destination market, they can support in the destination market or talents or technology, so as to reduce all kinds of intangibles for the company's international marketing and various market operations

cost expenditures to optimize the cost structure in the enterprise value chain.

The way of globalized international marketing is more stimulating for international companies with relatively strong business strength. Because some companies with relatively strong capital can quickly obtain more in the destination market and in the original country. Therefore, the cost operation of the company in the production process is relatively smooth. In the process of considering the sales market, the company can formulate corresponding international marketing strategies according to the characteristics of products and services, and according to the different consumption habits of the destination market. That is to say, in the process of international marketing, companies also need to consider the various cultural and cultural characteristics of the destination market. Therefore, in the process of developing the international market, the company must fully maintain communication with talents in the destination market, especially fast-moving consumer goods. Various products with relatively strong marketing characteristics need to adapt to the consumption habits of the destination market, so as to reduce the cost of value for the circulation and development of the enterprise in the international market, thereby increasing the profit margin of the enterprise.

Based on the above analysis, international marketing is actually based on the different characteristics of the formation process of the value chain of the enterprise, according to some characteristics in its value composition, targeted analysis of the connection between the destination market and the enterprise value composition to optimize the company's value structure, choose the appropriate international marketing model, and finally realize the sustainable development of the enterprise.

5. Conclusion

In the current era, international marketing is no longer the patent of large-scale enterprises. For the development of the current international market, whether it is a large-scale enterprise or a small and medium-sized enterprise, it can maintain a reasonable point of entry and value marketing model. In the process of operating the value chain of the company, it has invested in the competitiveness of international marketing and has a place in the international market. Therefore, in the future development process, all kinds of enterprises should optimize the value structure according to their own value chain development status, promote the overall development of the enterprise and balance the cost and profit. Enterprises should consider appropriate international marketing models from a strategic perspective of long-term development, so as to provide more impetus for the endogenous power of the enterprise and the balance of various technologies and expenditures, so as to realize the sustainable development of the enterprise.

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