

Global Business Environment and International Strategy

MOD007191

Lecture 1

Introduction to the Module

Globalization

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Resources

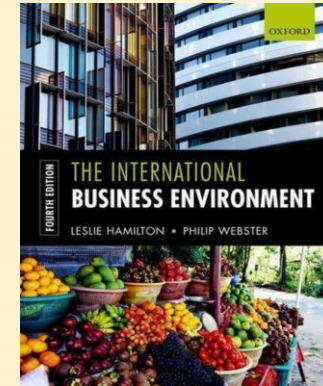
- **My lectures** are available at:
<http://samuellearning.org/> ---->
- **ARU Resources:**
 - <https://canvas.anglia.ac.uk/courses/53696>



Books

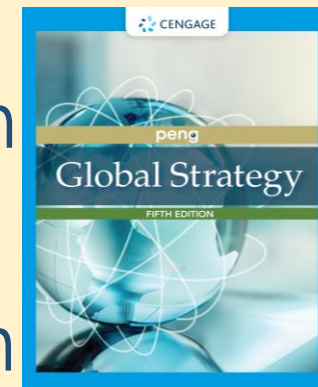
Main Text:

- Hamilton and Webster, *The International Business Environment*, Fourth Edition



Supplementary reading :

- Mike W. Peng, *Global Strategy*, Fifth Edition
- David Needle and Jane Burns, *Business in Context*, Seventh Edition



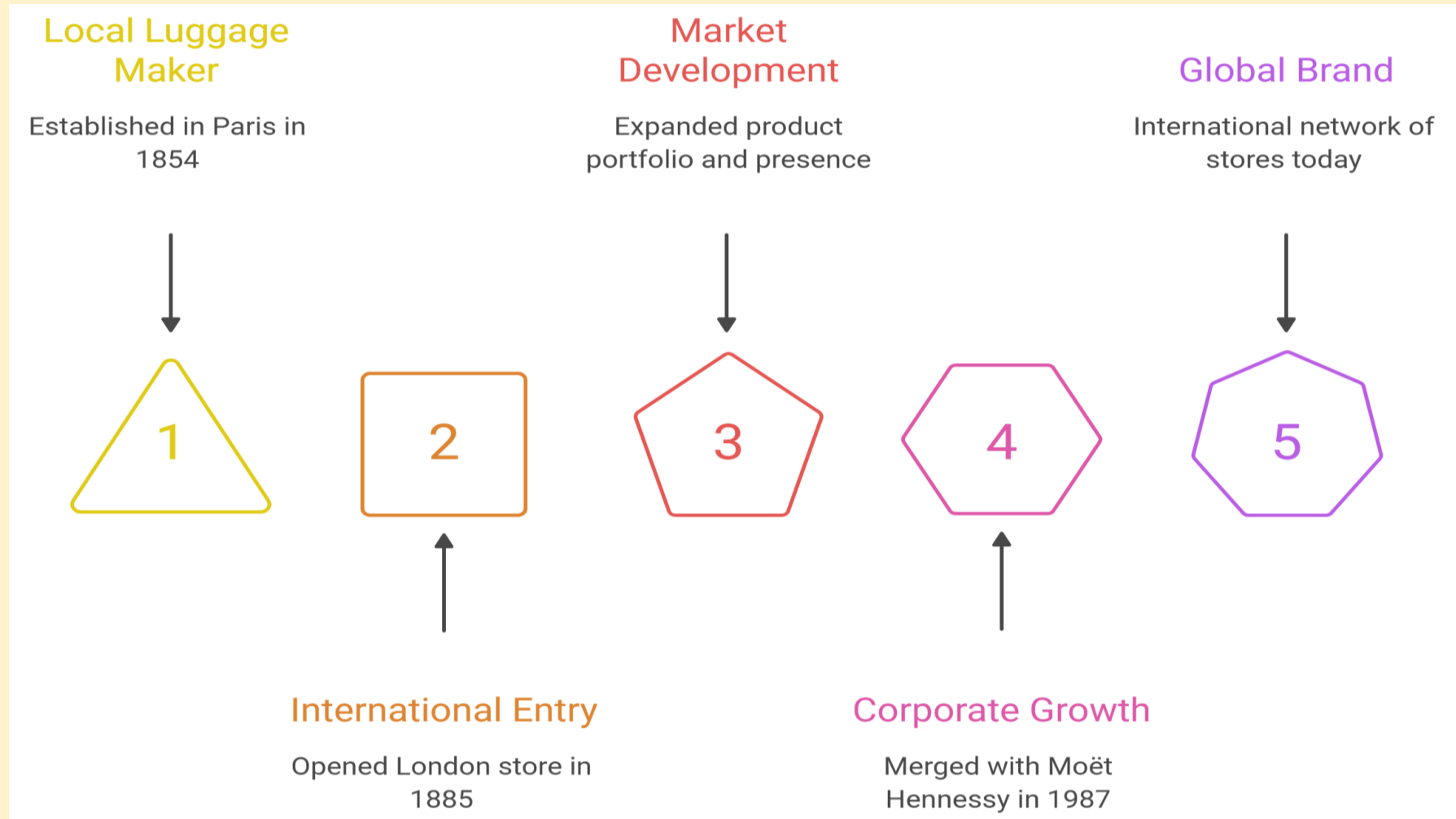
Assessment

- **010 (60%)**– Presentation. 10-minutes
 - Slides with Notes and Video
- **011 (40%)**– Reflective Essay (1000 words).
 - Examine your learning experience on this module by reflecting on assessment 010

Monogram 130 Anniversary | LOUIS VUITTON



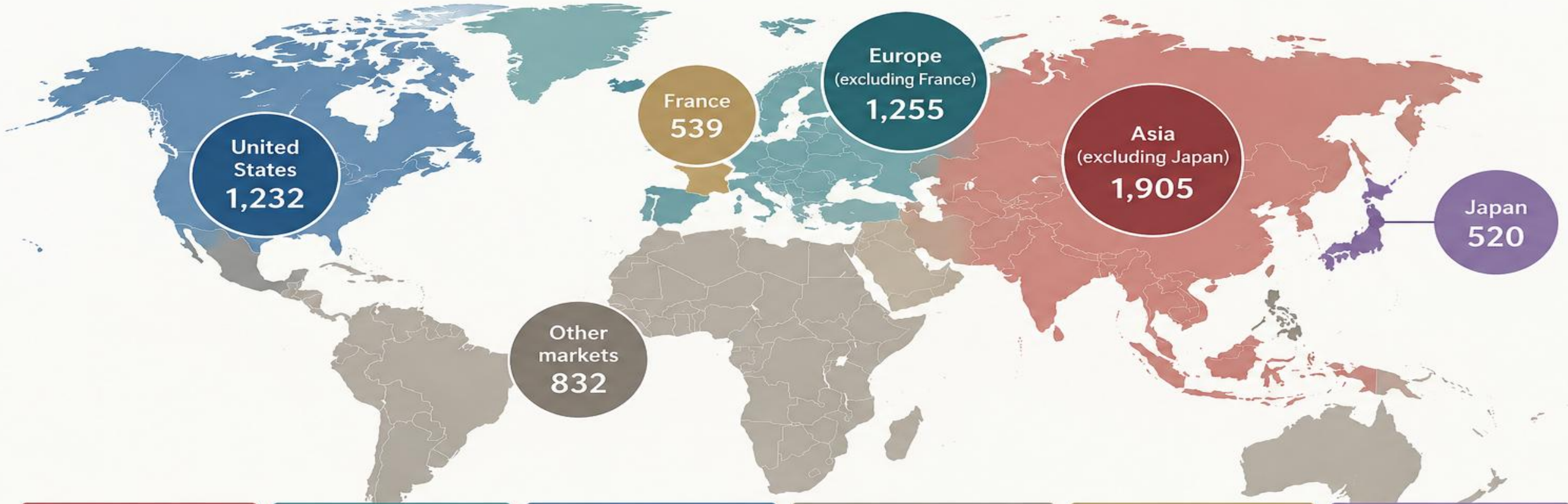
Louis Vuitton's journey to a Global luxury brand.



Number of Stores by Region

Total: 6,283 stores worldwide

As of 31 December 2025



Check In Activity-

Where in the world does this come from?

Why is this a symbol of globalization?



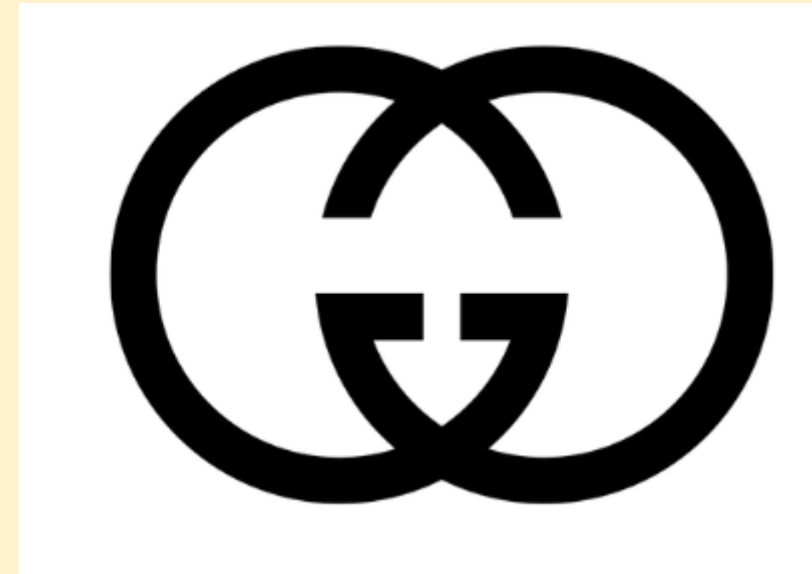
39,000 Stores

80+ Countries



40,000 Stores

100+ Countries



529 Stores

North America

Europe

Japan

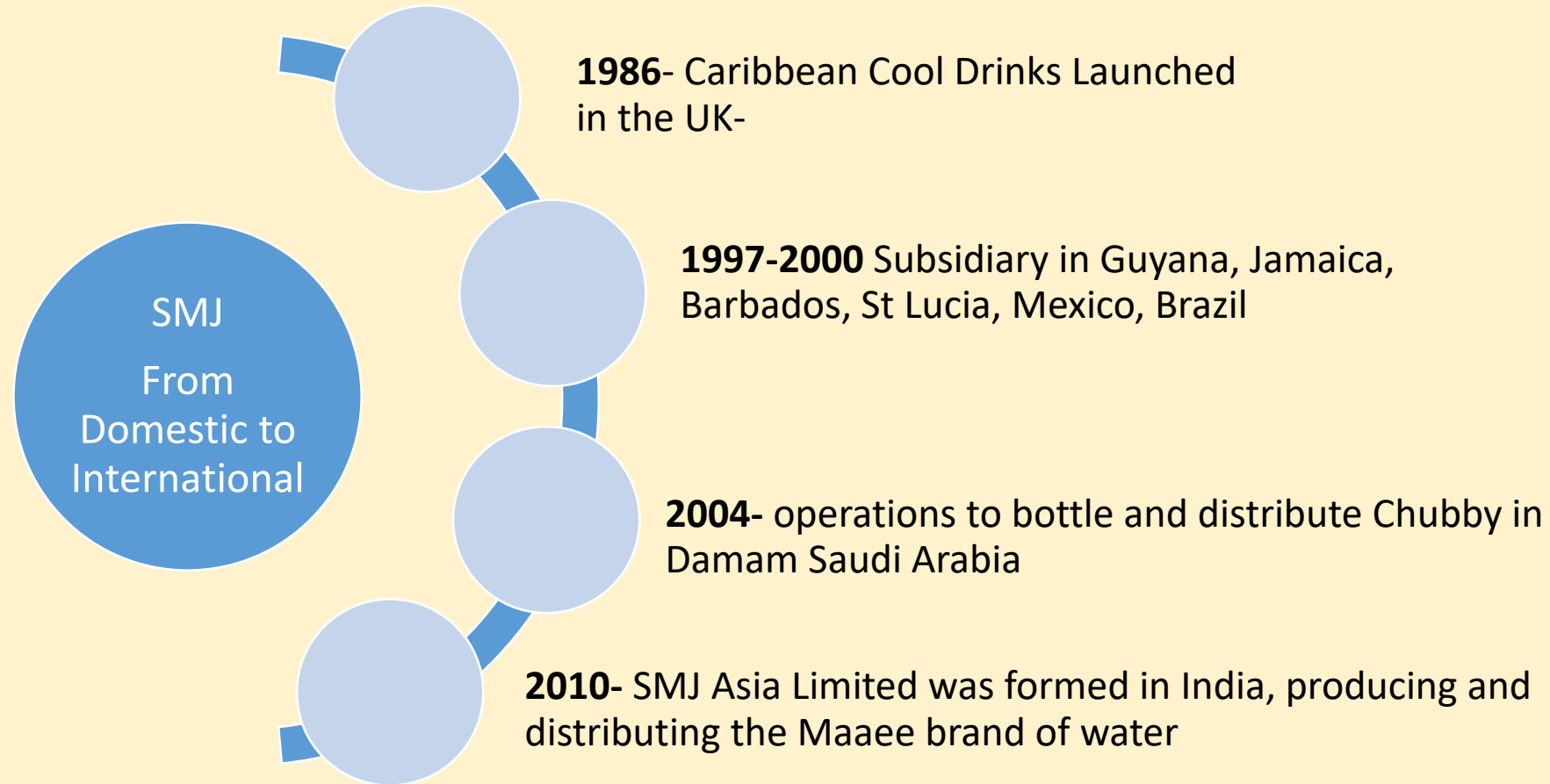
Group Activity

Let's say you were producing a local product (Choose One)

1. Which international market should the company enter first?
2. How would you make the product more appealing/luxurious to the new market?

Pick a group representatives who will present

SM Jaleel goes Global- distributes its beverages to over 60 countries



Carib goes Global

- CARIB Brewery operates **four breweries** located:
 - Trinidad and Tobago,
 - St. Kitts and Nevis,
 - Grenada
 - Florida
- Offers its world-renowned brands in over **33 markets worldwide.**



Carib Key Growth Areas & Strategy

- **India:** Ansa McAl, Carib Brewery's parent company, formed a partnership with Globus Spirits Limited for a joint venture, Globus Ansa, to launch and locally produce the Carib brand in India starting in 2025.
- **UK:** The UK is identified as one of Carib Brewery's fastest-growing markets, alongside plans for expansion into the market.
- **Regional Markets:** The brewery continues to see strong, double-digit growth in established Caribbean markets like Guyana, St. Vincent, Antigua, and Dominica.
- **License Manufacturing:** Carib Brewery is expanding its global presence by brewing its products under license in countries like Canada.

Business in Context

What is Business?

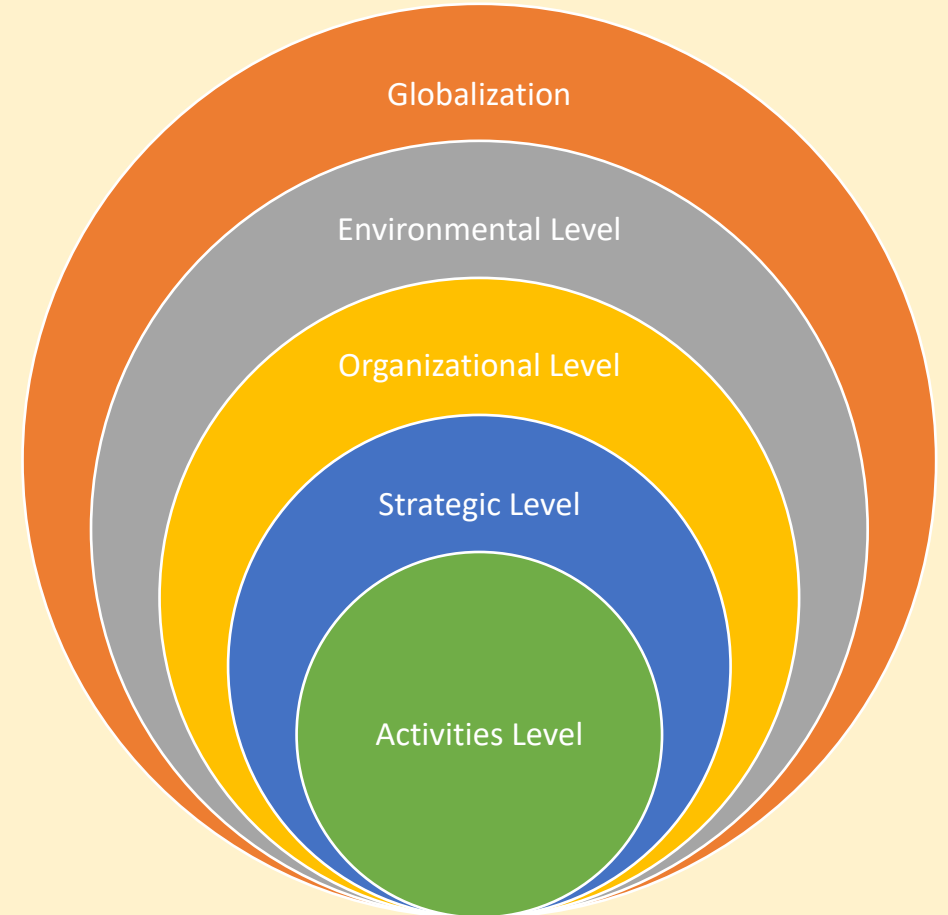
- Milton Friedman :

“the business of business is business”

The Business in Context

Needle and Burns (2019)

- Businesses are complex
- They can only be understood fully when those contexts within which they operate are also understood



Needle and Burns (2019, pg.2)

Why McDonald's Flopped In Vietnam



https://youtu.be/l9pthhp7So?si=PGaA8ZYezRH_xGM7

Global Business

Global Business

- It means moving from local/domestic to international
- Involves the trade of goods and services, capital, knowledge and technology across borders on a global scale
- The production or distribution of goods or services in many countries



Apple goes Global- 535 stores across 27 countries

- Apple opened its first international location in Tokyo, Japan, in 2003
- 2004- UK
- 2005- Canada
- 2007- India
- 2014- Brazil
- 2015- UAE
- 2018- South Korea
- 2023- India
- 2024- Malaysia



Apple iPhone

- The company designs the iPhone in California
- Purchases components from suppliers in 43 countries across six continents,
- Sends the parts to factories to be assembled in China,
- Then ships completed iPhones to warehouses and then to retailers around the world



Apple iPhone Global Supply Chain | CNBC



<https://www.youtube.com/watch?v=Cw3V2x5u54Y>

Globalization

Globalization

- Globalization confronts business with significant **new threats and opportunities** to which business must respond.
- So, globalization is important for business
- **What is it and why is it so important?**

What is Globalization?

- The **global circulation** of goods, services and capital, but also of information, ideas and people
(World Bank 2000)
- There has been **400% growth in the value of global trade** since the General Agreement on Tariffs and Trade (GATT) removed numerous trade barriers and quotas in 1947.
- Tariffs fell to 4% in the 1990's

- Creation of **linkages or interconnections between nations**

Hamilton and Webster (2018)

What is Globalization?

- Creation of linkages or interconnections between nations in which barriers (physical, political, economic and cultural) separating different regions of the world are reduced or removed, thereby, stimulating exchange in goods, services, money and people
- Globalization is the widening set of interdependent relationships among people from different parts of a world divided into nations.
- The term sometimes refers to the elimination of barriers to international movement of goods, services, capital, technology, and people that influence the integration of world economies.

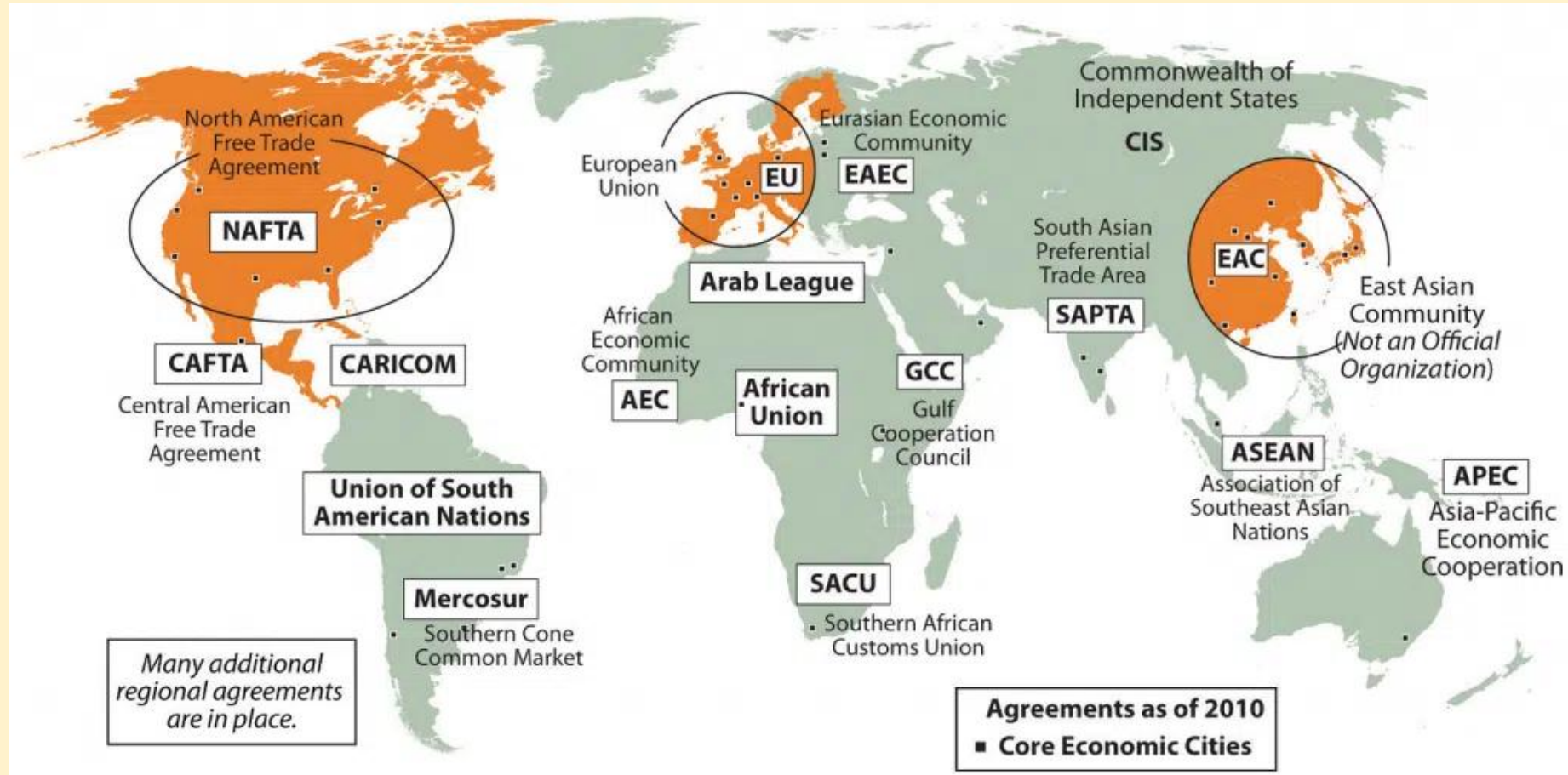
Regionalization

- Common market
- Transport/movement corridors
- Formal pact
- Based on mutual interests

Regionalisation – some examples

- 1945: The Arab League is formally constituted with the first six member states Kingdom of Egypt, Kingdom of Iraq, Transjordan (renamed Jordan in 1949), Lebanon, Saudi Arabia, and Syria. Currently it has 22 members
- 1949: The Commonwealth is formally constituted although it started earlier with decolonisation of previous British colonies. Currently it has 52 members
- 1950's: The European Coal and Steel Community (ECSC) and the European Economic Community (EEC) are founded
- 2002: The African Union is formally constituted, replacing the Organisation of African Unity. Currently it has 55 members
- 2008: The Union of South American Nations formally constituted. Currently it has 12 members

Popular Regional Trade Blocs in The World



Key Elements of Globalization

- According to Hill (2005) and Wall, Minocha and Rees (2010), the key elements of globalization are:

Shrinking
space

Shrinking
time

Disappearing
borders

Creation of a
global market

Scholte (2005) identifies five elements:

Internationalization

Liberalization

Universalization

Westernization

Deterritorialization

Group Activity- Using AI- PRES technique

- Pick ONE of the Five Elements
- Enter the following **Prompt**:
 - *“acting as a International Business expert, what does Mean in terms of globalization, according to Scholte 2005. Give 2 examples.”*
- **Read** and Understand the response
- Now **Evaluate**- Ask this:
 - *“can you add alternative views of this concept, so I can fully understand, include citation and links to the source”*
- As a group **Synthesize** a definition and give one example

Globalization is All-pervasive

- Held et al. (1999) define globalization as:
“**the widening**, deepening and speeding up of worldwide interconnectedness in **all aspects of** contemporary social **life**, **from the cultural to the criminal, the financial to the spiritual.**”
- Globalization can **influence culture through the transfer of knowledge, ideas, and beliefs** across national borders.
(Hamilton and Webster 2018)

Conduit for transfer of Culture

Mass
Media

Migration

Education

Religion

Sport

Crime

Health

Activity- Support or Reject?

- Debate:

'Globalization changes the total culture of a country'

Contemporary globalization

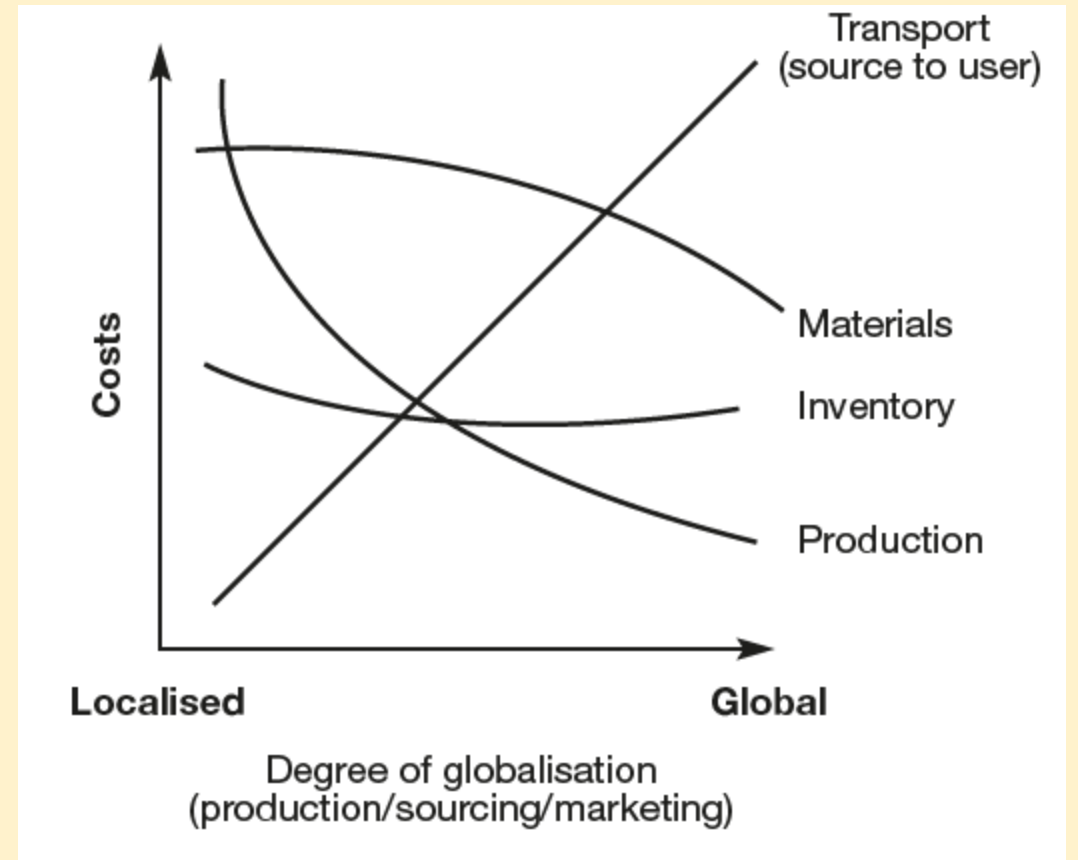
- Scholte (2005, p.54), postulated that modern globalization is characterized by globality
- the sense that the **entire planet is a single social space**,
- that people carry on conversations and movements within that space irrespective of territoriality,
- that they pay collective attention to “global events”

Drivers of globalisation

- **Economic:** Growth of international trade, increase in capital, goods and information flows & growth and risk management in emerging markets.
- **Political:** Changing political situations, government policies & emergence of new forms of governance, regionalism.
- **Social:** Rise of a global culture, consumer pressures & domination of media.
- **International/ legal:** Expanded cross-national cooperation/ competition, trade regulations, tariffs & subsidies.
- **Technical:** Application of technology- Digital commerce.

Main Driver of Globalization

- From a production and Distribution viewpoint,
- Globalization offers companies opportunities to simultaneously **grow revenues** and **decrease costs**



Christopher (2013) Trade-offs in global logistics

Barriers to globalisation

- Government regulation
- Tariffs and subsidies
- Border/ Immigration Controls
- Technical Standards
- Protection of Intellectual Property Rights
- Lack of familiarity to the target location/society

Why Amazon's Marketplace Failed In China



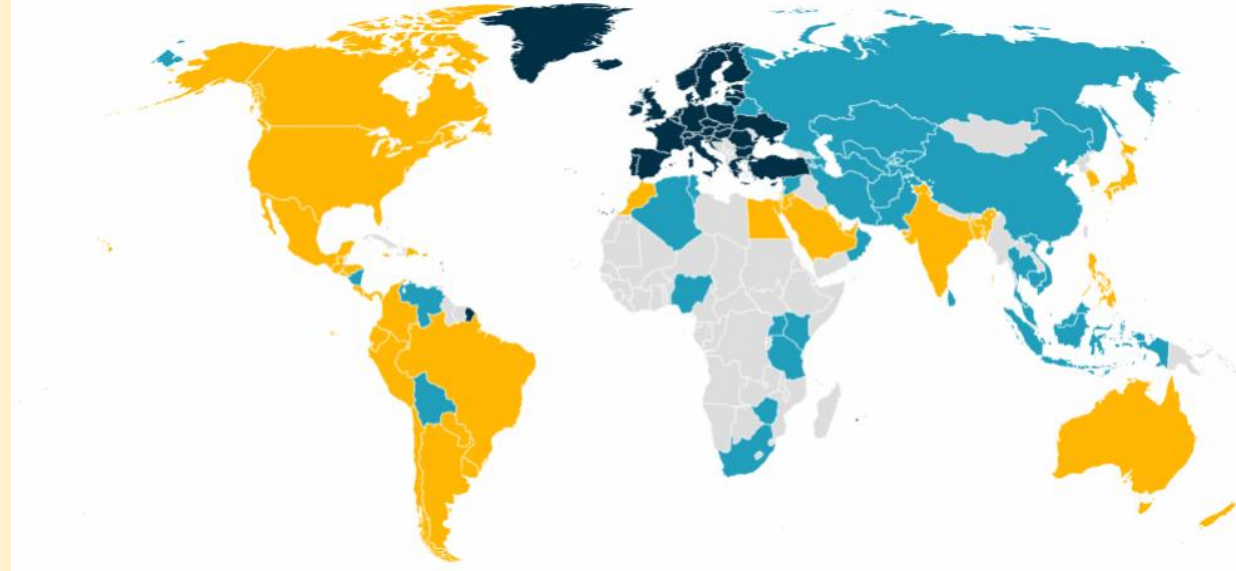
<https://www.youtube.com/watch?v=g3ddcu-LLWI>

Deglobalization

- Deglobalization has had its roots in the **geopolitical and economic competition** between the United States and China (Wells Fargo 2024)
- The world could get carved up into these 3 blocs as Trump tariffs fuel deglobalization ([Fortune 2025](#))

Hypothetical Trading Blocs

CHINA BLOC EU BLOC US BLOC



Major Challenges in the Contemporary World

- **Political** populism, conservatism & isolationism: Weak economic growth, low productivity, job insecurity & unstable markets? (In Europe)
- **Refugee crisis** - 'The refugee crisis is both a consequence of a more interconnected world, and a cause of the revolt against globalisation' (David Milliband, WEF)
- **Geopolitical conflicts** and changing political climate.
- **Global competition.**
- **Climate change** - How to create the balance of good lives with sustainable limits?

Next Step

Read Chapter 1 of the Recommended Text book:

- **Hamilton and Webster, The International Business Environment**
 - David Needle and Jane Burns, *Business in Context*