

# **The Impact of globalisation on international business strategy and operation: A cross sectional study of expert's Opinion**

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## **Abstract**

Globalization has significantly altered the international business terrain, which has impacted the strategies and operations of companies across the globe. The amplification of global interconnectedness and the dismantling of trade impediments have enabled businesses to proliferate their markets beyond their borders, thereby creating novel prospects for growth and profitability. Notwithstanding, globalization has also posed manifold challenges, such as augmented competition, cultural variances, and geopolitical hazards. To flourish in this milieu, enterprises must adapt their strategies and operations to efficiently navigate these challenges. This encompasses the development of an intricate understanding of local markets, the establishment of robust relationships with stakeholders, and substantial investments in technology and innovation. Furthermore, businesses must remain poised to embrace a flexible approach and acclimate to fluctuations in the global business landscape. In summation, globalization has both auspicious and adverse implications on international business, and companies must adopt a tactical and adaptive approach to prosper in this dynamic landscape.

**Keywords-** Globalize business strategy, global business operation, international business and operation.

## **Introduction**

The burgeoning phenomenon of globalization has brought about an unprecedented metamorphosis in the international business realm, and its far-reaching impact on business stratagems and operations is profoundly discernible. Corporations, irrespective of their location, have experienced the brunt of the paradigm shift occasioned by global interconnectedness, the unobstructed dissemination of information and resources, among others.

According to Cavusgil et al., (2014) the advent of globalization has opened fresh vistas of opportunities for businesses and enabled them to broaden their horizons beyond their national frontiers. This has engendered the growth of novel industries, fostered the innovation of new products and services, among other salient benefits. With the surge in global connectivity and

the concomitant dismantling of trade barriers, enterprises are empowered to infiltrate novel markets and seize novel opportunities for growth and profitability.

However, the impact of globalization is not unilaterally positive. Companies face sundry challenges ranging from cultural disparities, fierce competition, to geopolitical hazards. Consequently, businesses must adapt their stratagems and operations to effectively circumnavigate these challenges. For example, corporations must invest in state-of-the-art technology and innovation to retain their competitive edge, while also forging robust alliances with stakeholders to fathom the local market dynamics.

Laanti, Gabrielsson, & Gabrielsson, (2007) found that the impact of globalization on business stratagems and operations is not restricted to specific sectors, but it has an overarching effect on businesses of all sizes and typologies. Small and medium-sized enterprises are not exempt from the impacts of globalization, as they now have access to novel global markets that were once beyond their reach. However, their limited resources could prove to be a hurdle in competing with their larger counterparts.

Moreover, businesses are exposed to sundry challenges such as trade wars, tariff barriers, and changes in government policies. These predicaments could precipitate significant risks to international business operations, culminating in possible disruptions in supply chains, and a deleterious effect on profitability.

The impact of globalization on business stratagems and operations transcends the business community, as it has a ripple effect on the wider society, leading to changes in culture, technology, and the environment. Consequently, corporations must adjust to novel technological breakthroughs and environmental regulations, which could have far-reaching consequences on their operations and bottom line.

### **Literature Review**

Globalization has fundamentally altered the *modus operandi* of businesses across the world. As organizations expand their horizons beyond national borders, they must restructure their strategies and operations to prosper in the international arena.

Mathews & Zander, (2007) found that the introduction of state-of-the-art technology has enabled businesses to establish a presence in foreign territories, thereby amplifying competition to an unprecedented level. In this new globalized milieu, businesses must be nimble, flexible, and innovative to survive the cut-throat competition. They must adopt emerging technologies, foster novel products, and deliver unparalleled customer service to distinguish themselves from their counterparts. Furthermore, R&D investment can assist firms in creating avant-garde technologies that augment production processes, decrease expenditures, and maximize efficiency.

Preston & Windsor, (2013) found that such a move can confer a decisive advantage to companies in the market, allowing them to offer superior-quality products at lower prices compared to their rivals.

Investing in research and development (R&D) can be advantageous for companies to remain ahead of the curve in their respective industries.

Peng, Wang, & Jiang, (2008) found that companies that constantly innovate and refine their products are better equipped to adapt to dynamic market conditions and evolving customer preferences. This is especially crucial in fast-paced industries, as companies that do not innovate risk being outpaced by their competitors.

Moreover, R&D investment can help companies attract and retain highly skilled employees. According to Thourmrunroje & Tansuhaj, (2007) by offering opportunities for employees to work on pioneering projects and collaborate with other experts, companies can create a culture of ingenuity and originality. This can be a compelling enticement for job seekers, particularly those who aspire to work for dynamic and forward-thinking enterprises.

Investing in research and development (R&D) can prove to be a formidable undertaking for smaller companies as it entails significant costs and risks. Therefore, it becomes essential for these companies to meticulously analyze the potential benefits and pitfalls of such investments before reaching a decision. Additionally, it might be prudent for firms to seek external funding or collaborate with other organizations to support their R&D endeavors.

Milhauser & Rahschulte, (2010) found that to deliver top-notch customer service, companies must comprehend the demands and inclinations of their customers. This necessitates thorough market research and meticulous data collection on customer behaviors and preferences. Armed with this information, companies can tailor their products and services to cater to the specific requirements of their target audience.

Kolk & Van Tulder, (2010) revealed that when it comes to enhancing the experience of the patrons, a viable approach is to provide them with services that are personalized. This necessitates tailoring products or services to meet the distinct needs and preferences of each individual customer. The act of personalization can manifest itself in diverse manners, ranging from bespoke marketing communications to customized offerings of products.

In addition, it is of paramount importance for organizations to settle customer complaints rapidly and effectively in order to provide a positive experience for their customers. These companies should establish unequivocal policies and procedures to deal with customer grievances and train their staff on how to resolve these issues in a timely and satisfactory manner. Providing diverse communication channels for customers can significantly enhance their overall experience. Companies should ensure that their customers can reach them through various mediums, such as phone, email, and social media, and that they respond promptly and courteously to any inquiries or concerns. Furthermore, it is imperative for

companies to continually scrutinize and analyze customer feedback in order to identify areas for improvement. By collecting and acting upon customer feedback, companies can continuously enhance the quality of their services and build stronger relationships with their clients. Collaborating with other businesses can also be a strategic way for companies to attain a competitive edge in the marketplace. Such collaboration can provide access to new markets, technologies, and expertise that may otherwise be difficult to acquire independently.

Palan, Murphy, & Chavagneux, (2010) found that a form of association that can provide considerable advantages is a strategic partnership. This involves the cooperation of two or more enterprises to accomplish a shared objective, such as launching a new product or accessing a fresh market. Strategic partnerships can be especially valuable for firms aiming to expand into global markets, as they can help businesses maneuver through unfamiliar cultural and regulatory environments. Conversely, a joint venture is another type of association that can be advantageous. This entails the combination of resources from two or more companies to generate a novel commercial entity. Joint ventures can be a successful method for enterprises to distribute risk and lower expenses, as each partner brings distinct strengths and expertise to the enterprise.

In the interest of enhancing their supply chain management, companies can establish partnerships with suppliers or distributors. Close collaboration with such entities can ensure a dependable flow of raw materials or finished goods, and promote more efficient inventory management and logistics. Additionally, businesses can pursue partnerships to gain access to innovative technologies or intellectual property, which can prove especially beneficial in industries such as biotechnology and software development, where innovation is a key driver of success. By engaging in collaborations with other companies or research institutions, businesses can gain access to cutting-edge research and development, expediting the development of new technologies with greater speed and efficacy. One such technology, which has garnered considerable attention in recent years, is artificial intelligence (AI). AI-based systems can parse large volumes of data to uncover patterns and make predictions, allowing businesses to make more informed decisions. For instance, AI-fueled chatbots can provide immediate customer support, reducing response times and bolstering customer satisfaction. AI can also optimize supply chain management, improve product quality, and automate routine tasks, further streamlining business operations.

Rud, (2009) found that businesses may consider leveraging various emerging technologies besides AI, including blockchain, Internet of Things (IoT), and cloud computing. The implementation of blockchain technology can help establish secure and transparent supply chains, while IoT can enable businesses to obtain real-time data on their products and services. Furthermore, cloud computing can provide businesses with the flexibility and scalability of computing power, without the need for expensive hardware and software investments. Additionally, emerging technologies can have a significant impact on product development. The use of 3D printing technology can allow companies to create prototypes

and test designs swiftly, thus reducing the time and costs associated with traditional product development processes. Immersive product experiences for customers, enabling them to visualize products in real-world settings, can be created using augmented reality (AR) and virtual reality (VR) technologies.

The utilization of developing technologies goes beyond just creating new products. It can also greatly enhance the experience of customers. An instance of this can be seen in mobile applications that provide patrons with easy access to a variety of goods and services. Furthermore, location-based technologies, such as beacons, can be employed to offer personalized deals and promotions. Social media platforms also offer an opportunity to interact with customers and cultivate their loyalty towards a brand. Nevertheless, the integration of these advanced technologies requires a significant investment of time, finances, and resources. Business enterprises must judiciously evaluate the costs and benefits of each technology and assess its relevance to their business model and consumer base. Additionally, they must ensure that they have the appropriate infrastructure and skilled workforce to facilitate these technological advancements.

#### **Objectives of the study:**

- To compute impact of globalisation on international business strategy and operation

#### **Research Methodology:**

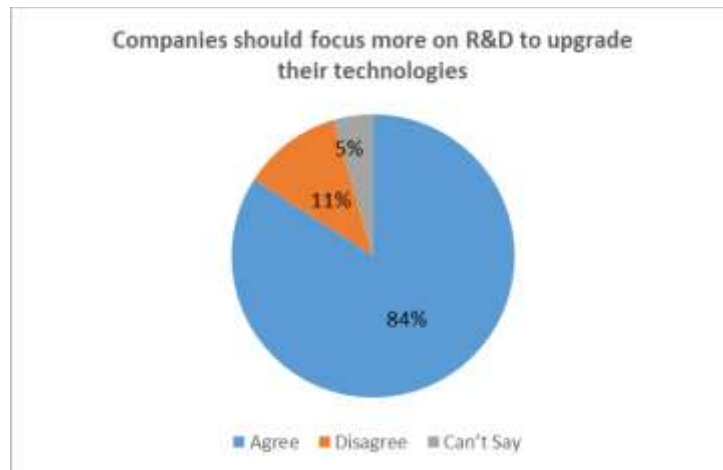
This study is empirical in nature. In this study 220 respondents were contacted to give their viewpoints on the impact of globalisation on international business strategy and operation. The data analysis was done with the help of the frequency distribution and pie charts were used to present the data.

#### **Data Analysis and Interpretation:**

**Table 1 Companies should focus more on R&D to upgrade their technologies**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	185	25	10	220
% age	84.0	11.0	5.0	100

Table 1 presents that with the statement **companies should focus more on R&D to upgrade their technologies**, it is found that 84.0% of the respondents agree with this statement.

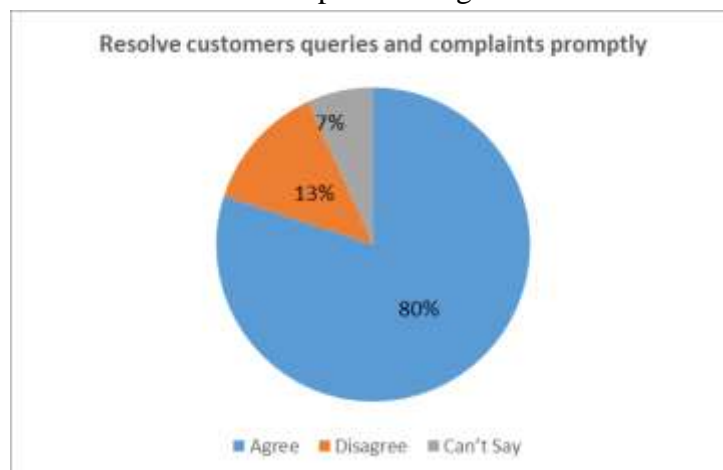


**Figure 1 Companies should focus more on R&D to upgrade their technologies**

**Table 2 Resolve customers queries and complaints promptly**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	176	29	15	220
% age	80.0	13.0	7.0	100

Table 2 presents that with the statement **resolve customers queries and complaints promptly**, it is found that 80.0% of the respondents agree with this statement.

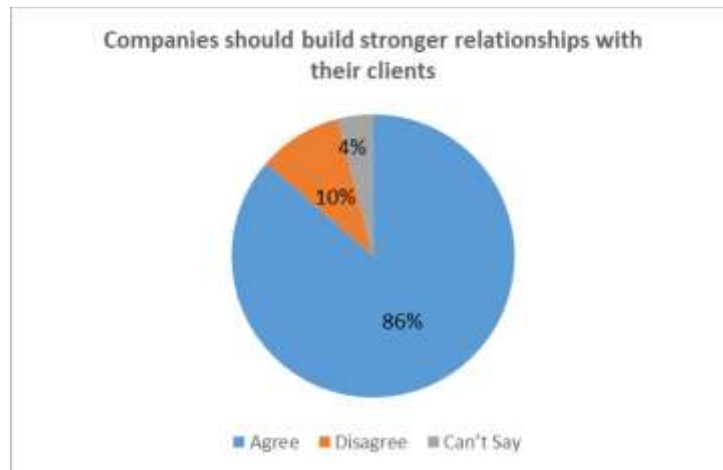


**Figure 2 Resolve customers queries and complaints promptly**

**Table 3 Companies should build stronger relationships with their clients**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	189	21	10	220
% age	86.0	10.0	4.0	100

Table 3 presents that with the statement **companies should build stronger relationships with their clients**, it is found that 86.0% of the respondents agree with this statement.

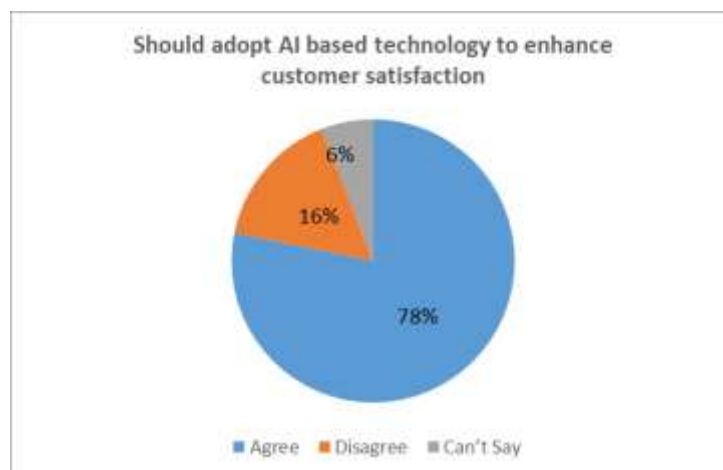


**Figure 3 Companies should build stronger relationships with their clients**

**Table 4 Should adopt AI based technology to enhance customer satisfaction**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	172	35	13	220
% age	78.0	16.0	6.0	100

Table 4 presents that with the statement **should adopt AI based technology to enhance customer satisfaction**, it is found that 78.0% of the respondents agree with this statement.



**Figure 4 Should adopt AI based technology to enhance customer satisfaction**

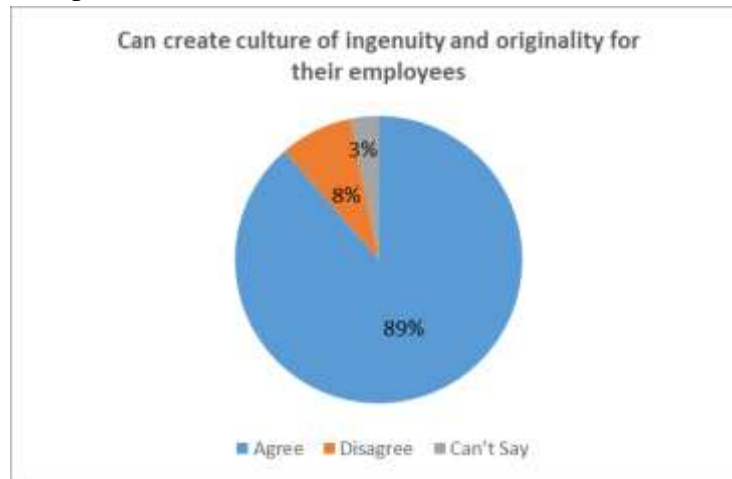
**Table 5 Can create culture of ingenuity and originality for their employees**

Particulars	Agree	Disagree	Can't Say	Total
Respondents	196	18	7	220
% age	89.0	8.0	3.0	100

Table 5 presents that with the statement **can create culture of ingenuity and originality for their employees**, it is found that 89.0% of the respondents agree with this statement. Considering all the responses of the statements, it was found that to a good percentage, the



respondents have agreed which means that globalization have a big impact on international business strategy and operation.



**Figure 5 Can create culture of ingenuity and originality for their employees**

### Conclusion

Globalization's impact on international business strategy and operations is a multidimensional and intricate matter that necessitates scrupulous contemplation and scrutiny. Experts' opinions, as gathered in a cross-sectional study, indicate that globalization has both positive and negative impacts on international business operations. On the bright side, globalization has engendered novel prospects for businesses to broaden their markets and access fresh clienteles. It has further streamlined the transfer of knowledge and technology across borders, which, in turn, has led to elevated innovation and productivity. Additionally, globalization has enabled businesses to avail themselves of global supply chains, thereby allowing them to procure raw materials and components from across the globe at cheaper prices. However, on the downside, globalization has fostered heightened competition and diminished pricing power for many businesses, particularly those that depend heavily on labor or commodities. It has also exposed businesses to a slew of new risks, including political instability, currency fluctuations, and theft of intellectual property. Furthermore, globalization has contributed to surging income inequality within and between countries. All in all, it is crystal clear that the impact of globalization on international business strategy and operations is a perennially topical issue that mandates ceaseless research and analysis. While globalization undoubtedly proffers advantages, it is imperative to adroitly manage its risks and ensure that its benefits are equitably distributed among all stakeholders. By doing so, businesses can continue to capitalize on globalization's opportunities while minimizing its possible deleterious repercussions.

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