Practical Insight: Marketing Essay, Research Paper

PRACTICAL INSIGHTWhat kind of market can attract a multinational company? What can a multinational company bring to a new market, to a new country? How can a multinational company improve the lives of the citizens of the new market and profit in the interim? What kind of market can foster such a lucrative proposition? What kind of an impact can a multinational enterprise generate?In fact, China is the perfect example. Multinational organizations have long been studying China as a potential undeveloped market. Dollar signs are popping up in the eyes of virtually every executive of every company that has the resources to do business on a multinational level. A multinational company cannot afford to ignore such a tremendous market, where a quarter of the world s population resides. Where competition is minimal, at the start, and hunger for goods and services is Godzilla like. Thanks to a new vision steered by China s late leader Deng Xiaoping and implemented boldly by the Chinese government, the open policy has allowed multinational companies access to invest, profit, and in return, revitalize China.China is finally surfacing. After years in deep waters, with traditional values and communistic approaches to business and foreign investment, China is finally coming up for fresh air. Walk down Chinese streets and you will see signs of modernization, virtually unheard of twenty years ago, taking part in everyday activities. People are driving VW cars; using Motorola cellular phones; drinking, eating, and using foreign products from Coke to Lux soap.Companies are actually competing on store shelves and citizens finally have the opportunity and the money of choosing between preferred products. Multinational companies have provided jobs: at present, 17.5 million people have found generally well-paid jobs in foreign-funded enterprises . And even some classes are being formed among citizens. An increasing number of wealthy Chinese have begun to take holidays overseas, a luxury most Chinese in China never dared to dream of.

The economy is actually growing at an alarming rate. It has been able to grow at an annual average growth rates of 9.8 percents since 1979, when the policy began. China’s international stature has strengthened. China is now considered one of the top international countries. By the end of June 1998, China had foreign exchange reserves of $140.5 billion, the second biggest in the world, after Japan. And direct foreign investment had reached US$242.3 billion, making it the second biggest recipient of international investment money in the world after the Untied States. Is China attractive? You bet. The impact has affected thousands of companies and millions of people. At present, about a quarter of a million foreign-funded enterprises are operating in China. For China, the policy is benefiting its citizens, improving the economy, strengthening the international stature, and providing jobs. For multinational companies the result is an increased bottom line.At the day and age of such jargon as the world-wide-web superhighway , there is another superhighway that practically every multinational company is or will be traveling through, and that is China. The impact of the open policy is gigantic. China is gaining investment capital, technology and management expertise from the western world. And the western world is gaining a super doorway into a market that possesses a third of the world s population. As long as both the government and multinational enterprises have something to offer on the table, I can t see this marriage falling apart.