

Chapter XX

Strategic Approach to Globalization with Mobile Business

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ABSTRACT

This chapter discusses the importance of strategic approach to the phenomenon of globalization with mobile business. Globalization is the exclusion of geographical boundaries when conducting business, considering that, in today's business world the concept of the dynamic aspect of the globalization is inevitable. Advances in information and communications technologies have helped globalization to evolve rapidly, providing the opportunity for local businesses to operate internationally. A mobile business also can exploit the opportunity of globalization. This chapter also examines how a mobile business can approach globalization strategically. Further more this chapter explains that a semi-mobilized business can become fully mobilized in order to operate more efficiently and effectively.

INTRODUCTION

Globalization is playing an important role in the business world today. The effects of globalization upon businesses are mounting and most unlikely that any business will be immune from the influence of globalization. Globalization has been growing at a rapid rate, particularly in recent years. The businesses should welcome the globalization as an opportunity to expand their global operation. Approaching globalization requires strategic plan in order to acquire sustainable competitive advantage in short term as

well as long term. Mobile businesses also need to be a part of strategic global market. This chapter consists of three sections. In the first section the concept of globalization is defined from a general perspective since there are different perspectives formed on the notion of globalization. The key element in the second section is strategy and the importance of strategic approach. Section three examines the position of mobile businesses in the context of globalization. This section also addresses the transition of semi mobilized business to fully mobile business as part of global strategy. Semi mobilized Business is a business

that its operation is in some measure mobilized and partially traditional.

AN OVERVIEW OF GLOBALIZATION

Globalization is the exclusion of geographical boundaries when conducting business and, in today's business world, it is dynamic and inescapable. Globalization gathers the world economies for the purpose of trade and culture removing the trade barriers such as language and cultural barriers (Roll, 2001). Based on the World Bank (1995) report on world development, globalization is unavoidable. The phenomenon of globalization is the dominant and the most controversial concept. Businesses have no alternative but to face this phenomenon nevertheless they have to approach it strategically and secure a place for themselves in the global market.

There are many literatures on the concept of globalization delineating different perspectives of globalization. George and Wilding (2002) argue that there are five perspectives on globalization, technological enthusiasts, Marxian pessimists, pluralists, skeptic internationalists, and a political approach. These perspectives can fall into two categories pessimistic view and optimistic view.

"Globalization itself is neither good nor bad. It has the power to do enormous good-but for many, it seems closer to unmitigated disaster." (Stiglitz (2002) the economic noble price winner)

Optimistic spectators argue that globalization is an opportunity for any type of business any where

around the world. As an example a mobile business can expand its operation globally acquiring new customers increasing its global market share.

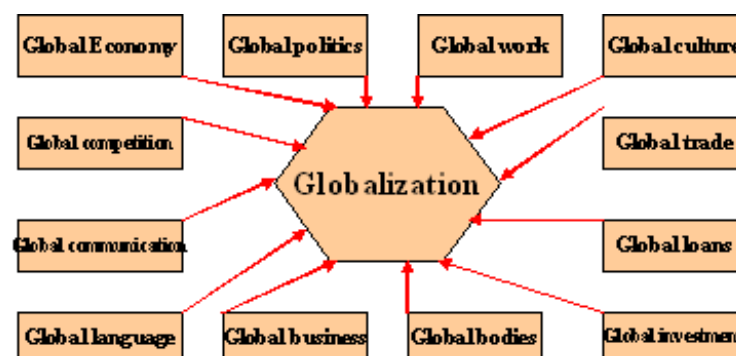
The pessimistic viewers perceive globalization as a threat to small business survival due to intense competition forces as an example a small mobile business has to fight the forces of globalization in order to retrieve its operation.

Hibbert (2005) suggests that the driving forces for globalization are global economy, global politics, global work, global culture, global trade, global loan, global investment, global bodies, global business, global language, global communication, and global competition. Figure 1 below portrays these driving forces.

Globalization is a result of the following causes. Each cause is briefly explained here.

- Labor movements across the borders. Post World War II there has been major labor movement across the globe for the purpose of better employment opportunities, higher income, job flexibility, and shortages of labour in more developed countries.
- Increase in traveling technology with lower costs. The rapid increase in speed of traveling around the globe with lower cost encouraged people to travel more and discover more places.
- Transition of international companies to multinational operation. Most of the world known companies recently transformed to multinational and recently to global companies such as giant food chain restaurant of McDonalds and KFC.
- Migration, most of the countries around the world are facing the political instability which resulted in intense migration for the purpose of a secure life.

Figure 1. The driving forces of globalization



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