

International Marketing

Learning Objectives:

- To identify the role of marketing strategy within corporate goals and operations
- To assess appropriate market entry strategies and target markets in a variety of organizational and environmental contexts
- To appreciate the role of product markets and brands in the marketing mix for differing markets and environments
- To integrate elements of the marketing mix, including communications, pricing and distribution strategy, in international markets
- To develop awareness of ethical issues in marketing

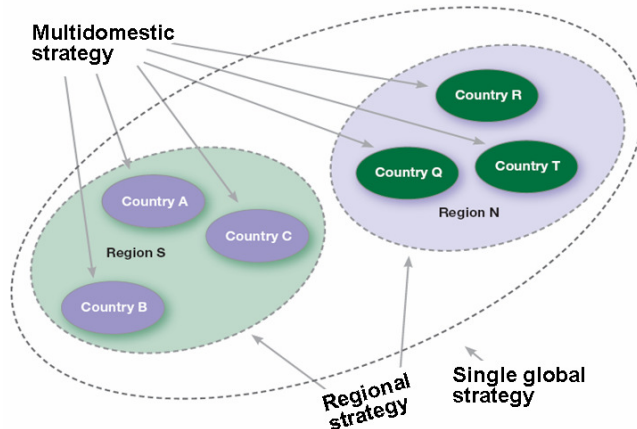
Levels of Marketing:

- The marketing concept – organizational focus on satisfying the needs of consumers.
- The firm formulates its competitive strategy in terms of targeted customers and their needs.
- Marketing strategy enables the firm to reach consumers with its products and messages.
- For the large MNE, competitive strategy is often determined from the head office, but locally designed marketing strategy is important in diverse markets.



Global Marketing Strategies:

- Global strategy – a single strategy for all markets, associated with centralized organizations; not suitable in most consumer markets



- Multidomestic strategy – different marketing strategies devised by managers in country subsidiaries, associated with decentralized organizations
- Regional and multiregional strategies – groups countries together, assuming similarity on the basis of geography; tends to underestimate national differences
- Country strategy – Adaptation of products and branding for national markets, often within a broad global product strategy

Which Markets?

- Decisions on market entry depend on the company, its products and possible markets.

- Companies often begin expansion by entering similar markets to their home country, especially for consumer products.
- These could be in the same region (eg Europe) or same language (eg Spanish firms expanding in Latin America).

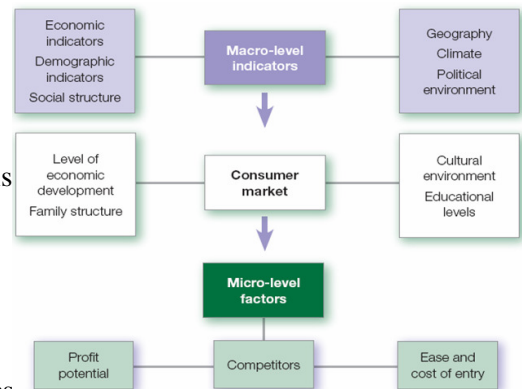
More challenging...

- Asian markets, which are very different for Western firms
- Emerging and developing countries, which are fast-growing but often unstable political and legal environments

Assessing country markets:

This is done at three levels
Macrolevel assessments examine geographic features, economic indicators, demographics,

social and economic framework and the political environment. The next level of analysis is that of the consumer market. This is the aggregate of needs and desires of consumers within a country, taking into account their buying behavior. In poorer countries, food, fuel and housing may consume most of the consumers' aggregate income. The level of economic growth is often a broad indicator of a growing market for consumer goods and services, such as appliances, banking, cars, fast-food meals, media products etc. Micro-level analyses are needed for the product markets. Factors to consider here include the ease of entry and its costs, the extent of competitors' presence, and the profit potential.



Targeting and Segmentation:

Target marketing is marketing aimed at satisfying the needs of a particular group of consumers. Segmentation is the division of a consumer market into groups of similar consumers who share such common traits

as socioeconomic grouping, cultural identity or demographic similarity. Extension or adaptation can often work well internationally even though globalization was earlier expected to produce global standardization!

Another oft-sought strategy is product differentiation. Take three undifferentiated products A, B and C, and three market segments, I₁, I₂ and I₃. With a little bit of effort, A can be tweaked towards I₁, B towards I₂ and C towards I₃ and it is easy to how every one ends up happier, instead of all the ending up in I₁!

		Communication	
		Extension	Adaptation
Product	Extension	Soft drinks, Luxury goods, Perfumes etc.	Bicycles, motorcycles etc.
	Adaptation	Detergents, Gasoline etc.	Apparel, Greeting cards, Precooked food etc.

