

International Marketing Management

Availability of the advanced communication and transportation facilities has reduced the physical distance among the nations of the world, and has made the world as a global village. Countries of the world are nearing to participate in the global market opportunities. Customers' needs and wants are not limited to the products produced and marketed within the boundary of country. Today's buyers can access goods or services produced and marketed by the foreign companies. For example, Sony TV, Gucci purses, Coca-Cola, Rayban Glasses, Toyota and Ford vehicles, Arrow shirts, Levy's Jeans, Oxford's books, McDonald's Fast Food, and many other products of foreign companies are easily available anywhere.

Similarly, producers' products are not meant for domestic market only. Development of computer network (Internet), e-commerce, e-business, network marketing, rapid means of transportation and other similar advancements have made it possible to access or avail products of any company throughout the world.

All components of business have acquired the global status, i.e., global market, global demand, and global supply. Cultural diversities tend to reduce considerably. Customers have become cosmopolitan. Nowadays, to export or import is not as difficult as it was. Instead of restricting, most of nations encourage international trade/marketing. (International, multinational, transnational and global marketing are used interchangeably).

International Marketing is the application of marketing principles to satisfy the varied needs and wants of different people residing across the national borders.

Simply, the International Marketing is to undertake the marketing activities in more than one nation. It is often called as Global Marketing, i.e. designing the marketing mix (viz. Product, price, place, promotion) worldwide and customizing it according to the preferences of different nation people.

The **American Marketing Association** defines the term, "International marketing is multinational process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchange that satisfy individual and organizational objectives."

We can define the term International marketing as means to produce products (goods and services) for the foreign customers and to make necessary arrangement to supply them. International marketing concerns with marketing products in foreign countries.

Features of International Marketing

1. Marketing activities are undertaken across the borders.

2. It is directed to facilitate exchange between the firm and the customers of foreign countries.
3. It is aimed at satisfying needs of international/global customers.
4. International marketing decisions are taken with reference to the global business environment.
5. It involves two or more nations.
6. Tailor-made marketing mix is necessary for each of the nations.
7. It is more complex and, hence, difficult.
8. Role of international trade agencies seem very critical in marketing products in other countries.
9. It offers attractive opportunities along with challenges and threats.
10. All other characteristics of modern marketing are also applicable to international marketing, etc.

Need and Importance

In relation to the need or importance of international marketing, views of Philip Kotler are worth noted. According to him, two forces essentially the international marketing are pull forces and push forces. Push forces lead to force the nation to sell its goods and services in other nations.

The push forces include lower national income, low per capita income, low domestic demand, unfavorable approach of government, high rates of tax and duties, government force to export to earn foreign exchange, tough local market, etc. These forces force the marketer to opt for international market.

Another set of forces is pull forces. The pull forces pull (attract) businessmen to sell their products in the foreign market to exploits attractive opportunities in the foreign countries. To take benefits of more profitable opportunities, they are pulled to business in other nations. The variable lead to international market may fall either in pull forces or push forces or both.

Benefits of International Marketing

1. It ensures survival for a company and a country.
2. Nations can get benefits of division of work and specialization.
3. It also helps in balancing unequal distribution of natural resources.

4. Extending product life cycle by selling products in other nations.
5. It is important for controlling inflation and achieving price moderation.
6. Balancing demand and supply.
7. Promotion of invention and innovation globally.
8. Companies can take benefits of taxes and duties.
9. Technological Transmission among countries of the world is easily possible.
10. International marketing can improve standard of living of people.
11. Growth of international marketing results into social and cultural development.
12. Worldwide peace is possible due to interdependency among countries of the world
13. Global employment opportunities can help ease unemployment problems.
14. Growth of overseas market leads to global prosperity.

International Marketing Mix Decisions

The set of marketing tools a firm uses to pursue its marketing objectives in a target market is termed as 'marketing mix'. Various tools used in marketing may be classified into the four Ps of marketing: product, price, place, and promotion, widely known as marketing mix. As a company can modify the four Ps in response to the environmental variables, these are often referred to as controllable factors.



A business enterprise has to operate under the constraints of a number of external environmental factors, such as social, economic, political, legal, technological, cultural, etc.

These environmental factors are known as uncontrollable elements over which a marketer hardly has any influence, but the marketing challenge is to adapt the controllable elements of the marketing mix, i.e., product, price, distribution, and promotion so as to ensure marketing success.

Product

General marketing concept describes how to sell more of a product with an aim to meet the needs of our target market. In international markets this includes considering various factors like customer's cultural backgrounds, religion, buying habits and levels of personal disposable income.

In some circumstances a firm adapts their product and marketing mix strategy to satisfy the local requirements and demands that cannot be changed. For example, McDonalds is a global player anyways, their burgers are accustomed to local needs. In India, where a cow is worshipped and is believed to be a sacred animal, their burgers include chicken or fish but not beef. In Mexico, McDonald's burgers are served with chili sauce. In some parts of the world, Coca-Cola tastes sweeter than in other places.

Place

This component of marketing mix is completely about product or service distribution to the consumer, at the right place and at the right time. Distribution of goods in a developed market like US probably includes goods being shipped in a chain from the producer to wholesalers and onto retailers for consumers to buy from.

In an international market, number of countries offering same products with different varieties is more as compared to national market.

For example, in Japan there are probably five different types of wholesalers engaged in the distribution chain. Businesses will be required to examine the distribution chains for each nation they would like to work with. They will also need to analyze and verify who they would like to sell their products and services to - businesses, retailers, and wholesaler or directly to customers.

Pricing

Pricing on an international level is a very difficult task. It takes into account the traditional price i.e. the cost of the product in the local market including fixed and variable rates. It also determines the competition prevailing in the market between a particular company's products and similar products of other companies.

Apart from these factors, an enterprise should consider **additional factors** like:

- The cost of transport
- Tariffs or import duties
- Exchange rate fluctuations
- Personal disposal incomes of the target market
- The currency they want to be paid in and
- The general economic situation of the country and how this will influence pricing

The internet has created more difficulties for the sellers as customers can now compare the prices of the products they are buying with similar products existing in the market. This has increased the level of competition.

Promotion

Unlike international product decisions, an enterprise can either accustom or standardize their promotional strategy and message. Promotional messages in countries should be accustomed due to differences in language, political climate, cultural attitudes and religious practices in different region. A promotional strategy used in one country could be offensive when used in another. Every side of promotional brief needs to be analyzed followed by planning.

For example, people in China believe red to be a lucky color and this color is also worn by Indian brides. Similarly, white is worn by mourners in India whereas; brides in China and United Kingdom wear white. Some companies accustom organization promotion strategies to suit local markets as cultural backgrounds and activities affect what appeals to consumers.

The scale of media improvement and availability should also be analyzed and considered. Before framing promotional exercise for a foreign market, the company should complete a PEST analysis. This would help the entrepreneur have a complete understanding of the factors functioning in the foreign market before entering it.

Before designing an international marketing mix, an enterprise should conduct PEST analysis for every participating nation they would like to operate in. This assists them in identifying the major components of the marketing mix that can be standardized and which components will need adjustments to suit local needs.