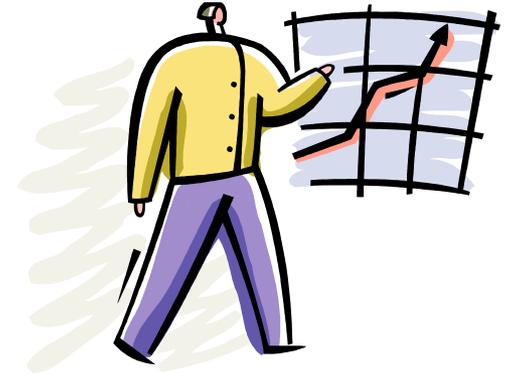




International marketing - introduction

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AGENDA



- What is marketing?
- What is international marketing?

DIFFERENCES?

- What are reasons for the differences?

DRIVING FORCES FOR INT. MARKETING

- Definition and „synonyms“ for international marketing???
- Course syllabus

What is marketing?
What are the basic concepts of
marketing?



Definition of Marketing

- “A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others”

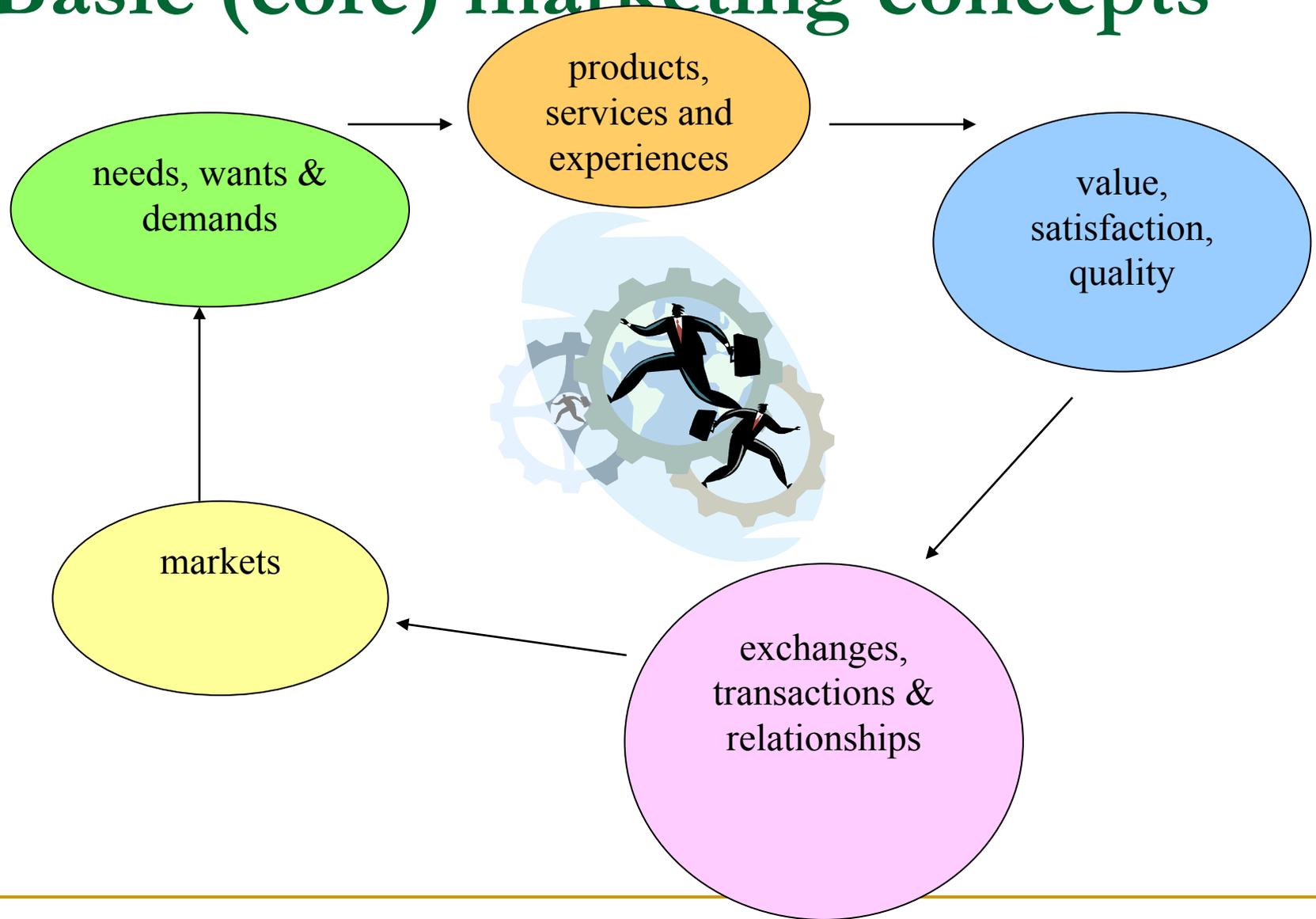
Philip Kotler

“Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives”

American Marketing Association

- activities + managerial decisions
-

Basic (core) marketing concepts



Core Marketing Concept

■ Needs

- States of felt deprivation (physical – food, warmth, safety, social – belonging, affection and individual – knowledge, self-expression)

■ Wants

- The form taken by human needs as they are shaped by culture and individual personality OR shaped by one's society and described in terms of objects that will satisfy needs

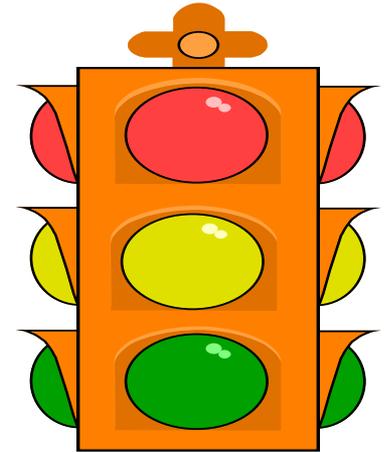
■ Demands

- Human wants that are backed with buying power(ability to buy)

■ Demand = Want + willingness to buy + ability to buy

- Demand may be brand specific (Adidas vs Nike vs Puma)

Marketers cannot influence needs, but can influence wants and demand



■ Customer Value

- is the perceived (not objective) difference between the benefits or gains the customer obtains from owning and using a product and the costs of obtaining it OR it is the customer's assessment of the product's overall capacity to satisfy his or her (or business) needs.

■ Customer Satisfaction

- is the extent to which a product's perceived performance matches a buyer's expectation.

■ Exchanges

- The act of obtaining a desired object from someone by offering something in return

■ Transactions

- A trade between 2 parties that involves at least 2 things of value, agreed upon conditions, a time of agreement, and a place of agreement

■ Relationship Marketing

- The process of creating, maintaining and enhancing strong, value laden relationships with customers and other stakeholders

■ Markets

- The set of all actual and potential buyers of a product or service



Content of marketing management

- looking for opportunities and threats
- knowing customers
- developing marketing strategies
- connecting with customers
- building brands/goodwill/image
- shaping market offerings
- delivering value
- communicating value
- creating long-term growth



What is international marketing? DIFFERENCES?



Marketing concepts and content of MKT management

What are reasons for the differences?
**DRIVING FORCES FOR INT.
MARKETING**



Reasons and drivers for international

MKT

- React to inquiry from abroad
- Seek more sales and profits
- Respond to a domestic competitive shock
- Follow major customers abroad
- Leverage economies of scale and scope
- „Global Village“ (Mashall Macluhan)
- Market needs mass markets
- Technology
- Cost - low cost production
- Quality
- Communication - ICT
- Transport
- Nongovernmental organizations
- governments

Diversification, economies of scale, international production, market growth, joint venture, small or saturated domestic markets



Why not?

- Market differences - diversity
- History
- Management myopia as a barrier
- Organisational culture as a barrier
- Barriers
- Resources



What is international marketing? +

„synonyms“

- IMKT - 'is concerned with the marketing issues arising in the management of the firm's international operations' (Jonathan Wilson, 2006)

Phases of IMKT involvement:

no direct foreign marketing
infrequent foreign marketing
regular foreign marketing – export
international marketing
global marketing



Export, pan-regional, transnational,
crosscultural, glocal, multidomestic,
multinational...

International approach (strategy)

- **global approach** treats the world as a single market
- **multinational (+ international) approach** treats the world as a portfolio of national opportunities
- **glocal approach** standardizes certain core elements and localizes other elements

(Kotler, P., 2007)



What is international marketing? II

The process by which individuals and organizations:

- **Identify needs and wants of customers in different international markets;**
- **Provide products, services and ideas competitively to satisfy needs and wants of different customer groups concerning issues different from domestic market;**
- **Communicate information about the products and services with the proper adaptation to different customer perception rising from other country effect; and**
- **Deliver the products and services internationally using one or a combination of foreign entry modes.**

**- Wilson, J., 2006 [Bradley (2002)]
adapted**

What is same and what different?

- ✓ Principles
- ✓ Concepts
- ✓ Methods
- ✓ Techniques

- Tools
- Conditions (environment)
- Competition
- Customers
- Marketing practices



The international marketing environment



Differences between International and Domestic Marketing

- Culture: behaviour, habits, routine....
business + customers
- Data: access, reliability
- Politics: interests, orientation
- Stakeholders: business + nonbusiness
(primary + secondary)
- Economies: unemployment, inflation, parity,
purchasing power, wealth...
- Control: possibility to control and co-ordinate and/or
cooperate



IMKT mix differences



- **Product** *Suitability, adaptability, competitors*
 - **Place** *Distribution channels and methods*
 - **Promotion** *Symbol, identity, familiarity, attitude*
 - **Price** *Customs duties, Taxes, Agent's commission, Freight*
 - **Physical Evidence** *Descriptions of contents, expression style*
 - **PROCESS** *Payment terms, shipping methods, commissioning, training*
 - **People** *Knowledge, skills, willingness*
 - **Packaging** *Suitability, climate conditions, freight damage, fits*
-

Syllabus

- 1. The nature of international (and global) marketing**
 - 2. Theories of international trade and marketing**
 - 3. The international and global environment**
 - 4. Culture and international marketing**
 - 5. International market selection and segmentation**
 - 6. International marketing research**
 - 7. Market entry strategies – introduction**
 - 8. Modes of entry strategies**
 - 9. International product and service marketing management**
 - 10. International Pricing**
 - 11. International Placement**
 - 12. International marketing communication**
 - 13. Organization of international marketing activities**
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TASK

- One seminar work in a group of two and presentation during the lectures. Each presentation should last 30 minutes.
 - Topic: anything from international marketing
 - Activity and presentation of seminar work!!!
 - Final exam test contains 20 questions
 - **Assessment:** 0-50% of points for seminar work, 0-50% for activity during the lectures, 0-50% for final test.
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Textbooks:

- Czinkota, M.R., Ronkainen, I.A. International Marketing. 2004
 - Ghauri, P., Cateora, P. International marketing. 2006
 - ALBAUM, G., DUERR, E., STRANDSKOV, J. International Marketing and export management. Harlow: Prentice Hall, 2005.
 - HOLLENSSEN, S. Global marketing. Harlow: Prentice Hall, 2007.
 - DOOLE, I. LOWE, R. International marketing strategy. Bedford Row: Thomson Learning, 2004.
 - CHEE, H, HARRIS, R. Global marketing strategy.London: Pitman Publishing, 1998
 - USUNIER, J.C. Marketing across culture. Harlow: Prentice Hall – all editions available in Faculty library
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