International Marketing

FIRST EDITION

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FIRST EDITION

Geri Clarke and Ian Wilson



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Brief table of contents

	Figures	ix
	Tables	xi
	Acknowledgements	xii
	Preface	xiii
	Guided tour	xvii
	About the authors	ххіі
1	International marketing orientation and perspectives	1
2	International marketing and digital technology	36
3	International market research and insights	62
4	International marketing planning	93
5	International marketing environmental audit	131
6	Core strategy dimensions in international marketing	167
7	International market entry mode strategy	201
8	Marketing channels in foreign countries	235
9	International and global brands and products	265
10	International pricing and payments	295
11	International marketing communications	334
12	Relationships and management of international marketing	366
	Glossary	400
	Index	406

IM_A01.qxd 3/18/09 19:08 Page vi

Detailed table of contents

	Figures	ix
	Tables	xi
	Acknowledgements	xii
	Preface	xiii
	Guided tour	xvii
	About the authors	xxii
1	International marketing orientation	
	and perspectives	1
	Introduction	1
	The differences between	
	international and domestic	
	marketing	3
	Definitions and concepts in	_
	international marketing	5
	Consumers and their worlds	13
	Perspectives for international	17
	marketing	17 26
	International marketing practice	26
2	International marketing and	
	digital technology	36
	Introduction	36
	Technological developments	37
	The growth of digital business	40
	Business to business (B2B)	40
	eCommerce International B2B eMarketing	42 45
	Consumers and eCommerce	45 50
	International eConsumer markets	53
	International econsumer markets	22
3	International market research	60
	and insights	62
	Introduction	62
	Reasons for international marketing research	65
	International marketing research	65
	design	68
	International marketing research	00
	and analysis	79
	Current trends in data collection	19
	and analysis	87
		57

4	International marketing planning	93
	Introduction	93
	Purpose and benefits of marketing	
	planning	94
	The role of marketing	96
	Mission, vision and strategic intent	97
	The marketing audit (situation	
	analysis)	99
	Internationalisation	103
	Planning in international marketing	105
	The marketing planning process	114
	The marketing planning process	
5	International marketing	
	environmental audit	131
	Introduction	131
	The historical context of	
	international trade and marketing	134
	The economic aspects of the	
	international environment	136
	The domestic political issues of	150
	international marketing	139
	The pecuniary issues: the	155
	international financial environment	145
	The international trade rules and	145
	institutions	147
	The social differences and trends	151
	A comparative analysis of culture	154
	The neglected importance of	
	language as a conduit for	
	marketing activity	156
	The demographic trends and changes	157
	The physical environmental factors	
	in international marketing	158
	The important aspects of	
	infrastructure	159
	Technology, the Internet and the	
	mobile era	160
6	Core strategy dimensions in	
	international marketing	167
	Introduction	167
	International marketing strategy	
	or global marketing strategy?	168
	0 0 0 0 0	

viii DETIAL TABLE OF CONTENTS

	Market segmentation, targeting	
	and positioning	173
	Targeting	180
	Positioning	181
	Country focus: marketing strategies	
	for less-developed and emerging	
	markets	185
	Timing of market entry	191
	Market concentration versus	
	market spreading	193
	Competitor-orientated strategy	194
7	International market entry	
	mode strategy	201
	Introduction	201
	Export	203
	Contractual entry modes	209
	Foreign direct investment	213
	Market entry mode strategies	
	in retailing	216
	Choosing entry modes	220
8	Marketing channels in foreign	
	countries	235
	Introduction	235
	A selection of marketing channels	239
	Retail and wholesale channels in	
	consumer markets	245
	Planning channel systems	249
	Channel management	255
~		
9	International and global brands	265
	and products	265
	Introduction	265
	OEM and OBM branding strategies	267
	Brands in an international context	270
	Modelling brands	270

	Global brands and the	
	standardisation-localisation debate	277
	International brand portfolios	280
	Brand protection	282
	Product planning for international	
	markets	284
10	International pricing and payment	295
	Introduction	295
	Drivers of international pricing	297
	International pricing strategy options	306
	Managing international pricing	
	and payment	315
	The international payment revolution	324
11	International marketing	
	communications	334
	Introduction	334
	Strategic promotion issues	343
	International media	349
	International communication tools	355
12	Relationships and management of	
	international marketing	366
	Introduction	366
	Self-management and international	
	marketing skills	370
	Team management and outcomes	378
	Organisational systems and culture	383
	Organisational structures and	
	networks	386
	Core competencies and services	389
	Managing the international or global	

Glossary	400
Index	406

390

marketing plan

Figures

1.1	Factors driving internationalisation	9
1.2	Global Internet language distribution	11
1.3	World consumption map	14
1.4	Local/global consumers	16
1.5	The WTO approach to subsidies	24
2.1	Online B2B mechanisms	43
2.2	Online markets and inter-markets	46
2.3	Cultural predictors of web purchase	52
3.1	Types of cross-cultural research studies	70
4.1	Key stages in developing international marketing plans	105
4.2	Generalised country screening process	107
4.3	Market potential based on income and consumption	108
4.4	Market potential adjusted for 'distance'	109
4.5	Entry modes and market development	110
4.6	The 'waterfall' incremental growth strategy	111
4.7	International segment and geographical growth paths	113
4.8	The marketing planning process	114
4.9	Factors affecting strategy selection	123
4.10	Marketing mix plan structure	125
5.1	Four purposes of economic environmental auditing	136
6.1	The basic motivations within Maslow's Hierarchy of Needs related to	
	the dominant motivations within the 4Cs lifestyle segmentations system	177
6.2	Positioning possibilities across international markets	182
6.3	SAB Miller segmentation of the Polish beer market	184
6.4	Need states, consumer profiles and Miller brands in the Romanian beer market	184
6.5	European cultural affinity zones	186
6.6	Comparing MNE and local competitor cost structures in LDCs	189
6.7	Global Retail Development Index	192
7.1	Domestic marketing channels within the 'whole channel' concept	202
7.2	Alternative market entry mode taxonomies	203
7.3	Retailer market entry mode strategies	217
7.4	Sequential, iterative entry mode model	224
7.5	Entry strategies in relation to control, risk and commitment	229
8.1	The channels, processes and timing for marketing Australian rambutan	
	fruit to Japan	237
8.2	Foreign marketing channels within the 'whole channel' concept	239
8.3	A model of factors contributing to gross margin ratios	246
8.4	Profitability of traditional compared to 'modern' shops	247

x FIGURES

8.5	Restructuring the marketing channel	248
8.6	Emerging channels in wine distribution in China	250
8.7	EU Article 81 applicability flowchart	257
10.1	International pricing drivers	306
10.2	Pricing strategy prototypes	308
10.3	Generic international pricing strategies	313
11.1	Types of global public relations strategies	341
11.2	Attention change with pack size	357
12.1	The 3Cs model of individual difference analysis	368
12.2	The development of international marketing competencies	368
12.3	World language distribution	376
12.4	The use of Hofstede's cultural dimensions	379
12.5	Theoretical domains and relational variables	385
12.6	Organisational structure organograms	386
12.7	Model relating customer MO and business dyadic relationships	388

Tables

1.1	World Internet usage and population statistics	12
2.1	Total turnover from eCommerce in the European Union	41
2.2	A typology of international eMarketing strategies	47
3.1	Growth of market research by region	64
3.2	Topics addressed by international market research	68
3.3	Checklist for market entry secondary data needs	75
3.4	Japanese response rates to mobile online surveys	84
4.1	Strengths and weaknesses	115
4.2	Opportunities and threats	115
5.1	Comparative trends in household patterns, 1990–2000 (% change)	153
6.1	Major need states in the Russian chewing gum product category	178
8.1	Mark-ups in the rambutan 'whole channel' between Australia and Japan	238
10.1	Pricing strategies under volatile currency conditions	310
10.2	Advantages and disadvantages of GPCs	316
10.3	Export process	321
11.1	Comparing cultural drivers for selective communications	336
11.2	International advertising standardisation: some evidence	344
11.3	Different consumer media from selected countries	349
11.4	Trade fairs and exhibitions, exhibitors and visitors in selected countries, 2002	354

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Preface

Book objectives

One key objective of this book has been to try to combine a practical approach to international marketing with an appropriate level of theory. We have tried to incorporate some of the latest research but have also been happy to refer to older literature, but only where this continues to make valid contributions to theory and practice. At the same time, a variety of cases, examples and tasks give the reader a feel for real international marketing situations. A second objective has been to provide students with a shorter text than many and yet to reach a challenging level of depth. This is particularly difficult as the book also tries to see international marketing from diverse business and cultural perspectives. One way of achieving this has been to reduce the amount of text often devoted to specific country environments. Such information dates rapidly and is easily available to students through a multiplicity of websites. Indeed, one important research skill is the use of Internet searches for such data.

Target audience

This book has been written for those undergraduate and postgraduate students who have had some learning and experience of domestic marketing. It is envisaged that students will come to this textbook having completed modules on introductory marketing, and they may also have completed at least one other marketing module, for example marketing research, consumer behaviour or marketing communications.

Having said this, we have tried to be sensitive to the needs of students from other countries who study through the medium of English and who, although experienced in business, may be coming to marketing for the first time. For the needs of those learners and to act as a reminder to those with more experience, we have provided in most chapters a measure of broad marketing concepts which underpin the more important topics in the international arena.

Pedagogy

It is recognised that one key attribute of the current student population is its diversity – in terms of ability, amount of prior marketing education, nature of prior educational experience, computer and language skills and ethnic background. We have tried to address this wide range of readership not only through the text but also through the range of multiple perspectives and the provision of different tasks.

Each chapter contains student tasks and discussion questions which differ in size and complexity. In total, these tasks are intended to encourage students to develop skills (as articulated in the 'command' words below) as well as to check and extend knowledge gained:

xiv PREFACE

- Apply To use models, methods or theories to help solve problems or make decisions, particularly in situations appearing in cases.
- *Analyse* To identify the key features in a piece of information and show how they are related or, conversely, how they contrast; as well as interpreting the dynamics of the problem.
- Evaluate Please note that this word is often used in two senses, with two distinct meanings, each of which refers to important skills. First, it refers to 'choosing between different marketing options and justifying why you have made that decision'. The underlying skill here is in establishing the pathways and criteria by which your decisions will be reached. Second, it means 'assessing the value or validity of something', e.g. the advantages and disadvantages and overall value of using a particular academic model or the accuracy and reliability of a piece of information.
- *Synthesise* To evaluate and integrate information from different sources into a coherent analytical account of a problem and its solution, while also adding original thinking to that solution.

The above skills are generic and should be acquired by all students. However, it is noticeable amongst successful marketers and managers, in particular, that they are able to clearly define what decisions need to be made and to provide an explicit pathway or process for arriving at those decisions. In thinking about making international marketing decisions, students are encouraged to challenge the conventional wisdom. Considering international marketing from different perspectives emphasises this.

Book structure

The book has been organised into 12 chapters, but there are many interfaces between most topics and students should not see international marketing as consisting of 12 -or any other particular number – of topics. In fact, good students will reflect on these interfaces and see how they could have been treated in different ways.

Chapter 1 deals with the basic definitions that distinguish international marketing as a subject that is different and more complex than domestic marketing. While domestic marketing theory is outside the scope of this book, and knowledge of domestic marketing – its definitions, concepts and practices – is assumed, the chapter does identify marketing reference points and familiar concepts that students should be aware of and may need to revise. This chapter also summarises a number of perspectives and differing reference points that become more useful as students enter the global arena.

Chapter 2 is another contextual chapter that provides a basis for students to understand the global economy and how technology is changing business models and ways of dealing with others. Throughout the book a number of tasks are set, as well as various cases. The purpose of these tasks is to ensure comprehension of particular issues and to help students practise both generic skills like investigating data patterns and also develop higher level skills such as teamworking and problem solving.

Chapter 3 is the beginning of the international marketing planning process. It deals with international research and insights and continues the theme of skills development from previous chapters. Conducting market research in different countries and cultures can be tricky and

IM_A01.qxd 3/18/09 19:08 Page xv

this chapter deals with all elements of both research design and methodologies, and focuses on how they are successfully delivered for international research and consequently for marketing decision making.

Chapter 4 discusses the major stages in the marketing planning process, which apply whether a plan is being developed for the home market or for a foreign market. It diverges, however, from the typical approach by including processes and models that can be used to guide the beginner to internationalisation. Thus, beginning with an audit of readiness for international marketing, it examines the topics of international market selection, international market entry mode strategy and planning international market expansion. Some of these topics are expanded in subsequent chapters, particularly Chapters 5, 7 and 8. Chapter 4 emphasises the interconnected nature of marketing decisions and puts them in an integrative framework. It also reminds marketers that planning involves both creative activities and numerical analysis.

Chapter 5 provides an in-depth analysis of all factors that are pertinent to environmental auditing for international markets. There are a number of differences between this type of analysis and that for domestic auditing; for example, dealing with other countries means some attention should be paid to the history of relations between those countries. Culture, language and different socio-economic aspects, developments and traumas (both domestic and international) also need to be examined further.

Chapter 6 focuses on the key or core aspects of marketing strategy, i.e. the search for segmentation, targeting and positioning approaches that confer advantages over competitors while also providing superior value for customers. It also discusses the nature of the differences between international and global approaches to strategy. There is a particular focus on marketing to emerging countries whose very different environments often call for quite different strategies to those used in developed markets.

Chapter 7 discusses the wide variety of market entry mode strategies that make international marketing so different to domestic marketing. Export, contractual and foreign direct investment strategies are described in B2C, B2B and retail market contexts. The chapter discusses different approaches to choosing between these strategies and points out that, in the real world, multiple and hybrid strategies should be considered.

Chapter 8 deals with sales and distribution (or marketing) channels within foreign markets. It argues that such matters cannot be safely left to a firm's distributors or agents to decide. Again, the chapter proposes a method for selecting the most appropriate marketing channel in a given situation. Because of the close link with the entry mode decision, this chapter is placed here rather than (more conventionally) with chapters on marketing mix topics. Finally, the chapter raises some key issues in the management of foreign channels.

Chapter 9 concentrates on the many dimensions of branding, a topic not always given sufficient attention in the international marketing texts. It discusses the key debate for many Asian firms of whether to market their own brands internationally or to concentrate on being contract manufacturers to western brand owners. It considers the thorny problems of brand naming and brand positioning in international markets. It also considers the nature and value of global brands and methods for building international brand portfolios. Finally, it examines some key issues in product planning in international markets.

Chapter 10 While pricing is a marketing mix element, it is not really given the pre-eminence it deserves in marketing theory and analysis. After all, pricing is at the heart of revenue generation

xvi PREFACE

and sends very powerful messages to consumers. In international marketing, pricing is derived partly from the dual market analysis introduced in Chapter 1, i.e. parallel transactions in the currency market. Furthermore, pricing as a revenue generation tool has a number of strategic dimensions that need to be considered before dealing with more tactical elements of pricing and payment for foreign markets.

Chapter 11 deals with international marketing communications from the top down or from the centre to the periphery, depending on how you view the organisational structure. Topics such as corporate communications, public relations and sponsorship are dealt with, before more direct media issues that support international marketing messages. Reference is also made to communications using digital technology as relevant to international marketing activities.

Chapter 12 deals with relationships and management. The issues of service quality and internal marketing are connected to the themes of relationships and management. This chapter presents relevant concepts as they are faced by the individual first. So many service-scapes are now thought to rely on 'high touch' personal interconnections that the most obvious unit of analysis is the 'self', then the self in a group, i.e. the team, and then the wider organisation in terms of organisational structures including networks and partnerships. Finally, the chapter deals with how different approaches can be used to implement and control the international marketing plan, whether for goods or services.

Guided tour

This book offers a wealth of pedagogical features to help bring Marketing Research to life and make the subject accessible for students. Key features of this text include:



Learning Outcomes:

This page identifies the primary topics covered in each section in terms of the main learning outcomes you should acquire after studying each chapter.



Key Terms and Glossary:

Key terms are highlighted and explained in the text where they first appear, with summary definitions for all key terms compiled at the end of each chapter. A full glossary at the end of the book provides a further handy reference for your study.



Tasks:

These consolidate your understanding as you work through topics, by asking you to stop and think of how you would answer a question related to real-life marketing practices. xviii GUIDED TOUR

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Cases with Discussion Questions:

Throughout the book these cases provide practical examples demonstrating the application of concepts, followed by discussion questions to encourage you to analyse and discuss real issues.



Example:

Additional European and Global example have been included in each chapter to further encourage you to analyse and evaluate the knowledge gained in the text.



Chapter Summaries:

The detailed chapter summaries help you remember key facts, concepts and issues. They also serve as an excellent study and revision guide.



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After completing each chapter, log on to the supporting Online Learning Centre website. Take advantage of the study tools offered to reinforce the material you have read in the text, and to develop your knowledge of International Marketing.

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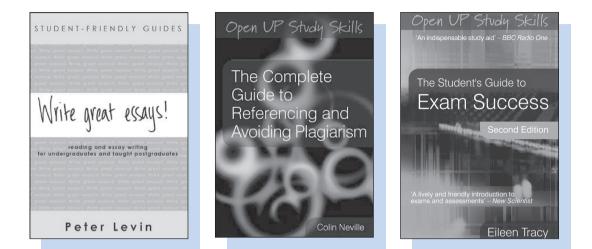
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