### **International Marketing**

**FIRST EDITION** 

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# International Marketing

FIRST EDITION

Geri Clarke and Ian Wilson



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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:

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- 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

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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:**

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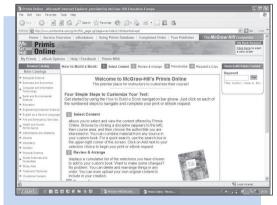
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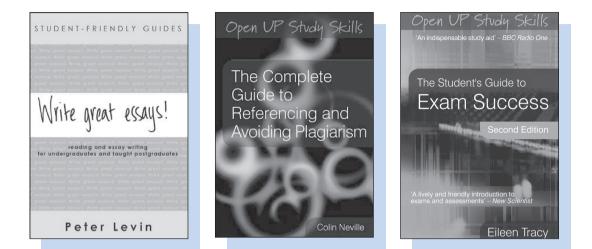
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