International Marketing Management – Exam preparation notes

Table of Contents

Seminar 1: Market Entry

1. **What is a global company?**
   - **Globalisation of capital base:** Access to money around the world. For example, a Singapore company does IPO in Australia
   - **Value chain:** inputs, logistics, production, physical, distribution, and sales to end customers
   - **Market presence:** customer facing activities (buying/using)
2. **5 types of International Marketing**
   - **Export marketing:** Business sells their products/services directly or indirectly to customers abroad. Ethnocentric: Sellers evaluate buyers' culture based on preconceptions originating in the standards, and custom. Product development is mainly determined by consumers' needs in home market. Marketing mix decisions are made at head office => no change in product and marketing approach
   - **International marketing:** Marketing functions are adapted to consumers' demands in foreign market. Polycentric: adapt its product, marketing, and

support functions for each country it operates. Product development is based on local consumers' needs. Marketing mix decisions are made in each country. E.g. Starbuck has different menus for each market preference

- **Multinational marketing:** Business can attain economies of scale by standardising operations across a region. Regiocentric: a firm adopts a marketing strategy across a group of countries, which are grouped on the basis of their market characteristics. Product planning is standardized within a region. Marketing-mix decisions are made regionally. E.g. A fashion brand uses Asian celebrity endorsement in Asian and Caucasian look celebrity in Western markets.
- **Global marketing:** Strategy that aims to attain efficiencies of scale by developing a standardised marketing mix across national, regional, and global markets. Geocentric: view the entire world as a potential market. Global products with local variation. Marketing mix decisions are made jointly with mutual consultation
- **Born-global firms:** Technological and knowledge intensive. Require international experience and entrepreneurial leadership

Seminar 2: Market Selection

1. **Prioritisation across business units: Local adaptation needs – Expected payoffs from globalisation**

Expected payoffs:

- Companies are high in economies of scale => global integrated => benefit from global expansion
- Factors related to the market: Demand, Target consumers and expectations, penalty of not globalising (cost of delay)
- Marriott Senior Living services: Low, Ritz Carlton: High

Adaptation needs:

- High: require localisation of some aspects of the business => risky and costly
- Low: allow the business to standardise their goods/service across markets => easier to adopt globalisation
- Marriott Senior Living services: High, Ritz Carlton: Low

E.g. Ritz Carlton: High Priority, Senior living services: Low priority

2. Market screening process

(1) Country identification (Which foreign markets could potentially be of interest to the firm?) – Secondary data

(2) Preliminary Screening (Are environmental factors favourable?) – Secondary data – CAGE framework

(3) In-Depth Screening (Is the market attractiveness sufficient? Can the company compete) – Secondary data – Prioritisation across country markets

(4) Selection (Which countries match the company's specific selection criteria)