

Week 1 – Introduction to International Marketing

International marketing: the process of planning and conducting transactions across national borders to create exchanges that satisfy the objectives of individuals and organisations

Forms of international marketing:

- Export import
- Licensing
- Joint ventures
- Wholly owned subsidiaries
- Turnkey operations
- Management contracts

What strategies to consider in a single country marketing vs. international marketing?

Single country marketing strategy	International marketing strategy
<ul style="list-style-type: none">• Target market strategy• Marketing mix (4Ps)	<ul style="list-style-type: none">• Global market participation• 4Ps development (adapt or standardise?)• Concentration & coordination of marketing activities• Integration of competitive moves

Globalisation drivers:

- Market factors
 - Global investment of firms and shifting of industries
 - Impact of new technology and developed infrastructures
 - Occurrence of trading blocs
 - Changing consumer demands
 - Channels of distribution becoming more global
- Cost factors
 - Avoidance of cost inefficiencies and duplication of efforts
 - To achieve economies of scale, scope and synergies
 - Size as a major asset, with many mergers and acquisitions
- Environmental factors
 - Fallen government barriers
 - Rapid technological evolution
 - Increased competition of 'born globals' companies
- Competitive factors
 - Influence of leading companies going global
 - Global marketers look for new markets and focus on best product categories for growth
 - To achieve advantage first than competitors in unchallenged markets

Opportunities in international marketing

- Market needs → reach more customers & customers have more variety
- Avoiding market saturation
- Outperform domestic companies
- Lower insolvency risk

Challenges of international marketing

- Awareness of global developments → increased competition
- Complex diversified and changing consumer attitudes
- Adapting to market conditions
- Anticipating the actions of global competitors
- The need to develop new strategies: technological innovation, process improvements, and creativity

Competitive strategies for local companies

		Competitive Assets	
		Customised to Home Market	Transferable Abroad
Pressures to Globalise in the Industry	High	Dodger Sells out to a global player or becomes part of an alliance	Contender Upgrades capabilities to match globals in niches
	Low	Defender Leverages local assets in segments where globals are weak	Extender Expands into markets similar to home base

Standardisation vs. Adaptation

Globalisation (Standardisation)	Global localisation (Adaptation)
<ul style="list-style-type: none"> Develop standardised products worldwide with a standardised marketing mix Essence of mass marketing 	<ul style="list-style-type: none"> Combination of standardisation and customisation that minimises costs while maximising satisfaction Essence of segmentation Think globally, act locally

Week 2 – Economic Environment

Market characteristics:

- Population
 - Age distribution
 - Life expectancies
 - Household size
 - Urbanisation
- Income
 - Useful for initial screening of markets
 - GNP per capita is the primary indicator of purchasing power
 - PPP – shows how many units in one currency are needed to buy goods and services in the currency of another country
- Consumption patterns
 - Income spent on necessities = indication of market development
 - Diffusion
 - Engel's laws
 - Inflation and national debt burden (repayments) affect buying habits
- Infrastructure
 - Energy consumption (electric and fuel)
 - Land, rail, waterway or air traffic networks for distribution
 - Communication systems for marketing (telephone, computers, print or broadcast media)
 - Social media platforms

Impacts of economic environment on social development

Social development indicators:

- Urbanisation
- Life expectancy
- Literacy rates
- Number of physicians
- % of population with access to electricity

These indicators tend to improve with economic development

Physical Quality of Life (PQLI) measures the level of welfare in a country: life expectancy, infant mortality, adult literacy rates.

Week 3 – Cultural and Social Environment

Culture: ways of living, built up by a group of human beings that are transferred from one generation to another.

- Has both conscious and unconscious values, ideas, attitudes and symbols
- Acted out in social institutions (family, education, religion, government, business)
- Both physical (clothing, tools, homes) and non-physical/abstract (religion, beliefs, perceptions, values)

High vs. Low Context Cultures

<ul style="list-style-type: none">• Information resides in context• Emphasis on background, basic values and societal status• Less emphasis on legal paperwork• Focus on personal reputation	<ul style="list-style-type: none">• Messages are explicit and specific• Words carry out all information• Reliance on legal paperwork• Focus on non-personal documentation of credibility
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Hofstede's Cultural Dimensions

1. Power Distance

High: accepts wide differences in power, great deal of respect e.g. Singapore, France

Low: plays down inequalities, employees not afraid to approach boss e.g. US, Australia

2. Individualism vs. Collectivism

Individualism: people look after their own and family interests e.g. Australia, Canada, US

Collectivism: people expect the group to look after and protect them e.g. Mexico, Thailand

3. Masculinity vs. Femininity

Masculinity: value achievement, assertive and competition e.g. Japan, Australia

Femininity: value relationships and concerns for others e.g. France, Sweden

4. Uncertainty Avoidance

High: threatened with ambiguity and experience high levels of anxiety e.g. Italy, France

Low: comfortable with risks, tolerant of different behaviour and opinions e.g. Singapore, US

5. Long-term Orientation

Short-term: value tradition and the past e.g. US, Australia

Long-term: look to the future and value thrift & presence e.g. China, Taiwan, and Japan