

# International Marketing

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# Topic 1

## Introduction

Nature of International  
Marketing



# Challenges and Opportunities

- Process of International Marketing
- International Dimensions of Marketing
- Domestic Marketing vs. International Marketing
- Multinational Corporations (MNCs)
  - Pros and Cons
  - Multinationality and Market Performance
  - Characteristics of MNCs
- The Process of Internationalization
- Benefits of International Marketing

# Definition of International Marketing

- Multinational process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services and to create exchanges that satisfy individual and organizational objectives

# Dimensions of Marketing

- Consumer Marketing vs. Business-to-Business Marketing
- Domestic Marketing vs. Foreign Marketing
- Comparative Marketing
- International Marketing vs. Global/Multinational Marketing
- Domestic Marketing vs. International Marketing
  - similar in nature but not in scope (scale)?
  - different in degree but not in kind?

# MNCs (MULTINATIONAL CORPORATIONS)

- Cons
  - Exploitation
  - Erosion of a Nation's Sovereignty
- Pros
  - Power and Prestige
  - Social Responsibility
  - Market Performance

# Transnationality Index (TNI)

- Foreign Assets/Total Assets
- Foreign Sales/Total Sales
- Foreign Employment/Total Employment

# Characteristics of MNCs

- **Definition by Size**
  - market value
  - sales
  - profits
  - assets
  - number of employees

# Characteristics of MNCs

- **Definition by Structure**

- number of countries in which the firm does business
- citizenship of corporate owners and top managers

# Characteristics of MNCs

- **Definition by Performance**
  - commitment of corporate resources to foreign operations
  - amount of rewards from that commitment

# Characteristics of MNCs

- **Definition by Behavior**
  - ethnocentricity
  - polycentricity
  - geocentricity

# Behavior/ Attitude

- **Ethnocentricity**
  - orientation toward home country
  - centralization of decision making
  - efficient but not effective

# Behavior/ Attitude

- **Polycentricity**
  - strong orientation to host country
  - decentralization of decision making
  - effective but not efficient

# Behavior/ Attitude

- **Geocentricity**
  - world orientation
  - centralization + decentralization + coordination
  - efficient and effective

# Internationalization Process

- Stages of Internationalization
  - Domestic business
  - Sporadic exporting
  - Frequent exporting
  - Overseas manufacturing
- Born Global
  - Mission of being global from birth
  - Resources committed to international activities

# Benefits of International Marketing

- Survival and Growth
- Sales and Profits
- Diversification
- Inflation and Price Moderation
- Employment
- Standards of Living
- Understanding of Marketing Process

# Cross Cultural Understanding

- Many mistakes could be avoided if there was a better cross cultural awareness within Multi National Corporations.
- Without this awareness products or services may not be properly designed for their target markets.