

МІЖНАРОДНІ СТРАТЕГІЇ МАРКЕТИНГУ

© Міхальські Є., 2013

Подано правила вироблення міжнародних маркетингових стратегій. Розглянуто концепцію міжнародної маркетингової стратегії та вплив середовища на стратегії. Представлено процес залучення підприємств до міжнародного маркетингу. Результати дослідження демонструють, наскільки важко створити міжнародну маркетингову стратегію.

Ключові слова: маркетингові стратегії, міжнародний маркетинг.

INTERNATIONAL MARKETING STRATEGIES

© Michalski E., 2013

The concept of a international marketing strategy and the impact of environment on strategies are under consideration. The process of involvement of enterprises in international marketing is put forward. The outcomes of the research would show how difficult is to create international marketing strategies.

Key words: marketing strategies, international marketing.

Problem formulation. Marketing activities are undertaken by the enterprise to relate profitably to its market. This requires knowledge of the market. Therefore, the enterprise has to study its prospective buyers. Who are they? Where are they? What factors are important in their purchase of the product? Next, the enterprise must develop the products that satisfy customer needs and wants. Then the products are distributing so that they are conveniently available to buyers. The enterprise must also inform the market about its products. Lastly it set prices and terms in these products that appear reasonable to buyers while returning a fair profit. Furthermore, the enterprise's marketing responsibility does not end with the sale.

Analysis of current research outputs and publications. International marketing can be best explained by reviewing marketing in a conceptual context. Marketing means the process of planning, and executing the conception, distribution, promotion, and pricing of ideas, goods, services to create exchanges that satisfy customers and enterprise's goals [1]. The concepts of satisfaction and exchange are core of marketing for an exchange to take place, two or more parties must come together in person, through the mail, fax, telephone, or Internet/Web based technologies, and they must communicate and delivers things of perceived value. American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large [2].

The marketing mix is intended to describe the strategic elements that must come together in some combination to produce a successful marketing strategy. These are the initial P factors:

- Product – selling the right product to the right market at the right time.
- Place – a determination of the best way of getting the product to the customer.
- Promotion – selection of the most effective means of making the customer aware of the value of the product.
- Price – the act of creating the pricing strategy that both fit the market conditions and the costs of doing business in the market.

There is an implied warranty of satisfaction with the product; thus, the enterprise must often reassure the buyer, and, in many cases, perform after-sale services.

Product policy included all possible tangible characteristics and intangible characteristics such as branding and warranties. Distribution policy has two components: channel management and logistics management. Channel management is concerned with the entire process of setting up and operating the contractual organizations consisting of middlemen. Logistics management is focused on providing product availability at appropriate times and places in the marketing channel. Communications policy uses promotion tools to interact with customers, middlemen, and public at large [3]. The communications element consists of advertising, sales promotion, personal selling, and publicity. It is the most visible and sensitive of marketing mix.

Pricing policy determines the costs of the product to customer. Margins to be made by middlemen who assist in the marketing effort must be taken into account. An important point to remember is that price is the only revenue-generating elements of marketing mix.

In international marketing, there are other P factors that should be considered. The following examples round out the list to ten P factors, although the number could be much higher depending on the business the enterprise is in and the unique aspects of the target market [4].

- Planning – business, market, account, sales and calls.
- Personnel – identifying the skills required to design, develop and deliver.
- Practices – business practices within the culture of the target market.
- Partnerships – potential partners that may strengthen the opportunity.
- Positioning – how the company wants to be perceived by clients and customers.
- Protection – an assessment of the potential risks in all aspects of the transaction.

Successful implementation of the marketing mix requires an understanding of markets, environmental forces, enterprise capacity, and marketing mix activities with healthy respect for competitor reactions [5].

Article objectives. The objectives of this paper are to present the rules of setting up the international marketing strategies.

Presentation of main materials. *The Involvement of Enterprises in International Marketing* International marketing is the process of planning and conducting transactions across national borders to create exchanges that satisfy the objectives of buyers and enterprises. It has forms ranging from export-import trade to licensing, joint ventures, wholly owned subsidiaries, turnkey operations, and management contracts [6]. Market development in international area has grown in importance and usually takes one of five forms shows on figure 1.

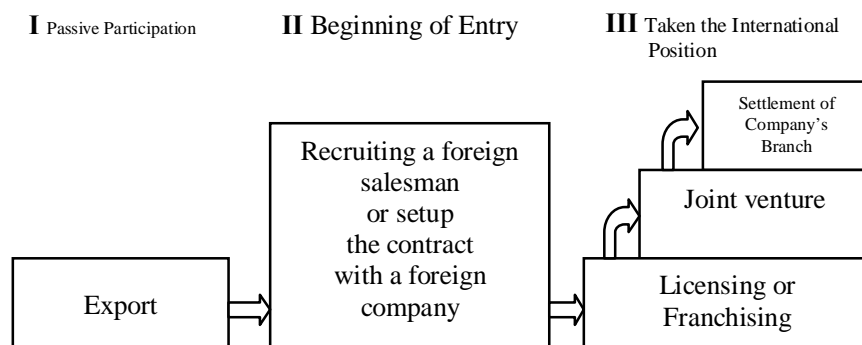


Figure 1. The Involvement of Enterprises in International Marketing
Source: Own elaborate

Exporting involves marketing the same offering in another country. Because this approach typically requires minimal capital investment and is easy to initiate, it is popular option for developing foreign markets [7]. Recruiting a foreign salesman or set up the contract with a foreign company has the same advantages as exports.

Licensing is a contractual arrangement whereby one enterprise is given the right to partners, trademarks, know-how, and other intangible assets by its owner in return a royalty or a fee. Licensing provides a low-risk, quick, and capital free entry to the host country. The two companies share ownership, control, and profits of the entity.

The joint venture, often called a strategic alliance, involves investment by both a foreign enterprise and a local enterprise to create a new entity. Joint ventures are popular because one enterprise may not have necessary financial, technical, or managerial resources to enter a market alone. This approach also often ensures against barriers being imposed on the foreign company by the government of the host company.

Direct investment in a manufacturing and/or assembly facility in a foreign market is the most risky option and requires the greatest commitment. However, it brings the enterprise to closer to its customers and may be most profitable approach for developing foreign markets. For this reasons, direct investment must be evaluated closely in terms of benefits and costs.

International marketing environment The international marketer is subject to a new set of macro environmental factors, to different constraints, and quite frequent conflicts resulting from different laws, cultures, and societies. The basic principles of marketing still apply, but their applications, complexity, and intensity may vary substantially. To achieve success in international marketing, it is necessary to consider international issues and repercussions and make decisions based on answers to such questions as these:

- How the product fit into the foreign market?
- What marketing adjustments are necessary?
- What threats from international competition should be expect?
- How can we work with these threats to turn them into opportunities?

If all these issues are integrated into each decision made by marketers, foreign markets can become a source of growth, profit, needs satisfaction, and quality of life that would not have existed for them had they limited themselves to domestic activities.

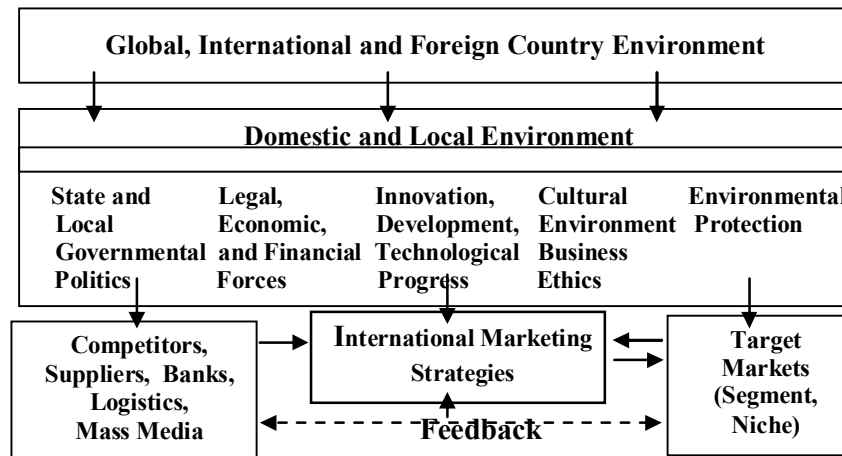


Figure 2. International Marketing Environment
Source: Own elaborate

As shows figure 2 in recurrent issue a international marketing strategy is determining the consistency of the comparison between international and domestic environment. Proper analysis of these factors depends on the availability and evaluation of relevant information. In recent years companies have had to alter or adapt their marketing strategies because of political actions, social changes, economic fluctuations, demographic trends, buyers attitudes, technological advances, growth of Internet/World Wide Web, to name just a few of the environmental changes.

Competitive activities must be monitored to ascertain their existing or possible strategies and performance in satisfying buyers needs. The useful technique for gauging potential outcomes of alternative

marketing strategies is to array possible actions, the response to these actions, and the outcomes in the form of decision tree, so named because of branching out responses from action taken.

International specialization and cross-sourcing has made production much more efficient. New technologies have changed the way we do business, allowing us to both supply and receiving products from across the world by using Internet. As a result, consumers, policymakers, and sometimes even the enterprises themselves are finding it increasingly difficult to define where a particular product was made. Ongoing technological innovation in marketing has direct effect on the efficiency and effectiveness of business activities. Products can be produced more quickly, obtained less expensively from sources around the world, distributed at lower cost, and customized to meet diverse clients' needs. Enterprises can operate in a market space rather than a marketplace by keeping the content while changing the context of transaction.

The level of international investment is at an unprecedented high. The shifts in financial flows have had major effects. They resulted in buildup of international debt by governments, affected the international value of currencies, provided foreign capital for enterprises, and triggered major foreign direct investment activities. Not only is the environment changing, but the pace of change grows faster [8]. Policymakers have increasingly come to recognize that is difficult to isolate domestic economic activity from international market events.

To regain some of their power to influence events, policymakers have sought to restrict the impact of global trade and financial flows by erecting barriers, charging tariffs, designing quotas, and implementing other import regulations. However, these measures too have been restrained by international agreement that regulate trade restrictions, particularly the World Trade Organization. Closer economic relations can result in many positive effect. At the same times, however, interdependence brings with risks, such as dislocations of people economic resources and decrease in nation's capability to do things its one way [9]. To help a country remain a player in the world economy, governments, enterprises, and individuals need to respond aggressively with innovation, process improvements, and creativity.

International activities can be crucial to a enterprise's survival and growth. Enterprises that heavily depend on long production runs can expand their activities far beyond their domestic markets and benefit from reaching many more customers. Market saturation can be avoided by lengthening or rejuvenating product life cycles in other countries. Production sites once were inflexible, but now plants can be shifted from one country to another and suppliers can be found on every continent. Cooperative agreements can be formed that enable all parties to bring their major strengths to the table and emerge with better products than they could produce on their own. International marketing enables consumers all over the world to find greater varieties of products at lower prices and improve their lifestyles and comfort.

One key facet of marketing concept is adaptation to the environment, particularly the market. Even though many enterprises understand the need for such an adaptation in their domestic market they often believe that international customers are just like the ones the enterprise deals with at home. It is here that many enterprises commit grave mistakes which lead inefficiency, lack of customer acceptance, and sometimes even failure.

The creation of international marketing strategies. The board task is plan and execute marketing strategies that will ensure a long term competitive advantage for the enterprise. This task has two integral parts: the determining of specific target markets, and marketing management, which consist of manipulating marketing mix elements to best satisfy the needs of individuals target markets.

Characteristics of intended target markets can be summarized by eight Os: occupants, objects, occasions objectives, outlets, organization, operations, and opposition. The marketer must determine which customers (occupants) to approach and also define them along numerous dimensions, such as demographic, geography, psychographics, or product-related variable. Objects are what is being bought at present to satisfy particular need. A product consumption may be tied to a particular time period. Objectives are motivations behind the purchase or adoption of marketed concept. Outlets are places where customers expect to be able to procure a product or to be exposed to messages about it. Outlets include not only the entities themselves but also location within a particular place. An enterprise expands the analysis beyond the individual customer to the decision-making unit. Operations represents the behavior of the

enterprise buying products. Increasingly, industrial enterprises are concentrating their purchases with fewer suppliers and making longer-term commitments. Oppositions refer to the competitions to be faced in the marketplace. The nature of competition will vary from direct product-type competition to competition from other products that satisfy the same need.

Analyzing the eight Os, and keeping in mind other uncontrollable factors in the environment. In the short term, the enterprise has to adjust to these environment forces; in the long term, it can be manipulated to some extent by judicious marketing activities. When we have analyzed the characteristics of the market(s), we are in position to specify the mix marketing variables that will best serve each target market [10]. The actual process of marketing management consists of four stages: analysis, planning, implementation, and control. Analysis begins with collecting data of eight Os and using various quantitative and qualitative techniques of marketing research. Data sources will vary from secondary to primary, internal to external, and informal to formal. The data are used to determine enterprise opportunities by screening a plethora of environment opportunities. The opportunities must then be checked against the company's resources to judge their viability. Planning refers to the blueprint generated to react to and exploit the opportunities in the marketplace. The planning stage involves both long-term strategies and short-term tactics. A marketing plan developed for a particular market includes a situation analysis, objectives and goals to be met, strategies and tactics, and cost and profit estimates.

Implementation is the actual carrying out the planned activities. Plans must take into account unforeseeable changes within the enterprise and environmental forces and allow for corresponding changes to occur in implementing the plans. For this reason, concurrently with implementation, control mechanisms must be put into effect. The marketplace is ever dynamic and requires the monitoring of environmental forces, competitors, channel participants, and customer receptiveness.

Conclusion and perspectives for further research. Many different marketing international strategies can assist the enterprise in entering new foreign markets with success. Estimating the demand for a product in international markets is a vital component of strategies. Research enables enterprises to make a realistic assessment of the strengths of their products and the amount of competition in a potential market. Strategies help managers decide which markets to target and what approaches to use in entering them. Strategies indicates how management should balance costs and risks against potential returns. Analysis provides comparisons with competing products and identifies the modifications required to address new markets.

1. Kotler Ph., Keller K. L. *Marketing Management* / Ph. Kotler Ph., K. L Keller – New Jersey: Prentice Hall, 2006, – P. 6. 2. [http://www.marketingpower.com/AboutAMA/Pages/Definitionof Marketing.aspx](http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx). 3. Haag S., Cummings M., Pilcher A., Riordan R., *Management Information System* / S. Haag, M. Cummings, A. Pilcher, R. Riordan. – New York: McGraw-Hill, 2009. – P. 66. 4. *Finding the Right Mix: Elements of the Marketing* / Global Trade Weekly, FITT – Jan. 31/2013. – P. 3. 5. Michalski E., *Marketing. Podręcznik akademicki* / E. Michalski – Warszawa: WN PWN 2009. – P. 33-36. 6. Czinkota M. R., Ronkainen I. A., *International Marketing* / M. R.Czinkota, I. A. Ronkainen – New York: Harcourt College Publishers, 2001. – P. 3. 7. Barlett Ch. A., Beanish P.W. *Transnational Management* / Ch. A. Barlett, P.W. Beanish, New York: McGraw Hill, 2011. – P.2. 8. Czinkota M. R., Ronkainen I. A., *International Marketing* / M. R.Czinkota, I. A. Ronkainen – New York: Harcourt College Publishers, 2001. – P. 31. 9. Stiglitz J. E. *Globalizations and Its Discontents*. / J. E. Stiglitz – New York: W. W. Norton, 2002. – P. 238-239. 10. R. A. Kerin R.A., R. A. Peterson, *Strategic Marketing Problems* – R. A. Kerin R.A., R. A. Peterson – New Jersey: Prentice Hall, 2004. – P. 12.