

**MBA (International Business)-IV Semester, Paper Title: International Business Strategies**

**Topic : International Marketing operations**

**Introduction:**

The International Marketing is the application of marketing principles to satisfy the varied needs and wants of different people residing across the national borders. Simply, the International Marketing is to undertake the marketing activities in more than one nation. International Marketing is the multinational process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. They include exporting products and services from the country of origin; entering into joint venture arrangements; licensing patent rights, trademark rights, etc. to companies abroad; franchising; contract manufacturing; and establishing subsidiaries in foreign countries.

According to the American Marketing Association (AMA) "International Marketing is the multinational process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives."

Hence International Marketing can be defined as the performance of business activities designed to plan, price, promote, and direct the flow of a company's goods and services to consumers or users in more than one nation for a profit.

**Objectives of International Marketing:**

- To promote social and cultural exchange among the countries and continents.
- To assist developing countries in their economic and industrial growth by inviting them to the international market thus eliminating the gap between the developed and the developing countries.
- To assure sustainable management of resources globally.

**Global marketing planning<sup>1</sup>:**

Planning involves where the organisation would like to be and how to get there, which involves goal setting and strategy determination. Planning involves three main activities:

- Situation analysis - where are we now?
- Objectives - where do we want to be?
- Strategy and tactics - how can we best reach our goals?

Planning gives a number of advantages:

- Gives rise to systematic thinking
- Helps coordinate activities
- Helps prepare for exigencies
- Gives activity continuity
- Integrates functions and activities
- Helps in a continuous review of operations.

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<sup>1</sup> Source: Food & Agriculture Organisation of the United Nations

The planning task depends on the level of involvement in a country. Exporting and licensing give minimum country involvement but joint ventures involve more in-country activity and give a greater degree of integration and control. Wholly owned subsidiaries give the organisation almost total control. Because of the "external uncontrollable" international planning is rather more difficult than domestic planning, planning can be standardised, decentralised or interactive.

**Standardised plans:** These offer a number of advantages:

- Cost savings on limited product range and economies of scale both in production and marketing, for example fertilisers.
- Uniformity of consumer choice across the world.
- Different market characteristics make uniform products inappropriate, for example, fresh milk products.
- Environmental obstacles disallow standardisation; for example lack of refrigerated transport in developing countries.

**Decentralised plans:** Decentralised plans take into account the subtleties of local conditions; however they are usually very costly and resource consuming.

**Interactive plans:** In this approach headquarters devises branch policy and a strategic framework, and subsidiaries interpret these under local conditions, for example Nestle. Headquarters coordinates and rationalises advertising, pricing and distribution. Within any of the above approaches plans can be either long or short term. Increasingly planning is becoming fairly routine. Most companies operate "annual operating plans" although these are often "rolled forward" to cover a few years hence.

**Global marketing control:**

Factors like distance, culture, language and practices create barriers to effective control. Yet without control over international operations, the degree to which they have or have not been successful cannot be judged.

Plans are the prerequisite to control, yet these are developed in the midst of uncertain forces both internal and external to the firm. Basically control involves the establishment of standards of performance, measuring performance against standards and correcting deviations from standards and plans. In international marketing the ability to control is disturbed by the distance, culture, political and other factors.

**Conclusion:** In every marketing plan there must be provision for organising, implementing and controlling marketing organisations. This is particularly important when marketing globally, due to the many possible pitfalls which can occur, described in the preceding chapters.

Depending on the size of the export or global operations a decision has to be made on the type of organisation, whether it be area, product, function or matrix based; on what type of marketing plan, be it standardised or decentralised and on what method of control to install. Formal methods of control include budgets and informal methods include elements of auditing but this depends to a great extent on environmental differences, distance of the market to the seller, the product and other characteristics, not least of which is the size of the international organisation.