

LECTURE 6 on International Marketing – Mix relevant for B.com.hons and B.B.A.hons M.Com cbcs students by

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International Marketing Mix

When introducing a product into foreign markets, companies can utilize a standard marketing strategy. This strategy should be chosen, according to what suits the nation the best.

The traditional **marketing mix**, consisting of **product, place, price, and promotion**, will have to be tweaked in many ways in order to reach international markets. In order to create an effective international marketing mix, the most important step is to have a thorough understanding of global markets. This can be accomplished through marketing research. The research studies must be designed with appropriate changes to handle how different cultures react to being surveyed. Companies must also research how cultures shop, eat, sleep, and socialize.



The marketing mix strategy is a combination of the elements given below –

Product

General marketing concept describes how to sell more of a product with an aim to meet the needs of our target market. In international markets this includes considering various factors like customer's cultural backgrounds, religion, buying habits and levels of personal disposable income.

In some circumstances a firm adapts their product and marketing mix strategy to satisfy the local requirements and demands that cannot be changed. For example, McDonalds is a global player anyways, their burgers are accustomed to local needs. In India, where a cow is worshipped and is believed to be a sacred animal, their burgers include chicken or fish but not beef. In Mexico, McDonalds burgers is served with chili sauce. In some parts of the world, Coca-Cola tastes sweeter than in other places.

Promotion

Unlike international product decisions, an enterprise can either accustom or standardize their promotional strategy and message. Promotional messages in countries should be accustomed due to differences in language, political climate, cultural attitudes and religious practices in different region. A promotional strategy used in one country could be offensive when used in another. Every side of promotional brief needs to be analyzed followed by planning.

For example, people in China believe red to be a lucky color and this color is also worn by Indian brides. Similarly, white is worn by mourners in India whereas, brides in China and United Kingdom wear white. Some companies accustom organization promotion strategies to suit local markets as cultural backgrounds and activities affect what appeals to consumers.

The scale of media improvement and availability should also be analyzed and considered. Before framing promotional exercise for a foreign market, the company should complete a PEST analysis. This would help the entrepreneur have a complete understanding of the factors functioning in the foreign market before entering it.

Pricing

Pricing on an international level is a very difficult task. It takes into account the traditional price i.e. the cost of the product in the local market including fixed and variable rates. It also determines the competition prevailing in the market between a particular company's products and similar products of other companies.

Apart from these factors, an enterprise should consider **additional factors** like –

- The cost of transport
- Tariffs or import duties
- Exchange rate fluctuations
- Personal disposal incomes of the target market
- The currency they want to be paid in and
- The general economic situation of the country and how this will influence pricing

The internet has created more difficulties for the sellers as customers can now compare the prices of the products they are buying with similar products existing in the market. This has increased the level of competition.

Place

This component of marketing mix is completely about product or service distribution to the consumer, at the right place and at the right time. Distribution of goods in a developed market like United States probably includes goods being shipped in a chain from the producer to wholesalers and onto retailers for consumers to buy from.

In an international market, number of countries offering same products with different varieties is more as compared to national market.

For example, in Japan there are probably five different types of wholesalers engaged in the distribution chain. Businesses will be required to examine the distribution chains for each nation they would like to work with. They will also need to analyze and verify who they would like to sell their products and services to - businesses, retailers, wholesaler or directly to customers.

Before designing an international marketing mix, an enterprise should conduct PEST analysis for every participating nation they would like to operate in. This assists them in identifying the major components of the marketing mix that can be standardized and which components will need adjustments to suit local needs.

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