



## **UNDERSTANDING THE CONCEPT OF INTERNATIONAL MARKETING: KEY FACTORS AND CONSIDERATIONS**

Dr. Amudala Thejo Kumari, Research Scholar, Texas Global University

Dr Humera Fatima, Research Supervisor, Texas Global University

### **ABSTRACT**

*The significance and influence of international marketing have significantly increased due to the exponential growth of global commerce in recent decades. Globalisation has facilitated the expansion of corporations' international business activities beyond their domestic borders. The quick proliferation of globalisation has been significantly propelled by the addition of billions of new clients and rivals in the worldwide market, particularly from nations such as China, India, and the former Soviet Union, in conjunction with other enhancements. Revolutionary advancements in communication and transportation, as well as more economic liberalisation. Experiencing tremendous growth in developing economies and expanding availability of various communication mediums. Expanding the availability of new clients to the many advantages offered by foreign marketers may significantly enhance the quality of life. When a corporation expands into international markets, its attention switches from the domestic market to the foreign markets, where it operates in a fiercely competitive business climate. International Marketing enables firms to get a competitive edge in the global market by distinguishing their goods and services, therefore generating client attraction. International Marketing is defined by its cost-effectiveness and use of technology, such as social media applications and internet websites, to promote goods and services. This study seeks to elucidate and clarify the concept of International Marketing, as well as the pivotal variables and concerns associated with it.*

**Keywords:** International marketing, international business, business strategy, global market, etc.

### **I. INTRODUCTION**

International marketing refers to the strategic management of a firm to develop, determine pricing for, promote, and distribute a range of products and services to consumers or users in several countries with the aim of generating profit. The only distinction between the notion of domestic marketing and international marketing lies in the fact that the latter involves marketing activities spanning across many countries. Regardless matter whether it pertains to foreign or domestic marketing, the objective of marketing remains same for all marketers. The objective is to generate a financial gain by marketing and selling a product or service in response to a specific demand for that

product or service. International marketing encompasses several strategies such as export marketing, local marketing, multinational marketing, and global marketing.

International marketing is the implementation of marketing concepts that include a range of procedures, starting from product planning to the distribution of goods and services to a diverse client base situated in different countries. International Marketing is a significant concept that encompasses the economies of the globe. Technology has advanced swiftly and has played a significant role in facilitating access to new global markets. Numerous multinational corporations worldwide have developed methods to market and advertise their goods and services. For instance, Pepsi, Coca Cola, and Hyundai have acquired a worldwide renown, leading them to transition from being local firms to being multinational ones.

## II. CONCEPT OF INTERNATIONAL MARKETING

Knowledge of certain concepts prevalent in International Marketing helps in transcending them to real life application. In other words, international marketing concepts have a profound influence on international marketers. Some basic concepts that are in vogue in International Marketing are given in Table 1.1:

<b>Foreign Marketing</b>	Domestic marketing within a foreign country.
<b>Domestic Marketing</b>	Marketing of products and services in the home country.
<b>International Marketing</b>	Looks into the micro aspects of business. Tries to find out why a product or service wins or loses in a foreign nation and how marketing efforts influence the results of international marketing.
<b>Comparative Marketing</b>	Two or more marketing systems are studied and a comparative, analytical study is done on marketing methods practiced in different nations.
<b>Global Marketing</b>	Considers the world as a single market and tries to study the degree to which the marketing plans and strategies can be extended worldwide and the degree to which they will be adopted.
<b>International Trade</b>	Concerned with flow of goods and services between the countries and study the macro effect of monetary and commercial conditions on Balance of Payments and transfer of resources.

Internationalization forces businesses to operate in a dynamic market situation with a higher degree of competition. It also gives companies opportunities to explore foreign markets and reap economies of scale. Internationalization is a process of planning for selling goods and services in a foreign nation so that it can be easily adapted by the language, culture and the nationals of the foreign country.

### III. KEY FACTORS OF INTERNATIONAL MARKETING

Globalisation has facilitated the growth of multinational commerce by connecting various world economies across borders. "With the advent of digitalisation, the global market has expanded significantly on a global scale in recent decades." This primarily encompasses international transactions including the exchange of products, services, technology, capital, and management expertise between two or more nations. corporations that engage in international commercial activities across many countries are referred to as multinational corporations. The phenomenon of globalisation in the present day has resulted in several significant social and economic transformations. Multinational corporations are using their significant resources to establish a presence in nations that have a shortage of skilled labour, equipment, and expertise. This helps to provide employment opportunities and increase income. By doing so, it may enhance its income globally, tap into new markets, and benefit from various tax incentives. These activities are fostering deeper relationships between nations, and there are several influential variables that have been impacting international commerce. The six factors are-

#### **Technological factors**

Technological factors are those factors that increase economic growth. It also paves the way for social change. Hence, we can say that it has both positive and negative effects on the countries that deal with cross-border businesses. It also threatens the existence of the local businesses to the level of extinction. Instead of this, it can also increase the level of global standards.

#### **Legal liabilities**

Businesses that take place across boundaries come with a legal framework. These legal liabilities might differ based on employment rate, environment, age factor, wage rates, and disability discrimination. Therefore, we can say that it affects the working of MNCs because they have to abide by the rules of all countries. Additionally, many international lending agencies also block the way by affecting working policies and legal culture.

#### **Economic factors**

International business is also affected by many economic factors. This includes employment level, the value of the country's currency, interest rates, allocation of the government budget, fiscal policies, demand for various products, income distribution, the purchasing power of customers, and inflation rates.

#### **Political factors**

Different countries with their different political considerations facilitate or hinder the working of a business. The government of different countries and the trade agreements between them are the ones that affect the foreign trade regulations, political stability, and change of actions of the new governments.

#### **Environmental factors**

There are many environmental factors that have become significant issues for international business in the last few years. This is due to an increase in environmental awareness. The factors like temperature, climate change, and weather affect the purchase of goods and services. Environmentally friendly products and services of different countries is also an essential factor that affects the international market.

### **Social factors**

Social factors like lifestyle and people's customs have a direct impact on international business. In addition, other social factors like education, status, trends, and awareness of people in society determine the consumer's behavior on how they purchase goods and services.

## **IV. FACTORS TO CONSIDER FOR INTERNATIONAL MARKETING**

International marketing is very different from domestic marketing. "There are a whole host of issues when marketing internationally that a business does not normally have to deal with when marketing in their own country." The following are some key things to consider when making any international marketing decision.

### **4.1 Cultural Factors**

#### **A. Taste**

Certain enterprises may encounter significant challenges when expanding into foreign markets due to variations in dietary preferences across different regions. McDonald's successfully revamped its brand image in India, a nation where beef eating is considered taboo, by providing vegetarian and regional options to its menu. In order to penetrate the Asian market, several global fast-food businesses, including Kentucky Fried Chicken, Wendy's, and McDonald's, were compelled to provide menu options that include rice dishes.

#### **B. Language**

Language, particularly translation, requires meticulous consideration in the context of worldwide marketing. Several instances of humiliating errors in worldwide advertising have occurred, which probably had a negative impact on organisations' product sales. An illustrative instance is the first translation of Coca-Cola into Chinese, which resulted in the meanings of "biting the wax tadpole" or 'female horse packed with wax', depending on the specific Chinese dialect it was translated into. These linguistic issues may seem amusing to an observer, but they have the potential to cause severe financial harm to your global business if not handled with caution.

#### **C. Consumer Habits**

Culture and personality interact to influence consumer behaviour in certain regions or countries. Prior to marketing a product in a foreign nation, it is crucial to ascertain if the society is individualistic, characterised by independent thinking, or collective, where purchase choices are heavily influenced by peer groups. It is important to take into account additional sociological and psychological elements that impact purchasing choices in the specific region where you want to market your products or services.

#### **D. Regional Values**

Oftentimes, when targeting a nation for product sales, it is crucial to consider the significant geographical disparities that exist within the country and adapt marketing strategies accordingly. An exemplary illustration of this phenomenon may be seen in Canada, where there are substantial concentrations of French speakers in and around Montreal and Quebec. These communities exhibit distinct cultural characteristics that set them apart from the English-speaking communities prevalent in other parts of the nation.

#### **E. Age/Demographics**

Age and other demographic factors are crucial in foreign marketing, just as they are in domestic marketing. Companies must closely consider and analyse these factors. It seems unlikely that your firm would be interested in promoting laptops to elderly individuals in a developing nation with limited internet access, especially considering that a significant portion of the population over the age of 60 lacks computer skills. This highlights the need of comprehending age and other demographic factors when considering a possible market for selling products or services. Such factors are crucial and used in making informed marketing choices.

### **4.2 Economic Factors**

#### **A. Per Capita Income**

Undoubtedly, the economic prosperity of a nation plays a significant role in identifying possible target markets and devising effective marketing strategies for those markets. If your company specialises in selling high-end automobiles priced between \$60,000 and \$80,000, it is important to note that only a small fraction, less than 1%, of the population in a country like Estonia can afford a car within that price range. However, even if this group consists of only 10,000 individuals, and you believe that you can convince 5,000 of them to purchase your product, this country still holds significance in terms of potential sales.

#### **B. Relevant Class Structure**

When doing international marketing for your product or service, it is crucial to recognise the diversity in class structure across different countries. Most nations have a hierarchical social

structure consisting of an upper, medium, and lower class. However, the distribution of individuals among these classes may vary dramatically between various countries.

### **C. Financial Transactions and Banking**

It is crucial to also consider the method of payment for the items and services you promote and sell on a global scale. In affluent nations, the ability to purchase items from abroad and make payments via methods like credit cards, debit cards, online payment processors, and cash transfer services is considered a given. However, this convenience is not universally available around the globe. The presence of these financial realities will have a significant influence on your marketing approach.

### **D. Supply and Demand**

Of course, supply and demand will play a major role in trying to market your products anywhere in the world. These days a company has to take a deeper look at potential markets than ever before because just about anything will sell if you market it the right way and in the right place.

## **4.3 Political and Legal Factors**

### **A. Licensing and Permits**

There is a possibility that the only means of doing business in a foreign nation is by relinquishing a costly permission or licence from a local firm to produce and distribute your goods on your behalf. Governments use these measures to ensure a higher proportion of revenue generated from sales remains within the domestic jurisdiction. An example of this is Pepsi's authorisation for Heineken to package and distribute Pepsi products in the Netherlands.

### **B. Laws**

Certain nations have legislation that may significantly impact your capacity to engage in economic activities inside their borders or even completely ban it. Thailand has legislation that prohibits foreign individuals or companies from owning more than 49% of a firm inside its borders. Therefore, if you want to engage in commercial activities in Thailand, you must be prepared to collaborate with a Thai partner. If your product marketing plan involves producing or distributing your goods in a foreign target market nation, it is essential that you have knowledge of rules like these.

### **C. Fees**

When you market your products for sale in a foreign country, you may be subject to pay certain fees for the right to do that. These fees can be a one-time deal or recurring, and they can also be quite high in some circumstances if they involve what might be considered luxury items.

### **D. Taxes**

Taxes serve as a means for governments to generate revenue from foreign enterprises that operate and sell items inside their nation, therefore limiting the outflow of money from their residents' spending. Taxes have a direct influence on your profitability when selling products and services in a foreign country, and as a result, they will determine your international marketing plan. Steep tariffs on merchandise, such as those imposed in the United States, may provide challenges for a corporation to maintain a favourable balance between profitability and financial loss.

### **E. Currency risks**

Engaging in commercial transactions using the currency of a foreign nation that you are targeting for selling your products or services always has inherent risks. If your company's funds are invested in a foreign currency and economic circumstances align favourably, there is a possibility of incurring significant financial losses up to millions. Between September 24, 2012 and October 2, 2012, the value of Iran's currency, the Rial, decreased by about 60%, going from 24,600 Rials for one US dollar to 39,000 Rials for one US dollar. Such fluctuations in currency values are not uncommon.

### **F. Tariffs**

Tariffs have traditionally been used to achieve trade equilibrium between nations and safeguard domestic enterprises from losing market share to international rivals. This may significantly impact international commerce and the promotion of your company's goods or services for sale. "An illustration of this phenomenon may be seen in China's imposition of a 105.4% tax on chicken imports from the USA." It is evident that such a substantial duty can significantly influence the purchasing behaviour of a nation's inhabitants, prompting them to choose for locally produced chicken.

## **V. CONCLUSION**

With the increasing advancement of technology and the consequent shrinking of the globe, firms that successfully promote their products or services globally will be able to capitalise on the significant growth opportunities presented by foreign markets. From this post, it is evident that when expanding your product or service to foreign markets, there are several aspects that your company and marketing team must carefully evaluate before selecting the specific country or area to target for

selling your products or services.

Effective global marketing requires a profound understanding of the variables that impact customer behaviour in many geographical areas. Developing a deep understanding and respect for other cultures, being knowledgeable about local traditions, and having the ability to speak proficiently in many languages are essential for establishing strong consumer connections and fostering brand loyalty. Furthermore, it is important for organisations to keep updated with technology advancements and use digital platforms to amplify their marketing endeavours and interact with clients in inventive ways. Businesses may optimise their market potential by customising their offers to align with the individual demands and preferences of their target consumers, taking into account economic aspects such as per capita income and class structure.

To summarise, international marketing is not just an expansion of domestic marketing, but rather a multifaceted and ever-changing discipline that requires a thorough and subtle strategy. Companies may establish successful strategies to compete in the global economy by addressing the important aspects and concerns highlighted in this article. In an era of globalisation, organisations who adopt international marketing strategies will have a strategic advantage in exploiting emerging growth prospects, fostering innovation, and attaining sustained success.

## REFERENCES

- [1]. Awoniyi, M. A. (1999). International Marketing, Obafemi Awolowo University.
- [2]. Gaikwad, Shubhangi. (2017). Features of International Marketing; International Journal of latest Technology in Engineering, Management & Applied Science (IJLTEMAS)
- [3]. George S, Yip. (1992). Total Global Strategy: managing for Worldwide competitive Advantage, Englewood Cliffs, NJ: Prentice Hall
- [4]. Ghauri, Pervez, Cateora, Philip. (2013). International Marketing, Edinburgh, Business School, Heriot-Watt University
- [5]. Kotler, P, Armstrong, G. (2005). Principles of Marketing, 11th Edition, New York: Prentice Hall
- [6]. Kotler, P, Keller, K. (2016). Marketing Management, 15th global edition, Pearson education limited 2016
- [7]. Kozak, Yuriy, Smyezek, Slawomir. (2015). International Marketing, University of Economics, University of economics, Kiev Katowice, CUL
- [8]. Lakshmi, Y. P. (2014). International Marketing, Department of Management Studies, Jawaharlal Nehru Technological University, Anaparthi, CREC
- [9]. Philip. R, Cateora. (2007). International Marketing, MC. Graw-Hill, International Edition, Chicago.
- [10]. Laine, A. and S. A. Kock, 'Process Model of Internationalization — New Times Demands New Patterns', Swedish School of Economics, 2001.