



Chapter 12

INTERNATIONAL MARKETING STRATEGIES

Localising a global product



Standardisation for global markets

Modifications in the marketing mix

1. The Standardisation approach

Make no special provisions for the global marketplace but identify target markets and then choose products that can easily be marketed with little or no modifications

2. Multidomestic approach

Adapt to local conditions

3. Globalisation approach

Incorporate differences into a regional or global strategy that will allow local differences in implementation

Product Policy

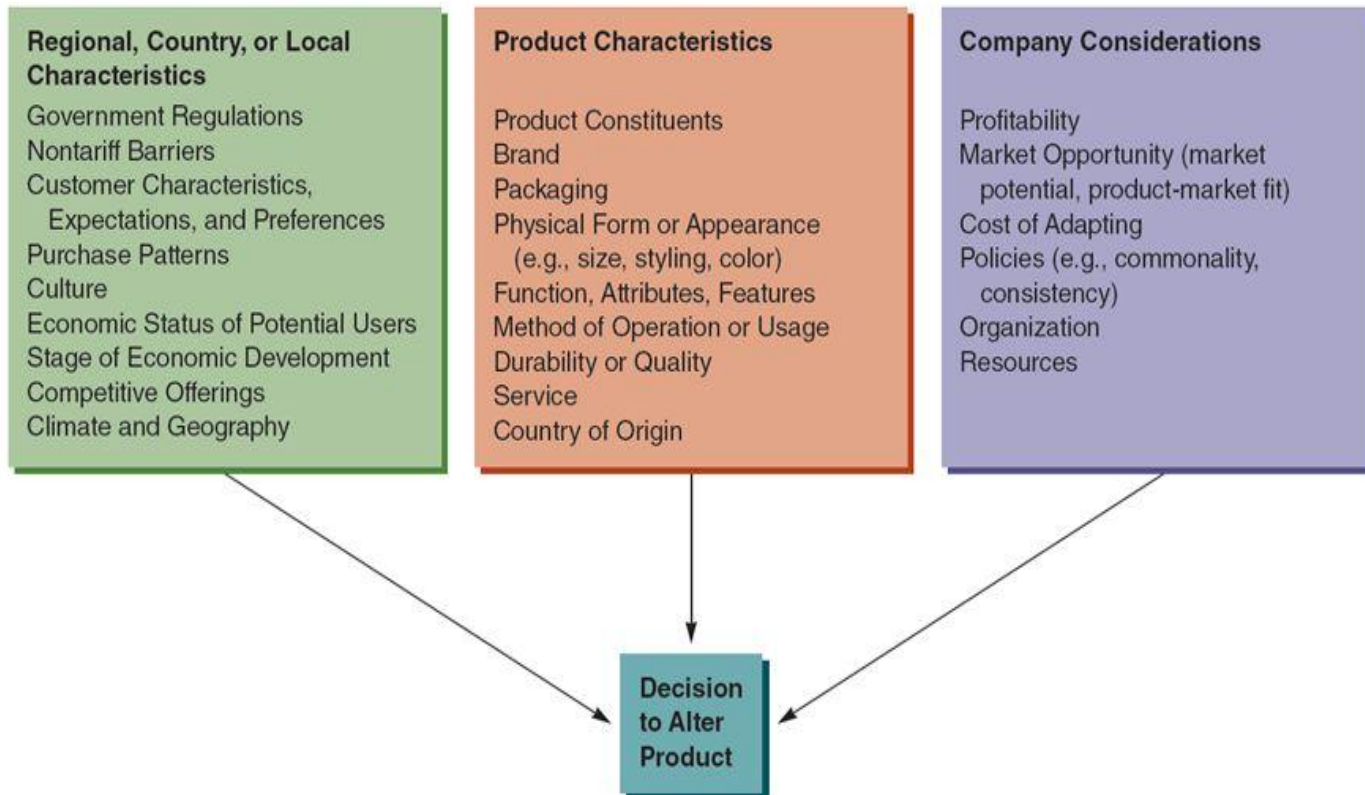
Factors encouraging standardization

- Economies of scale in production
- Economies in product R&D
- Economies in marketing
- “Shrinking” of the world marketplace/economic integration
- Global competition

Factors encouraging adaptation

- Differing use conditions
- Government and regulatory influences
- Differing consumer behavior patterns
- Local competition
- True to the marketing concept

Factors Affecting Product-Adaptation Decisions



SOURCE: Adapted from V. Yorio, *Adapting Products for Export* (New York: Conference Board, 1983), 7.

Marketing Management

- Regional, Country or Local Characteristics
 - Positioning
 - Backward Innovation
- Product Characteristics
- Company Considerations
- Product Line Management
 - Centers of Excellence
- Product Counterfeiting

Pricing Policy

- Export Pricing
 - Standard world-wide pricing
 - Dual pricing
 - Cost-plus pricing
 - Marginal cost method
 - Market-differentiated pricing
 - Price escalation
 - Dumping

Distribution Policy

- Channel design
 - 11 C's (Culture, customers, competitors, company objectives, character, capital, cost, coverage, control, continuity, communication)
- Selection and screening of intermediaries
- Managing the channel relationships

TABLE 13.3**Managing Relations with Overseas Distributors**

High Export Performance Inhibitors	Bring	Remedy Lies In
Separate ownership	<ul style="list-style-type: none">• Divided loyalties• Seller-buyer atmosphere• Unclear future intentions	Offering good incentives, helpful support schemes, discussing plans frankly, and interacting in a mutually beneficial way
Geographic and cultural separation	<ul style="list-style-type: none">• Communication blocks• Negative attitudes toward foreigners• Physical distribution strains	Making judicious use of two-way visits, establishing a well-managed communication program
Different rules of law	<ul style="list-style-type: none">• Vertical trading restrictions• Dismissal difficulties	Complying fully with the law, drafting strong distributor agreement

Source: Philip J. Rosson, "Source Factors in Manufacture—Overseas Distributor Relationships in International Marketing," in *International Marketing Management*, ed. Erdener Kaizer (New York: Praeger, 1984), 95.

- E-commerce as a distribution channel

TABLE 13.4

**Worldwide
E-Commerce Revenue
by Region**

Region	1998	2003	Compound Annual Growth
United States	37.25	707.92	80%
Western Europe	5.61	430.37	138
Japan	1.98	44.94	87
Asia/Pacific	0.69	27.51	109
Rest of world	1.41	53.02	107

Source: International Data Corporation, "The Globalization of e-Commerce," August 1999.

Promotional Policy

- Advertising
 - Media strategy
 - Promotional message
 - Personal selling
 - Sales promotion
 - Public relations

McDonald's

MAC

The extended 3 P's (People, Process, Physical Evidence)

- Transferring the people factor service
 - Airlines workers
- The process of delivery
 - IKEA (DIY concept)
 - Fastfood (self clean/staff cleaning; rotating “sushi” conveyer belt)
- Creating the physical evidence
 - Ambience, layout, shape customers' perception and acceptance of products and services

Class assignment (group)

- Form a group of 4 or 5
- Find a company (any kind) that you are easy to find information on (Burger King, McDonalds, Starbucks, KFC, Carl's Burger).
- For its services/products offered, what marketing aspects should company you choose consider when localising in a country?
- Include the real photos of the company you choose
- For presentation, use video and pictures to support your findings

Ketentuan penulisan

1. Pendahuluan
2. Profile Perusahaan
3. Analisis aspek pemasaran dalam lokalisasi
4. Kesimpulan

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Menggunakan penomoran halaman kanan bawah.

Daftar pustaka: Arial 11