

International Marketing Decision

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International Marketing Decision (decision on International 4Ps

- A firm which plans to go international has to make a series of strategic decisions
- The difference between International marketing decisions and domestic marketing is that all marketing decisions are taken with reference to foreign or international markets (or customers).
- More clearly, product, price, promotion, and distribution decisions are made for international buyers.

Strategic decisions in International Marketing

Those firms planning to enter the global markets have to decide on following key decisions:

- 1. International Markets Decision:** Whether to go for international market?
- 2. Market Selection Decision:** To whom of which country to sell?
- 3. Market Entry Decision:** How to enter the international market?
- 4. Marketing Mix Decision:** Which type of marketing mix should a firm prepare?
- 5. International HR & Organisation Decision:** What type of organisation should be adopted by the firm to manage international business?

Market selection decision

- The world market is made up of more than 200 independent nations.
- It would be difficult for a firm to operate in all these markets
- There may be markets that are less profitable and more risky to operate and vice versa.
- The company resources do not permit operations in large number of countries.
- Therefore profiling and selection of market becomes very important

Market selection process

It is also necessary to prepare a profile of the selected markets to help the company to formulate the marketing strategy. It may be noted that many of the items of information contained in the market profile are collected for the purpose of evaluation of the markets for market selection.

MARKET SELECTION PROCESS

The important steps involved in the market selection process are depicted in Figure 14.1.

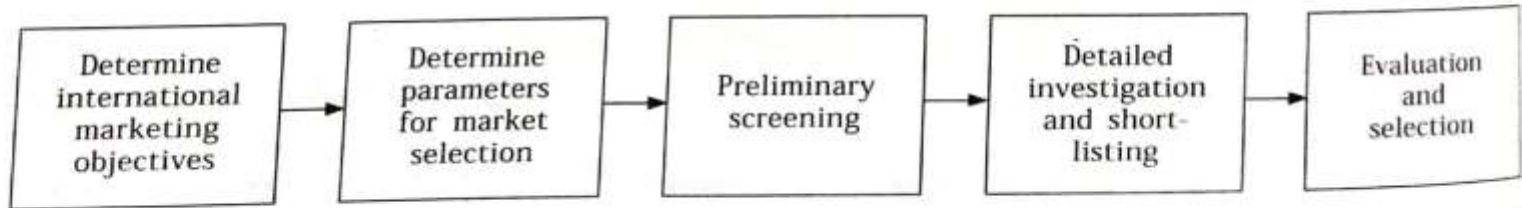


FIGURE 14.1 Market Selection Process.

Market selection process

- a. **Int. Marketing Objectives-** facilitate the process of globalisation by integrating economies of different countries, to encourage trade between countries, promoting social and cultural exchange, to facilitate export and import and export of goods globally, earning profit, to fully utilise capacity.

- a. **Parameters for market selection-** An evaluation matrix is often used to assess the markets in which the firm wishes to operate. The various factors which may be considered for selecting a market are political stability, economic stability, government policy, currency stability of the foreign country,

infrastructural facilities, taxes, competition, demand, labour cost and labour productivity etc.

C. preliminary screening- the objective of preliminary screening is to eliminate the markets that are not potential enough. The market can be screened out on the basis of the parameters that were set in the previous step.

D. shortlisting- in the previous step the markets are eliminated which do not seem meritorious enough. There would be still a large number of market left even after the screening. Further screening is carried out and a still smaller number of market is selected which is likely to satisfy the company's criteria.

E. **Final selection**- lastly after all necessary steps one or more market is selected by the firm

Market Entry strategies

There are various ways of entering the international market which include, exporting, licensing, third party, joint venture, mergers, etc.

Marketing mix decision (international 4Ps)

- Marketing mix decision involves preparing marketing mix (strategies) for international market. Marketing mix consists of 4P's – **product decisions, pricing decisions, promotion decisions, and place or distribution decision.**
- All marketing mix decisions are taken with reference to foreign customers and global marketing environment.

Thank You.