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Faculty of Commercial Economic Sciences and Management Sciences

**Directed work with examples intended for L2 MANAGEMENT  
students**

**“MARKETING module”**

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# 9-International Marketing

## 1-What Is International Marketing? A Comprehensive Guide

Many companies want to expand into new markets to increase their customer base, grow their brand awareness and improve their sales. When a company plans to enter a market in another country, it may use international marketing to distribute and promote its products or services to new customers. If you want to work for global or multinational companies, it can be helpful in your role.<sup>1</sup>

International marketing, also known as global marketing, is the process of distributing, promoting and advertising a company's products or services across national borders. It may involve marketing products in one or many foreign countries. Often, companies distributing their products in multiple countries create unique marketing plans for each location. This strategy allows marketers to identify and segment potential customers based on the unique culture of a specific country. This type of marketing can have various advantages for companies seeking to diversify their customer base, including: understand this type of marketing so you can use it effectively in your role.

This type of marketing can have various advantages for companies seeking to diversify their customer base, including:

- **Increase sales:** Many companies use global marketing strategies to reach a higher number of customers in different countries. A larger market can often help to increase sales and profitability.
- **Scale costs:** Entering the global market can help companies reduce production costs by manufacturing their products in larger amounts. Scaling costs can help businesses establish competitive pricing strategies.
- **Expand market share:** It is common for companies to engage in global marketing to build their customer base. By gaining new customers in other countries, they can expand their market share.

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<sup>1</sup> <https://in.indeed.com/career-advice/career-development/international-marketing>

- Increase brand awareness: Companies can use global marketing techniques to target a wider audience and inform new customers about their products and services. This type of marketing can help businesses increase their brand awareness.

## **2-Types Of Global Marketing :**

There are different types of global marketing companies can use to expand into a foreign country. Companies often refer to their goals when determining the type of marketing they want to pursue. Some common types of global marketing include:

### ***1-Exporting***

This type of global marketing involves marketing products to potential customers in another country. A company exports products when it sends them to a foreign country for purchase. Some companies choose to engage in direct exporting, which means they sell their products directly to target customers. Others use indirect exporting methods, which typically involve using a third-party agency or distributing company to sell the company's goods. Many companies seeking to expand in foreign markets begin by exporting their products because this method involves a low risk and minimal impact on operations.

### ***2-Licensing***

Licensing is a type of global marketing that occurs when one company, known as the licensor, allows another company in a foreign country to use its intellectual property. This type of property is an intangible asset, such as copyrights, patents or trademarks. The company in the foreign market has a licence to use the property in exchange for payment, known as royalties. Typically, licensing is a short-term agreement between two companies. It can be beneficial for companies seeking to expand their brand awareness in a foreign market.

### ***3-Franchising***

In global marketing, franchising refers to an agreement between a parent company and an individual or firm in another country. Under this agreement, the franchise owner can operate an establishment in the parent company's name and use its resources, such as branding. The franchise owner pays a fee to the parent company for these rights. Franchising is a common type of global marketing for service-based companies, such as hotels and restaurants. It can be a beneficial agreement for companies with a strong brand recognition in another country.

#### ***4-Joint venture***

A joint venture in global marketing involves a partnership between two companies located in different countries. Both companies contribute assets, such as products or intellectual property, and own part of the venture. They work together to be successful partners. A joint venture can be beneficial for companies wanting to expand into a foreign market because they share business risks with another enterprise.

#### ***5-Foreign direct investment***

Foreign direct investment is a type of global marketing that involves one company investing in a foreign company. It refers to different types of investments, such as building new facilities or purchasing stocks. Often, a company uses this type of global marketing to begin manufacturing its products in another country. It is typically a long-term investment in a foreign market. It can be a beneficial type of global marketing for companies that want to have a significant influence or ownership in business decisions.

### **3-What are the Characteristics of International Marketing?**

All the features of modern marketing apply to international marketing. However, the latter aims to satisfy the needs of global customers. So, it takes place across borders.<sup>2</sup>

As a result, international marketing has specific characteristics, such as:

- It involves two or more countries
- Unique marketing strategies for specific countries
- It enables exchange between a company and foreign customers
- Decisions are taken with reference to the global business environment

### **4-What are International Marketing examples?**

There's no one-size-fits-all approach to **international marketing**. As such, brands usually have to adopt various **global marketing strategies** to appeal to their diverse **audience**. It includes adjusting menus, translating across multiple languages, and adapting to the social system to avoid blunders.

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<sup>2</sup> <https://edgy.app/international-marketing>

This post will consider five brands that are enjoying success in **global marketing** — **AirBnB**, **Nike**, **Coca-Cola**, **Apple**, and **Spotify**.

### 1. [Airbnb](#)

In 2008, **Brian Chesky** and two other friends founded **Airbnb**, an online marketplace for vacation rentals in **San Francisco**. Since then, the company has grown to over 1,500,000 listings in more than 34,000 cities worldwide.

So, what's responsible for the meteoric growth?

Airbnb created a dedicated localization department to make its site accessible around the globe. It also uses the power of local [storytelling](#) to foster trust and a sense of community between hosts and travelers.

For example, Airbnb launched a **social media campaign** with the hashtag **#OneLessStranger** in January 2015. It encouraged locals to perform random acts of hospitality for strangers and share on social media.

The campaign was a success!

Three weeks after **#OneLessStranger** launched, over three million people worldwide were either creating content or talking about the campaign.

### 2. [Nike](#)

**Nike** has managed to increase its global presence over the years through **international sponsorships**. An example of such is its previous long-standing arrangement with the English soccer club, **Manchester United**.

Besides international sponsorships, Nike have several other strategies to make its products appealing to the **global market**.

For instance, the **NikeiD** co-creation platform puts the power of design in the consumer's hands. It's a quick way for the brand to deliver products that address **cultural differences** and styles.

### 3. [Coca-Cola](#)

**Coca-Cola** is one of the biggest brands in the world and for good reasons. It's an excellent example of a brand with a brilliant **international marketing strategy**.

The company gave local operations slack to adjust the soda's taste to fit the market's cultural preferences. Besides, [advertising](#), promotion, distribution, and pricing are also adapted to suit specific demands.

Coca-Cola focuses on universal values, such as sharing and happiness. However, the brand also localizes campaigns using cultural references and endorsement deals with local celebrities.

#### 4. [Apple](#)

[Apple](#)'s primary **global marketing strategy** is to maintain a consistent brand across cultures.

The company's products, ads, and websites use the same clean, minimalist design in different parts of the world. Also, the visuals on the website are the same, regardless of the country or language.

In other words, the iPhone makers focus on providing a **consistent brand** and **customer experience**.

Note that the one-size-fits-all approach may not work for most brands. However, it seems to work for Apple. In fact, *Interbrand* chose the iPhone maker as one of the [best global brands in 2019](#).

#### 5. [Spotify](#)

Swedish-based audio streaming and media service provider **Spotify** launched twelve years ago.

Today, Spotify has a total of 299 million users and 17 offices around the world. What's more, the company made *Interbrand*'s list of the best global companies in 2019.

So, how did Spotify quickly expand from Sweden to the rest of the world? The answer lies in how it describes its content.

Rather than music genre, the streaming service gets users to focus on a habit or lifestyle that people share worldwide. For example, you could select a Workout, Sleepy, or Study music preferences.

As a result, international artists whose content falls in a specific category can quickly gain listeners from other countries.

## **5-What are the Benefits of International Marketing?**

**International marketing** can help create bigger and better opportunities for business expansion. Not only does it offer a broader customer base, but it's can also protect against a potential economic downturn. **Global marketing** also enables the effective utilization of surplus production and helps build relationships with other businesses worldwide. Besides, it also provides employment opportunities for the host country.

Here are some benefits of **international marketing**.

### **1. Market Expansion**

One primary advantage of **international marketing** is market expansion. It's an opportunity to extend a brand's customer base.

Two decades ago, the idea of marketing a product or service was too expensive for **small businesses** to consider. But that's no longer the case, thanks to new communication channels such as **Google** and **Facebook**.

Now, small businesses can access a more extensive customer base overseas without breaking their budget. Not only does it increase profit, but **international marketing** also boosts [brand awareness](#).

### **2. Protects Against Economic Downturn**

Unexpected economic events and catastrophes can wreak havoc on a company's fortune.

However, revenue from selling to an overseas audience can offset possible downturns. As a result, your business will be able to weather the tough times and make up for losses suffered at home.

With only \$45.5 million at the U.S. box office, *The Great Wall* failed to earn even one-third of its \$150 million budget. However, the action movie was a mega-hit in China, where it earned \$170 million.

It earned a total of \$289.4 million at the international box office.

### **3. Effective Utilization of Surplus Production**

**International marketing** helps manufacturers to utilize excess production effectively.

It involves shipping goods produced in surplus in one country to another. That way, foreign exchange of products between the importing and exporting countries can meet each specific needs.

In other words, surplus raw materials, goods, or services in domestic production can be shipped to foreign markets.

### **4. Provides Competitive Advantages**

Besides increasing revenue and diversifying asset, **international marketing** also provides competitive advantages.

By expanding abroad, you can access new customers and visibility that your competitors might not have. This is especially true when the home market is already saturated.

**Global marketing** allows you to remain ahead of the competition.

### **5. Employment opportunities**

**Global marketing** increases employment opportunities in a foreign country.

**International marketing** provides access to specialized talent that may not be available in a brand's home country. These include marketing managers, marketing coordinators, and translators, among others.

As a result, companies usually hire workers with a unique skill set that may prove useful at home.

For instance, over [71 percent](#) of advertisers believe that some of the best ad campaigns are being developed abroad. So, applying a similar strategy at home could convey a competitive advantage.

### **6-What are the Disadvantages of International Marketing?**

Despite its benefits, **global marketing** comes with specific downsides. For one, cultural restrictions between the home and host country could hinder the marketing strategy. Other



disadvantages of **international marketing** include government restrictions, high competition, potential infrastructure issues, and war in the host country.

### **1. Cultural Differences**

The varying culture and norms across the globe could lead to various marketing challenges. These include differences in consumer needs and usage patterns as well as response to marketing mix elements.

Also, foreign countries sometimes have institutions that may call for creating an entirely new marketing strategy.

For example, Muslim culture considers dogs to be dirty creatures. That means a message that describes a dog as “man’s best friend” won’t work in Middle Eastern countries.

### **2. Government Restrictions**

International marketing entail following various strict rules and regulations that the host country’s government imposes. These usually include high taxes, as well as duties to import and export goods.

In the end, these restrictions can impact a company’s profitability and continuity. Sometimes, companies may find it challenging to follow these foreign regulations and be forced to leave.

### **3. War Situations**

Tensions and war-like situations among nations can severely impact **international marketing**.

As a result, the ability to sell products and services in other countries is subject to diplomatic relations. Trade will proceed smoothly as long as these countries remain friendly.

However, any tension in the host country could lead to huge losses. In some cases, it could lead to a complete shutdown of operations.

### **4. High Competition**

Brands that are entering a foreign market usually have to compete with both local companies and international brands. As a result, the degree of competition in **global marketing** is generally high.

As you may have guessed, global marketing offers attractive opportunities to companies that are successful at it. However, it also comes with several threats and challenges.

### **7-Export marketing and international marketing:**

The exchange process, which is the basis of international marketing, is different from that found in domestic markets and yet more than just exporting. Exporting would require the use of only four Ps, whereas international marketing requires the six Ps, of megamarketing. To export means simply to send or carry abroad, especially for trade or sale. Marketing goes beyond that, introducing the concept of the end-user, moving the orientation away from finding sales for a company's existing products to analysing the market and assessing whether the company is able to produce a product or service for which there is either current or potential demand, given that other factors can be controlled, such as price, promotion and distribution (Paliwoda, 1991).<sup>3</sup>

International marketing requires greater commitment, and that may mean executive time and resources, much more than does exporting.

Exporting may be simply a short-term solution to an immediate problem of under-capacity of production or over-capacity of stocks. Marketing identifies market needs, either current, potential or latent. Marketing helps to bridge the information gap between the company: and the final consumer of its product. Exporting, on the other hand, is deemed to be successful when ever a sale is concluded. That sale will usually be with a trade intermediary. The company doing the exporting has achieved a profitable sale, but knows little or nothing about the final market for his product, nor will he receive any ongoing communication about how his product is received and what customers think of it. It may be a very bad product or may simply not be selling through the distribution system to the final consumer,, but just gathering dust because trade margins are too low. In any event the final consequence will be known but not the reasons.

International marketing offers then a reasoned management approach to international markets whereas exporting is more of an adventure in realizing short-term gains.

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<sup>3</sup> Stanley J. Paliwoda , Micael J. Thomas. International Marketing. Published on behalf of The Chartered Institute of Marketing. 1998. P23  
file:///C:/Users/Asus/Downloads/10.4324\_9781315042695\_previewpdf.pdf

Root (1987) lists out a number of characteristics between what we may term an export sales approach and an international marketing approach. The objectives and the criteria by which they are defined are incredibly far apart.

### **8-International marketing strategy:<sup>4</sup>**

The most fundamental strategic decision to be made by the INV (international new ventures) (INVs) to designate firms that are internationally oriented from inception) management is how the firm should develop the process of going international with regard to time, scope and scale. Gabriëlsson and Kirpalani (2004) point out that the process theory of slow and gradual internationalization is challenged when the autonomous, innovative, aggressive and risk taking entrepreneur (Lumpkin and Dess, 1996) is “allowed” to make strategic choices. As a consequence, the internationally alert entrepreneur is very quickly able to identify market opportunities across borders and explore as well as exploit resources in and sell output to foreign markets (McDougall and Oviatt, 2000).

In addition to the overall pattern of development (time of the process), specific marketing issues have been analyzed in the INV research. First of all, it has been discussed whether INVs in general follow a niche strategy rather than a commodity strategy (e.g. Fletcher, 2004; McAuley, 1999). Second, some authors have proposed that they would concentrate on few international markets whereas others have argued for a strategy of spreading to many markets (e.g. Shrader et al., 2000). With regard to the selection of new markets, the importance of psychic distance and personal networks has been debated (e.g. Crick and Jones, 2000), and finally the question of entry modes has been included in a number of studies (e.g. Burgel and Murray, 2000). Then, the most focused elements related to international marketing strategy may be summarized as:

The speed of the internationalization process (the element of rapidness);

- niche focus vs commodity;
- international intensity vs global diversity;
- market selection, including the element of psychic distance; and

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<sup>4</sup> Arild Aspelund, Tage Koed Madsen, Øystein Moen. A review of the foundation, international marketing strategies, and performance of international new ventures. P1431-1432. European Journal of Marketing, Vol. 41 No. 11/12, 2007 pp. 1423-1448  
DOI 10.1108/03090560710821242

- entry mode decisions.

It should be noted that rapidness of the internationalization process factor may be considered an important characteristic of the INV, influencing on the other marketing strategy decisions as will be commented later.

### **9-Features of Global Marketing:**

Global marketing has some distinct features that make it different from other types of marketing. These features include:

- Scope: Typically, this type of marketing has a large scope encompassing various activities, which may include market research, product development, packaging and branding.
- Market access: Global marketing typically provides access to a broad market in different countries, which each have their own products and traditions.
- Research: Most global marketing strategies require long-term planning and extensive research to understand various factors in other countries, such as trading regulations and foreign markets.
- Foreign exchange: Global marketing allows for the foreign exchange between companies and customers, which may involve different currencies, exchange rates and payment collection systems.