

BEST GRADES

with Erica

Business English for students & teachers

STUDY GUIDE

what is INTERNATIONAL MARKETING?

SUBSCRIBE




1

Copyright © 2023 by Erica J. Williams
www.bestgrades.co.uk

TRANSCRIPT

WHAT IS INTERNATIONAL MARKETING?

So let's talk about international marketing.



I'm living in Munich and I've got a couple of friends in Munich and Munich is in South Germany in the federal state of Bavaria. And I get to get together with a couple of friends and we've got what we think is a really good idea for a new product. We test it out in the Munich market, in the part of Munich that we live in and within a very short period of time, we begin to find that we're selling throughout the city of Munich. As time goes on, we get enquiries from other cities in the Federal State of Bavaria and in other areas of Bavaria. And we start selling throughout Bavaria. After that, we begin to get enquiries from other places in Germany and from cities like Dusseldorf, Hamburg, Berlin and Dresden. And in a couple of years, we find that we're selling our product all over Germany. So, then we take the decision that we want to go to another country and sell in another country. Now, living in Germany and selling in Germany, there are a couple of logical choices. One might be, for example, to sell to other countries where they speak German. This could be, for example, Switzerland and Austria. Another choice might be because Germany is in the European Union and in the single market and there are a lot of advantages in selling and going to other countries in the European market, we might choose another market or other markets in the European Union. And maybe in a number of years, we find that we're satisfying the market and we're selling to the market all over Europe. And then we begin to look at other areas. Maybe we'd look at North America or Asia. And maybe a number of years after that, we begin to find that we're selling to most countries in the world and we're selling on a global basis.

So this is international marketing. It's about promoting and selling your products to other markets outside the country in which you're selling or in the country in which you live or the country you're located.

It's about selling to different market segments and adopting the marketing mix.

WHY YOU NEED TO KNOW ABOUT INTERNATIONAL MARKETING

Now let's face it, you're studying business English probably because you want to work for some kind of company that works internationally or you want to have an international career or a career where you can travel to different countries. And therefore, it is essential that you know about international markets and marketing and you appreciate the challenges that are faced when you promote and sell to other countries. Another thing might be, for example, as well that you want to start with a start-up company as soon as you leave university and very soon if you're with a start-up company and you're starting online, you might begin to find that you're working in other countries very quickly.

EXAMPLE PRODUCT

So let's take this product. This is a product, let's come now to the United Kingdom and I work in the United Kingdom and I've developed this product. And this product is a fruit juice and it combines different flavours of fruits and different fruits, quite unusual combinations of fruits. And there are no **additives**, there are no extra ingredients in the product. It's aimed at people who want to follow a healthy lifestyle, they're concerned with fitness or maybe they're recovering from illness. It's a high quality product with high quality ingredients and I sell it at a **premium price**. And I've got a lot of collaborations with other companies in the United Kingdom that sell the kind of products that are complementary to healthy living and being aware of the environment. These are companies, for example, that sell organic fruits and vegetables or companies that sell products with natural ingredients. And I collaborate with these companies and we sell the products by making home deliveries. And this works very successfully for the kind of target market that we have and for the UK market. The home service delivery is quite a well developed sector of the market and we're working with these home deliveries across the United Kingdom.

Now, I've reached this point where I'm selling throughout the United Kingdom and I want to begin selling the product to other countries.

MARKET RESEARCH

Now, the first thing that you would do is market research.

Now, market research, you would have a look at the customers in the country that you're targeting. You'd look at their **preferences**. Now this is a fruit juice, I'd look at their preferences for the kinds of fruits that they eat and they consume in this market. I would look at fruit juices and whether consumers consume fruit juices and how often they consume these juices. I would look at the **demand** for juices and I would also look at the **competitive landscape**. So, I would look at what other people are doing in selling fruit juices. What other companies are operating in the market? How are these companies selling the product and is there maybe one big local player who operates in this market and is accepted by consumers in this country?

I would certainly because my product sells, as I said with home deliveries, I would look at this sector of the market in my target country. Is it a country in which there are home deliveries? Is this an accepted way of buying products? Is it a developed sector of the market or will I have to find some other way to **distribute** my products? I'd certainly have to look at **compliance with legal matters**, so **legal compliance** and the **legal framework**. Now selling fruit juices, this could concern many different things. It could be to do with the ingredients I'm using in the product. I might need all kinds of certificates to import this kind of product or to export this kind of product into the market. I might need to look at the labelling of the product and I might have to see if there's any legal requirements about making for example home deliveries in the market.

Another thing that is really important in international marketing is the whole point of looking at **cultural values** and **preferences** and **tastes** and **norms**. When you sell a product or a service into another market, you don't want to do anything whether this is in your messaging, in advertising or the way that you deliver the product or the way the product is packaged,

for example, you don't want to do something that is culturally **offensive** or has no cultural meaning in the target market. You need to be **sensitive** to culture and you need to do extensive research on the culture in the country that you want to, that you're looking at for your target market.

Connected to this, there will also be the issue of **language**. I'm in the United Kingdom, English is the home language. In the new market, will I have to look at translating everything? This could be the website, brochures, labelling, my **customer service**. Will I have to be looking at translating everything **into another language**? Does the country have English as a home **language**? Or is it very normal in the country to accept marketing messages in English and to operate with English as a global language?

Of course, I will look at the country and I will look at the **political** situation in the country and I will look at the **economic conditions**. This is a quality product sold at a premium price. Is this kind of product sold in this country and are the economic conditions right for selling premium price products?

So, all in all, we can say that international marketing involves adapting the marketing mix and other marketing strategies, tactics and messages to suit the unique, cultural, economic, political and legal environments of various target markets.

So, it's really important to do extensive market research and after you've done market research, then, you will need probably to adapt the marketing mix accordingly.

ADAPTING THE MARKETING MIX

So, if we look at my product with this fruit juice, then let's have a look at the 4 Ps.

So, if we look at **product**, well, I can imagine with this kind of fruit juice, there might be all kinds of things that have to be adapted with the product. It could be that the juices or the fruits that I'm using for the products are not fruits that are usually eaten in this country. They're not known in the country or the combination of fruits that I'm using is seen as really unusual or maybe even the fruits or the colour that is produced for the juice is one that is not accepted in the product. I'm selling the product in plastic bottles, maybe for this kind of product, we've clearly found out that consumers are not used to buying juice products in plastic bottles, but they want the product packaged in glass bottles. I'd have to look at things like the labelling of the product, the labelling here for example, it's in English, maybe I need to change that and I need to translate certain things. Maybe, I need to **omit** cultural signals - like this is one of your three or five daily, this is a UK marketing message about getting enough fruit and vegetables in your diet and it wouldn't work in other countries. Or, maybe, according to law, there are certain labelling and certain things that I need to say on the labels.

Then we come to **price**. In the UK, this is a high quality premium price product. Do I want to stay in this price segment? Is it going to work in the market? Do I need to adapt it? Maybe, I need to change the product and change the pricing accordingly.

Then we're looking at **place** and we looked at distribution and I'm using in the UK, I'm using home deliveries. One of the things I might find out in my target market is that this is for different factors, for different reasons, it's not usual in the market that I want to target. So, where am I going to sell the product? I'm going to have to look at maybe local supermarkets or **chain supermarkets** or I'm going to have to look if there's a specialised shopping chain in this country that sells health products or organic fruits and vegetables or something like this.

Now when it comes to **promotion**, there is probably quite a lot that's going to have to be changed. The first thing is my advertising messages.

Are the advertising messages that I'm using for this product -these are advertising messages that resonate with customers in the UK -are they going to resonate with my target market? So, people who are interested in health and fitness or maybe recovering from illness? Are they going to work in the same way in the target market?

Then, I'm going to have to look at all kinds of local things. I'm going to have to look at using local media. What are the TV stations? What are the radio stations? Do people still read print? Do they still read newspapers extensively? If I'm going to use social media platforms, what are the social media platforms that are usual in this country? I'm using UK influencers for health in the UK. What I'm going to have to probably do in my target market is look for influencers who are known in the target market. When it comes to public relations, PR, and when I consider maybe the problems of language and knowing the local culture, maybe, I need to employ some local PR agency to work for me in the local market. I'm also going to have to look at all the promotional events that I use in this country when it comes to fitness and health. What are the promotional events that people visit in this country? Where does my target market go to? Then I'm going to have to think about all my content. I'm going to have to make sure, maybe that I have to translate a lot of stuff or I'm going to have to make sure again that if I'm using English, that this English resonates with the local customers. Lastly, but not least, in the local market, I'm going to have to look at advertising regulations and I'm going to have to make sure that any messaging that I'm giving or anything that I'm saying about my product, that that complies with all the legal requirements in the target market.

GETTING IT WRONG ...

So, when it comes to answering an assessment question about international marketing, it can be very useful to talk about examples from real companies. One of the astonishing things about international marketing is how often big companies get it wrong. If you go out to the internet and you look at example just at slogans, you can find many lists of examples of companies where they've just got the slogan wrong in their target market. They've used something that means something in their home market and then it means something completely different in their target market. Now, you can find many examples that you would like to talk about as I say on the internet. Here I'd just like to give you 3 examples.

Okay, so the first example I'd like to talk about is **Dolce & Gabbana** or DG for short. Now, in 2018, DG was looking at the Chinese market and they launched a campaign which was called "DG Loves China" and people hated it. Celebrities in China, hated it, the consumers hated it and there was a call to boycott the brand. So what was the reason? Well, it was seen that the advertising was kicking into **cultural stereotypes** and it was quite offensive to people from China. One of the images, for example, was a Chinese woman trying to eat pizza with chopsticks. The situation was even made worse when one of the co-founders of the company made some remarks and these were also seen to be offensive. Immediately, DG had to pull out of a fashion fair in Shanghai. A lot of damage was done to the brand and it took or it is taking a long time to recover from the damage that was done to the brand.

Okay, so my next example is **Uber**, the ride sharing app. And the problem with that we're going to look at here with Uber is the problem of having globally or in different markets, the attitude of having a **one size fits all** or a **plug and play** solution to services and promotions. Now, this approach for Uber worked very well. It was kind of Western centric and it worked in a number of countries and a number of areas. But, when Uber went out and tried to look at the Asian market, they had a number of problems. And the services and promotions didn't really speak to the South Asian market and Uber had a lot of **competition** from local players. And eventually in 2018, Uber sold out to a local company called Grab in Singapore and left the Southeast Asian market.

Okay, my third example is **Airbnb**. Now Airbnb was and is a successful model and operated in a number of different markets. But, there were some markets where the company began to have some problems. And, if we look at cities such as Barcelona, Amsterdam, Berlin, the company began to face some problems. And, this was to do with the housing market. People **raised objections**, for example, about shortages of housing in certain areas and also about rental prices going up in the city. As I say, consumers raised objections. People didn't like the model and local governments began to introduce regulations to put **restrictions** on short-term rentals. Now, Airbnb had to respond to this and they had to change some of their **marketing messaging** and some of their marketing tactics. And they've had to show and they've had to give the message that they're committed to housing and to local communities.

ENGLISH

Okay, so my next point is to do with language and of course to do with, we're doing here business English, is to talk about English.

Now there's no question today that English is a global language. It's certainly the global language of business. And, if you're working in any kind of company that sells to other countries or indeed if you've got some kind of start-up, it's worth considering the use of English to promote and sell your products and/or services.

Now, there are certain advantages to doing this. There's no question today that you will reach a really wide audience. Most people in the world today will understand English and there are many markets in the world where English is accepted in advertising and in marketing messages. If you use English for your products and services and even if you're a start-up and you use English from the very beginning and you use English for your marketing messages for your slogans and for the names of your products, this will in some ways it will make selling and promoting to other countries easier and you can ensure that you've got some kind of **consistency of message**. There are many markets today where there are many people that see English as it's kind of neutral, it's not fixed to any kind of culture, it's modern and it's cool.

So it is worth considering.

VOCABULARY

Okay, so let's come to my last point which is vocabulary. So let's look at some expressions that will be very useful to you in discussing international marketing.

The **domestic market** is your home market. I'm here in the United Kingdom and my domestic market is the United Kingdom.

Product adaptation. As we said this is part of the marketing mix and when we go to new markets we have to look at probably adapting the product. So, this is **modifying** products or services to **cater to** the preferences and the requirements of international consumers in different markets.

Localisation is adapting marketing content, messages and strategies to suit the cultural, language -linguistic and regional preferences of specific target markets.

We talked about culture and we mentioned the example with Dolce & Gabbana and the whole problem was to do with **cultural sensitivity**. So, cultural sensitivity is being aware of and respectful of cultural differences when conducting business and marketing in international markets.

We talked about the importance of market research and knowing about your competition is really important and you'll do some kind of **competitive analysis** which will assess and understand the strengths and weaknesses of the competitors in the target market so that you can develop effective market strategies.

Market entry strategies are different approaches used by companies to enter and establish a presence in new international markets.

Global-supply chain is the network of organisations involved in the production, distribution and sale of products or services across international borders.

Glocalisation is the blending of global and local marketing strategies to cater for the specific needs of individual markets. Maybe, it would be a good example here just to mention briefly McDonald's . McDonald's has certain things in its marketing that are very global, if we look at the colours that McDonald's use, the layout of its restaurants, the uniforms that the staff wears, the big M that's used in the advertising, these are all very global. But some things are localised and a very typical example with McDonald's is in the choice of food and drink that you get in certain restaurants in certain national markets. The old story for example is that beef is not sold in Indian restaurants. So, these foods and beverages, they're marketed and promoted in different ways in different markets.

Trade tariffs are taxes imposed on imported or exported goods and again this can impact your trade and it can impact the pricing.

This is connected with competitive analysis but you might find that a market is saturated or there's **market saturation** and this is when the market is unable to absorb additional products or services or new products and services because there are very high levels of competition.

QUESTIONS

1. How important is cultural sensitivity when marketing a product in a foreign country?
2. What are some potential challenges of selling a product in a foreign market?
3. Why is it important to do extensive market research before entering a foreign market?
4. How can a company adapt its marketing mix to suit the unique needs of a foreign market?
5. What are some considerations when adapting advertising messages for a new market?
6. How can understanding the challenges of international marketing help companies succeed in new markets?
7. Why did people in China hate the “DG Loves China” campaign?
8. What was the consequence of the backlash against Dolce & Gabbana's campaign?
9. What is the issue with having a one-size-fits-all approach to services and promotions?
10. What are some of the advantages of using English in promoting and selling products or services globally?

ANSWERS

1. Cultural sensitivity is crucial to avoid offending potential customers or failing to resonate with their values and preferences.
2. Challenges may include language barriers, cultural differences, legal compliance and adapting to local preferences and norms.
3. Extensive market research is necessary to understand the unique cultural, economic, and political environments of the target market and to adapt marketing strategies accordingly.
4. Adapting the marketing mix may involve adjusting product features, pricing strategies, distribution channels and promotional messaging to suit the target market.
5. Advertising messages should resonate with the new market's customers and may need to use different media platforms or influencers.
6. Understanding the challenges of international marketing can help companies avoid expensive mistakes and tailor their strategies to the specific needs and preferences of each market.
7. The advertising was seen as offensive and culturally stereotypical.
8. The brand suffered damage and it took a long time to recover.
9. It doesn't work in all national markets and can lead to having different problems in various local markets
10. Using English can reach a wider audience, ensure consistency of message and is accepted in many markets.

BUSINESS ENGLISH

what do they do in
MARKETING?



BUSINESS ENGLISH

how you discuss the

Marketing

Mix

4 Ps & **7 Ps** explained **in full** with
real life **examples** & all **vocabulary**

WHAT?

WHY?



BUSINESS ENGLISH

mastering fluency

how to discuss

Market

Segmentation

target success!

