

Significance of International Marketing and Strategic Planning

Marketing Management – II

By: Assistant Prof. Sayli Bapat

What is International Marketing

- International marketing involves business activities designed to plan, price, promote, and direct the flow of goods and services across national borders.
- It includes aspects such as cross-border trade, cultural adaptation, and competitive strategy.

Why is International Marketing Important?

- A. Economic Growth - Expands market reach and increases revenue opportunities. Helps countries develop through foreign trade and investment.
- B. Business Expansion and Diversification - Reduces dependence on a single domestic market. Helps businesses spread risks across multiple economies.
- C. Cultural Exchange and Innovation - Exposure to different cultures leads to product and service innovation. Encourages businesses to develop solutions tailored to global customers.
- D. Competitive Advantage - Global expansion allows companies to gain an edge over competitors.

Real-World Examples of International Marketing Success

- Coca Cola
- McDonalds
- Apple



Challenges in International Marketing

- Cultural and Language Barriers - Adapting marketing messages to different cultures.
- Legal and Political Issues - Compliance with international trade laws and regulations.
- Economic Fluctuations - How currency exchange rates and inflation impact pricing and strategy.
- Competition and Market Entry Barriers - Understanding different competitors in foreign markets.

Definition of International Marketing Planning

- International marketing planning involves analyzing market opportunities, setting objectives, developing strategies, and implementing plans to enter and succeed in foreign markets.

- Risk Management - Identifying potential risks in foreign markets before entry.
- B. Efficient Resource Allocation - Proper planning ensures that financial and human resources are used effectively.
- C. Competitive Positioning - Helps a business establish a strong brand presence in a new market.
- D. Customer - Centric Approach - Ensures that marketing strategies are aligned with customer preferences.

Steps in International Marketing Planning

- A. Market Research and Analysis - Conducting market research to assess demand, competition, and consumer behavior.
- B. Setting Objectives - Defining clear goals for international expansion.
- C. Developing Market Entry Strategies - Exporting, joint ventures, franchising, direct investment.
- D. Product and Price Adaptation - Modifying products and pricing based on local demand and economic conditions.
- E. Communication and Promotion Strategy - Tailoring advertising and promotional strategies to cultural differences.
- F. Implementation and Performance Evaluation - Monitoring and adjusting strategies based on performance metrics.

Case Studies of Effective International Marketing Planning

- Nike's Entry into China – Understanding the local market and consumer preferences.
- Starbucks' Expansion Strategy – How planning helped in global growth.

Nike's Entry into China

- Challenge - China's market was dominated by local brands & consumer preferences differed from Western markets
- Strong competition from local brands like Li-Ning and Anta.
- Different cultural attitudes toward sports and fitness.
- Price sensitivity among Chinese consumers.



Strategic Planning and Actions Taken:

- Localized Marketing: Nike adapted its advertising campaigns to Chinese culture, using local celebrities and athletes like Li Na (tennis player) to promote products.
- Affordable Product Lines: Nike introduced lower-cost products to appeal to price-sensitive consumers.
- Focus on Basketball and Running: Since basketball is extremely popular in China, Nike invested heavily in marketing basketball shoes and partnered with the NBA.
- Digital and E-Commerce Strategy: Nike leveraged Chinese e-commerce platforms like Alibaba's Tmall to reach more customers.

Starbucks' Expansion Strategy



- Starbucks, the American coffeehouse chain, expanded into international markets, particularly China and India, where tea culture was dominant.
- Challenges: Coffee was not as popular as tea in many countries.
- Premium pricing made Starbucks expensive for average consumers in emerging markets.
- Adapting to local tastes and preferences.

- Cultural Adaptation: Starbucks modified its menu to include local flavors like Green Tea Frappuccino in China and Masala Chai in India.
- Store Experience: Instead of focusing only on quick service, Starbucks emphasized creating a "third place" (home, work, and Starbucks) where people could relax and socialize.
- Strategic Partnerships: In China, Starbucks partnered with local companies to better understand the market and expand its reach.
- Digital Engagement: They leveraged mobile apps and digital payment options (like WeChat Pay in China) to attract tech-savvy consumers.

Recap of Key Takeaways

- International marketing expands business opportunities and drives economic growth.
- Strategic planning is essential for managing risks and ensuring success.
- Adapting to cultural, legal, and economic differences is crucial in global markets.

Questions for Students

- "What are the biggest challenges you think companies face in international marketing?"
- "Which company do you think has the best international marketing strategy and why?"



Thank You

Feeling gratitude and not expressing it is like
wrapping a present and not giving it.