GLOBAL MARKETING STRATEGIES: DECISIONS ABOUT ADAPTATION AND STANDARDIZATION OF THE MARKETING MIX
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1. Importance of standardization and adaptation strategies in the marketing mix of global marketing
2. Analysis of different strategies being used by corporations in international markets
3. Identification of the key factors in making decisions about the marketing mix in global markets

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Unique Selling Proposition (USP) - it defines what makes a business unique from every other competitor in the field. It spells out the precise niche a business seek to fill, and how you aim to fill it. If you can't tell who you are in two sentences, then your USP is too fuzzy to succeed.

Joint Ventures (JI)- under a joint venture arrangement, the foreign company invites an outside partner to share stock ownership in the new unit. An investing firm owns roughly 25 to 75 percent of a foreign firm, allowing the investing firm to affect management decisions of the foreign firm.

SWOT analysis- The marketer should conduct a SWOT analysis, by which it evaluates the company's overall strengths (S), weaknesses (W), opportunities (O), and threats (T)

WTO- World Trade Organization, the international organization that administers multilateral trade agreements and settles trade disputes.

NAFTA- North American Free Trade Agreement, an agreement to establish a free-trade area consisting of the U.S., Canada and Mexico.

GNP- gross national product

FAO- Food and Agriculture Organization of the United Nation

GDP- gross domestic product

Ecommerce- electronic commerce, conducted via the Internet

MMA- Mobile Marketing Association

IBM- International Business Machines Corporation

RFID- Radio-frequency identification. A proximity card in which the coupling between the card and the interface device is by radio.
1. INTRODUCTION AND PROBLEM STATEMENT

The purpose of the study will bring theoretical and practical using of Global marketing strategies with the help of standardization and adaptation of the marketing mix. In other words, I will be able to conclude with recommendations in order to bring more efficient global marketing strategies. In order to accomplish this research, I need to answer a few questions to get more detailed information about this topic. I will focus on adaptation/standardization of the marketing mix done by small and medium sized companies for international markets.

Generally, the purpose of this study is to analyze differences among small and medium size companies and how the Global marketing strategies could be beneficial for business. This study will also show that a specialized product often require price adaptation in different international markets since customer demands differ, therefore it is very important to have knowledge over both the market and the product area to set the right price.

My project will provide information about background on the factors associated with global product standardization and model showing relationship with the product, pricing, advertising/promotion and distribution channels of the global product standardization. At the end of my project, I will be able to find out whether Global marketing strategy and standardization and adaptation of marketing mix have significant impact on consumer's responses to product variation or not.

One of the methods that I am focusing on is Global marketing strategies and marketing mix, which is very important in every marketing. So, I would like to analyze Global marketing strategies and how does a global company use standardization and adaptation to market products in different countries and cultures.

At the end of this project, I will be able to summarize differences in global marketing strategies with the help of standardization and adaptation of marketing mix. International markets have become increasingly attractive to companies hoping to secure new customers and add revenues. As barriers to trade have diminished, more and more companies have found attractive opportunities for expansion in countries outside their traditional home markets. Organizations have extended their activities around the world and therefore there is need to know which global marketing strategy could bring success to a company.
2. REVIEW OF LITERATURE

In my project I used sources from many marketing specialists, marketing professors, marketing researchers and marketing analysts. Firstly, I used information from Frank Bradley, who is Professor of International Marketing based at the Michael Smurfit Graduate School of Business, University College Dublin and has served on the editorial boards of the Journal of International Marketing, the Journal of International Business Studies, the Journal of Business Research and International Marketing Review. The book, from which I used some sources "International Marketing Strategy", explains how to integrate various market entry and development strategies. Moreover, this book provides information about international marketing environment, technological forces and strengths and weaknesses of the firms. The book is truly international and strongly research based.

Next, I used information written by Michael R. Czinkota, who is a chair professor at Birmingham Business School, University of Birmingham, where he is responsible for researching and teaching about marketing problematic. Moreover, he is the author of several textbooks, such as International Marketing, 7th Edition, from where part of my sources come from.

Then, I used sources from Angy Geerts, works at the Warocqué Research Center, Warocque School of Business, and University of Mons-Hainaut, Belgium. Her research concern luxury brands focusing on new luxury strategies and trading up consumption trend.

Next, I used sources written by David Jobber, who is the author of "Principles and Practice of Marketing". Jobber holds a BA from the University of Manchester, an MSc in management and business studies from University of Warwick and doctorate from the University of Bradford.


Moreover, I used sources written by Foreign Trade Expert, Fatih Akkaya. He talks about global marketing strategies, global market entry strategies. Next, I used sources written by Nanda Viswanathan and Peter Dickson, who are the authors of "The fundamentals of
standardizing global marketing strategy”. The purpose of the article was to examine issues of standardization and adaptation in global marketing strategy and explanation of standardization. Next, part of my sources comes from marketing expert Marin van Mesdag, Halliday Associates, UK, who is an author of article "Culture-sensitive adaptation or global standardization-the duration-of-usage hypothesis”. He mentioned, the dimensions, which are relevant in the shaping of strategies for international marketing. Next, part of sources comes from authors Sven-Oliver Schmidt, Katherine Tyler, Ross Brennan, who wrote "Adaptation in inter-firm relationships. The purpose of this article was to examine how business firms, make specific adaptations to their products and processes.

In my work, I specialized on Global marketing strategies, adaptation, and standardization of marketing mix. Nowadays technology and globalization shape the world. Therefore, standardized consumer products, low price and technology are key points for successful globalization. There are many reasons for global expansion, for instance diversifying markets, customer satisfaction, new markets and profits. For many companies, the decision to globalize remains an important and difficult one, it is all about which global strategy should be used. However, global marketing strategies are not to be equated with global standardization, although they may be the same in some situations. Generally, global marketing strategy represents the application of a common set of strategic marketing principles across most world markets. Only a few companies want to globalize all of their marketing operations.

2.2 Global Marketing strategies and their marketing program

2.2.1 Adaptation and Standardization of marketing program

When companies expand their market internationally, they have to consider about standardization and adaptation of their marketing program. Adaptation usually consists of a company's product, price, place and distribution for each international target market, while standardization is about promotion of a product. So, this study will explore all about adaptation and standardization of marketing mix with the help of global marketing strategies.
Global marketing involves the marketing of goods and services outside the organization's home country. Each function including sourcing, manufacturing, marketing and sales is performed in the locations around the world most suitable for that function. Furthermore, when companies expand their market internationally, they have to consider standardization and adaptation of their marketing program. According to Professor David Jobber, who is a member of Marketing Group "Adaptation is a strategy regarding change of the marketing program, in other words the company's product, price, place and distribution, for each international target market"(Jobber, 2001). Moreover, Professor David Jobber, points out that standardization is an international marketing strategy, where the company uses the same marketing program for all their international target markets. The possibility of adaptations is most likely to improve the performance of businesses. The most important role will be to adapt the marketing mix to satisfy buyer's needs in each market.

Moreover, when companies expand their market internationally, they have to consider standardization and adaptation of their marketing program. Adaptation usually consists of a company's product, price, place and distribution for each international target market, while
standardization is about promotion of product. So, this study will explore all about adaptation and standardization of marketing mix with the help of global marketing strategies.

2.2.2 Reasons why firms should adapt

Obviously, nowadays, one of the fastest developing fields of marketing is business to business global marketing. It describes transactions between businesses, for instance between a manufacturer and a wholesaler, or between a retailer and a wholesaler. Moreover, it focuses on relationship building and communication through marketing activities. The most common examples of business to business markets are resellers, manufacturers, the government and non-profit institutions.

First of all, motivation to adapt global marketing will vary, depending upon the perceived importance of the relationship to the company. According to marketing specialists, Oliver Schmidt, Katherine Tyler and Ross Brennan, "Adaptations are often a direct and conscious attempt by firms to improve the nature of their business relationship and the benefits that they derive from it"(Schmidt, Tyler & Brennan, 2007). They also pointed out, that a company wants to signal to business partners that it can be trusted. Then, the reasons for supplier adaptations often refer to partnering, and powerful customers. Customers adapt global marketing strategy because their suppliers have also made some adaptations. Likewise, adaptations can lead to opportunity costs. On the other hand, there are the benefits of adaptations of global marketing strategy. As marketing specialist Schmidt, Tyler, and Brennan pointed out, "Tangible benefits refer to positive revenue consequences and cost savings. Intangible benefits include the facilitation of subsequent interactions and the creation of barriers to entry into the relationship by other companies" (Schmidt, Tyler & Brennan, 2007). Adaptations often lead to the creation of relationship specific assets, such as personal relationships and trust.

2.2.3 Specific reasons for adaption

At this point, marketing from business to business plays very important role in adaptation in global marketing strategy. Afterward, there is no clear difference between supplier and customer firms in terms of the motivation to adapt. Although, suppliers referred to wider variety of reasons to adapt than customers.
This kind of situation probably happen, because suppliers made more adaptations than customers.

✓ Adaptation to human resources and to organization structure is more likely to be motivated by desire to build trust within the relationship, or make a strategic investment in the relationship
✓ Adaptation to the production process are more likely to be motivated by direct operational needs

There are many of the reasons why firms should adapt marketing strategy, such as increasing revenue and cutting cost.

2.2.4 Benefits of adapting

The benefits of making adaptations within a business-to-business relationship, benefits into revenue gains and cost saving. There are more benefits of adapting a new marketing strategy, such as:

- acquisition of new skills
- strengthening of bonds between the relationship partners
- improved customer retention
- explicit relationship marketing strategy

2.2.5 Standardization Factors

In fact, research supporting a contingent view of standardization has identified a number of different factors that standardization would be contingent on. According to marketing specialist Nanda Viswanathan and Peter Dickson, "The list of factors are diverse and include economic factors such as economies of scale, competitive factors such as competitor similarity and competitive position, environmental factors such as the legal, political, and economic environment, and organization factors such as corporate orientation, and headquarters-subsidiary relationship" (Viswanathan & Dickson, 2007). Clearly, the customer is another essential consideration in standardization decisions. So, customer homogeneity is critical to standardization. Homogeneous customers, such as those that are demographically similar to each other in age or income may respond quite differently to the same standardized marketing strategy.
2.2.6 Standardization of marketing strategy

Standardization of marketing strategy covers the differences in language, retail structure, climate, regulations governing marketing, cultural feature, such as color, history, religion and education. So, the main role of global marketing is the attempt to standardize all elements of the marketing mix as much as possible. "A Europe-wide survey among the largest brand owners shows 81% of them favoring standardization and globalization of their brands" (Mesdag, 2005). Global marketing strategies are not just for the big companies, such as IBM, Coca-Cola or Toyota; they are also created for small and medium size companies. As it is hard to build profitable business in the domestic market, it is no easier to build in a foreign market. Company should keep in mind one thing that, almost without exception, everything does have to be done differently abroad. For instance, the Danish toy maker Lego, without any form of testing, decided to use the same marketing strategy in Japan, as had been used successfully in the US and several other foreign markets. But it failed in Japan, because of the different culture.

2.3 Transferability of competitive advantage

Transferability of competitive advantage is a recurring one in marketing thought and may be defined as the strengths of a firm. The sources of a firm's competitive advantage can be identified in different ways, such as "the concept of the value chain, based on notion of downstream, upstream, and environmental advantages barriers to entry and firm specific resources" (Viswanathan & Dickson, 2007). As marketing specialist Viswanathan and Dickson points out, the sources of competitive advantage are diverse and include advantages such as lower prices, superior product quality, superior product range, assets, skills and superior entrepreneurship. Corporations that possess core competences would be in a better position to standardize their marketing strategies than corporations that do not possess core competencies. For instance, a firm such as Honda can capitalize on its core competency of engine design to establish technological leadership and standardize engine design worldwide. As marketing specialist Viswanathan and Dickson mentioned, the sources of market power could be many, including resources that result in barriers to entry such as reputation, economies of scale and scope, patents or market share. For instance, pharmaceutical firms such as Bayer and Merck by virtue of patent protection and the market power that arises out
of such protection may be in a position to standardize many aspects of their marketing strategy. In general, the concepts of core competence, market power, and competitive structure serve as markers that help the company define the conditions under which competitive advantage is transferable.

2.4 Homogeneity of customer response to the marketing mix

Homogeneity of customer response to the marketing mix is essential in examining market segmentation. It could be examined through customer response to marketing strategies via product, promotion, price, and place. As marketing specialist Viswanathan and Dickson mentioned, "the homogeneity of customer needs across global markets as a factor effecting the ability of a company to standardize promotional strategy, pricing strategy, product strategy and distribution strategy"(Viswanathan & Dickson, 2007). Clearly, it indicates that a large number of variables may be potential determinants of the homogeneity of customer response.

Figure 2: Marketing mix

2.5 Feedback effects

Market feedback effect is a recursive relationship between one changing state of nature in a market and another changing state of nature in the market. It produces a positive or negative trend, pattern or serial correlation in relationships between supply and demand. As marketing specialist Viswanathan and Dickson mentioned, "Asset position feedback dynamics encompass economies of scale of research and development investment, manufacturing investment, distribution investment, brand equity position, and network assets"(Viswanathan & Dickson, 2007). Feedback dynamics include the dynamics of motivation, drive, and learning by doing, learning to learn, routines, rules and surveillance.
2.5.1 Role of feedback effects in the homogenization of customer response

Customer response to the marketing mix is crucial outcome of feedback effects. According to Viswanathan and Dickson, Franchise systems are example of systems that are successful due to economies of scale in brand positioning. For instance, "McDonalds expands in new markets the brand equity positioning enjoyed by McDonald is leveraged and as these customers in new markets travel to different places they facilitate the further expansion of McDonalds products"(Viswanathan & Dickson, 2007).

2.6 Homogeneity of economic freedom

Homogeneity of economic freedom is very important, while making a new marketing strategy. Whether it is Canadian customers crossing the border into the USA to buy shoes because of lower prices in the USA, or Californians crossing the border into Nevada to gamble, regulations have a strong impact on the ability of a company to standardize. According to Viswanathan and Dickson, "Economic freedom impacts the environment by changing the motivation and learning of individuals, an issue that is of critical importance in ensuring economic efficiency"(Viswanathan & Dickson, 2007). When economic freedom is very similar across markets, institutions and individuals face the same environment across markets. As marketing specialist Viswanathan and Dickson pointed out, if other conditions permit, the company has homogeneity in consumer response to the marketing mix, and transferability of competitive advantage, a high similarity in economic freedom will encourage the markets to follow policies of standardization.

2.7 Implications of the three-factor standardization model

Firstly, the model identifies three factors as critical to standardizing marketing strategy, such as homogeneity of customer response to the marketing mix, transferability of competitive advantage, and similarity in the degree of economic freedom. For example, "When the same firms compete in many markets, and the level of similarity in the firm's competitive position is high, the intensity of competition will be lower, facilitating the transfer of competitive advantage, and consequently standardization"(Viswanathan & Dickson, 2007).
As marketing specialist pointed out, similarities in decision variables, such as customer culture across different markets would enhance the homogeneity of customer response to the marketing mix and result in a higher degree of standardization. In general, three-factor model of standardization is useful in three ways. Firstly, it identifies and understands the impact of different variables on the issue of standardization and adaptation. Secondly, it explains the use of feedback effects. Thirdly, it identifies the transferability of competitive advantage and the degree of economic freedom in different markets.

As the international market evolves and becomes more closely interlinked, companies have to pay attention of branding decisions across national markets and build an effective marketing strategy. Multinational companies need to decide how to manage brands that span different geographic markets and formulate a principle to guide the effective use of brand on the global market. Cost efficiency is one of the strategies that contributes to gaining market competition. Moreover, offering a product at lowest price, without reducing qualities, has become one of the product advantages. Companies need to realize, that to survive and succeed in the global market, they need to develop the capability to deliver a high-quality product at a competitive price. Standardization of a company's marketing programs is essential, because it means how a company could achieve a low-cost competitive position in global markets, with the help of economies of scale. Also, companies need to realize that each country needs different treatment. Adaptation, whether mandatory or discretionary, could strengthen a product's competitive position in a local marketplace.

3. METHODOLOGIES

For this project, I used the development method, which helped me deeply analyze a company competes in global environment by using different tactics. Those tactics differ in the way a company's capabilities and willingness permit. All information is based on articles written by marketing specialist and economists who are specialized in this field.

One of the methods that I am focusing on is Global marketing strategies and marketing mix, which is very important in every marketing. So, I would like to analyze Global marketing strategies and how does a global company use standardization and adaptation to market products in different countries and cultures. A more common approach is for a company to globalize its product strategy, such as product lines, product designs and
brand names to localize distribution and marketing communication. Let me mention some Global marketing strategies, what is their impact and how they work in real life.

### 3.1 Global Marketing Strategies

- **Integrated Global Marketing Strategy**

  It assumes that the way a given industry works is highly similar mostly everywhere, thus allowing a company to use its strategy in country by country. According to marketing specialist, David Bradley, integrated Global Marketing Strategy is, "when a company pursues an integrated global marketing strategy, globalization includes not only the product but also the communications strategy, pricing and distribution as well as such strategic elements as segmentation and positioning" (Bradley, 2005). As he mentioned, one company that fits the description of an integrated global marketing strategy is Coca Cola, where integrated global marketing strategy covers positioning, branding, distribution, bottling and advertising.

  ![Figure 3: Coca Cola](image)

- **Global Product Category Strategy**

  Possibly the least integrated type of global marketing strategy. According to marketing specialists Jack Tanner and Richard Dwyer, "Selecting the form of global product category implies that the company while staying within that category will consider targeting different segments in each category or varying the product, advertising and branding according to local market requirements"(Tanner & Dwyer, 2002). As a great example of this strategy is Nestle, Unilever and Procter&Gamble, large international consumer goods companies doing business in food and household goods.

  ![Figure 4: Nestle](image)

- **Global Segment Strategy**

  When a company decides to target the same segment in many countries. Segment strategies are relatively new to global marketing.
Global Marketing Mix Element Strategies
These strategies pursue globalization along individual marketing mix elements such as pricing, distribution, place, promotion, communications or product. The great advantage of this strategy is that it allows a company to customize other aspects of its marketing strategy.

Global Product Strategy
Pursuing a global product strategy implies that a company has largely globalized its product offering.

Global Branding Strategies
Consist of using the same brand name or logo worldwide. According to Jack Tanner and Dwyer Richard, marketing specialists, "Companies want to leverage the creation of such brand names across many markets, because the launching of new brands requires a considerable marketing investment" (Tanner & Richard, 2002).

Global Advertising Strategy
Globalized advertising is generally associated with the use of the same brand name and message across the world.

Composite Global Marketing Strategy
As Jack Tanner and Dwyer Richard, marketing specialists, mentioned, "More often companies adopt several generic global strategies and run them in parallel. A company might for one part of its business follow a global brand strategy while at the same time running local brands in other parts"(Tanner & Richard, 2002). Because of these possibilities, many firms are a mixture of different approaches, thus the term composite.

Global Marketing Strategy
1. Integrated Global Marketing Strategy
2. Global Product Category Strategy
3. Global Segment Strategy
4. Global Marketing Mix Element Strategies
5. Global Product Strategy
7. Global Advertising Strategy
8. Composite Global Marketing Strategy

Marketing mix
1. Product
2. Price
3. Place
4. Promotion
5. People
6. Physical evidence
7. Process

Figure 5: How Global Marketing Strategy mix interprets the marketing mix
Figure 5, shows how Global Marketing Strategies have been developed and interpreted into the marketing mix. To compare and analyze Global Marketing Strategies is really necessary because every market culture is so different and therefore, companies should consider very well by choosing Global Marketing Strategies. In my study, I chose four main Global marketing Strategies, which are:

- Integrated Global Marketing Strategy
- Global Product Category Strategy
- Global Marketing Mix Element Strategies
- Global Advertising Strategy

3.2 Strategy

In planning for global marketing organizations need a clear picture of the steps involved. Strategy is the response of the organization to the realities of shareholders and the business environment. According to Food and Agriculture Organization of the United Nation (FAO), the phases in the strategy formulation process are given in picture below.

![Image: Figure 6: The phases in the strategy formulation process]

3.3 The global environment

The most important step is the ability to assess the environmental factors in global marketing. Picture below shows the major environmental factors to be considered. These factors are called "uncontrollable" and then "controllable". As FAO mentioned, "if an
exporter wishes to be able to anticipate changes in the political environment, it may build a relationship with certain politicians who may have intimate knowledge of the political system” (FAO, n.d). Equally important in global environment is government policy, which refers to government measures and regulations, which have a bearing on trade- quotas, exchange controls and tariffs. These could cause huge barriers to new marketers. Furthermore, very important role in global environments plays size of market. Generally, indications of market size include population and income. Firstly, population consists of growth rates and distribution. In general, the larger the population, the bigger the market. On the other side, there is no correlation between income level and population. Secondly, income consists of distribution and gross national product. Income is the most important variable affecting market potential. Markets are not markets without money to spend. Moreover, there is another factor in global environment, which should be considered- infrastructure. Infrastructure is a very important element in considering whether to enter a new market or not. Infrastructure refers to technical structures which support society, such as water supply, roads, telecommunications. To illustrate, not proper infrastructure could enable the transport of materials to a factory, which could bring huge loses. Therefore, proper infrastructure is vital in global environment.

Figure 7: Environmental factor in global marketing
These controllable and uncontrollable factors are very important. Firstly, controllable factors often called as "Marketing Mix", which include product, price, place and promotion. On the other hand uncontrollable factors often called as "Environmental Factors", which includes political, social, economical, technological factors. In order to succeed internationally a foreign company need to understand the role of the uncontrollable factors, which make up the country's culture. Moreover, uncontrollable factors influence the foreign markets and require for maximum flexibility to adjust for future changes.

3.4 Analysis, planning and control of marketing in global economies

Consequently, there is need to start with analyzing, planning and control of marketing in global economies. Firstly, a company should start with principle or analysis, which could have positive or negative effect on their business.

Analysis/Principle usually consists of:

- Government's attitude to employment and foreign exchange
- Government's policy of economic development, barter deals, state intervention
- Government's social objectives- subsidies, population and socialization
- Laws, tariffs, duties, balance of payments, trade regulations

Then, analysis or appropriate environmental variable data consists of:

- Market characteristics- physical, cultural, growth rate, size
- Market institutions - distribution, media, services
- Industry conditions - size, appropriate technology, development stage

Next, very important role takes planning:

- realize, what is the market size
- necessary adaptation of the marketing mix
- define trading risk
- define product/market technology
- define, how are licensees agreed and obtained

Lastly, important part takes structure

- define, how does company should be structured to meet the government, social objectives, economic and company objectives
3.5 The product/market life cycle

The product/market life cycle plays important role in standardization of global marketing strategy, therefore it is very important to follow it. There are four stage life cycle - introduction, growth, maturity and decline.

**Introduction Stage** - marketing cost could be quite high in order to test the market, launch promotion and distribution. Usually, company will not make high profits, because the products have to be carefully monitored to ensure that they will start to grow.

*Figure 8: Product/Market life cycle*

**Growth Stage** - typically characterized by rapid growth in sales and profits. Usually, profits growth because of an increase of economies of scale and possible better prices on the market.

**Maturity stage** - probably, the most common stage for all markets. In this stage, competition is the most intense because companies fight to maintain their market share. The key activities are marketing and finance.

**Decline Stage** - market is reducing amount of profit, which could be shared amongst the remaining competitors. Company should decide if the product is profitable, if not, company may decide to end the product. Bellow Table shows examples of products that are currently at different stages of the product life- cycle. It shows how it influences different stages of product life-cycle.

<table>
<thead>
<tr>
<th>INTRODUCTION</th>
<th>GROWTH</th>
<th>MATURITY</th>
<th>DECLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third generation mobile phones</td>
<td>Portable DVD Players</td>
<td>Personal Computers</td>
<td>Typewriters</td>
</tr>
<tr>
<td>E-conferencing</td>
<td>Email</td>
<td>Faxes</td>
<td>Handwritten letters</td>
</tr>
<tr>
<td>All-in-one racing skin-suits</td>
<td>Breathable synthetic fabrics</td>
<td>Cotton t-shirts</td>
<td>Shell Suits</td>
</tr>
<tr>
<td>iris-based personal identity cards</td>
<td>Smart cards</td>
<td>Credit cards</td>
<td>Cheque books</td>
</tr>
</tbody>
</table>

*Table 1: Examples of products that are currently at different stages of the product life- cycle*
3.6 Global Market Entry Strategies

3.6.1 Exporting as an Entry Strategy

Now, exporting to a foreign market is a strategy, which many companies follow for at least some of their markets. Companies have two basic options for carrying out its export operations. The form of exporting can be directly under the company control or indirect and outside the company control.

- *Indirect Exporting* - includes dealing through export management companies of foreign agents or distributors. The most common types of intermediaries are manufacture's export agents, brokers and combination expert.

- *Direct exporting* - includes setting up an export department within the organization or having the organization's sales force sell directly to foreign customers. By building the relationship well, the exporter could save considerable investment cost.

3.6.2 Foreign Production as an Entry Strategy

Many companies look for ways to strengthen their base by entering into one of several ways to manufacture.

- *Licensing* - according to foreign trade expert Fatih Akkaya, "Under licensing, a company assigns the right to a patent or trademark to another company for a fee or royalty. Using licensing as a method of market entry, a company can gain market presence without an equity investment"(Akkaya, n.d). Due to advantages of low risk and low investment, licensing is very attractive for small and medium-sized companies.
  - disadvantages - uncertainty of product quality
  - dependence on the local license to produce revenues

- *Franchising* - is special form, where franchiser makes a total marketing program including logo, brand name products and methods. "About 80 percent of all McDonald's restaurants are franchised and the firm operated about 24,500 stores in 116 countries" (Akkaya, n.d).

3.6.3 Ownership Strategies

Companies, which entering foreign markets have to arrange ownership strategy, either as a wholly owned subsidiary, in a joint venture, or in strategic alliance.
Joint Ventures- under a joint venture arrangement, the foreign company invites an outside partner to share stock ownership in the new unit. Simply said, two partners contribute a fixed amount of resources and the venture develops on its own. "In a joint venture, a investing firm owns roughly 25 to 75 percent of a foreign firm, allowing the investing firm to affect management decisions of the foreign firm" (Akkaya, n.d). One of the disadvantages is that joint venture partner secures part of the operation; the international firm can no longer function independently, which could lead to inefficiencies and disputes. On the other side, joint venture could bring great advantages, such as the partner may represent important local business interests with excellent contact to the government.

Strategic Alliances- two entire firms pool their resources directly in collaboration. So, each partner brings a skill or resource, each expects to profit from the other's experience. Alliances could be in the forms of:

- production/based alliances
- distribution/based alliances

Entering markets through mergers and acquisitions- the main advantage of acquisitions is that company can quickly position a firm in a new business. The company does not have to take time to establish its presence or develop resources. Acquiring an existing firm also takes a potential competitor out of the market. The biggest disadvantage is that it could be very expensive way to enter a market.

3.7 Preparing an entry strategy analysis

Firstly, company should assembling accurate data of entry strategy analysis. Then, make necessary sales projection with detailed cost data a financial need projection on assets, such as managerial or financial resources. For the best results, the analyst must take a long-term view of the situation. As foreign trade expert Fatih Akkaya pointed out, "Asset requirements, costs and sales have to be evaluated over the planning horizon of the proposed venture, typically three to five years for an average company" (Akkaya, n.d).

Then, company should stage manage possible scenario, which might happen to enter foreign country. One of the scenarios could be, that 20 percent devaluation in the host country, combined with currency control and difficulty of receiving new supplies from
foreign plant. Another scenario could assume a change in political leadership to a group less friendly to foreign investments. The analysis of possible scenarios could help company to solve and predict problems in future.

Next, each project of company has to be analyzed for the expected sales level, asset and costs levels that will determine profitability. Company need to realize, that sales, costs and assets levels have to be estimated before, like past sales analysis or market test method.

Lastly, company should research market, which focuses on buying patterns, composite of sales force opinion, survey of buyer's intentions or use SWOT analysis. Also, very important in every business are SWOT analysis. Professors Kotler and Armstrong points out that "The marketer should conduct a SWOT analysis, by which it evaluates the company's overall strengths (S), weaknesses (W), opportunities (O), and threats (T)" (Kotler & Armstrong, 2008).

Therefore, a lot of careful planning is needed before moving into global markets. At this point, global marketing strategy must connecting with company strategy and mainly it should positively influence company growth.

3.8 Four stages in the process of evolving from domestic to global markets

In global marketing organizations begin to develop and run operations outside of domestic one. According to Food and Agriculture Organization of the United Nation (FAO), there are four stages in the process of evolving from domestic to global markets.

- First stage - domestic in focus, with all activity concentrated in the home market

- Second stage - home focus, but with exports (ethnocentric). Companies usually believes only in home values, but create an export division

- Third stage - two organizations, which realize that they should adapt their marketing mixes to overseas operations. Their focus switches to multinational (polycentric)

- Fourth stage - global organizations, which focus on serving emerging global markets (geocentric)
Management emphasis | Stage one | Stage two | Stage three | Stage four |
--- | --- | --- | --- | --- |
Focus | Domestic | Ethnocentric | Polycentric | Geocentric |
Marketing strategy | Domestic | Extension | Adaption | Extension |
Focus | Domestic | Ethnocentric | Polycentric | Geocentric |
Structure | Domestic | International | Worldwide area | Adaption creation matrix/mixed |
Management style | Domestic | Centralized top down | Decentralized bottom up | Integrated |
Manufacturing stance | Mainly domestic | Mainly domestic | Host country | Lowest cost worldwide |
Investment policy | Domestic | Domestic used worldwide | Mainly in each host country | Cross subsidization |
Performance evaluation | Domestic market share | Against home country market share | Each host country market share | Worldwide |

**Table 3: Four stages in the process of evolving from domestic to global markets**

#### 3.9 Impetus to global marketing involvement

Organizations or individuals could get involved in Global Marketing in unplanned way which gives the impetus or some kind of motivation, to more formal and larger operations. According to FAO, this could happen in a number of ways:

- **Foreign customers** - unsolicited enquiries through word of mouth, exhibitions, visits. Usually, this is typical of small scale organizations.
- **Importers** - they are looking for products unavailable in domestic markets, for example flowers from Japan to Europe. Or Chinese's popular fruit litchi to import in Europe.
- **Intermediaries** - sometimes may provide export services in an attempt to reduce their own costs on the export of their own produce. Intermediaries could be of four types:
  - domestic based export merchants
  - domestic based export agents
  - export management companies
  - cooperative organization
- **Other sources** - these may include banks, export organization or individual executives (FAO, n. d)
4. RESULTS

Today's easy communications between countries is a very special thing. As an associate professor at the Norwegian School of Management in Sandvika, Norway, Carl Arthur Solberg discusses the standardization vs. adaptation issue in international marketing strategy, where he introduces two variables—knowledge of local market conditions at the center and headquarters' influence on local marketing decisions. Professor Solberg interviewed 150 Norwegian exporters in order to analyze the effect of these two dimensions on performance, standardization and cooperative climate. The results reveal that two dimensions indeed affect how firms develop their international marketing strategy in this respect. "Companies with high local market knowledge display significantly better performance, giving the advocates of the global standardized approach renewed arguments" (Solberg, 2004). So these results, show that the more firms learn about local conditions in international markets, the more they are able to perceive the similarities. Moreover, the more they are able to standardize the marketing mix among markets, the better they performed.

Another study has been done by Oystein Mean, an associate Professor in the Department of industrial Economics and Technology Management with Norwegian University of Science and Techno in Trondheim. The study includes 677 small and medium sized exporting firms from Norway, Denmark and France. One-third of the firms sampled reported that the time period between the firm's founding and when the firm began exporting was less than two years. The results indicate that developing resources in support of international market competitiveness may be the key issue. Moreover this study has revealed several important implications for managers. According to Professor Oystein Mean, "Firstly, the firm should target select market segments on which to focus its resources. Secondly, management's commitment is important, especially when fostering an international orientation among employees. Thirdly, if a newly established firm chooses to focus on its home market, it will have increasing difficulty succeeding in international markets as it gets older" (Solberg, 2004). Clearly, those in old firms with strong international involvement should recognize that they are increasingly up against newly established, highly specialized firms.
The emphasis of business marketing is on managing individual relationships, interactions and networks. Usually, firms often have relatively few direct customers, and those customers can be very important in terms of sales revenue. Adaptation is a central feature of working business relationships. The relationships among companies, customers and suppliers tent to be close, complex and long term, with significant adaptation by both parties. Moreover, adaptation can also refer to skills, operations, goals, attitudes and managerial values. Consequently, the following section will examine business to business strategy. Furthermore, it will shows economic and technological forces, which influence global marketing strategy.

4.1 Business to business marketing in global markets

In fact, converting prospects into customers is an important objective of business to business marketing. Firstly, a few business to business companies do make some money off a customer base. But on the other hand, the most of company capital is made off other businesses. Then, as it is shown in Table 2, adaptations by suppliers for customers are more frequent and of generally greater magnitude than adaptations by customers for suppliers. Nevertheless, it is by no means uncommon for customer organization to make a specific adaptation for supplier. Moreover, it is significant from the Table 2, adaptations tend to be more frequent in processes related to production and logistics/delivery and less frequent in softer systems. This table consists of part, where adaptations are shown separately for the supplier side of the relationship and for the customer side.

Moreover, the table is classified into eight types of adaptation and into three magnitude categories; none, small and large. In brief, this table show that adaptations by suppliers for customers is more frequent that adaptations by customers for suppliers.

<table>
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<th>Supplier’s adaptations</th>
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<tr>
<td>Product/service specification</td>
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<td>Information exchange</td>
<td>8</td>
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<td>12</td>
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</tbody>
</table>
Table 2: Reported adaptation frequencies and magnitude n = 20

4.2 The example of technological forces and mobile marketing

As a great example of technological forces in the market environment which influence marketing in global ways is mobile marketing. "Consumers are changing," said Hinde Pagani, Coca-Cola's Senior Mobile Marketing Manager. She pointed out, that "Audiences are changing dramatically, especially the younger ones. They live with technology, using it to consume more media, generate more conversations and befriend more brands than ever" (M2 Presswire, 2009). Nowadays mobile is at the centre of media revolution. According to Marcus Casey, Director of Global Ecommerce and Mobile Services at Lufthansa in his presentation on the use of mobile within the airline industry "The services that we have set up for our customers using the mobile channel such as flight booking and check in have been a great..."
success for us and an ideal fit with our clientele" (M2 Presswire, 2009). As Marcus Casey pointed out, their company received an extremely positive response, which indicates huge acceptance among their consumer base and massive future for mobile marketing services in the travel industry. The Mobile marketing Association (MMA) is the premier global non-profit trade association established to lead the growth of mobile marketing and advertising and their associated technologies. MMA announced in year 2009 on Mobile Marketing Forum in Berlin that many of the world's top brands are now a core part of their marketing strategies. As testified by brands such as "Auto Trader, the BBC, BMW, Coca-Cola, Deutsche Post, Lufthansa, Nestle, Nike, Pepsi and Proctor and Gamble, when mobile is integrated into the wider marketing mix and employed in a way that ensures measurement and tracking, it delivers enormously effective campaigns with real business value" (M2 Presswire, 2009). Many of the results were spectacular when compared to the targets and results achieved through other channels alone.

Furthermore, MMA mentioned that, "178 onsite attendees representing brands (25%), agencies (25%), operators (10%), technology enablers (30%) and press (10%), as well as 202 live web stream subscribers from around the world gathered to hear how BMW uses mobile as a relevant consumer touch point to offer real value to its customers, how usability - short, simple and fast mechanics - is key for Lufthansa and how Procter and Gamble's use of mobile has resulted in 80% brand recall" (M2 Presswire, 2009). So, this kind of marketing strategy make the road to market as smooth and efficient as possible. Therefore, in global marketing strategies, one of the most important factors is technological factors, such as mobile phones, smart phones, ultraportable laptops, e-commerce or Internet marketing. These technological factors make it possible to global companies to communicate with consumers 24 hours a day 7 days a week.

4.3 Emergence of China as the world's largest economic power

First of all, when companies expand their market to China, they need to realize that it has seen profound social and economic changes. Also, China has growing market demand and an abundant and increasingly well trained labor force. Because of that fact that China is one of the world's largest economic power, lots of global marketing strategies need to adapt there. According to Michael Richarme, "With a purchasing power parity GDP of more than $7.8
trillion in 2008, China ranks second in global economies behind only the United States, with a GDP of about $14.6 trillion in 2008. China's growth rate of about 10% annually will allow it to overtake the United States in the next few years, assuming that China's government allows the country's hyper growth rate to continue and that the U.S. growth rate continues in the range of 2% to 4% per year" (Richarme, 2009). Evidently, these results show that doing business with China, either as a company that wants to utilize the country's large skilled labor force, will bring huge effects on global marketing strategy. On the other hand, as a consumer of goods made in China, it requires understanding of the Chinese culture. There are some challenges, which should potential customer fight with:

- nonverbal cues are different
- standards of business practices are different
- protections of intellectual property and patents by the respective governments are different
- huge software and video piracy

Figure 9: The Top 10 economic power

In fact, economic forces in companies entering growing global markets such as China is really strong. For example, let me mention Google in China. According to Michael Richarme, "China disabled some of the function of Google, because of China's communistic regime. There is censorship, which blocked some of Google pages and force them to pre-install software in order to make a business in China" (Richarme, 2009). Another example, is McDonald's product adaptation in China. For instance, McDonald's in China has the option on rice instead of fries and also there was introduced red bean pie, which is very famous in China. Obviously, China is an economic power, where new international companies need to adapt their product, in order to be successful in China market. Since China joined the World Trade Organization many Chinese tariff and other trade barriers have been reduce.

When looking at the example of firms marketing in China, some basic rules for success are clear, and these general rules are following. Firstly, the company should realize that the most important issue is deciding how quickly the firm should develop internationally and concentrate on particular product. Then product design and development plays important
role in global marketing strategy. For instance, globally standardized product can be made efficiently at a low cost but on the other hand it may end up pleasing few customers. So, therefore market research is necessary, while standardize global marketing strategies. Some elements can probably be standardized. For example, the sample to population ratio can be controlled globally. As Michael Richarme mentioned, "A systematic process of collecting inputs relating to research methodology and data from different parts of the world can help in the formulation and implementation of a globally coordinated market research strategy" (Richarme, 2009). So, global coordination is also necessary to facilitate sharing and transfer of knowledge. Then, one of the critical marketing strategy is advertising, which is the paid, nonpersonal promotion of a product to inform or persuade potential customer about new product or service. There is lots of possibilities how to advertise new product, for instance billboard, Internet, newspapers, radio or TV commercials. After good advertising, it comes to pricing. Firstly, companies need to set pricing objectives, such as profit maximization, revenue maximization or price stabilization. Then, companies need make global positioning, which help in improving the efficiency and effectiveness of global marketing strategies. Lastly, selling is the most important phase in global marketing strategy.

4.4 Web-based Shopping

Nowadays, consumers more frequently do internet shopping. Obviously, the results of huge growth of internet shopping is indication of new era. Therefore, internet shopping should takes an important role, while standardizing and adapting global marketing strategies. Internet shopping allows people to browse through so many items and categories without leaving their houses. Moreover, customer could compare the prices of as many shops as they want. Internet is open 24 hours a day, 365 days a year, so customers do not have to worry about opening hours or hurry about finding a parking space. As a great example of marketing strategy is Amazon.com. "Amazon has taken the concept a step further, with a technology that allows consumers to use their cell phones in stores to photograph product bar codes, and then use those bar codes to find the same product on Amazon at
a reduced price. Merchants are rapidly deploying technologies to speed the purchase process, such as an RFID-enabled credit card that just requires a tap on the terminal to complete the transaction” (Richarme, 2009).

Furthermore, technological revolution of Internet has given rise to the virtual entry strategy. This strategy is called Portal or E-business entry strategy, which is using web pages, e-mails or file transfer. Simply, company established a server on the Internet and opens up a web page, which could be connected worldwide. Internet has huge advantage, low cost; therefore many firms will use the Internet as the first point of contact for countries, where they want to establish a business. One of the biggest issues of Internet based global markets is dealing with completing a sale, shipping and providing after-sales service to customers worldwide.

4.5 Future of Global Marketing Strategies

Nowadays, many international businesses are experimenting with virtual communities of consumers in order to foster relationships between them and their customers. "The virtual community is often defined as a socio-cultural grouping that emerges when an adequate number of persons take part in public discussions during enough time and with enough emotions to build a network of human relationships inside the cyberspace"(Rheingold, 1995). Community strategies constitute a new kind of relational tool, allowing brands to get closer to their consumers.

Moreover, the important role in future of global marketing strategies takes international Consumer Communities. This type of community is using by many companies to assemble their customers. According to marketing researchers Arnone, Colot, Croquet, Geerts and Pozniak, "They offer a virtual space of exchanges based on a theme often linked to a consumption activity and want to gather people sharing a real interest in this activity" (Arnone, Colot, Croquet, Geerts & Pozniak, 2010). Companies try to take advantage of consumption communities enabling people to gather around topics like, motorcycles, wine or photography. They shared know- how linked to a specific consumption activity. One of great example is ”Facebook”, where companies advertise its products, services and provide all additional information about company, such as profile, mission, vision, contacts, etc.
Moreover, Facebook is the most powerful social media site available to the marketing industry today, and it continues to grow every day. What is the best about Facebook, all information are for free, which is really great advantage. Another example, is "You Tube", which is the leader in online video, sharing original videos worldwide through a web experience. Companies could leave there a short video about products and services, which provide a customer and then potential customer could see review of the company, which will help to decide to buy product or not. The main benefit of using YouTube for global marketing is low cost and big audience. What's more, using YouTube in marketing wider client-base, so there is huge potential of international business. Moreover, the company material posted on YouTube could be seen 24/7, all around the world. It can be quite inexpensive in many cases, but the companies do have to maintain the Facebook site and employ someone to do it, or produce a film and they have to do it well for people to pay attention to it. This is very important. Overall, it not required huge budget, therefore companies could benefit from it.

5. DISCUSSIONS, RECOMMENDATIONS, CONCLUSIONS

5.1 A model of factors that influence global product standardization

The need to maximize long-term profits is causing companies to globalize markets for their products. Moreover, companies evaluate the role that global product standardization plays in the achievement of strategic cost advantage. Companies attempt to become world-class organizations by providing the highest quality goods and services at the lowest cost. In the global economy, products are shipped anywhere and anytime in the world. International markets have become increasingly attractive to companies hoping to secure new customers and add revenues. Moreover, as barriers to trade have mostly diminished, more companies have found attractive opportunities for expansion in countries outside their traditional home markets. Effective implementation of product standardization can be influence by these market and company factors. The following sections in part 5 are the most important factors to consider regarding adaptation and standardization of global marketing strategy.
5.1.1 Market Factors

According to Jeffrey Loyka and Thomas Powers, "Factors relating marketing to the global market environment, and that are associated with marketing strategy and global product standardization include legal requirements, cultural/social customs and taboos, consumer preferences, consumer purchasing habits, product use conditions, economic development, marketing infrastructure, and competition" (Loyka & Powers, 2003). Next, economic development includes high levels of per capita gross national product- GNP, disposal income quality of life, purchasing power and education. Firstly, all companies, which decide to implement their product on national markets, need to analyze market factors, such as:

- Labor Costs- average wages, poverty, disease, hunger
- Transportation and Distribution- infrastructure, energy cost
- Manufacturing and Production Costs- low environmental pollution, resource depletion
- Advertisement and Market Expansion- market relations
- Maintaining market friendly laws and regulations- low corruption

5.1.2 Company Factors

According to Jeffrey Loyka and Thomas Powers, company factors associated with global product standardization should include:

- "sub-unit horizontal dependence- interdependence includes high levels of affiliate/sub-unit reliance upon information or resources from other affiliates/sub-units
- sub-unit vertical dependence- dependence involves high levels of affiliate/sub-unit reliance upon information or resources from the parent company and/or headquarters
- headquarters/sub-unit trust- includes strong feelings by affiliates/sub-units that headquarters keeps its promises and is honest with them
- sub-unit acquiescence- acquiescence involves high levels of affiliate/sub-unit consent or compliance, without protest to requests from headquarters or other affiliates/sub-units
- sub-unit cooperation- includes affiliates/sub-units working together toward a common end or purpose
- centralization of decision-making authority- control over affiliates/sub-units and any plan implementation "(Loyka & Powers, 2003).

![Figure 11: Company factors](image)

The need to maximize long-term profits is causing companies to globalize markets for their products and become world-class organizations providing the highest quality goods and services at the lowest cost. International markets have become increasingly attractive to companies hoping to secure new customers and add revenues.

Electronic commerce has provided the capability of buying and selling products and information via telephone, computer networks, by which organizations can expand rapidly into high-growth emerging markets of the world. Global marketing of standardized products can, however, lower operating costs, and with effective coordination exploit a company best product and marketing ideas.

### 5.2 Standardization versus Adaptation of Products for International Market

A product often needs to be adjusted when going out to the international market place. Therefore, some products just need small adjustments and some products are in need for major modifications. According to Professors Michael Czinkota and Ilkka Ronkainen, "Changes typically affect packaging, measurement units, labeling, product constituent and features, usage instructions and to a lesser extent, logos and brand names"(Czinkota & Ronkainen, 2004). Furthermore, they points out that the advantage of this strategy is lower
costs due to economies of scale and experience that accumulates from designing, manufacturing, and distributing identical products in multiple countries. Therefore, the main reason why companies choose to standardize a product is because it reduces its costs by leading economics of scale, a big cost reducer, which will lead to increasing revenue for the company.

5.3 Standardization versus Adaptation of Pricing for International Markets

According to Professors Michaela Czinkota and Ikka Ronkainen, "There are three general pricing strategies for a company to use when setting the export price. The alternatives are a standard world wide price, dual pricing (differs between domestic and export price) and market-differentiated pricing" (Czinkota & Ronkainen, 2004). Therefore, companies should decide whether price in specific market should be standardized like market price or adapted as product line pricing.

5.4 Standardization versus Adaptation of Promotion for International Markets

The Professors Melewar and Vemmervik describe six different variables that affect the degree of standardization or adaptation of advertising:

- "Product variables-the degree of universality of the product
- Competitive variables - the structure of the competitive environment
- Organizational experience and control variables - the level of organizational experience in the corporation
- Infrastructure variables - the degree of similarity of the media infrastructure, for instance, media, advertising agencies, and production facilities
- Governmental variable- the restrictions of mass communication
- Cultural and societal variable - the Difference between home and export market " (Melewar & Vemmervik, 2004). In brief, promotion usually focuses on one of three
targets that can be: customers, staff and intermediaries. One of the promotion objectives is to inform the audience about the company's products and activities.

5.5 Standardization versus Adaptation of Distribution Channels for International Markets

Companies in the international marketplace have four alternative ways to engage according to Albaum, Strandskov and Duerr. "They can chose to export from their home country, establish a manufacturing plant in the other country, set up assembly operations or form a strategic alliance with one or more companies" (Albaum, Strandskov & Duerr, 2004). Moreover, the adoption of e-commerce provides new opportunities for Business to Business companies in the international market. What is more important in distribution for international markets is, short distribution channel since specialized products often require after sales service. Furthermore, distribution system could be more effective with the help of internet distribution system. Nowadays, customer online can see where in the distribution channel his product is. In order to be able to make customers deliveries on time, this distribution channels will help to organize in proper way.

5.6 Implementation of Global marketing strategy

There are some steps, which should be followed, while implementing Global marketing strategy.

- **First step** - to understand the international marketing environment and international trade system
- **Second step** - company must consider what proportion of foreign to total sales to seek
  - whether to do business in a few or many countries
  - what types of countries to enter
- **Third step** - company need to decide how to enter each attractive market
  - indirect or direct export exporters
licensing - agreement between two business entities in which the licensor permits the licensee to use a brand name or patent
joint-ventures- is an agreement between two or more business entities to undertake economic activity together

Then, companies should decide on the extent to which their products, promotion, price and distribution should be adapted to foreign markets. Markets in Africa, Latin America, Middle East and Asia are characterized by higher degree of risk than markets in developed countries. Due to less stable economic climate, such as income, employment, prices or development, in those areas, companies can expect great uncertainty. The main issues are infrastructure, such as:
- transportation
- technology
- telecommunications, convertibility of currency
- stable banking
- protection of Intellectual Property Rights

Moreover, foreign exchange problems, corruption, high cost of product and communication adaptation can be issues in those countries.

Nowadays, economic liberalization of the countries in Eastern Europe opened a large new market for many global firms. Eastern European nations like Poland or Hungary launched new market reforms. These market reforms increased foreign trade and investment. “For example, in Poland, foreigners are now allowed to invest in all areas of industry, including agriculture, manufacturing and trade. Poland even gives companies that invest in certain sectors some tax advantages” (Akkay, n.d). As Foreign trade expert Fatih Akkaya mentioned, the decision on where to compete, the country selection decision is one of the components of developing a global marketing strategy.

Organizations need to understand their competitors because corporate success results from providing more value to customer than the competition. Industry structure is the framework within which companies compete. According to Foreign trade expert Fatih Akkaya, five forces determine the attractiveness of an industry:
- "the threat of new entrants"
- bargaining power of suppliers
Because of these five forces, firms need to manage these factors so that industry structure is favorable. There are few companies, which will want to globalize all of their marketing operations. Then, the difficulty is to determine which marketing operation elements will gain from globalization.

Furthermore, Foreign trade expert Fatih Akkaya, defined factors within foreign markets and their importance to the decision about which foreign markets to enter.

Firstly, economic - financial Factors consist of:
- amount of foreign debt carried
- income distribution within the market
- natural resource base
- amount of foreign investment
- stability of inflation rate

Then, political - legal factors include:
- role of government in business activities
- possible barriers to international trade
- how could laws and regulations affecting the marketing mix
- stability of the workforce
- laws and regulations affecting business activities

Next, cultural factors consist of:
- what kind of style of business culture provide
- possibility of bribes and questionable payments
- race and nationalities, languages
- religious groups, educational system, mass media, family
- social interaction, hierarchies or interdependence

Lastly, demographic factors include:
- number of organizations definition of size and quality of workforce
- growth rate and population size
• households compositions
• geographic distribution (Akkay, n.d).

In summary, when companies expand their market internationally, they have to consider standardization and adaptation of their marketing program. Firstly, they need to make modification of an existing product, to make it more appealing to the global market. One of the changes might update the product, which make it more useful or safer for target global market. Then, firms should realize, that product adaptation is very important in the international markets, because it helps adapt a product to a culture. Because of that fact that culture might varies from region to region, it is necessary to understand culture impact on a product. Therefore, culture is defined by geographical and environmental factors, its religions and technology.

Another fact, which comes from the results of this thesis, is the more the companies are able to standardize the marketing mix among markets, the better they performed converting prospects into customers is an important objective of business to business marketing. Then, according to results in section 4, a few business to business companies do make some money off a customer base show that adaptations by suppliers for customers is more frequent that adaptations by customers for suppliers. Moreover, consumers more frequently do internet shopping. Therefore, the results of huge growth of internet shopping is indication of new era. Because of this fact, internet shopping should takes an important role, while standardizing and adapting global marketing strategies

In conclusion, the factors that have been deeply described and analyzed in previous chapters are getting more complex. These factors must be taken into consideration for effective adaptation and standardization of global marketing strategies. Therefore, the main purpose of a standardized global business is to sell the product internationally, modify the product according to its regions and countries, and design new products for new markets. Then, incorporate all the differences into one product and introduce them globally.
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_______________________________________________________________ (Signature)

________________________________________________________________ (Date)
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Source: Vrontis (2003, p. 286)


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3. Global Segment Strategy
4. Global Marketing Mix Element Strategies
5. Global Product Strategy
7. Global Advertising Strategy
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*Table 1: Examples of products that are currently at different stages of the product life-cycle*

contractual terms and conditions

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<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Total number of adaptations made for</td>
<td>129</td>
<td>44</td>
<td>7</td>
<td>51</td>
</tr>
<tr>
<td>Total number of made adaptations</td>
<td>225</td>
<td>98</td>
<td>37</td>
<td>135</td>
</tr>
</tbody>
</table>

Table 2: Reported adaptation frequencies and magnitude n =20


<table>
<thead>
<tr>
<th>Management emphasis</th>
<th>Stage one Domestic</th>
<th>Stage two International</th>
<th>Stage three Multinational</th>
<th>Stage four Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Domestic</td>
<td>Ethnocentric</td>
<td>Polycentric</td>
<td>Geocentric</td>
</tr>
<tr>
<td>Marketing strategy</td>
<td>Domestic</td>
<td>Extension</td>
<td>Adaption</td>
<td>Extension</td>
</tr>
<tr>
<td>Structure</td>
<td>Domestic</td>
<td>International</td>
<td>Worldwide area</td>
<td>Adaption creation matrix/mixed</td>
</tr>
<tr>
<td>Management style</td>
<td>Domestic</td>
<td>Centralized top down</td>
<td>Decentralized bottom up</td>
<td>Integrated</td>
</tr>
<tr>
<td>Manufacturing stance</td>
<td>Mainly domestic</td>
<td>Mainly domestic</td>
<td>Host country</td>
<td>Lowest cost worldwide</td>
</tr>
<tr>
<td>Investment policy</td>
<td>Domestic</td>
<td>Domestic used worldwide</td>
<td>Mainly in each host country</td>
<td>Cross subsidization</td>
</tr>
<tr>
<td>Performance evaluation</td>
<td>Domestic market share</td>
<td>Against home country market share</td>
<td>Each host country market share</td>
<td>Worldwide</td>
</tr>
</tbody>
</table>

Table 3: Four stages in the process of evolving from domestic to global markets

BIBLIOGRAPHY


Téma: Globálne marketingové stratégie: rozhodnutie o štandardizácii a adaptácii marketingového mixu.

Kľúčové slová: Marketingový mix, Štandardizácia, Globálne stratégie

Študent: Monika Santusová
Vedúci BP: Alan Dykstra, M.A.

Hlavným zámerom tejto záverečnej bakalárskej práce je zistiť ako fungujú globálne marketingové stratégie pri použití štandardizácie a adaptácie marketingového mixu.

V úvode tejto práce sa zaoberám, čo je to globálna marketingová stratégia vo všeobecnosti.

Hlavný zámer tejto práce je zanalyzovať rozdiely medzi globálnymi marketingovými stratégiami a poskytnúť informácie o stratégiách, ktoré budú najvýhodnejšie použiť pri štandardizácii a adaptácii marketingového mixu.

Literárna časť tejto práce obsahuje teoretické vysvetlenie Globálnych marketingových stratégií a taktiež marketingového mixu. Menšiu časť tejto práce som venovala Adaptácii a Štandardizácii marketingového programu. Ďalším predmetom tejto práce sú faktory, ktoré významne ovplyvňujú marketingové stratégie.

Na základe zbierania informácií od rôznych marketingových špecialistov, znalcov, profesorov, som mohla vytvorit' analýzu, ako postupovať pri štandardizácii a adaptácii marketingového mixu. Spomenula som konkrétne aféry, ktoré by mali upovedomiť o možnostiach rizík, pri globálnych marketingových stratégiách. Taktiež spomeniem úspešné globálne marketingové stratégie, ktoré dosiahli profit, pretože si dôkladne pripravili marketingové strategie a kroky, ktoré treba nasledovať.

V závere práce som spomenula kroky, ktoré by podniky mali nasledovať pri štandardizácii a adaptácii produktov v globálnych marketingových stratégiách.

Dátum: Podpis študenta
ABSTRACT

Topic: Global Marketing Strategies: decisions about adaptation and standardization of the marketing mix

Key words: Marketing mix, Standardization, Global strategies

Student: Monika Santusová
Advisor: Alan Dykstra, M.A.

The main purpose of my bachelor thesis is to found out how really works global marketing strategies with the help of using standardization and adaptation of marketing mix. In introduction, I focus on global marketing strategies in general. The main goal of my bachelor thesis is to analyze differences between global marketing strategies and provide information about strategies, which will be the most useful to use in standardization and adaptation of marketing mix.

Then, review of literature include theoretical explanation of Global marketing strategies and marketing mix. Part of my thesis explain the role of adaptation and standardization of marketing mix. Another part of my thesis consists of factors, which have huge influence on marketing strategies.

According to sources from various marketing specialist, professors, researchers, I could make an analysis, how to follow the steps while standardization and adaptation of marketing mix. Then, I used examples, which could help to recognize the risk in global marketing strategies. Moreover, I mentioned successful global marketing strategies, which made a huge profit, because of that fact that they properly prepared marketing strategies and follow all additional steps.

In conclusion, I mentioned the steps, which should be followed while standardization and adaptation of global marketing strategies.

Date:                                                                                     Signature of student: