

**University of Djilali Bounaama - Khemis Miliana**  
**Faculty of Economic- Commercial and Management**  
**Sciences**

**Lectures in international marketing**  
for third year students

Marketing specialization

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**Axes lecture:**

- I. Definition and importance of marketing**
- II. International marketing concept**
- III. international marketing environment**
- IV. International market entry strategies**
- V. International marketing mix policies**
- VI. International marketing research**

## Introduction

Every organization seeks to market its products and achieve its objectives. Marketing activity has become increasingly important with the development in various fields. It has become one of the manifestations of excellence and the success of the organization is its exploitation of opportunities at the level of the local market or even international, where did you find several motives for that, especially expanding profits by increasing market shares or entering new markets outside the borders of the state.

If the organization may face some difficulties or challenges in order to market products in the local market. The orientation towards the international market is more difficult than that due to the multiplicity and complexity of external influences, and this requires capabilities and strategies suitable for this market.

### **I. Definition and importance of marketing**

Marketing is an activity needed by every organization, as its importance has not appeared in the past few years in managing organizations, but rather it has a history, which Philip Kotler referred to, "that the emergence of marketing was in the 17<sup>th</sup> century in the year 1650, when the Japanese Missouri family by establishing the first store or shop in Tokyo, and since that time, product design policies appeared - developing the resources necessary for production - the emergence of advertisements such as: Do not ask - buy from us.

As for Europe, America and others, they knew him in the middle of the 19<sup>th</sup> century because of the harvester international company. Ma- Cormick was the first to point it out it is the core or center of the organization's activity, and this term appeared for the first time as a course at the university of Pennsylvania in early 20<sup>th</sup> century under the heading of product marketing.

The importance of marketing emerged when organizations faced a set of problems, as they found that paying attention to marketing and relying on it was the way to solve them, such as the decline in sales volume and low growth rates, the need to enter new markets, especially international ones, the intensity of competition and technological progress and the resulting changes in purchasing behavior.

Marketing is an integrated active activity from the group of sub - activities based on meeting the consumer's products 'goods, services, ideas' that would achieve the gratification that he desires and aspires to through the swap process.

The importance of marketing is evident in the following points:

- Satisfying consumers' desires in the best possible sufficiency, as it achieves temporal, spatial and biological benefits, communication information and formal benefit.
- Discovering new needs and desires, arousing and satisfying the old.
- It works to succeed and expand projects, high production sufficiency and achieve profits.

- As for the national economy, the importance of the number of those involved in the trade sector in bulk and retail.

## **II. The concept and development of international marketing**

Many definitions have been received for international marketing that clarify its meaning, as well as the motives, which makes it opportunities for many organizations in ensuring survival and continuing, as the organization benefits from it at the present and future time.

### **First: Definition and importance of international marketing:**

- It is an activity that is practiced across the local borders to the external borders, penetrating all the barriers and environmental factors in new markets, such as economic, political, legal restrictions in addition to the factor of competition and marketing experience in foreign markets.

- Implementation of at least one of the marketing tasks outside the national borders.

- International marketing is the group of activities carried out by the organization with the aim of penetrating, developing its external markets and making it profitable. these activities must enable them to optimize its resources and ensure a long -term competitive advantage.

- International marketing represents the process that aims to improve resources and focus on the organization's goals through global market opportunities.

- It is the activity that aims to study the targeted external market and the different environment, and work to achieve the transmission of goods and services to them and to satisfy them in a complete or partial way, by following the appropriate production and pricing policies and advanced distribution and promotion programs that achieve the company's interests, the consumer segment and ensure expansion and continue to achieve the needs of the external market .

Through previous definitions, we can determine the definition of international marketing that it is various marketing practices represented in providing the product and its price and distributing it after carrying out it towards international markets according to the desires and needs of the consumer in foreign countries.

## **Second: The development of international marketing activity**

International marketing did not appear in the form we know it today which is an extension of several developments, which are summarized in a number of stages :

### **1. The stage of commercial exchange:**

At this stage when foreign companies began during the fifties until the year 1960 to encourage trade exchange between countries by reducing tariffs, and Providing various means to facilitate the movement of goods and services across international borders.

### **2. The stage of economic groupings:**

This stage was characterized by the emergence of economic clusters in several regions of the world. as it contributed to achieving several

advantages such as increasing the size of the market and increasing business growth, Among the economic groupings are: European Common Market and The North American Economic Community (NAFTA)

### **3. Small business emergence stage:**

At this stage, small and medium-sized companies appeared. where trade expanded with the beginning of the eighties and these companies have been able to penetrate foreign markets with better profits than those achieved by large companies.

### **4. The global market stage (semi-competitive):**

It started with the convergence of the characteristics of the demand for goods and services by countries, and convergence of cultural and social characteristics, this contributed to narrowing the consumption gap between societies. products and services are becoming more and more convergent and it became international after it was only local.

### **5. The stage of international trade:**

It began with the emergence of the international trade agreement known as General Agreement for Tariff & Trade (GATT), which aims to access international markets without restrictions from host countries.

### **6. The stage of electronic commerce:**

With the beginning of the second millennium, the use of information systems and the internet spread. which gave the opportunity for marketing activity to acquire a global or international status.

### **Third: The functions and motivations of international marketing**

The practice of international marketing as one of the various activities of the organization it leads to the fulfillment of a number of functions, represented in the following:

- Study the current international markets and predict future markets. Planning and developing desired products required by the consumer or investor in foreign markets.
- Distribution of goods and services through appropriate distribution channels in foreign markets.
- Promoting products and how to obtain them from the source or its agent in foreign markets.
- Determining the various pricing methods that aim to achieve appropriate financial returns for investments.
- Providing technical and non -technical services before or after purchasing to ensure the extent of customer satisfaction and their continued dealings with the organization.
- Contacting international markets using all technical means available in foreign markets.

Although local marketing has the same jobs mentioned, international marketing activity necessitates the necessity of implementing these jobs in different methods, according to the culture and environment of the targeted foreign markets from the international marketing management.

The organization's approach to marketing its products in foreign markets aims to achieve a set of goals:



- Profitability and growth.
- Achieving stability in the volume of sales and production.
- Exploitation of surplus production capacity.
- Extend the life cycle of products.
- The attractiveness of marketing opportunities in foreign markets.
- Experience and administrative capacity development.

### **International marketing and international business**

International marketing is an essential part of international business, which is defined as:

management activities across international borders, it comprises all areas related to activities such as financial and international, and international law, international economics, international marketing and others. this means:

International marketing is linked to various management concepts and the prevailing theories in this context, such as the theory of free trade or international trade and electronic commerce which is directly related to the concept of international marketing and its various activities prevailing in the markets.

### **International marketing and international trade**

International marketing is clear when the organization markets its products in two or more countries. also, the basics of marketing can be applied internationally in the same way that they are marketed locally. both the domestic market and the foreign market require the design of

an integrated marketing program. while international trade pertains to all import and export operations to and from foreign countries.

### **III. international marketing environment**

The international environment is defined as:

"a set of interrelated elements that have a significant impact on internationalization strategies, in particular, the conquest of foreign markets, among these variables are: political, legal, competitive, economic, scientific and technical.

#### **First: the internal environment for international marketing**

The internal environment of international marketing includes both the internal environment of the organization In addition to the external environment of the organization within the country.

#### **1- The internal environment variables of the organization:**

These variables are all the attitudes, values and beliefs and the decisions related to each of the owners of capital and the organization's employees which affects the efficiency and effectiveness of the organization when achieving its goals.

The result of studying these variables is to identify the elements that may motivate or hinder the organization's management in making the international marketing decision. this variables within an organization may help or hinder international marketing.

#### **2- The institution's environment variables within the country**

The variables of the organization's environment within the country can affect the international marketing decision of the organization's products. the organization deals with many organization and

organizations and departments, directly or indirectly such as government, customers, middlemen and distributors, consumers, local suppliers, there are also those who deal with the organization indirectly, such as locally competing organizations and others.

The impact of these environmental variables on the organization may produce an opportunity for the organization or a threat, depending on the capabilities and resources of the organization, its strategies and its competitive strength.

### **Second: the external environment of international marketing**

The external environment of international marketing is characterized by its multivariability this may positively or negatively affect the international marketing decision such as foreign government, foreign consumer, foreign competitors in foreign market, in addition to the variables of the overall environment in the international market they are : political, economic, social and cultural variables. all these variables have an impact on the effectiveness of the performance of the international marketing.

The organization must study everything within its internal and external environment in international marketing, this is done by starting to study its internal environment. if the shareholders and their capabilities are appropriate to move towards international marketing, they pass to the second stage it is the study of external environment variables within the country, this study aims to identify stimulating opportunities for marketing internationally, and also the threats that you will face inside the foreign country. these opportunities result

from government regulations such as taxes and customs duties as well as institutions facilitating international marketing.

While the threats may be from local competitors or not enough institutions to provide the necessary services for export. the organization remains informed so that these threats turn into opportunities in the future.

In the third stage, the variables of the external environment are studied, where the organization begins to identify opportunities and threats related to foreign markets that have an impact on market entry strategies. the sources of these opportunities or threats are either from the government systems of the foreign country, or competitors, distributors, consumers, and even external suppliers. here, if the organization does not find any opportunity to cancel the idea of international marketing, but if there is an opportunity, the organization's management begins to take decisions related to the appropriate marketing mix for each foreign market that the organization targets.

### **1. The international social and cultural environment**

Culture has a major role in international marketing. therefore, it is very important to study the local culture of a foreign country before taking the step of internationalization. where there are many cultures. This environment as a whole includes customs, traditions, and beliefs and attitudes of individuals in the international community and entry levels, in addition to demographic and other characteristics that distinguish the foreign consumer. these social and cultural differences

must be taken into account when designing the marketing mix of the organization.

## **2. international political environment**

International policies have evolved at the present time, as there are many threats that affect countries, such as: financial globalization, multinational boards of directors, creation of new supranational economic spaces, as a result, the state assigned a new role: it is now helping the country's competitiveness, regionalization, support for exports and commercial work, and the creation of competitive conditions that determine the national environment.

Analyzing the political system of a foreign country is: by assessing its ideology, nationalism, stability, and international relations.

2.1- Ideology: the ideological trend of a country can be capitalism, socialism....., etc. in recent years, there have been remarkable changes in the ideologies of many countries, where the transition has been made from socialism to capitalism, there are many African countries that have opted for a market economy, such as Algeria.

2.2- nationalism: it is a phenomenon that is widely found in developing countries. Nationalism can lead to the confiscation of assets held by foreigners.

2.3 - stability: system change, violence and cultural divisions based on language or other factors that can lead to a very unconfirmed environment for business of organisation.

2.4 - International Relations: international relations have improved in the past 20 years since the development of GATT into the World

Trade Organization. where many countries try to reduce the expected risks by encouraging foreign investment by providing tax exemptions and the like.

Political factors have several marketing effects. the product may be the subject of political controversy, for example: petroleum that is considered an input, raw material, or basic fuel for other industries, also, cement can be a socially or politically sensitive product. food products are important for national defense, so analyzing these elements will allow marketers to avoid or reduce the risk of confiscation or other political reactions.

### **3. The international legal environment**

The international legal framework is important in the international marketing environment. most controls or regulations are about controlling exports and imports. transfer pricing, taxes, and regulation of corrupt practices, and banned countries, the allocation of capital, and patents, brands ,...etc.

The new financial and commercial phenomena require the necessity of creating legal foundations.

### **4. economic environment**

The economies of countries are becoming increasingly interdependent (continuous growth in international trade) the export rate increased and the rate of opening up in all countries since 1950.

From an economic point of view, there are many elements that can positively or negatively affect the organisation's approach to

international marketing in that country, which should be known in advance.

## **5. The international scientific and technological environment**

The world today is characterised by a sharp increase in scientific and technical discoveries, in particular in the field of high technology and information and communication technologies. currently, new products and services are being developed through emerging technologies such as the internet, mobile communication, nanotechnology, genetic engineering,.... etc, these technologies have contributed to the growth of organisations over the past 20 years.

New technologies have also changed the business model of organisations using these tools. when these organisations are able to engage their customers in long-term relationships, other organisations have used the power of the Internet to create virtual design teams, with team members expert in different technologies and stationed in different locations.

## **6. International ecological environment**

Environmental friendliness today is not an optional marketing method, but rather essential in the activities of organisations. Consumers are increasingly interested in all the elements that harm the environment such as water, air, soil pollution, natural disasters, climate change, waste management, greenhouse gas emissions,.... etc, in addition to paying attention to recycling or environmental incentives to fight pollution and save water and electricity, one should also pay attention to the origin of the products and materials used.

## **7. The international economic environment**

In the past few years, the world economy has been characterised by the dismantling of dynamic movements mainly due to globalisation.

With increasing openness and interdependence of economies (continued growth of international trade), and the export rate has increased as well as the openness rate in all countries since 1950.

From an economic angle, there are many elements that can positively or negatively affect an organisation's approach to international marketing in that country, which should be known in advance.

The economic environment contains three main variables, each of which has a significant impact on the effectiveness of organisations when engaging in international marketing. these variables can create opportunities or threaten their entry into the international market:

### **7.1- Competition:**

The centre of strength and weakness of competitors' strategies in the international market has directly affected the efficiency and effectiveness of international marketing activities.

The more the organisation has the ability to identify the strengths and weaknesses of each competitor's marketing mix strategies in the external market, the more it can design its own mix strategies within those markets to discover and monitor competitors' strengths and exploit them. their weaknesses in its favour.

### **7.2- Economic blocs:**

The policy of economic blocs can be an obstacle for the organisation



to enter the international market or to allow it to enter and operate within a certain share that is difficult for the organisation to exceed.

These variables can also be an incentive for member state organisations to market their products in another country's market within the same economic bloc, in order to benefit from the advantages granted within the same bloc.

### **7.3- Economic policies:**

Economic policies are the set of rules and systems that govern the economic system of the state, and they include the policies of the customs and taxation systems, exchange rate systems, wage and price policy, ....etc. these systems can provide opportunities and can pose a threat. these systems can provide opportunities and can pose a threat.