

# International Marketing Environment Challenges and Opportunities

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**Abstract:** *The international marketing environment is changing rapidly. The globalization of markets, coupled with advancements in technology have made distances meaningless. The first section of International Marketing offers an overview of a discussion of the global business, marketing opportunities and challenges of global environments, confronting the marketer. This study mainly focused on evolution of international marketing, perspectives & global business trends. Marketing of products and services of the countries presents a very challenging task to multinational companies (MNC) due to the difference in political, economy and socio-cultural aspects. In this paper we discussed example i.e., products of apples and oranges are importing from other countries, production, and how much customers attracting the oranges and apples.*

**Keywords:** International Marketing, Globalization, Global business

## 1. Marketing

“Process of planning and executing the conception pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organization goals”

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, exchanging, offering that have value for customers, clients, partners, and society at large.

## 2. International Marketing: A Definition

“International marketing is defined as the performance of business activities designed to plan, price, promote, and direct the flow of a company’s goods and services to consumers or users in more than one nation for a profit.”

International marketing, which involves operating across a number of foreign country markets in which is not only do the uncontrollable variables differ significantly between one market and another, but the controllable factors in the form of cost and price structures, opportunities for advertising and distributive infrastructure are also likely to differ significantly. It is these sorts of differences that lead to the complexities of international marketing. Global marketing management, which is a larger and more complex international operation. Here a company coordinates, integrates and controls a whole series of marketing programmers into a substantial global effort. Here the primary objective of the company is to achieve a degree of synergy in the overall operation so that by taking advantage of different exchange rates, tax rates, labour rates, skill levels and market opportunities, the organization as a whole will be greater than the sum of its parts.

## 3. The Evolution of Global Marketing

Whether an organization markets its goods and services domestically or internationally, the definition of marketing

still applies. However, the scope of marketing is broadened when the organization decides to sell across international boundaries, this being primarily due to the numerous other dimensions which the organization has to account for. For example, the organization’s language of business may be "English", but it may have to do business in the "French language". This not only requires a translation facility, but the French cultural conditions have to be accounted for as well. Doing business "the French way" may be different from doing it "the English way". This is particularly true when doing business with the Japanese.

The long held tenants of marketing are "customer value", "competitive advantage" and "focus". This means that organizations have to study the market, develop products or services that satisfy customer needs and wants, develop the "correct" marketing mix and satisfy its own objectives as well as giving customer satisfaction on a continuing basis. However, it became clear in the 1980s that this definition of marketing was too narrow. Preoccupation with the tactical workings of the marketing mix led to neglect of long term product development, so "Strategic Marketing" was born. The focus was shifted from knowing everything about the customer, to knowing the customer in a context which includes the competition, government policy and regulations, and the broader economic, social and political macro forces that shape the evolution of markets. In global marketing terms this means forging alliances (relationships) or developing networks, working closely with home country government officials and industry competitors to gain access to a target market. Also the marketing objective has changed from one of satisfying organizational objectives to one of "stakeholder" benefits - including employees, society, and government and so on. Profit is still essential but not an end in itself.

It is recognized that in the "postmodern" era of marketing, even the assumptions and long standing tenants of marketing like the concepts of "consumer needs", "consumer sovereignty", "target markets" and "product/market processes" are being challenged. The emphasis is towards

the emergence of the "customizing consumer", that is, the customer who takes elements of the market offerings and moulds a customized consumption experience out of these. Even further, post modernism, posts that the consumer who is the consumed, the ultimate marketable image, is also becoming liberated from the sole role of a consumer and is becoming a producer. This reveals itself in the desire for the consumer to become part of the marketing process and to experience immersion into "thematic settings" rather than merely to encounter products. So in consuming food products for example, it becomes not just a case of satisfying hunger needs, but also can be rendered as an image - producing act. In the post modern market place the product does not project images, it fills images. This is true in some foodstuffs. The consumption of "designer water" or "slimming foods" is a statement of a self image, not just a product consuming act.

When organizations develop into global marketing organizations, they usually evolve into this from a relatively small export base. Some firms never get any further than the exporting stage. Marketing overseas can, therefore, be anywhere on a continuum of "foreign" to "global". It is well to note at this stage that the words "international", "multinational" or "global" are now rather outdated descriptions. In fact "global" has replaced the other terms to all intents and purposes. "Foreign" marketing means marketing in an environment different from the home base, it's basic form being "exporting". Over time, this may evolve into an operating market rather than a foreign market. One such example is the Preferential Trade Area (PTA) in Eastern and Southern Africa where involved countries can trade inter-regionally under certain common modalities. Another example is the Cold Storage Company of Zimbabwe.

#### **Objectives of the study**

- To study the challenges of international marketing environment.
- To find out the opportunities and trends of international marketing environment.
- To focus the study on international marketing environment evolution.

#### **4. Methodology**

The study was based on secondary sources of data such as from journals, research scholarly published papers, articles, websites, published books etc. The study has been conducted on various modes which are opportunities, problems, and strategies of international marketing environment.

#### **International Perspective: Recent Events**

- 1) Information technology
- 2) International conflict among countries.
- 3) Global terrorism
- 4) Transcending these events, international commerce continued

#### **International Business Trends**

1. The rapid growth of the World Trade Organization and regional free trade areas, e.g., NAFTA, the European Union, SAARC.
2. General acceptance of the free market system among developing countries in Latin America, Asia, and Eastern Europe
3. Impact of the Internet and other global media on the dissolution of national borders.
4. Managing global environmental resources.
5. Increasing globalization of markets.
6. Firms face competition on all fronts.
7. Changing ownership structure (TATA CORUS),
8. Saturation of Demand in certain big market eg. USA, UK & emergence of it in certain market (China, India)
9. Technology & Excess surplus.
10. Global peace & Dependence.

#### **Opportunities**

There are a number of areas where opportunities exist for greater cooperation and compatibility. Transactional focus in these areas could help realize important environmental gains and economic efficiencies in the marketing environment

- Information, Planning and Tran boundary and Cumulative Impact Assessment
- Access to Information
- Energy Efficiency and Renewable Energy
- Transboundary Airshed Management
- Innovative Economic Instruments
- Transboundary Airshed Management

#### **5. The Theory of Comparative Advantage:**

The theory can be relatively complex and difficult to understand but stated simply this theory is a demonstration (under assumptions) that a country can gain from trade even if it has an absolute disadvantage in the production of all goods, or it can gain from trade even if it has an absolute advantage in the production of all goods. Even though a country has an absolute production advantage it may be better to concentrate on its comparative advantage. To calculate the comparative advantage one has to compare the production ratios, and make the assumption that the one country totally specializes in one product. To maximize the wellbeing of both individuals and countries, countries are better off specializing in their area of competitive advantage and then trading and exchanging with others in the market place. Today there are a variety of spread sheets that one can use to calculate comparative advantage; one such is that of the Food and Agriculture Organization (FAO). Calculation of comparative advantage is as follows:

#### **6. Example**

Take the simple two countries - two product model of comparative advantage. Europe grows apples and South Africa oranges, these are two products, and both undifferentiated and produced with production units which are a mixture of land, labour and capital. To use the same production units South Africa can produce 100 apples and

no oranges, and Europe can produce 80 apples and no oranges. At the other extreme South Africa can produce no apples and 50 oranges and Europe no apples and 30 oranges.

Now if the two countries specialize and trade the position is as follows:

Product	South Africa			Europe		
	Production	Imports	Consumers	Production	Imports	Consumers
Apples (000's)	0	30	30	80	30	50
Oranges (000's)	50	14	36	30	14	44

### Economic development in international marketing

Agricultural services and manufacturing industries play a vital role in the development of the Indian economy. The IT outsourcing, software and call center/BPO industries, in particular, have helped skyrocket India's economic development in recent years. Economic development in India still depends on the various sectors that constitute the Indian economy-agriculture services and manufacturing industries.

Developing countries are increasingly driving the performance of the world economy. Trade between developing countries is becoming as important as trade between them and developed economies. Moreover by growing their domestic market and pursuing regional economic integration developing countries can diversify their production away from their traditional export markets in Europe and North America.

Economic growth depends upon enhancing productivity (of labour, capital, land and knowledge); a stable and conducive policy environment; and strong incentives for investment by individuals and businesses. For developing countries the major barriers to growth are:

- Regulatory, informational and coordination failures that hamper the efficient operation of markets;
- Poor conditions for private sector investment (poor governance, lack of infrastructure, etc.);
- Limited financial services with lack of access to credit for small businesses that holds back production;
- Poverty which restricts the growth of internal consumer demand and encourages a large informal sphere; and
- Difficulty in accessing international markets (technical barriers to trade, protectionist measures, etc.).

### 7. Conclusion

The development of international marketing has been brought about by a number of variables both exogenous and endogenous. The evolution of international marketing has been exporting to truly global operations. When planning to do global marketing, a number of "environmental" factors have to be considered but generally one is looking for "unifying" or "differentiating" influences which will dictate a "standard or "adapted" planning approach. In this paper mainly focused on challenges and opportunities of international marketing environment.

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