

Transcription Lesson 7: Introduction to marketing internationally

Consumers today are not satisfied with standardised products. They expect customised and personalised goods and services that meet their preferences. In a global market, this means that MNEs are faced with the challenge of tailoring their offerings to accommodate a vast array of needs, languages, cultural sensitivities and income levels. They also need to become increasingly innovative, adapt faster and deliver new variations of their products to connected customers that want the newest and latest models without delay.

Consumers today also require organisations to be mindful of the environmental impact of their global operations (remember the SDGs discussed in Lesson 2). The “triple bottom line” – which is the benchmark of how organisations benefit (1) profits, (2) people and (3) the environment as a whole – is becoming the norm for the sustainable organisation. “Greenwashing” (pretending to be a green organisation through superficial activities and lots of advertising) does not fool the consumer anymore.

Together with these evolving consumer trends, the nature of business has also evolved. The COVID-19 pandemic brought with it the need to socialise with consumers while observing social distancing. Digital technologies, through automation and Artificial Intelligence (AI), for example, allowed many companies to work around the restrictions. Regrettably, with digitised business comes the loss of the human connection. International businesses will need to navigate the digitalised business world while remaining conscious of the person on the other side of the screen. This is complicated by the unique and diverse consumers the business will encounter across the world. The table below compares domestic and international marketing so that you understand just how intricate it can be. Let me explain it.

Domestic marketing refers to the marketing activities employed on a national scale. Creating, developing and defending markets takes place within a smaller area – typically within the local limits of a country. Therefore, domestic marketing caters to the needs and tastes of consumers in a specific country only, allowing for a much deeper understanding of these consumers, but a limited market size. Furthermore, organisations operating domestically only have to build knowledge of, and comply with local government laws and regulations. Their access to technology, however, is limited – having to rely on technological advances available in one country. With their deeper knowledge and network within the local market, domestic organisations are exposed to less risk, lower capital requirements, and require less in-depth research in order to understand their customers.

References: Kounkel, S, Silverstein, A & Peeters, K. 2020. *2021 Global marketing trends: Find your focus*. London, UK. [Online], Available: <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-consulting-global-marketing-trends.pdf>; Peng, MW & Meyer, KE. 2019. *International business*. 3rd ed. Andover, United Kingdom: Cengage Learning; Surbhi, S. 2015. *Difference between domestic and international marketing (with Comparison Chart) - Key Differences*. [Online], Available: <https://keydifferences.com/difference-between-domestic-and-international-marketing.html#ComparisonChart> [26 October 2020].

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International marketing, on the other hand, is when marketing activities are deployed across borders in many countries. These marketing activities therefore need much more adaptation to cater to the global market. The MNE is also exposed to a much wider variety of rules and regulations for every country it operates in. On the positive side, this organisation can draw from a massive network of knowledge and have access to the latest technology from around the world. The risk involved and challenges for international marketing are very high – just think of the variety of socio-cultural differences, exchange rates, income levels and other differences across and between countries! Therefore, huge capital investments need to be made, not only in distributing a product to and within another market, but in understanding how the media channels in that market work and the tastes, preferences and behaviours of customers. Deep research into each foreign market is needed!

References: Kounkel, S, Silverstein, A & Peeters, K. 2020. *2021 Global marketing trends: Find your focus*. London, UK. [Online], Available: <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-consulting-global-marketing-trends.pdf>; Peng, MW & Meyer, KE. 2019. *International business*. 3rd ed. Andover, United Kingdom: Cengage Learning; Surbhi, S. 2015. *Difference between domestic and international marketing (with Comparison Chart) - Key Differences*. [Online], Available: <https://keydifferences.com/difference-between-domestic-and-international-marketing.html#ComparisonChart> [26 October 2020].

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