

International marketing strategy

segmentation



Factors influencing IMS



Generic strategy

➤ Differentiation

- product is different to the competition
- more value
- different value
- better quality
- better performance(features)
- better price- value for money



POSITIONING AND
BRANDING

➤ Focus

- on particular market segment
 - or part of product line
- (lack of resources, provide better match between offer and customer needs/wants)



POSITIONING AND
BRANDING

CONSISTENT WITH THE STRATEGY

Matrix for comp. strategies

➤ Cost leadership?

source of comp. advantage

low cost

differentiation

**competitive
scope**

industry
wide

**COST
LEADERSHIP**

DIFFERENTIATION

single
segment

FOCUS

STRATEGIC PLANNING FOR INT. MKT

- **Systematised way of relating to the future – managing the effects of external, uncontrollable factors on the firm's strength, weaknesses, objectives and goals to attain a desired end.**
- **Same principles of planning**
- **Different – the intricacies of the operating environments, organisational structure, task of controlling ...**

PREPOSITIONS:

- **Readiness – resources, commitment, objectives – reasons**
- **External opportunities (and threats)**

PLANNING PROCESS:

What product/s to offer/develop

Which market/s

What level of resource commitment

Allocation of effort and resources

Phases of planning process

➤ 1. preliminary analysis and screening (12C)

Company character (philosophy, objectives, resources, management style, organisation, financial limitation, management and marketing skills, products, other)

Home country constraints (SLEPT)

Host country constraints (SLEPT culture, + competition, structure of distribution, geography + CUSTOMER...)

➤ 2. adapting the marketing mix to target market

4, 5, 6, 7 „P“

➤ 3. developing the marketing plan

Situation analysis, objectives and goals, strategy and tactics, budgets, action programmes

➤ 4. implementation and control

Objectives, standards, assign responsibility, measure performance, correct errors

Some outputs of the phases

1. phase:

- evaluation of the potential of a proposed country market (**ATTRACTIVENESS**) market size and growth vs (**COMPETITIVE STRENGTH**) market share, MKT ability and capacity, product and positioning fit and quality of distribution services
- Identification of problems
- Identification of env. elements that need further analysis
- Determination of part/s of the MKT mix which must be adapted or can be standardised

2. phase:

- adaptation/standardisation of particular features of every P

International /global segmentation

- **2-stage** – **macro** (grouping of countries using more general criteria to identify clusters of countries that are similar in some characteristics) competitive and profitability analysis
 - **micro** – collection of data about individual countries – using segmentation variables

TARGETING

- **Segments** – **Identifiable**: the differentiating attributes of the segments must be measurable so that they can be identified.
- **Accessible**: the segments must be reachable through communication and distribution channels.
- **Substantial**: the segments should be sufficiently large to justify the resources required to target them.
- **Unique needs**: to justify separate offerings, the segments must respond differently to the different marketing mixes.
- **Durable**: the segments should be relatively stable to minimize the cost of frequent changes.
- **internally homogenous and externally heterogeneous**; that is, as similar as possible within the segment, and as different as possible between segments.

SEGMENTATION

- Geographical criteria (by country/ies), (within country/ies)
- Demographic – sex, age, income level, social class, educational achievement..
- Psychographic – lifestyle factors – interests, opinions, perception of „way of living“ work and leisure habits – activities and approach
- Behavioural – buying motivation, benefit sought patterns of consumption, loyalty in respect of product category or brand, context of usage
- **POLITICAL, ECONOMICAL, CULTURAL VARIABLES**
- **PRODUCT-RELATED, PROMOTION-RELATED, PRICE-RELATED AND PLACEMENT-RELATED VARIABLES**

positioning

Unique selling
preposition – product
fesatures/attributes

Emotional selling
preposition –
communication –
values, life styles...

positioning

different

similar

Local market segment

similar

different

Market entry methods

- Wholly owned subsidiary
- Company acquisition
- Assembly operations
- Joint venture
- Strategic allinaces
- Licenssing
- Contract manufacturing
- Direct marketing
- Franchising
- Distributors and agents
- Sales force
- Trading companies
- Export management companies
- Piggybackong operations
- Domestic purchasing (subcontractors)

Levels of involvement

