

**MNGT-C2001**

**International Business in the Era of Disruptions**

# **International marketing**



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# Remember: motivations to go abroad

- some proactive, some reactive

- **Growth opportunities**
- **Higher margins & profit**
- **Gain new product ideas**
- **Follow current customers**
- Be closer to supply sources
- Gain access to lower-cost or better-value factors
- Learn e.g. technologies
- Reach scale economies
- **Respond to competition**
- Tax benefits

# Some issues in **international / global** marketing

- Market(ing) research can be different & difficult
- Segmentation and positioning are not self-evident
- Competitors can be very different
- Regulation can be very different: standards, pricing, promotion,...
- Distribution channels may be very different
- Sales function differences
- Country of origin effect

# Challenges in research abroad

- Respondents may not be aware of all products available
- Concepts may have different interpretations: e.g. family
- Respondents may not know how to answer
- Respondents may not want / may not dare to answer
  - e.g. questions about income
- Some questions may be seen inappropriate (hygiene,...)
- Language and translation problems
- E.g. Koreans tend to respond to surveys at the midpoint of a scale

# International consumer market segment variables

**Demographics**

**Gender**

**Age**

**Income**

**Education**

**Ethnicity**

**Psychographics**

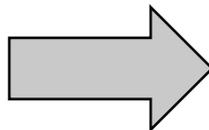
**Geographic area**

**Geodemographics**

**Consumer types**

**Benefit segmentation**

**Usage segmentation**



**What are the benefits sought?**

Toothpaste: primarily fresh breath in Portugal, but healthy teeth in Canada.

# Services marketing

## The 7 Ps of Services Marketing



## Cross-border issues

- contextual, what is the customer used to (cf. Finland a self-service society)
- how to convince of quality from distance
- the role of cultures is delicate
- languages is a non-trivial issue

Overall, demands of lot from the marketer in terms of understanding the customer and constantly “zooming in and out”.

Expectations vs. perception (SQ=P-E)

Recently: co-production and co-creation in services marketing.

# Example: Travel service product development from the Finnish perspective

Some points to consider

- Consumers from Asia are used to strong personnel input in services – we cannot afford it
- The concept of quality in services varies a lot by country
- What is impressive here may not be impressive somewhere else (cities, buildings)
- What is mundane here, can be extraordinary elsewhere (cold weather, silence, no people)
- Concept of time varies: e.g. some Asians have a sense of hurrying, others relaxed about time
- What we are used to, may not be universal (cf. exercise by business people)
- Our value basis is one extreme in the world: egalitarian, non-hierarchical; low-context
- Scale: e.g. look at Finland from 7000 km distance – difference between Espoo & Helsinki?
- Authenticity is important – we cannot pretend or mimic

# Impact of existing market and practices

Case of toilets in Asia, Europe and the U.S.A.

Toyo Toki (ToTo) is world's largest manufacturer of toilets

Only very slowly into U.S and European markets with the multifunction toilets.



# Product adaptation

## **FOOD**

McDonald's: vegetarian in India; salmon; etc.

Pizza: spices and size; fusion of Ramen and Italian in Taiwan

Coca-Cola: more sugar e.g. in India

Size of packaging: bottles & refrigerators

## **HOME APPLIANCES**

Standards, e.g. measures, cm/inch, Celsius/Fahrenheit

Size of homes

Language: e.g. displays (letters vs. signs)

Colours, design

## **FURNITURE**

Tradition, style, measures, materials, colours

## **CARS**

Climate, values (e.g. Korea vs. Sweden)



**Hyundai KAUALI.**  
No seu melhor.

Desde

**149€/mês\***

Prazo **60 meses**

Entrada inicial **10.654,00€**

Montante financiado **13.930,16€**

Última mensalidade **7.375,25€**

**TAEG 5,9%**

**7** ANOS  
GARANTIA  
SEM LIMITE  
DE QUILOMETROS



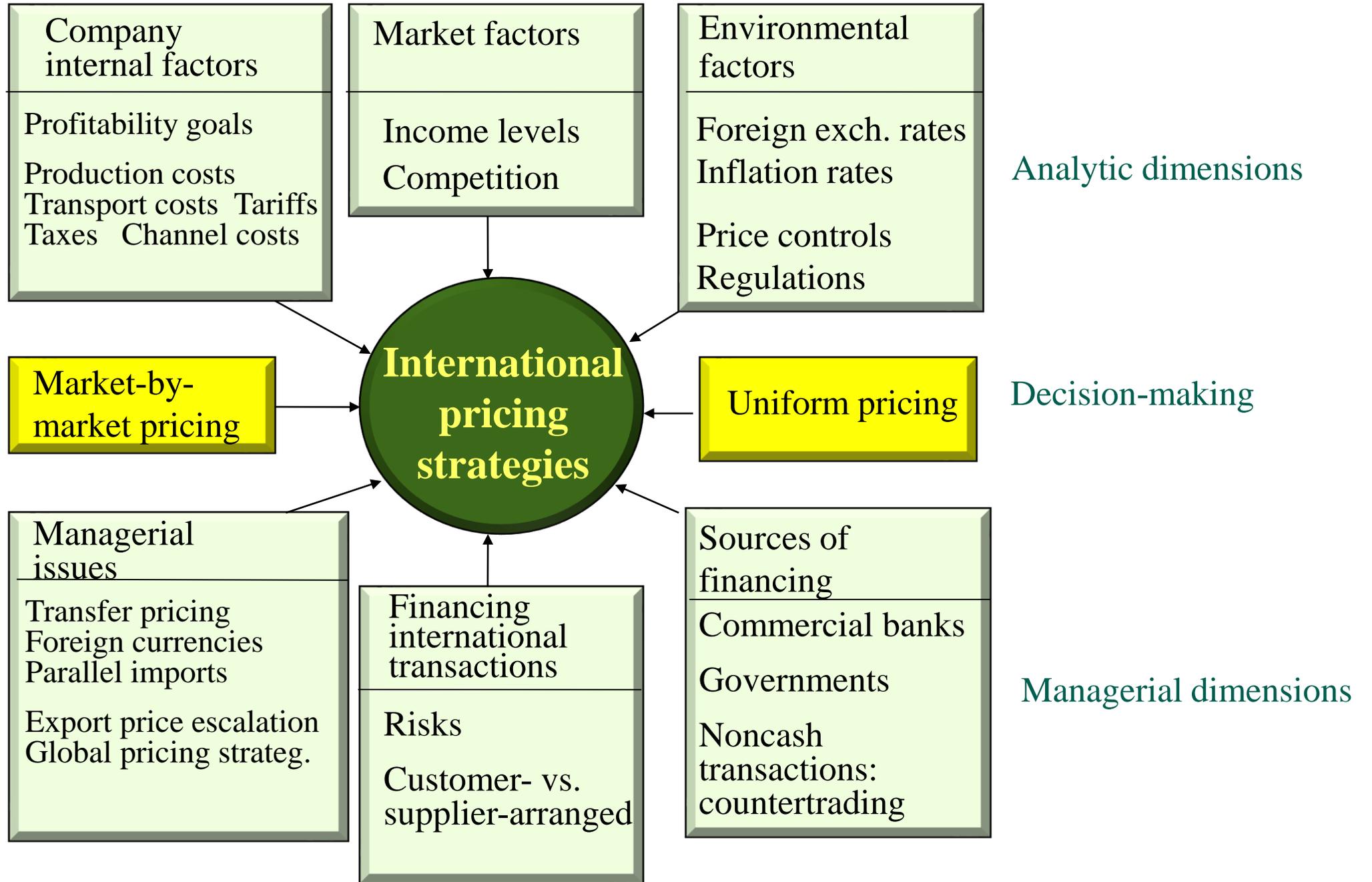


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Transfer Service

转机 | 乗り継ぎ | 환승 | Трансфер



# Price level index for final household consumption expenditure (HFCE)

2019, EU-27 = 100

Switzerland	165		
Norway	144	.....	
Denmark	141		
<b>Finland</b>	<b>126</b>		Czech 75
Sweden	123		Hungary 67
UK	121		Poland 60
Germany	107		Romania 55
Spain	96		

## Symbols

African vs. Indian elephant

Owl (wisdom vs. death)

Turbane (Indian vs. Pakistani)

Religious signs

## Colors

Black – white

Flag colors

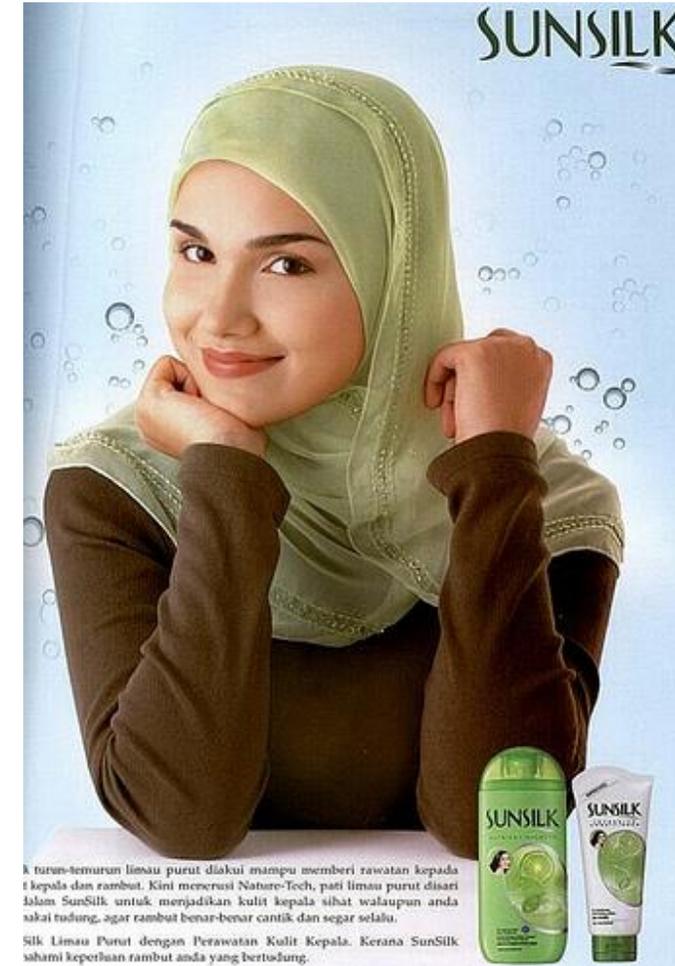
Taboo colors



## Logic

Reading left-to-right, or nor

Humor, morale, sex, etc.



# Impact of the country-of-origin

- German engineering
  - Japanese quality and attention to detail
  - French taste and luxury
  - Italian style and design
  - American size and way of life
  - Swedish safety
- 
- Interesting case: Swatch watches from Switzerland
  - Image of Hyundai cars in the U.S.A.
    - entry in 1986, gradual rise from almost bottom to top

## **So, in summary, some tasks in international marketing**

- selection of foreign countries to target
- choice of approaches to penetrate the new market
- required changes to the firm's products and promotion
- need to contract and work with foreign intermediaries
- need to adjust pricing policies in foreign markets
- need to adjust other functions (R&D, production,...)
- need to evaluate and mitigate political risks in new markets
- need to coordinate activities across several foreign countries

# HUAWEI P10

CO-ENGINEERED WITH



MAKE EVERY SHOT A COVER SHOT





Smart phone  
OnePlus 9 Pro

WATCH

WATCH | HERMÈS





CHRISTIAN DIOR

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# Coffee break

