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## **TASK 1**

This report will examine an SME organisation based on the case study of largest whistle maker Acme whistle to analyse tools suitable for international marketing strategy and opportunities for identifying new market opportunities. Then define international marketing and identify the tools and concepts on macro-environment, industry and micro-environment with systematic identification of opportunity and selection method. The conclusion of this part will summarise this analysis and make some recommendation with the appropriate tools and implement with a suitable Acme product.

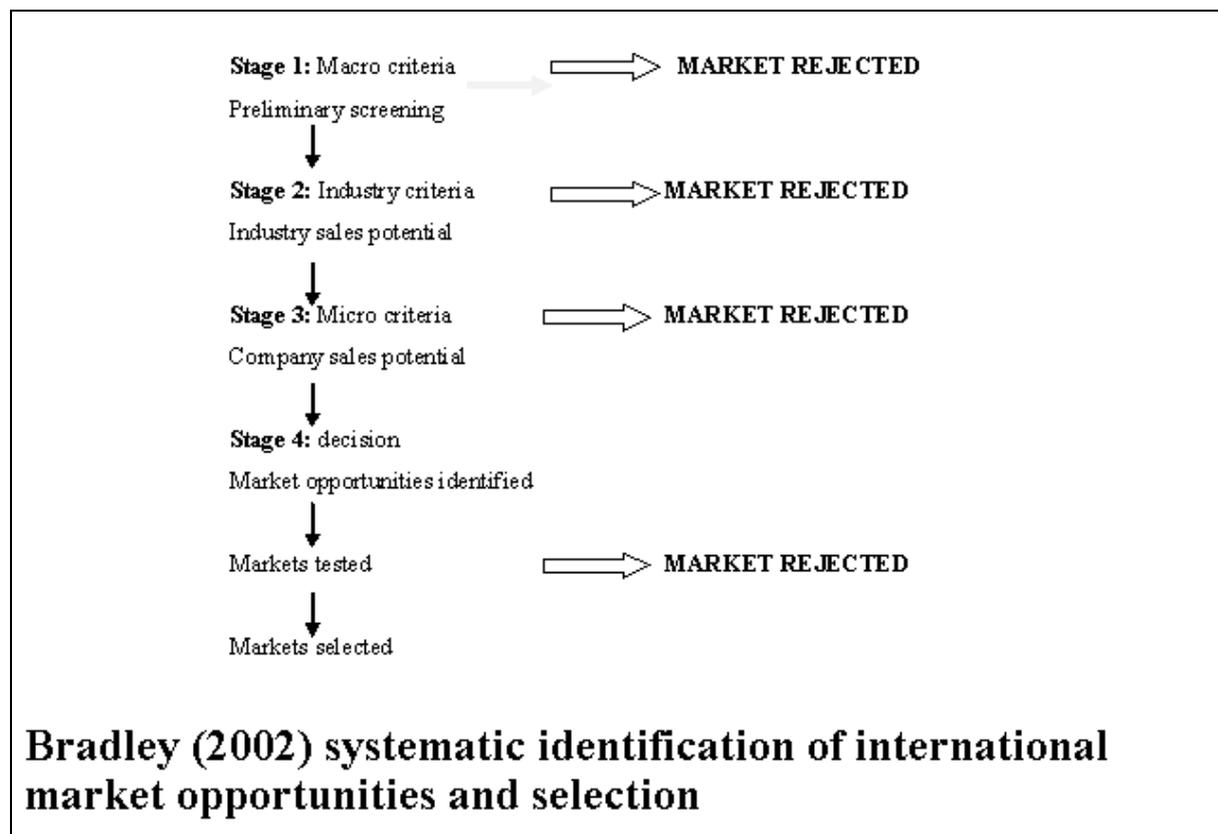
### ***International marketing***

International marketing can be defined as a multinational method of planning and implementing the formation, pricing, distributing, encouragement and sharing of ideas, goods and services to create relations across political boundaries that satisfy individual and organisational objectives (Onkvisit & Shaw, 2004, Albaum & Duerr, 2008). New international market should be chosen with good sketch and executing the shape, value, support of ideas, to form a new dealings that satisfy the customers as well as the business. According to Doole & Lowe (2008) the simplest method to define international marketing involves firm in making more than one marketing mix decision across national borders. Marketing in another nation (foreign) is creating a combination of price, place, promotion and product across its political restrictions.

Marketing research can be defined as the methodical collection, recording, analysis and interpretation of data on inconvenience relating to the marketing of goods and services (Doole & Lowe, 2008). The research into international market issues can incorporate three major roles: Cross cultural research, foreign research and multi-country research (Sarathy *et al*, 2006 cited on Doole & Lowe, 2008).

## **SYSTEMATICALLY IDENTIFICATION OF OPPORTUNITIES AND SELECTION OF INTERNATIONAL MARKETS**

According to Bradley (2002) systematic identification of international market opportunities and selection are based on successful completion of each following stages



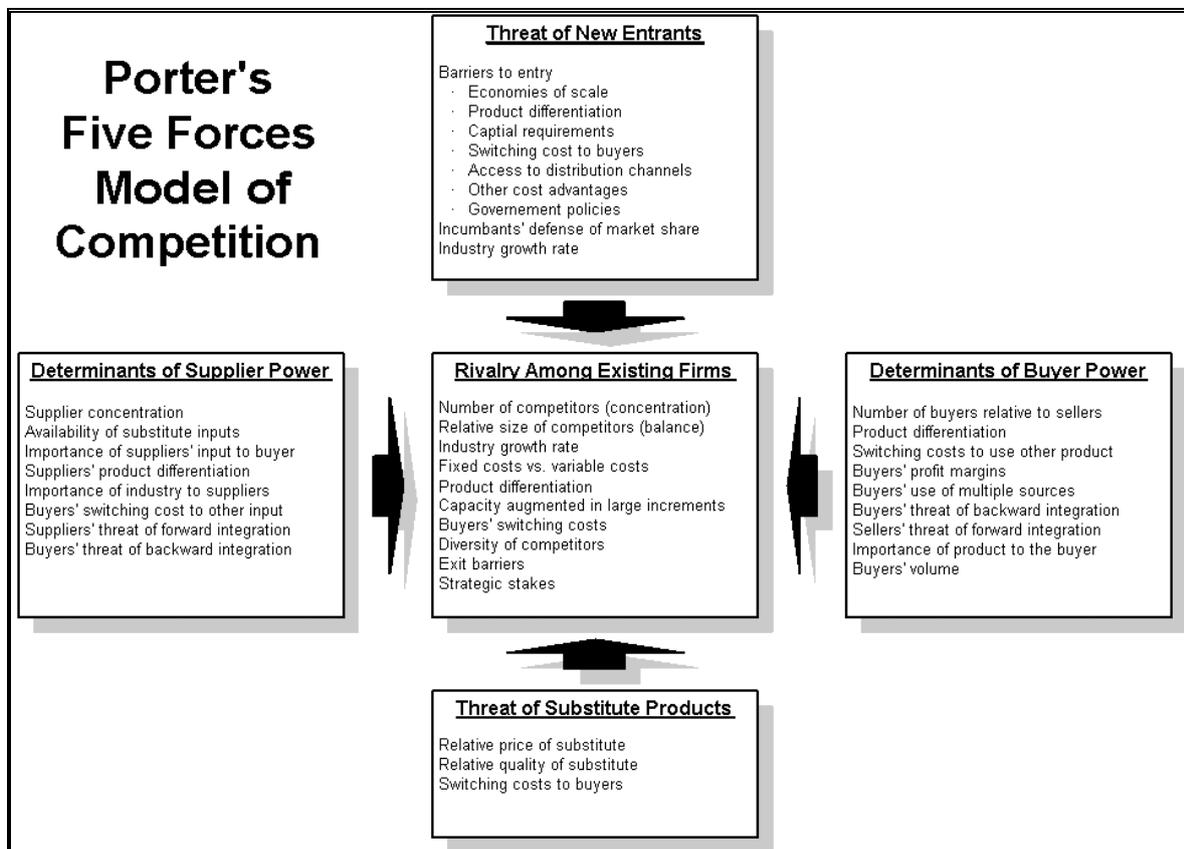
Instead of simply responding to international market opportunities Acme whistle can adopt the systematic method of selection process as shown in above figure. The stages in the systematic identification of the above figure may reject market if not qualified.

### **MACRO CRITERIA**

First stage is used for minimizing two errors i.e. ignoring countries that offer good prediction for the Acme whistle's product rather than investing countries of poor prediction. The preliminary screening is taken by geographical and physical kind of the market, population statistics including total population and local economic condition. Screening is a preliminary stage in the assessment of global opportunities. It is a process for identifying potential markets which are prime candidates for successive in-depth analysis (Douglas and Craig,

1983; Root, 1994, cited on Okoroafo & Russow, 1996) This stage is related to the macro environment research can be examined by using the analytical tool PESTEL (Political, Economic, Socio-Cultural, Technological, Environmental and Legal) factors of the industry. These factors have a major impact on the sustainability of an organization's competitive advantage. Secondary data and research offered the best opportunity to obtain up-to-date information regarding PESTEL factors. However, PESTEL factors need to be correlated to Acme's strategies, to assess their impact on foreign market. Acme should consider these factors for screening of potential macro market. The Political factors should be considered to export trading the products to the market. Political factors of any particular market may impact on export product and its various taxation policies. Another important factor is on Environmental factors which will be affecting new market. The environmental factors include like sound pollutions which will occur with all kinds of whistles, so in many countries there are some limited frequency decibel can be produced on normal use. The next major factor is technology factor which to be considered that the market size may prefer with the latest technology of product to use in their life. These are the major preliminary screening test for a potential markets.

## INDUSTRY CRITERIA



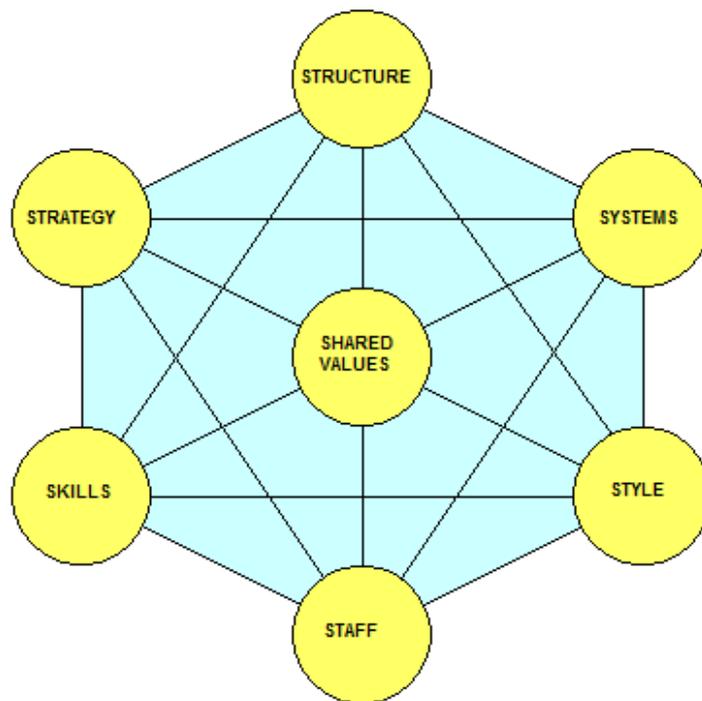
In Second stage is to investigate the market for the Acme product and estimate the sales by considering social habits, local tastes and preferences and consumer tastes. To analyse industry criteria for market selection by using the Porters Five force model we can understand the market status. Porter (1980) Suggests that rivalry in an industry is rooted its fundamental economic structure and goes beyond its current competitors. The Acme can consider in an industry by the Threat of new entrants, Determinants of buyers power and Rivalry among existing firms. Threat of new entrants could be on economies of scale, existing firm's customer loyalty, switching costs and access to distribution channel (Hollensen 2007). Buyers determinants products they purchase are standardised, there are many suppliers of the product, buyers earn low profits and price of buyer's product (Hollensen 2007). Revelries among the existing firms in the industry may check by rate of market growth, structure of costs, degree of differentiations and exit barriers (Hollensen 2007).

## **MICRO CRITERIA**

The third stage is to consider the import legislation, competition in market, local market structure of competitive power, distribution channel structure, physical distance and cultural and language difference. The suitable tool for an SME organisation like Acme whistle McKinsey 7S framework (Figure), the first three factors are represented as strategy, structure and systems which believed to be the hardware of successful management. The other four are management styles, staff, skills and shared values are the software, and are influenced by the cultural diversity.

According to Doole & Lowe, (2008) the characteristic of the four software elements are the most which may differ from different countries and its culture. The management operational style often reflects on the standards, values and personality of the owner. Skills that vary in staff according to levels of quality and performance between the countries also to be implement an effective human resource development strategy. Staffs are recruited around the world need to be capable and well trained to the right job which they can perform well. Shared value is the most important to be considered among the staffs which come from different cultural environments, so employees should understand the needs and values of the organisation.

## McKinsey "7S" Model



### ***IMPLEMENTATION ON ACME'S SPORTS WHISTLE***

Fourth stage can make the decision after identify the opportunity of the international market. The foreign market will be tested with the selection and if it fails market will be rejected and if test success the market got an opportunity. I selected sports whistle of Acme product for the selected international market, which analysed on above. The Acme sports whistle in international market could be implementing through analysing the PESTEL framework on the macro-environment where we need to consider main factors like political, environmental and technological. This will give Acme to take necessary action on external part of the organisation which impact on sports whistle. The industry criteria which are similar to domestic market can be analysed with porters five force framework which Acme to consider on threat of new entrant, buyers power and Competitive rivalry on sports whistle which will get an overview of the market. Then Acme could have used micro analysis (internal) by using 7S framework which shows the performance of the sports whistle in the market. This will show the culture from different country environment. Acme sports whistle could sell their products on Business to Business (B2B) basis which they

In conclusion, Acme sports whistle can implement in a market based on these systematic analysis of the international market.

## **Task 2**

Second part of the report is to describe the market and discuss suitable market entry and marketing mix strategies with its advantages and disadvantages when used by the Acme Whistles. The conclusion of this part will summarise this analysis and make some recommendations of the marketing entry and marketing mix strategies.

### ***MARKET***

The Acme whistle are classified into different types, among that I choose Sports whistle for the international marketing. Sports whistles are used for various sporting events like soccer, Rugby, Volleyball, athletics and so on. Sports are focused on all age groups, like there are sporting clubs for children to old age people. There are many associations who encourage sports in different methods like domestic, national and international events are taking place. So I prefer the sports whistle because this whistles can succeed in the new market at present era, this products can be sold through business to business (B2B) and Business to customer (B2C).

The chosen India as the new international market for Acme whistles company. The sports whistle in India got good consumers for this product. In India there are 35 official sports; among this 28 sport needs the whistle to control the game. There are numerous federations and association of sports for each category with different levels in various parts of India. There are number of sports schools to train the officials to control various sports. In India there are different games out side the official sports list which are called traditional games; which may able to see all the states of India has their own traditional games. This all gives various opportunities in my chosen market for the sports whistle.

### ***MARKET STRATEGIES***

The generic marketing strategies provide useful starting point in adopting SME strategy. Generic strategy has STP strategy, Competitive strategies and Growth strategies. According to Doole & Lowe, (2008) Segmentation, Targeting and Positioning (STP marketing) is the three principal approaches to marketing strategy development. (1) Segment the market (2) Target the segment (3) Defend and develop the business. According to Hollensen (2007),

Segmentation is classified into two general characteristics with high degree of measurability, accessibility and actionability other hand is Specific characteristics with low degree measurability, accessibility and actionability. This should be the very basic strategy to be made in any market. Acme has chosen the cultural characteristics which comes under specific characteristics as its segment and attracted on colleges, schools, sports association, clubs and federation across the country. Porters (1990) Competitive strategies say the firm should implement to one of the three generic strategies (1) Cost leadership (2) Focus and (3) Differentiation. Acme can adapt to differentiation strategy with sports whistle in India.

Ansoff's Product-Market Grid		MARKETS	
		<i>existing</i>	<i>new</i>
PRODUCTS	<i>existing</i>	A. Operating plans	B. Market development
	<i>new</i>	C. Product development	D. Total diversification

According to Ansoff matrix (above figure) has identified four categories- operating plans, market development, product development and total diversification (Cateora, Graham & Gilly, 2009). The best method for Acme is market development, which means the expansion of market with the same product. This will be easy for Acme to keep its brand name with unique design will be a generic strategy for Acme whistle company.

### **MARKET ENTRY**

Market entry (Doole & Lowe, 2008) means there are various entry levels in the market, while choosing the market entry method the it is necessary to consider a number of selection like the organisations objectives and expectation relating to the size and value of the business, size and financial resources of the company, its existing foreign market involvement and the

skill, abilities and attitude of the organisation, nature in power, barriers, product patent and trade mark protection and the timing of the move in relation to the market and competitive situation.

There are different Market entry methods with the different authors in different styles and easier to understand is Doole & Lowe, (2008) which says 15 methods in an ascending order of the risk involved, they are domestic purchasing, piggyback operation, export management companies, trading companies, sales force, distributors and agents, Franchising, Direct marketing, Contract manufacture, Licensing, Strategic alliance, Joint Venture, Assembly operations, Company acquisition and Wholly-owned subsidiary. According to Cateora, Graham & Gilly (2009) suggest some alternative market entry methods from Doole & Lowe, representing in descending order of risk involvement; they are direct foreign investment, Joint Venture and Consortia, strategic alliances, Licensing and franchising, direct sales, Distributor, Importer, Exporter and Internet. Acme can prefer Exporting as a best market entry strategy in Indian market. Kotabe & Helsen (2008) shows Exporting has classified into three; Indirect exporting, Cooperative exporting and direct exporting.

Exporting is the market entry method of the most companies when they start their international expansion (Kotabe & Helsen, 2008). Indeed exporting is the most popular approach for international trading for SME organisations (Doole & Lowe, 2008). Direct exporter occurs when a manufacturer or exporter sells directly to an importer or buyer located in foreign market area (Hollensen, 2007). Direct exporter can be mainly divided into two agents and distributors. Acme's sports whistle in India can be started with the direct export market entry method with agents. An agent represents an exporting company and sells to wholesalers and retailers in the importing country (Hollensen, 2007). Agents provide low cost direct involvement in foreign markets and are autonomous individuals or firms who are contracted to act on behalf of exporters to obtain orders on a commission basis (Doole & Lowe, 2008). The advantages of agents are they are familiar with the local market, customs and conventions, having existing business contacts and employ foreign nationals. Also the market feedback may be restricted as the agents himself see itself as a purchasing agent for its customers (Hollensen, 2007). So Acme whistle will be more comfortable with the exporting agents especially at this early stage with all new risks.

## ***MARKETING MIX STRATEGY***

Marketing mix is the combination of four p's they are Product, Price, Promotion and Place. These are the basic strategy of a manufacturer.

### **Product**

A product's physical attributes are generally required to create its primary function. A product is more than a physical appearance; it is a bundle of satisfactions or utilities that the buyer receives (Cateora, Graham & Gilly, 2009). In adapting a product to a foreign market is to establish the degree of newness as perceived by the intended market. The product life cycle is the series of stages. Each stage is identified by its sales performance and characterised by different levels of profitability, various degrees of competition and typical marketing programmes. The four stages of PLC are initiation, growth, maturity and decline (Hollensen, 2007). Saturation level is between the growth and maturity which generate high profit on the product. Acme can implement a product which suits to an Indian culture and people.

### **Price**

Price is a sensitive part of the market. Consumers are buying or rating the product by pricing. Price may vary from each product based on its quality, usage, demand etc. Prices can be classified into three Skimming, market pricing and penetration pricing (Hollensen, 2007). In Indian consumers are very sensitive in pricing a product. The market shows the cheaper pricing products has more market share. Rather than using pricing across the product it's always suitable to use pricing across countries for Acme to sell its product in India.

### **Promotion**

Sales promotion is defines as those selling performance that do not drop directly into the advertising or personal selling category (Hollensen, 2007). Acme can promote the sports whistle by giving sponsorship for the national federation. They should not use any promotion through television because it's the expensive sought of promotion which cannot afford for SME organisation.

### **Place**

Place is an important factor for any kind of business. Location will give a good view and good relationship with their customers. Acme should locate their products in a right place for their customers to access easily.

## ***Conclusion***

In conclusion, Acme sports whistle can enter and research to the Indian market and find its opportunity with recommended marketing strategies, marketing entry and marketing mix with recommend theories to underpin the data. Marketing entry method chooses for Acme is exporting entry under agents which really suits for an initial international business. So Acme Whistle Company could start their international business relation with the Acme sports whistle by using this report as a marketing consultant.

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