CONCEPTUAL FRAME WORK OF DOMESTIC AND INTERNATIONAL MARKETING STRATEGY

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ABSTRACT
Globalization was the buzzword of the 1990s, and in 21st century, there is no evidence that globalization is going to be weaken in the coming years. The term Globalization symbolizes increase in trade and business and this increase will be in terms of international business as well, which will be facilitate in integration of economies around the world. As international activities have expanded at a company, it may have entered a number of different markets, each of which wishes to adopt a strategy which is suitable for that particular market. Jointly, all these strategies ultimately formulates transnational or multinational strategy. For few companies, their activities across the globe have developed to such an extent that they fundamentally treat the world as one market with very limited variations for each country or world region. This paper gives a Conceptual Frame Work of Domestic and International Marketing Strategy

Keywords: Globalization, multinational strategy, Global Strategy, International Strategy.

INTRODUCTION
Globalization was the buzzword of the 1990s, and in 21st century, there is no evidence that globalization is going to be weaken in the coming years. The term Globalization symbolizes increase in trade and business, and this increase will be in terms of international business as well which will be facilitating in integration of economies around the world. According to Punnett (2004) the globalization concept is based on a number of relatively simple premises:

- Technological developments have increased the ease and speed of international communication and travel.
- Increased communication and travel have made the world smaller.
- A smaller world means that people are more aware of events outside of their home country, and are more likely to travel to other countries.
- Increased awareness and travel result in a better understanding of foreign opportunities.
- A better understanding of opportunities leads to increases in international trade and investment, and the number of businesses operating across national borders.
- These increases mean that the economies around the world are more closely integrated.
The world is changing quickly and business needs to change with it to remain competitive. But creating a strategy for change and implementing it are easier said than done. Informed decision-making is critical. Business strategy should be designed to help you determine where you are, where you want to go, and how to better leverage the resources you have — people and technology — to get there.

There are several businesses which are easy to recognize through the name of the country they belong to. For example, Japanese electronics and automobiles are common in Asia, Europe, and North America, while U.S. automobiles, entertainment, and financial services are also common in Asia, Europe, and North America. Besides this, business corporate have become multinational—which may be summed up as, they are based in one country but have are doing business in different countries. For example, Japanese automobile brand Honda have their largest single factory in the United States, while U.S. based Coca-Cola have their plants in other countries including France and Belgium—with about 80 percent of their revenue from overseas sales.

Significantly, global strategy can be divided into three dimensions, which are explained as follows:

- **International strategy**: The organization’s objectives relate primarily to the home market. However, we have some objectives with regard to overseas activity and therefore need an international strategy. Importantly, the competitive advantage — important in strategy development — is developed mainly for the home market.

- **Multinational strategy**: The organization is involved in a number of markets beyond its home country. But it needs distinctive strategies for each of these markets because customer demand and, perhaps competition, are different in each country. Importantly, competitive advantage is determined separately for each country.

- **Global strategy**: The organization treats the world as largely one market and one source of supply with little local variation. Importantly, competitive advantage is developed largely on a global basis.

In developing appropriate global strategies, managers need give attention to all the pros cons of globalization and considerably make the strategies. A global strategy should in sync with the business environment around the globe, as well as domestically. A strategic business plan is a step-by-step document that a business writes in order to ensure operational success. Depending upon the nature of the business these plans will differ noticeably. Including international or global considerations in a strategic business plan is a major element that impacts all magnitude of the plan. A basic strategic business plan includes writing a vision for the company and also entails a mission statement, a carefully planned financial plan, human resources strategies and a situational analysis.

International business strategy refers to plans that guide commercial transactions taking place between entities in different countries. Normally, international business strategy refers to the plans and actions of private companies and does not include government entities. As historically developing economies are becoming more and more prominent, new markets are been open and have become new sources business make the goods available, making it ever more essential for long-established firms to have a feasible international business strategy.

The three most prevalent philosophies of international business strategy are:

- Industry-based, which argues that conditions within a particular industry determine strategy;
- Resource-based, which argues that firm-specific differences determine strategy;
- Institution-based, which argues that the industry- and resource-based views need to be supplemented by accounting for relevant societal differences of the types mentioned above.
Differences between domestic and international strategy (Source: World Bank)

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>DOMESTIC CONDITIONS</th>
<th>GLOBAL CONDITIONS</th>
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<tbody>
<tr>
<td>Culture</td>
<td>Homogeneous</td>
<td>Heterogeneous</td>
</tr>
<tr>
<td>Currency</td>
<td>Uniform</td>
<td>Different currencies and exchange rates</td>
</tr>
<tr>
<td>Economy</td>
<td>Stable and uniform</td>
<td>May be variable and unpredictable</td>
</tr>
<tr>
<td>Government</td>
<td>Stable</td>
<td>May be unstable</td>
</tr>
<tr>
<td>Labor</td>
<td>Skilled workers available</td>
<td>Skilled workers may be hard to find</td>
</tr>
<tr>
<td>Language</td>
<td>Generally a single language</td>
<td>Different languages and dialects</td>
</tr>
<tr>
<td>Marketing</td>
<td>Many media, few restrictions</td>
<td>May be fewer media and more restrictions</td>
</tr>
<tr>
<td>Transport</td>
<td>Several competitive modes</td>
<td>May be inadequate</td>
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</tbody>
</table>

Doing business internationally is not similar to what we are doing at our own country. There are new skills to learn and new knowledge to obtain about the nation you are expected to enter into. You will require to study about the legal environment, cultural environment, and design your marketing strategies and materials to woo the new customers of the new country you are entering. It is important to keep in mind that the way you control your business will be determined by culture of the market you are entering, not yours.

It is significant to know the disparity between domestic and international business but they should not hold back your interest or drive for success internationally. Rather they should help to sustain your appetite for success. They are:

- **Cultures**: No two cultures are the same and understanding both the social and business culture in another country is the first key to success. Culture defines everything a society does, from its business practices, to its response to advertising and marketing, to negotiating sales. It is imperative to include study on the culture of the country(s) that you aim to sell to preceding to entering their market accepting these, often sensitive, areas will mean that you are prepared before entering the market. Even though the people that you will interact with will not expect you to be completely sync with the culture, respect and politeness will go a long way.

- **Level of Competition**: The kind of competition you may face in foreign markets is to be expected to be more vibrant and complex in domestic markets. An excellent strategic instrument to use to determine you capability to compete in a particular international market is the Porters 5 Forces Analysis. This instrument can assess your supplier power, buyer power, threat of competitor products and the threat of new entrants to the market.

- **Market Intelligence**
  The key points to determine when gathering market intelligence on the market you intend to enter are:
  - Studying the market you intended to enter
  - Your direct competitors, and
  - The best market entry strategy.

It may be tricky to find trustworthy information and data for few markets, mainly for under-developed economies as their statistical agencies may not be as sophisticated as in developed economies. However it is vital to gather as much information as you can to be successful in the new market.
Politics/Government/Legal Systems: No two countries have the same political and legal systems. Each government has its own policies relating to foreign companies and products. So one should thoroughly understand that once you are in a foreign market you must follow all the rules and laws of that particular country, not the ones in your own country. These laws and regulations can very well impact the potential long term success of your business and it is prudent decision to consult with legal counsel of that particular country, to ensure you reduce the risk of these laws and regulations effect on your firm.

International Law: Countries formulate their laws based on the needs of nation’s economy and their citizens and not according to the foreign companies. By and large, international law is a gentlemen's agreement which is honoured, but not always. For example in domain of intellectual property, although there are many agreements in place, protecting intellectual property can be time taking and can also be a costly affair.

Technology: Technology can vary significantly in foreign markets. But if the product or service needs a better and recent technology to be implemented, then markets with technology of the lower level will not be appropriate for your company.

Logistics: Like technology, business infrastructure is also of great importance in foreign markets. This can impact your business and this will determine that one can get their products to that market conveniently. It is essential to investigate the novel target market and understand how products will be transported to that country and moved within the country before you enter to that market.

Media: Advertising your brand will of course be very significant part of your marketing strategy. It is vital to be aware of the types of media available and the media your target market makes use of to collect the information about products and services they desire to buy. Everyone is not connected to the internet nor is every customer competent to read and write. This does not mean those markets should be left out. In-fact it means that how your advertisements in those markets necessitate an assessment of the most apt media for your target market.

Overview of international strategy development

International strategy is developed by any business is after due consideration of its overall strategy, which includes its business expansion at home and abroad. And this can be analyzed by considering following four aspects of strategy:

- **Scope Of Operations,**
- **Resource Allocation,**
- **Competitive Advantage,** And
- **Synergy.**

The **first component** covers the geographic locations—countries and regions—of possible business operations as well as possible markets or niches in various area. Since companies have limited resources and different regions offer different benefits, managers should tap the markets that offer the company the optimal opportunities.

The **second component** of the global strategy focuses on use of resources of the business so that a business can compete successfully in the targeted markets. This constituent of strategy planning also establish the relative importance of various company functions and bases the allocation of resources on the relative importance of each function. For instance, a business may choose to allocate its resources based on product lines or geographical locations.
Next, management must make a decision where the company can attain competitive advantage over other companies in the sector. Competitive advantage is to be identified by business as to what the company does better (or can do better) than its competitors. Companies may realize this advantage by many methods such as using superior technology, implementing more efficient organizational practices and distribution systems, and cultivating well-known brands. This element of the strategy involves not only identifying existing or possible and potential areas of competitive advantage but also developing a plan for Sustainable Competitive Advantage (SCA). Finally, global strategy should be designed for establishing a plan for the business that make possible its various operations to benefit one another.

**Stages of international strategy development**

Strategy development generally takes places in two stages: strategy formulation and strategy implementation. When a company is planning a strategy, they identify their international objectives and put design strategies that will allow them to realize their goals. During the planning stage managers propose, revise, and finally approve plans for tapping new markets and competing in those markets. After a strategy has been agreed on, managers should take steps to get it implemented. Consequently, this stage engaged in determining when to start global operations as well as actually starting business there and putting into action the other mechanisms of the global strategy.

More specifically, the first stage—strategy formulation—requires analysis of the business and its environment, establishing strategic goals, and developing tactics to achieve those goals as well as a control framework. By assessing the business and the global business environment, a company can settle on what markets, products, services, etc. can offer opportunities for expansion. This process involves the set of data on a company and its environment, including information on international markets, regulation, productivity, costs, and competitors. Therefore, the set of data should enable managers with economic, financial, political, legal, and social information on different countries and their marketplace for different products or services. Managers can determine which markets and products can offer economically feasible opportunities for global expansion based on the information they have received.

**Planning for international strategy**

Designing international strategy should be done on keeping in mind to achieve Competitive Advantage. Competitive Advantage is particularly vital in today’s competitive e-business arena and complex information technology environment. So strategic planning engages an analysis of the potential benefits and risks a company may face in order to achieve competitive advantage. Strategic planning models that may be used to generate ideas for the strategic use of information support business include:
Competitive forces model
- Competitors, customers, suppliers, new entrants, and substitutes.

Competitive strategies model
- Cost, leadership, differentiation, growth, innovation, and alliances.

Value chain model
- Chain or network of basic activities that add value to product or services – support

**Business models and planning**

A business model is a conceptual framework that expresses the underlying economic logic and system that proves how a business can deliver value to customers at an appropriate cost and make money.

A business model answers vital questions about the fundamental components of a business, such as:
- Who are our customers?
- What do our customers value?
- How much will it cost to deliver that value to our customer?
- How do we make money in this business?

**A business model specifies**

- What value to offer customers, and which customers to provide this value to using which products and services at what prices.
- How the business will organize and operate to have the capability to provide this value and sustain any advantage from providing this value to its customers.

A business model is a precious planning tool because it focuses on attention on how all the essential components of a business fit into a complete system. If it is done appropriately, it forces entrepreneurs and managers to think rigorously and systematically about the value and viability of the business initiatives they are planning. Then the strategic planning process can be used to develop unique business strategies that capitalize on a firm’s business model to help it gain competitive advantage in its industry and the markets it wants to dominate.

**Importance of global strategy**

There are at least four answers to this question depending on the context:

From a company perspective, international expansion provides the break for new sales and profits. In some cases, it may even be the situation that growth is so poor in the home market that international expansion may be the only option for profits. For example, reduced profitability in the Chinese domestic market was one of the reasons that the Chinese consumer electronics company, TCL decided on a strategy of global expansion. It has then they started with new overseas offices, new factories and acquisitions to expand its market position in the two main consumer electronics markets, the USA and the European Union. Apart from new sales opportunities, there may be other reasons for expansion beyond the domestic market. For instance, oil companies expand secure resources which are called as resource seeking. Clothing companies expand in order to take advantage of low labour costs in few countries which is called as efficiency seeking. A number of companies acquire foreign companies to improve their market position versus competitors which is called as strategic asset seeking.

From a customer perspective, international trade leads to decrease prices for goods and services because of the economies of scale and scope that is obtained from a larger global base. For example, Nike outsources its sports shoes from low labour cost countries like the Philippines and Vietnam.
Customers may like to purchase products and services that have a global image. For example, Disney cartoon characters or ‘Manchester United’ branded soccer shirts have that kind of image.

From the viewpoint of international governmental organizations viz. the World Bank – the recent dominant thinking about globalization in business and trade is to bring down barriers to world trade and also giving some degree of protection to few countries and industries. Thus global strategy is an imperative aspect of such international negotiations.

From the perspective of some international non-governmental organizations like Oxfam and Medicins sans Frontiéres, the global strategies of few countries but not necessarily all the multinational companies are look upon with some suspicion. Such companies have been accused of exploiting developing economies in terms of their natural mineral resources and in the other are unfavorable to those countries.

CONCLUSION

The growths of international strategies demands consideration to other details that seldom if ever come into play in the domestic market. Other domain of concern is cultural, geographic, and political differences. Consequently, while a business only has to design a strategy taking into account government rules and regulation, one language (generally), and one currency in a domestic market, it must also consider and plan for various levels and kinds of government rule and regulations, multiple currencies, and a number of languages in the global market, to be successful in the International Market.

FUTURE OF THE STUDY

In today scenario, communication has been much faster day by day. The Direct to Home (DTH) TV industry is blooming in the past few years. This growth has been supported by huge investments by the existing as well as new players. The entry of new players in the Indian DTH industry is intensifying competition. Due to this intensified competition, installation prices are declining and subscribers now have a wide range of operations. The reason for this high growth in DTH subscriber base can be attributed to the fact that quality of services delivered by DTH is superior compared to cable or any other medium. The study has been analyzed on the only on consumer awareness, perception, factors influencing their purchase and satisfaction of their selecting DTH services. This can be further enhanced to retailers and manufactures perspective.

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