

Society, Globalization and Some Functions of International Marketing (US Customer-Driven Approach)

Nickolas George MAKHARASHVILI *

Abstract

International Marketing and globalization underwent fundamental changes in the last two decades. Global political and economic liberalization trends created tremendous business opportunities and challenges for international marketers. For different societies internet marketing, as a significant part of the international marketing, has become an important issue for many businesses around the world. Special attention is paid to the overall marketing issues, mainly to the various definitions and models of the marketing. It reviews the theories about the international marketing as well as the benefits and disadvantages of doing business international. It examines the main facilitating conditions and obstacles in the international marketing. The main issue is marketing environment analyzing the micro-and macro environments. However, the focus of interest is the macro environment which includes political, legal, economic, social, cultural, and technological dimensions including local society.

International marketing for different societies is the guide to developing the skills and understanding required on the global phase and it goes on to grow in importance and practice with growing globalization, and as such, directly contributes to improved and freer trade among countries.

Keywords: complexity, customer, free trade, globalization, interdependency, local society, macro environments, momentum, multinational, national borders

International Marketing Importance

International marketing is simply the use of marketing values to more than one country. As with domestic marketing this procedure begins with identifying customers' needs and then arranging to meet those needs. International marketing is more complex because the goods or services clients desire are diverse across cultures. Therefore marketing activities may need to be accustomed because of geographic, competitive, cultural or legal differences. International marketing in its uncomplicated level involves the company in making one or more marketing mix within the national borders. In its highest level it involves the firm in establishing manufacturing facilities out of the country and coordinating marketing strategies across the world.

International marketing is increasing in importance for the following reasons. The globe is getting smaller because of advances in technology. The internet now connects customers to businesses around the planet. New transportation systems make delivery of products quick and efficient. New market opportunities exist due to the decrease of iron curtain, the opening of trade in china, and the economic improvement of new markets such as South America, Africa and Southeast Asia.

The appearance of a more open global economy, the globalization of customers taste and rapid expansion of internet access worldwide all increase the interdependency and interconnections of nation econo-

mies across the world influenced the companies of all size.

International marketing is the guide to developing the skills and understanding required on the global phase and it goes on to grow in importance and practice with growing globalization, and as such, directly contributes to improved and freer trade among countries. International marketing engages recognizing that people all over the world have no similar needs (Isobel & Lowe, 2007). Companies like Coca-Cola, BIC, Gillette have brands that are accepted across the globe. While many of the products that these businesses sell are targeted at a worldwide audience using a reliable marketing mix, it is also essential to realize local differences, therefore the importance of international marketing. Businesses must understand that differences in values, traditions, languages and currencies will indicate that some products will only suit certain nations and that as well as there being international markets e.g. for BIC and Gillette razors, and for Coca-Cola drinks, there are significant regional differences - for example advertising in China and India have to focus on local languages. Just as the marketing atmosphere has to be assessed at home, the overseas potential of markets needs to be cautiously carefully studied. Marketing is not only a major part of a for-profit business but also of government agencies as well as many non-for-profit organizations, such as

* Full Professor, Faculty of Education and Humanities, International Black Sea University, Tbilisi, Georgia
E-mail: nmakharashvili@ibsu.edu.ge

schools, colleges, hospitals, museums, churches.

Marketing is managing profitable customer relationships. It deals with customers, builds customer relationships based on customer value and satisfaction. Marketing is also concerned with anticipating the customers' future needs and wants, which are often discovered through market research. The goal of marketing is to attract new customers and to keep current customers. Customer Relationship Management (CRM) is the important step in the marketing process. It deals with acquiring, keeping, and growing customers. It builds the right relationships with the right customers.

Marketing is defined by the American Marketing Association (AMA) as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. The term developed from the original meaning which referred literally to going to market, as in shopping, or going to a market to sell goods or services. The term Marketing must be understood not only in the sense of selling and advertising, but in the sense of satisfying customer needs. According to Armstrong/Kotler, the modern definition of marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with others (Muhlbacher, 2006).

Marketing process consists of five-step model which includes: Understand the marketplace and customer needs and wants; Design a customer-driven marketing strategy; Construct a marketing program that delivers superior value; Build profitable relationships and create customer delight; Capture value from customers to create profits and customer equity. Customer equity is the total combined customer lifetime values of all of the company's customers. The more loyal the firm's profitable customers, the higher the firm's customer equity. Customer equity may be a better measure of a firm's performance than current sales or market share.

The modern marketing system involves the following elements: Suppliers, company (marketer), competitors, marketing intermediaries, final customers. All of the actors in the system are affected by environmental forces which include: demographic, economic, physical, technological, political, legal, social, cultural forces. The overall marketing strategy of an organization focuses on developing relationships with customers to understand their needs, and to develop goods, services, and ideas to meet those needs. So marketing is the development of relationships with the customers, marketing partners, and with the world around (Roger & Blythe, 2002).

To choose target markets and build profitable relationships with them, a customer-driven marketing strategy should be design. The marketing strategy answers two questions:- What customers will be served / what is the target market? This is to decide by market segmentation and by target marketing. - How can be served these customers best? The company has to

decide how it will differentiate and position itself in the marketplace. A company's value proposition is the set of benefits or values it promises to deliver to consumers to satisfy their needs. Such value propositions differentiate one brand from another.

The American Marketing Association defines international marketing as "the multinational process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives." The word "multinational" implies that marketing activities are undertaken in many countries and these should be coordinated.

International marketing involves individual and organizations performing functions that seek to satisfy human wants by facilitating exchange relationships across national boundaries.

Globalization

Global political and economic liberalization trends International marketing underwent fundamental changes in the last decades and created tremendous business opportunities and challenges for international marketers. Two macro factors seem to underlie the trend toward greater globalization. The first is the decline in barriers to the free flow of goods, services, and capital that has occurred since the end of World War II. The second factor is technological change, particularly the dramatic developments in recent years in communication, information processing, and transportation technologies. The rapid growth of the Internet and the associated World Wide Web (which utilize the Internet to communicate between World Wide Web sites) is the latest expression of this development (Broom, 2013, pp. 276-285).

The Web makes it much easier for buyers and sellers to find each other, wherever they may be located and whatever their size. The Web allows business, both small and large, to expand their global presence at a lower cost than ever before. Low-cost global communications networks therefore are helping to create electronic global marketplaces. Technological innovations have thus facilitated the globalization of markets.

The importance of international trade, international marketing, and multinational companies is growing. Each involves activities that cross national boundaries. International trade refers to the movement of goods and services across national borders – the imports and exports of nations.

Liberalization of world trade has triggered major impulse for the development of the world's economy. In recent years international trade has been growing significantly faster than most national economies.

Global marketing refers to marketing activities coordinated and integrated across multiple country markets. Global marketing focuses upon leveraging a company's assets, experience and products globally and upon adapting to what is truly unique and different in each country.

The globalization of markets refers to the merging

of historically distinct and separate national markets into one huge global marketplace. Falling barriers to cross-border trade have made it easier to sell internationally (Broom, 2013, pp. 124-135).

It has been argued for some time that the tastes and preferences of consumers in different nations are beginning to converge on some global norm, thereby helping to create a global market. However, very significant differences still exist among national markets along many relevant dimensions, including consumer tastes, distributing channels, cultural embedded value systems, business systems, and legal regulations. These very significant national differences remained in culture, consumer preferences, and business practices, frequently require that marketing strategies, product feature, and operating practices be customized to best match conditions in a country.

Since international trade is booming, many U.S. companies, such as Coca-Cola, McDonald's, Ford, have long been successful at international marketing, and by offering the same basic product world-wide, they help to create a global market. The global company sees the world as one market. It minimizes the importance of national boundaries and develops "supernational" brands.

The world is shrinking rapidly with the advent of faster communication, transportation, and financial flows, and global competition is intensifying. Consequently, foreign firms are expanding aggressively into new international markets, and home markets are no longer as rich in opportunity. Companies selling in global industries have no choice but to internationalize their operations. A global industry is one in which competitive positions of firms in given local or national markets are affected by their global positions.

Cultural Environments

Certain countries have formed free trade zones or economic communities – groups of nations organized to work toward common goals in the regulation of international trade. One such community is the European Union. Today, the EU represents one of the world's single largest markets.

International marketer's political environment is complex difficult due to the interaction among domestic, foreign, and international politics. If a product is imported or produced overseas, political groups and labor organizations accuse the marketer of taking jobs from people in the home country. On the other hand, foreign governments are not always receptive to overseas capital and investment because of suspicions about the marketer's motives and commitments. When both the host country and the home country have different political and national interests, their conflicting policies can complicate the problem further. Therefore, marketing decisions are affected by political considerations. A company is not just bound by the laws of its home country but also by those of its host country and by the growing body of international law. It is important for the firm to know the legal

environment in each of its markets (Garber & Doston, 2002). These laws constitute the "rules of the game" for business activity. The legal environment in international marketing is more complicated than in domestic markets since it has three dimensions: local domestic law; international law; domestic laws in the firm's home base.

Political stability is a major consideration in a firm's decision to enter and remain in a foreign market. Thus, any firm in international markets has to concern itself with political stability, government orientation and nationalism. Political stability is particularly important since it represents the success or failure of the business. Government's orientation can reveal whether international business can survive in a particular country. Nationalism is also an important factor since the business entity has to exist and operate in the country. When the impact of these concerns is taken into account, the extent of political risk a firm has to face can be realized. The legal and political environments in a foreign market are usually regarded as consequences of the cultural traditions of that market. Legal and political systems are often a simple codification of the norms of behavior acceptable by the local culture.

Although economic and political boundaries may fall, social and cultural differences will remain, and companies marketing in Europe will face a mass of local rules.

Each country has its own folkways, norms, and taboos. When designing global marketing strategies, companies must understand how culture affects consumer reactions in each of its world markets. In turn, they must also understand how their strategies affect local cultures. Thus, the marketer must examine the ways consumers in different countries think about and use certain products before planning a marketing program (Onkvisit, 2004, pp. 204-234).

Social and cultural factors influence all aspects of consumer and buyer behavior, and the variation between these factors in different parts of the world can be a central consideration in developing and implementing international marketing strategies. Social and cultural forces are often linked together. Differences in language can alter the intended meaning of a promotional campaign and differences in the way a culture organizes itself socially may affect the way a product is positioned in the market and the benefits a consumer may seek from that product.

In relation to international marketing, culture can be defined as: the sum of learned beliefs, values and customs that serve to direct consumer behavior in a particular country market. Culture is made up of three essential components: Beliefs, Values, Customs.

So, such components as values, beliefs and customs are often ingrained in a society, and many of us only fully realize what is special about our own culture – its beliefs, values and customs – when we come into contact with other cultures.

Conclusion

In conclusion, International marketing is the part of a field called communication science, which has a significant importance in modern management. Mainly, marketing communication with the help of PR management represents consolidation and harmonization of international society and formation of the world civilization. Correspondingly contemporary marketing supports harmonization of international relations and represent one of the major forces of globalization. Nowadays political marketing, the newest branch, has been formed on the basis of international marketing. Accordingly development of principal directions of international marketing and mobilization of political strategies of various societies took place in the modern world development.

International marketing can result in considerable benefits for both the firm and the country. Marketing practices relevant in one country may not be appropriate elsewhere. Hence, it may be requires that the marketing may have to be modified according to varying environments. The information age is being shaped by technological, cultural, low and economic factors that have great momentum. In the foreseeable future, the leadership of the information economy is likely to pass to information-intensive and information-aggressive firms. Since all marketing activities occur within legal, economic, cultural, political and other environments to which strategies and policies must relate, international marketers face many challenges in understanding how the economic environment will affect decisions about with global markets to enter and how.

Presumably, in the nearest future international marketing can represent the essential way of the international management of communication and the harmonization of world society.

References

- Broom, G. (2013). *Cutlip and Center's Effective Public Relations*. USA: Pearson Education
- Doole, I., & Lowe, R. (2007). International Marketing Strategy. *Analysis, Development and Implementation*
- Garber, L. & Doston, M. (2002). Business to Business Integrated Marketing Communication Mix. *Journal of Marketing Communications*. Volume 6
- Muhlbacher, H. (2006). International Marketing. *A Global Perspective*
- Onkvisit, S. (2004). Analysis and Strategy. *International Marketing*. U.S.A.: New York
- Roger, B., & Blythe, J. (2002). International Marketing. *Strategy Planning*