

Examples Nissan in 1st years exported cars in US markets, sold cars without change then sold car in Japan

Polycentric Approach

A company following this orientation gives an equal importance to every country's domestic market, as there is a belief in uniqueness of every market and its need to be addressed in an individual way. "The plans are devised to operate through individually established businesses, i.e. either by wholly owned subsidiaries or through marketing subsidiaries, separately in each country, allowing complete autonomy to units to operate as separate profit centres independent of head office" (Paul, 2008). When following this approach a company has to be a leader in technological leadership, produce high quality products or its production costs should be very low. It can also concentrate its attention on foreign markets which have similar consumer needs and conditions similar to domestic market. Among disadvantages of this orientation is low possibility of the economies of scale, high prices of products due to high investments in the research of foreign markets and adaptation of products to the needs and wants of particular countries. Examples of companies marketing their brands according to this approach are: Ford Motors, Suzuki, Toyota, General Motors, Nissan, etc. – all these companies adapt their brands to specific needs of each country's consumer.

POLYCENTRIC

Management orientation – Host country orientation

Perception about market –

- Each national market is distinctive
- Focuses on differences between home country & foreign country

Marketing strategy – Localization / adaptation

Companies basic objective – Public acceptance

Type of governance – Each local unit sets objectives (bottom up)

Culture-Host country

Technology - Batch production

HRM practices – Local nationals are used in key management positions

Managerial predisposition - MNC tailor strategic plan to meet the need of local culture

International Marketing Environment consists of organization's internal factors, domestic marketing factors, and global marketing factors.

Internal factors are controllable which includes - organisational structure, productivity, relations with stakeholders, organisational policies and rules.

Domestic marketing factors and global marketing factors are uncontrollable. Domestic marketing factors include – availability of raw material, availability of infrastructure, legal system, and technological factors.

Global marketing factors are related to the world economy. The main global marketing factors are – Political and legal factors, economic factors, social factors, technological factors, demographic factors, cultural factors, competitive factors, and institutional factors.

Environmental Scanning – Identifying Market Opportunities and Threats

Organisations do environmental scanning to identify important trends and determine if they represent present or future market opportunities or threats. The process of environmental scanning is consisting of identifying relevant environmental factors and trends and assessing their potential impact on the organization's markets and marketing activities. If the trend creates market opportunity marketers have to take timely decision to take advantage of the opportunity. If the trend poses marketing threat decisions are taken to minimise the threat.

Elements of International Marketing Environment



Global Marketing Environment

- Economic Environment
- Social Environment

and the age distribution all contribute to the marketing initiatives carried out by individual MNCs into any particular region (Steenkamp, 2001). Hofstede's (1984) analysis of cultural factors indicates that cultural sensitivity is of paramount importance in the business sphere, which extends to the marketing tactics of international companies. Customers' motivation for purchases of products and services often stems from the perceived importance of a product for their lifestyle (Arnould & Thompson, 2005). Close examination of the traditions, values or social interactions between customers within a region can lead to more successful marketing messages and tactics developed by the international company in a new area (Soares, Farhangmehr, & Shoham, 2007). If a customer cannot identify the perceived benefits of a product or service promoted by a company, the chances are that they will not purchase those particular goods (Zeithaml, 1988). There are very slim chances that all cultures will perceive a product and its benefits in an identical manner and Hofstede's cultural analysis of distinct regions informs companies of the most significant differences that international brands must keep in mind when globalising their business.

One dimension highlighted by Hofstede is the importance associated with the gender roles within cultures and how the masculine and feminine cultures have distinct perspectives on the role of men and women in society and business (Hofstede, Hofstede, & Minkov, 1997). To exemplify, international magazines like Cosmopolitan must take this into account when expanding into new regions, as their focus on female empowerment in the UK could be negatively perceived in Middle Eastern countries for instance (Nelson & Paek, 2007). At the same time, individuals identify themselves with those with whom they share a cultural background; so featuring celebrities from the Western world in other regions where the magazine is published may lead to a lack of success of an international magazine. Success in extending the geographical reach of an international publication is therefore, a much more complex issue that goes beyond merely translating the editorials into the local language (Doole & Lowe, 2008). That demonstrates how the socio-cultural factors contribute to the potential impact that an international brand can have in a new region. The Kellogg example at the beginning of this paper demonstrates that the well-established name and recognisability of a brand is sometimes not enough to overcome the existing cultural biases within a country, and the tendency to take this approach may lead to a lack of success of MNCs in penetrating a new region (Lee & Carter, 2012).

Technological Factors:

As mentioned previously, marketing efforts must take into account not only the general market trends for a particular industry, but also the extent to which the targeted audience has access to certain technologies (Dunning, 2013). The majority of businesses in the Western world have focused on developing easily accessible mobile sites, as the number of smartphone users in this region has seen an incredible surge over the past decade (Bauer, Barnes, Reichardt, & Neumann, 2005). Enabling customers to make purchases via their smartphone contributes to the success and profits of businesses in the UK or US, but this is not the result of the number of users of smartphones, but also the level of confidence of customers in these regions in online payment systems (Miyazaki & Fernandez, 2001). Whilst companies may experience a surge in sales through developing user-friendly smartphone applications and websites, investing time and effort

the box. For example, did you know [55-64-year-olds are the most likely age group to buy a new car](#)? But you don't tend to see them in the car ads. An opportunity waiting to be seized!

- 5. Life Stages

Life Stages is the Chronological benchmarking of people's lives at different stages.

An example is Saga holidays which are only available for people aged 50+. They claim a large enough segment to focus on this life stage.

- 6. Geography

Drill down by Country, region, area, metropolitan or rural location, population density or even climate.

An example is Neiman Marcus, the upmarket department store chain in the USA now delivers to the UK.

- 7. Behaviour

Refers to the nature of the purchase, brand loyalty, usage level, benefits sought, distribution channels used, reaction to marketing factors.

In a B2B environment, the benefits sought are often about 'how soon can it be delivered?' which includes the 'last minute' segment - the planning in advance segment.

An example is Parcelmonkey, our vans offer same day, next day and international parcel deliveries.

- 8. Benefit

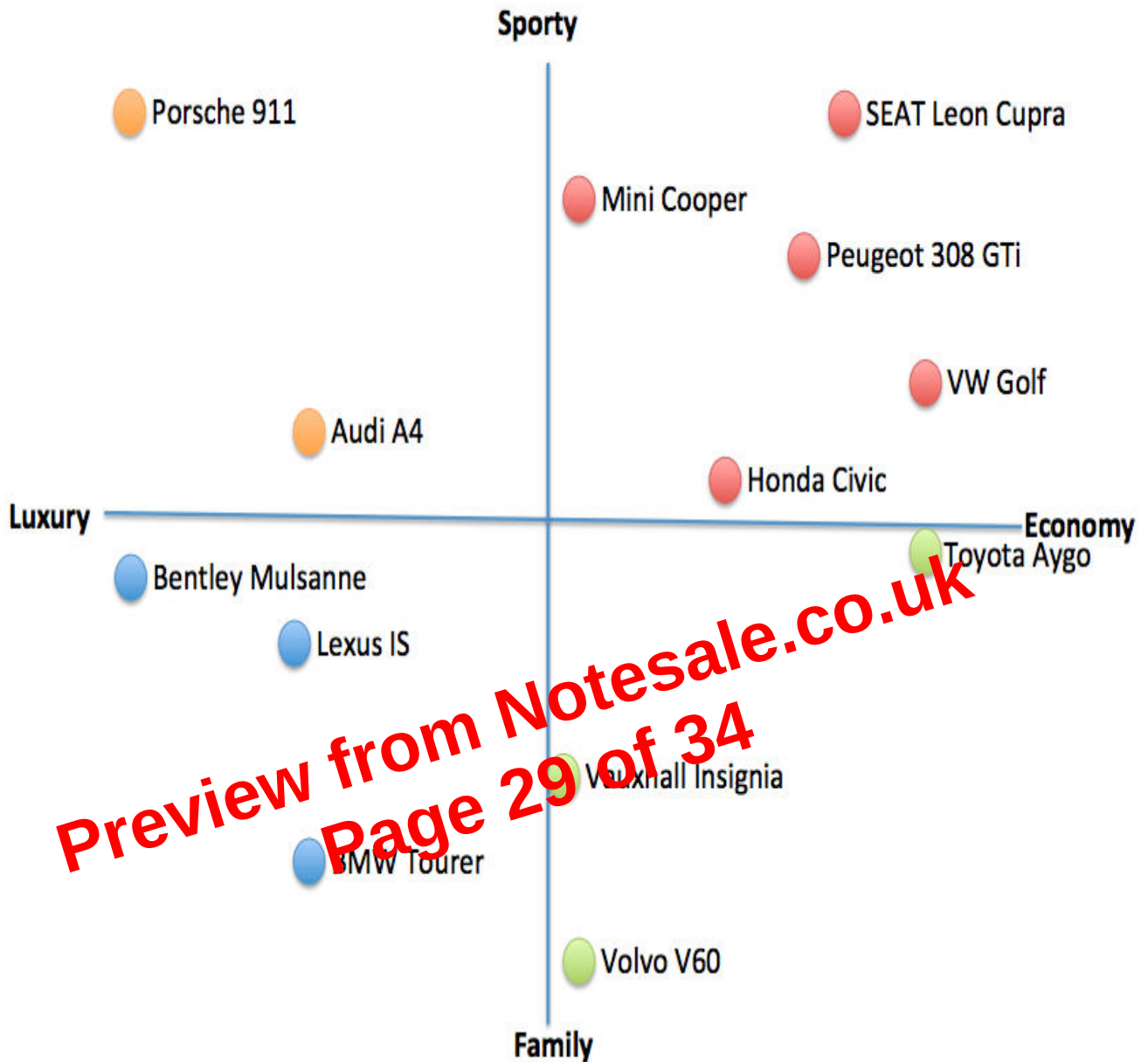
Benefit is the use and satisfaction gained by the consumer.

Smythson Stationery offer similar products to other stationery companies, but their clients want the benefit of their signature packaging: tissue-lined Nile Blue boxes and tied with navy ribbon!

Market targeting

The list below refers to what's needed to evaluate the potential and commercial attractiveness of each segment.

- **Criteria Size:** The market must be large enough to justify segmenting. If the market is small, it may make it smaller.
- **Difference:** Measurable differences must exist between segments.
- **Money:** Anticipated profits must exceed the costs of additional marketing plans and other changes.



This chart is not meant to be any kind of accurate representation of the car market, but rather just illustrate how you could use a product positioning map to analyze your own businesses current position in the market, and identify opportunities. For example, as you can see in the gap below, we've identified in a possible opportunity in the market for low-priced family cars.