
Differentiate among the three international marketing concepts.

(1) The Domestic Market Extension Concept.

The local company that seeks to extend its sales of its domestic products into international / foreign markets illustrates the need to expand to international markets. The local company sees its international operations as secondary to and an extension of its domestic operations. The company motivation is to dispose of excess domestic products into foreign markets. China is a very good example of there is happening. The domestic business is always a priority to sell its product into and the foreign sales are seen as a profitable extension of domestic operations.

The domestic markets remain important to the company while pursuing foreign markets. This Domestic Market Expansion Strategy can be very profitable. In the company I work for in Kansas, we see international / foreign markets as an expansion of our product line without compromising the profitability that we enjoy in the local market.

(2) Multi-Domestic Market Concept.

A multi-domestic marketing strategy assumes consumers in different countries or geographic regions differ drastically from one another. The company's products are tailored for each market, based on consumer wants and needs. A multi-domestic marketing strategy is ideal for highly differentiated products, such as Cable Modems or Cable TV equipment, or any other product dictated by local preferences. The decision-making control is decentralized because management must be able to respond on a local level.

A multi-domestic strategy is a strategy by which companies try to achieve maximum local responsiveness by customizing both their product offering and marketing strategy to match different national conditions. Production, marketing and R&D activities tend to be established in each major national market where business is done. A firm that engages in multi-domestic marketing will need a manager in each country. The country manager will be responsible for handling all operations of the

firm in the host country, and is directly responsible for the firm's success or failure. An ideal candidate will possess a background in management and will have an in-depth knowledge of the company. The perfect candidate will also be knowledgeable of the political, legal and cultural landscapes in the host country.

(3) Global Marketing Concept.

A global marketing strategy assumes all consumers in all countries or geographic regions are the same. This strategy is best suited for standardized products such as copy machines and Coca-Cola, where there is little to no need for product differentiation. Coca-Cola, for instance, can be found all over the world, and is easily identified as such. Global marketing has distinct advantages, allowing for centralized management and coordination of critical business functions, such as human resources, finance and product development. Global Marketing Concept is the overall marketing framework which an international enterprise adopts to design, introduce, distribute, promote and maintain its products in the global arena. An example was when AT&T decided to sell the Global Network services internationally. The complete operations was centralized and they tailored their Services to suite the global markets they operational in.

<http://smallbusiness.chron.com/global-marketing-vs-multidomestic-marketing-23528.html>

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