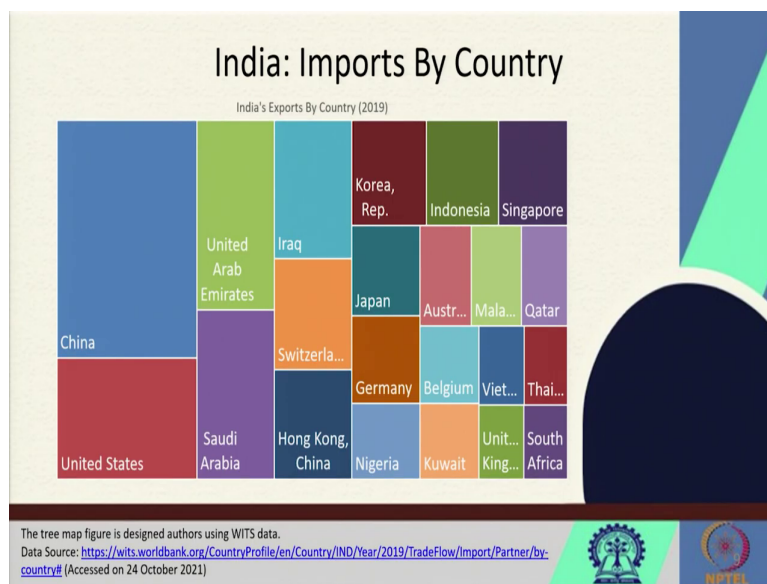


International Marketing
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Lecture – 02
Introduction to International Marketing

Welcome back. So, we now have lecture 2 session.

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And here before we started in lecture 1, we have discussed about the exports. And now, we start with the import. Here I am showing you the India's export by the country in 2019 same which data World Bank data I have used here and the sources also given here at the button at the below and you can use this link to go there.

So, as I have told you in 2019, we had \$330 billion of exports from India and \$474 billion of imports to India. So, we have imported goods and worth \$474 billion. This is only the product and the service part is around \$205 billion worth of services, we have export. Services means we have consultancy and all those services what we provided is around \$205 billion and we have imported the services what \$121 billion.

So, as you know, as I told you, the foreign exchange reserves our country as on the latest one till October 2021 is \$641 billion. So, and so, this is a **foreign exchange** reserve of our country. So, as I told you prefer prior previous in the previous session, that you need to look the

foreign exchange reserve of the country. You also need to look at the export of your target countries the if you target some country, you have to find out where the country exports.

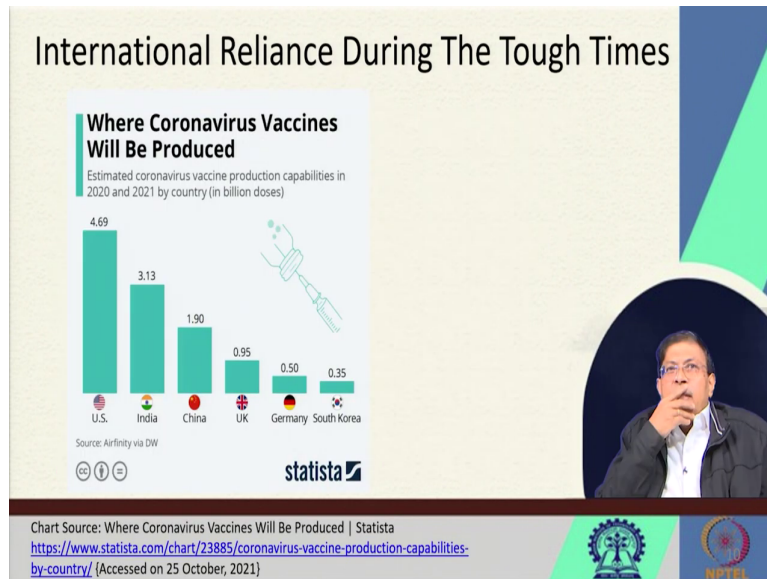
So, which are the countries? Where the exports and from where the import? Now, this is very important for you, you need to look where from the import? Then you have an idea where from the import and also you can go to this World bank website which website and see what are the products basically the country imports from which country, say for India, we import from China, United States, United Arab Emirates, Saudi Arabia, Switzerland, Iraq, Korea, Indonesia, all these countries.

And you can study you can go to this website and study that, where how much they we import and also which are the products. So, that is very, very important for you to summarize these 2 information before you go to an international market and before you target one country. You need to study there that particular countries the amount of export amount of import and foreign exchange reserve.

So, remember 3 things the first thing is what is the foreign exchange reserve of the country? From which countries they import? And what are the products they import? And from which countries they export? And what are the products they export? So, these 3 things are essential for you to learn about your target country where you are going. So, I have given example here about our country where we import.

And as you know, we import the crude oils and others from the various parts of the world we import. So, that is the way how we do that.

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And next, this is the International Reliance during tough times. As we always you, all of us in the world, we had gone through a pandemic COVID. So, wherever if you are in Venezuela or if you are in South Africa or you are in US, you are in India, you are Japan anywhere, the all the countries. So, the world majority of the country or most of the countries has suffered gone through these COVID-19 pandemic.

Now see, then there are a couple of companies they came up with a product vaccine and these vaccines were produced at couple of countries see. And see if you look at this slide, you will see that the total Coronavirus vaccine has been produced in 2020 and 21 number of billion doses. I mentioned here billion doses the sources where Coronavirus will be produced a statista website from there I have taken this data.

So US has prepared around produce 4.69 billion COVID-19 doses in their vaccines. India is the second one 3.13 you know as produced. So, why it is important? Look see there are only handful of countries hardly 6 countries out of that mainly US, India and China. These are the countries which are the large producers of these vaccines going throughout the world. So, now, understand international marketing is so crucial.

During the tough times this international marketing has helped to produce the product at some country and then finally use it in another country in a large scale of use. So, the products what is used in India is now someone some patient or some citizen of Japan or some

citizen of in Australia or some citizen in Singapore or any country might have got this vaccine and taking the vaccine to protect himself or herself from the COVID-19.

So, this will give you an idea that international reliance is so crucial even during the tough times.

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International Marketing and Related Terminology

- Needs, wants, and value
- International business
- Exporting, international marketing, global marketing
- International marketing interface
- Globalization
- Glocalization
- Balance of trade
- Balance of payment
- Gross domestic product
- Gross national product
- Currency exchange rate
- Exchange rate determination

The slide features a video inset of a man speaking in the bottom right corner. At the bottom, there are logos for a tree and the acronym 'NPTES'.

Now, we will discuss about the international marketing related terminologies. So, we will learn a couple of terminologies here. And I will explain you each of these terminology in the course in the part in this part of the course. So, they fundamentally as you know, in the marketing fundamentally it starts from needs wants and values. So, we will discuss that couple of minutes after this slide.

Then we will explain the terminology here we are just familiarizing with you the terminology is what you will come across in international marketing. So, now, you are totally migrating from domestic slowly to international marketing. So, some of the terminologies are so exporting international marketing, global marketing all those terminology. What is export? What is international marketing? What is global marketing, you need to understand.

At times, we think global marketing and international marketing are both same. Yeah, essentially same. Let us see, let us we will go through that we will study that international marketing interface globalization, then we call it **glocalization**. So, what is globalization?

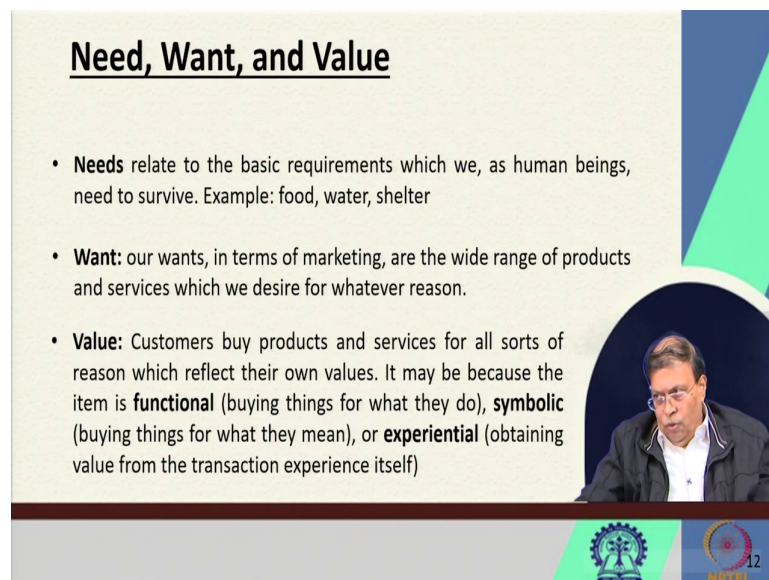
What is **glocalization**? What is balance of trade? What is balance of payment? What is gross domestic product? What is gross national product?

Currency exchange rate, exchange rate determination: How we determine? How **exchange** it in state of mine. So, what are the ways? So, look, if you look at the left portion of this you can see that this typically some of these marketing terminologies on the right hand side. Balance of trade, Balance of payment, Gross domestic product, Gross national product, these are all the terminologies are from the macro-economics.

So, we will an exchange rate determination, we learn that we do not want to be we will give you an overview of that. And you do not have to be an expert into that in this you should know what exactly the definition means, what exactly it means? And how why it is important for you? So, the base, why you are learning this? Because these are the GDP, GNP, exchange rate, foreign exchange reserve, balance of trade, balance of payment.

These are essential for you before you venture into an international markets. So, that is why we will teach you about this.

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Need, Want, and Value

- **Needs** relate to the basic requirements which we, as human beings, need to survive. Example: food, water, shelter
- **Want:** our wants, in terms of marketing, are the wide range of products and services which we desire for whatever reason.
- **Value:** Customers buy products and services for all sorts of reason which reflect their own values. It may be because the item is **functional** (buying things for what they do), **symbolic** (buying things for what they mean), or **experiential** (obtaining value from the transaction experience itself)

The slide features a video inset of a man in a dark jacket speaking. At the bottom, there are logos for IIT Bombay and NPTEL, along with the number 12.

Then comes the need, so, needs what are the needs basically? So, needs relate to the basic requirements which we human beings need like the food, water and shelter. So, you know, what he says? So, I am taking you through the very basics of marketing because it is domestic

or international these fundamentals will remain same. So, the first thing is a market try to understand the need want and the value.

So, the first thing we will tell you what are the needs? So, in marketing, the needs are basically there are 5 different types of needs. So, and then the one is the stated needs, the first need is stated itself. So, as I told you, the needs are basically food, water and shelter. These are the basic need everybody whether you are in India, whether you are in Japan, whether you are in the United States, basic needs of the food, water, shelter, are the basic needs.

Then we will go what is the want, so, needs are what? So, needs are first needs, if I am sure, you must have heard about Maslow's hierarchy of needs, which categorizes the 5 levels starting from the physiological needs. So, first one is the physiological need. So, what is physiological need? That the how you serve the physiological food companies like Nestle Pepsi or any of the food companies they serve the requirement for the food.

So, this is basically the physiological needs. Then comes the safety needs. In the Maslow's hierarchy, there are 5 different needs. First one is the physiological needs which is the basic then comes the safety needs, then comes the social needs. Then comes the **esteem** needs and then comes the self-actualization needs. So, I will explain you each of these needs.

So, that you are very, the first one I have already explained you the physiological needs.

Physiological needs basically the food and how the which are the companies I have given you example, like maybe Nestle, Pepsi, Coca Cola, these are the companies or there are 1000s of this company who supply the food items are basically the physiological. So, you are targeting the need of your customers physiological needs of your customers. Then, you are targeting the safety needs of your customers.

So, safety needs are typically the insurance companies. So, if you are in Life Insurance Corporation of India or HDFC or **ICICI** Prudential any of these. So, you are satisfying the needs of the safety of your customer. The third one is a social need of the customer so, social need, social networking platforms typically the Facebook, Twitter, Instagram so, these are the companies who typically provide the support to meet the need of this social needs.

Then comes the esteem needs the luxury needs luxury brands, typically, the Mercedes iPhone BMWs all these other luxury products are typically are the Esteem Needs, which is Maslow's hierarchy, the 4th one and the fifth one is a self-actualization need. So, that means nonprofit organizations like the NGOs, UNICEF and all those teach India and all those are typically giving you the help on providing that meeting the need for this self-actualization meet.

So, the needs are 5 needs, so, which I have explained physiological needs, safety needs, social needs, esteem Needs and self-actualization needs all these needs, you need to satisfy that. The next one comes to the needs can be 3 different types of need in marketing. Now I am coming in marketing the 3 different types of needs one is a stated needs and other is a real need.

Third one is the unstated needs and 4th one is the delight needs. So, I will explain each one of these. So, I am just touching a little bit of your basics of marketing so that you understand. Because this is so crucial. Because it is it is applicable for India, it is applicable for Japan is applicable for US for any country in the world. These basic definitions are applicable so what is the stated need?, So stated needs that I needed for so you I needed a mobile phone, that is my stated need.

I need a phone for communication that is my stated need. What is my real need? Real need is a little bit more specific so that means I want to get connected with my family over phone. I also need to do some **sort** of an internet banking. Some browsing, some online shopping, all those things are also one of your needs. So, this is we call typically the real needs. Third one is the unstated needs that the consumer expects some **sort** an good after sale service when buying a phone.

So that is also an unstated need so I am buying a phone. So, my unstated need is, that my real need. I have explained my stated need I have explained that I need a phone. Then I need real need I have explained that I need that phone to communicate with my friends with my family. I also need the real need of is there to do some internet purchase of some products or some browsing some banking all those things I want to also do with the phone.

So that is my real need. Unstated needs is basically which I am not stating but I am looking for that product should give me a very good after sales support to me. The products company the company who from whom I am buying. They should also provide me a very good after sales support that should have an extended warranty or standard warranty of one year extended warranty I should pay some additional money to buy that.

So that is typically my unstated need and delight needs that the phone manufacturer gives you. You went to buy a phone and they gave you along with the phone, a ear, headphone, a bluetooth headphone with that. You never expected for that but you went with your stated need but they give you one beautiful one noise cancelling headphone. So that becomes your delight needs you become very happy.

So, you have to look, you have to understand is a market here, is here is an international and domestic is both the market years. You have to understand what is the customer's stated needs? Then am I satisfying the stated needs? Am I satisfying the real needs? Then you have to also be estimate what can be there unstated needs and then you have to also understand and do your marketing promotional activities to bring the customer delight need.

So, these are typically the needs. So, this you should be absolutely thorough. Because this is nothing to do with any specific country or it is required for every citizen in this world, every person in the world goes through this need. Somebody needs it, say you want a car, you are looking for a car. So, your stated need is basically a car which can move from point A to point B.

You can go from your home to workplace or you go to from your home to school or college or that is your stated need real need is there that should be safe. That should be also having fuel economy. That should be **also** having certain features in that, certain performance of the engine certain **car** luxury **car** performance safety all those things are your stated real needs, they should be safe for you also.

And they should be fuel economy called unstated need is also there. They should have been good after sale support of that car and also the spare should be available even after using the car after 5 years that is also your unstated needs. And the delight you went to buy a car and they give you a music system free of cost with that. So that is your delight or they give you an extended warranty free of cost to you.

So that becomes a delight. So, you have to understand these needs Maslow's hierarchy the basic needs which are explained to you. And also in marketing, you have to understand the stated needs, real needs, unstated needs and also the delight needs. So, that is very, very important. Then we study about the wants. Wants typically a step ahead of needs. So, wants are essentially for humans to survive but it is associated is, wants are not essential.

These are not essential, need is essential, wants is not essential. So, wants is a product desired by a customer that is not required for us to survive, that means we can survive without having a want. So, want is taught completely opposite of need which is essential for our survival. So, need is essential for our survival, want may not be essential for our survival.

Wants are not permanent and it can be regularly changed. As time passes, people and location change, wants will also change along with that. So, wants are typically were like typically the electronics industry, FMCG industry, consumer durable products. These are typically the product category in the wants. So, you can manage your house without a television. It is not your basic need, it is a want, it is an entertainment.

You want to get yourself entertained. So, you need a television. So that some want, not in need, without television is not like water, shelter or water food. Without television you can survive. So, something which we have explained to previously needs our basic requirements. But wants are totally opposite. Wants means that I desire for that, I want to enjoy myself go through the television program.

I should have a smart TV, I should have access to OTT platforms, these are all your wants. And the third one is the value. So, this is where the most of the marketing people they work on the, first identify the need, they want then they work on the need and the products feature

on the one category. And then they look at the value proposition of that. So, customer buy products and services for all **sort** of reasons which reflect their own values.

It may be because the item is functional; buying things what they do symbolic buying things what they mean and experimental obtaining value from the transaction of experience so how much value it is bringing to me.

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International Business

International Business involves commercial activities that cross national frontiers. It concerns the international movement of goods, capital, services, employees and technology, importing and exporting, cross-border transactions in intellectual property (patents trademarks, know-how, copyright material via licensing and franchising, investment in physical and financial assets in foreign countries, contract manufacture or assembly of goods abroad for local sale or for export to other nations, buying and selling in foreign countries, the establishment of foreign warehousing and distribution systems, and the import to one foreign country of goods from a second foreign country for subsequent local sale. (Bennett, 1996 cf. Andrew McAuley, International Marketing)

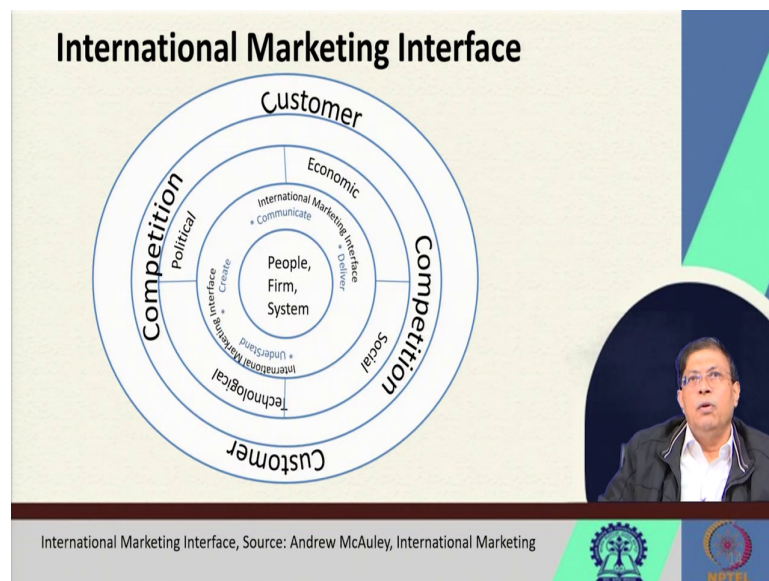
The slide features a video inset of a man in a dark jacket speaking. At the bottom, there are logos for a university and NIFT.

So now I will use a Bennett's Andrew McAuley's international marketing here. What is International Business? International business involves commercial activity so understand is a commercial activity that cross national frontiers. It concerns the international movement of goods capital services. So it is not only the goods, the products, services, capital employees, technology, importing, exporting, cross border transaction in intellectual property.

Patent trademarks and copyright materials: Investment in physical and financial assets in foreign countries contract manufacturing **all** this we will learn step by step to you. But to give you an overall holistic idea about this international business there. And the establishment of foreign subsidiary in the country, **foreign** warehousing foreign distribution and the import to one foreign country goods to a second foreign country for subsequent local sales.

So, that is typically an international **business** is a very complex but we will make it very simple step by step will take you that. This typically definition I have used here.

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Now, in international marketing interface, who is at the core? Who is at the center is the people **firm** and the system? So, they **firm** the company who wants to market the product in international market. So, they are in the core or the in the bullseye in the center that is the company who is depends on the people the firm and the system in that company. And the first interface in the international marketing interface is basically understand your international market.

What international market **requires**? The market you have targeted a market. What the market is looking for your product? Look at that want need and the value and then you understand what they need and then you create a product to satisfy their need or want. And, then you communicate and you deliver that product to that customers in that region. So, customer outside the circle, the outermost circle, is a customer even more circle is the people and the **firm**.

And next, a first interface is the international marketing interface, then you have to do a very, very important thing which is the country where you are targeting. You have to analyze their political situation in that country. We typically call it Pestel analysis, I am sure you must have studied that in your basic marketing Pestel analysis. So, Pestel is basically the political structure in that country.

How stable is the political structure? And how these is going on for last 5, 10 years? that is very, very crucial for you to understand first the political scenario of the country where you are targeting your product or your targeting your expansion. Next is the economic situation as I told you, how is the GDP of the country? How what is the typically the growth rate of the GDP year on year growth rate? What is a foreign exchange reserve?

What is typically your balance of payment? What is balance upgrade? All those information is very, very important for you before you go to that market. Third is a social of course, that goes without saying, social and the technological, how advanced is a technological platform in that country. So, these are typically, the characteristics we typically known as a PESTel analysis we have to do.

Then, so, now you, next circle is your competition. Who are the companies? Who are the companies there? is there any domestic companies in that marketplace? How many domestic companies are there? What are their products? And are they apart from the domestic companies? Are there any international companies also at that marketplace? And which are the products they are marketing at that marketplace? is also the competition across that.

So you have to analyze the competition and then finally, the customer. So, all you are doing for your customer or the consumer. So, the outermost circle is the customer.

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So, international marketing environment. So the, what are the things which is controllable? The control will environment is the firm's characteristic. So, what I can do as a company? What I can control? I can control my product definitely. I can make any changes in the product. I can make any changes in the price. I can make any changes in the placement that means any distribution channel.

I can change I can have a new distribution channel or I can buy out a different distribution channel in that country. We decide to operate in a totally direct operation, no distributor, all those things we can have in our chain and also the research and R&D activity. These are all the controllable environment in in the company. So, you as a company, you can control these parameters.

The parameters outside this circle is beyond you cannot control uncontrollable. Like political you cannot do anything what is happening in the political. You cannot do any changes in the economy of situation of the country, social or legal, technical. You cannot do anything this in that. That is uncontrolled for you. So, in similarly it is in domestic marketing, you are always facing. If you are a domestic market here, you have to look at the political situation.

Economic, social, legal, technical, all those you have to look at this, how favorable they are for you to conduct a business. Why do we do this analysis Pestel? Because it tells us that this is very, very favorable for you to do the business, if the economic situation GDP is not growing. GDP is very absolute, value of GDP is very low. It is not really growing there is not much of industrial activity happening.

Or there as legally these very, very stringent guidelines in that country or technologically the countries **too** advance are very less advanced. So, these are the situation or political there is a huge political disruptions or political stability. All these factors are very crucial in domestic environment, equally, these all things are also constant, very important in international marketing.

So, now, this international marketing, imagine you were till now, you were doing marketing in one country say in India, so, you were looking only for the domestic environment and

political, social and legal within India. Now, you are controlling the foreign environment which is basically the same political economical of 5 different countries where we are targeting or 10 Different countries where you are targeting.

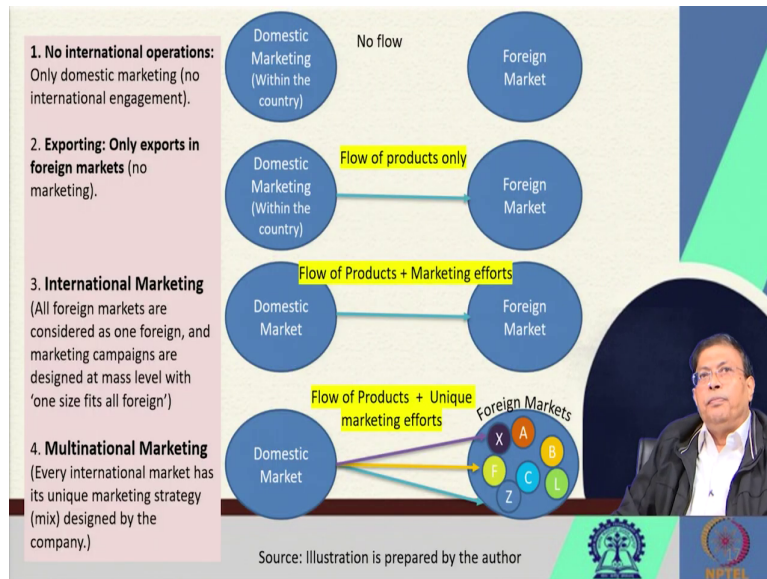
So, imagine from domestic same parameters, you are now doing it for these 5 different countries where you have targeted and you are doing this for 5 different countries. So, these are the uncontrollable factors. So, we have to understand this is not **within** your hand to control. But within your hand, what you can control is the product price promotion, plan, research, these are the things what we can control. So, that is about this international marketing environment.

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So, evolution of international marketing and stages of internationalization. So, that is, we will now touch with that.

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Let us understand the first one, the first the 2 circles, the domestic marketing within the country. So, the company is **decides I am a** domestic company. I will operate only in India or only in my domestic market, I will not go outside. So, the company has got no international relations. So, that means no international business. In second scenario, the domestic company decides that I will export some of the goods I will sell some of my products to certain countries.

So, that means, I will just sell it there. So, my goods will move the geographical boundary of my country and move to an another country in international market. So, here is an export there is no legal entity or there is no direct operation there, I am exporting directly to a country. So, you have heard that the company sells the product outside the geographical boundary is typically exports and you have no marketing basically.

So, you came to know there is a requirement of certain goods in a foreign country and you have surplus capacity in domestic in your company in the domestic market. You want to export it there. So, you do not have any marketing activities there in that country. So, that is typically known as exports. Third one, is an international marketing where all foreign markets are considered as one foreign and marketing campaigns designed for a mass level one size fits all.

So, remember, what is international marketing here? One size fits all. So, here the domestic market, what you have developed for the domestic market? You are expanding the same product to the foreign market with flow of products and all marketing efforts. So, there is a, in this export and this, there is a difference there. In the export, there was no marketing before you are just extending sending the product extending the product to the foreign market.

But in this case, you are set your flow of products along with your marketing efforts you are sending to the foreign market. And third is the multinational marketing, what is multinational marketing? Every international marketing has this unique marketing strategy mix designed by them. That means I have 5 different markets and every market I am specifically doing certain products for certain markets.

So certain market needs a type of product or you only sell that product to that market. There is another set of product which is required for the order and other different specification products is required for another segment of the market. I will cater to that segment of the market. So, to make you the simple understanding, a market needs a very, very basic entry level car, very basic entry level car which helps to move from point A to point B.

So, I will make for those countries, only entry level car for those level country market for that market. There is another product which is a little better than, it is higher a product than the entry level which has got a lot of features in that, a lot of safety features, a lot of higher performance car. So, this car I will sell to a certain market or the certain segment in that market. So, I will tell you give you an example here.

So, multinational companies typically, they are few products and the unique marketing efforts for the foreign market so unique. So, what is unique for that country? I will make for that country I may make. So, if you remember when Maruti Suzuki came to this market in India, they started making a fuel efficient very high quality car and with a very high performance car.

So, they came up with a Maruti 800 with the price level at that time in 1984 it was around 50,000 or something that price level the car came into this market range. So, the company

targeted this segment of the market only in India. Because India was only required at that point of time in my car which is more fuel efficient. And quality wise much better and the engine performance and then various other features of the car much better compared to the products available the then at the marketplace.

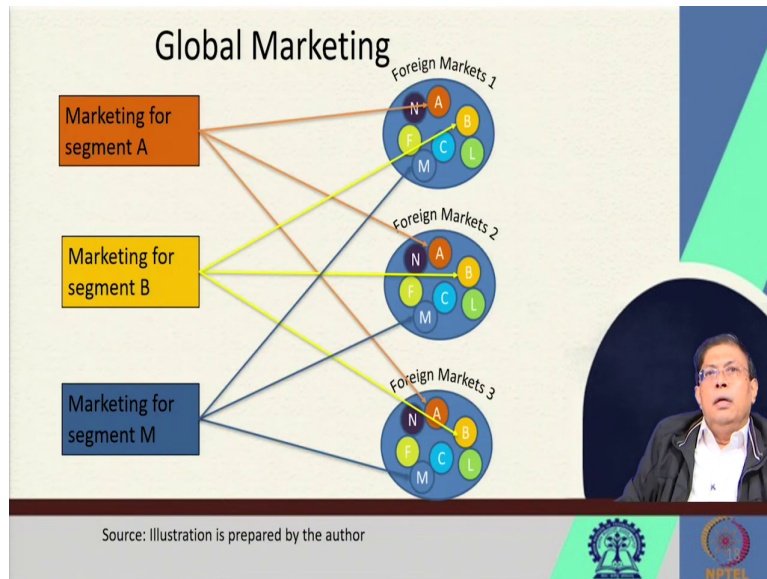
After, say around, in 2000 we find several other cars which comes in the mid end of the market and then the high end of the market. So, you see the Suzuki has now come apart from the mid entry level car has also come with them car for Indian market which is for the mid level of the market. Say for the swift or swift desire these type of cars and then also they came up with and high end of the market they come with the baleno, breezea.

And all those costs of the upper end of the market. So, the multinational company where the flow of products and unique marketing efforts are very, very essential in multi in this type of marketing. So, there is a slide I have given just an example of the slide a few minutes ago in the previous slide say company, I am marketing a segment A segment B segment C 3 different segments of products.

So, I have going to a foreign market, I am only targeting in that foreign market A segment product in all the 3 foreign market products. So, I am taking 3 foreign markets ideally take 3 foreign markets any 3 foreign countries you take. So, my A segment product I am targeting to that 3 segments, I also have B segment products, which is the median of the market product I also market in these segments in these countries 3 foreign countries.

The third one is basically the another segment M segment say see the high level segment I also market in the 3 countries all the 3 products. So, look from this slide we can see that I am a company I am having 3 different products.

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So, there is a slide I have given just an example of the slide, a few minutes ago in the previous slide. Say a company, I am marketing a segment A segment B segment C 3 different segments of products. So, I have going to a foreign market, I am only targeting in that foreign market A segment product in all the 3 foreign market products. So, I am taking 3 foreign markets ideally take 3 foreign markets, any 3 foreign countries you take.

So, my A segment product I am targeting to that 3 segments. I also have B segment products, which is the median of the market product. I also market in these segments in these countries, 3 foreign countries. The third one is, basically the another segment aim segment, say the high level segments I also market in the 3 countries all the 3 products. So, look from this slide we can see that I am a company I am having 3 different products.

And I am marketing these all the 3 segment products in the 3 foreign different markets in the same foreign market. I market my A category segment product, my B segment product my M segment product. Same I go to the foreign market 2 where I also market these products foreign market 3. This is a very simplified diagram you can decide that, I will market only A product in foreign 1 and foreign 2.

But I will not go with A product to foreign market 3 that is your decision. They based on the various marketing studies what you do? Market research you do, the competition what you study. You study the regulatory things they are in that country and then you decide no. I will

not go to that segment or may decide to go to the segment. So, here is an example where I can go to all the 3 different markets foreign market with my all 3 different segments of the products there.

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The slide features a title 'Types of Global Company and Marketing Strategy' at the top. Below the title is a table with two columns: 'Type of Global Company' and 'Type of Marketing Strategy'. The table lists three types of firms and their corresponding marketing strategies. To the right of the table is a circular video inset showing a man speaking. At the bottom of the slide, there are two logos: one for a university and one for NPTI.

Type of Global Company	Type of Marketing Strategy
International Firm	Extension of Home Marketing Strategy
Multinational Firm	Multidomestic Marketing Strategy
Transnational Firm	Global Marketing Strategy

Then, what type of global companies and their marketing strategy. So, the first type of companies international **firm**. So, what we call international **firm**? That means extension of home marketing strategy. So, whatever I do for the domestic market my strategy, I will extend this strategy for the in the international market. So, these companies are known as international **firm**.

That means, I am essentially extending my home marketing strategy to a foreign market. So, that means I am not doing anything specific no specific marketing effort for that country. So, whatever I was used to do for my home country, I am extending that to the foreign market. Number 2 is the multinational **firm**. So, what we call multinational multi domestic marketing.

That means, I go to that 10 different countries and I do have the products specific to that particular country and I have a different marketing strategy for different countries. So, this is known as a multinational **firm**. So, I am changing my marketing product mix and my marketing strategy in each of these country are different, unique, some country I am having this marketing strategy, some country have a different marketing strategy.

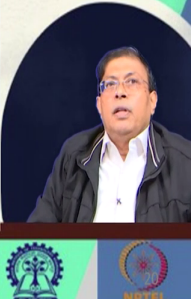
So, these companies are typically known as a multinational firms. So, the multinational firms will have a specific strategy for a specific country. And they operate in 20 Different countries they may have 20 different marketing strategy for 20 different countries or maybe 2 or 3 strategies may be unique. For 1 or 2 strategy can be unique for 1 or 2 countries, can it is possible? Both things are possible.

So, that is known as a multinational **firm**. And third one is a transnational **firm**. So, that means, they have a global marketing strategy. Throughout the world, they will have a global marketing strategy. So, they will what this strategy they will do for any applicable for the United States, same will applicable for all countries in Europe. same will applicable in Japan, they will applicable in India, China everywhere.

So, these companies are known as a transnational **firm**. So, I hope you are clear about these 3 different types of global companies international **firm**, multinational **firm** and transnational **firm**.

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International, Multinational, and Global Marketing		
International Marketing	Multinational Marketing	Global Marketing
Adaptations to the firm's domestic marketing strategy.	Maximum amount of localization by adaptation to every unique international market.	Targeting consumers based on their similarities and differences across the globe.
Direct involvement in the local marketing environment of foreign markets.	Multi-domestic strategy: operations in several countries as if they were local firms.	Multi-segment strategy. Segments are free from geographical boundary.
To have sales subsidiaries in foreign country (countries).	Development of the multinational corporations.	Development of the global corporations.
Major challenge: need to understand different local markets within international environment.	Very costly as adaptation to every unique market is very expensive and effort taking.	Identification of the segment is challenging task. Delivery is costly.



So, what is international marketing? So, international marketing, multinational and global I am trying to give you a differentiation among these 3. The International is as I mentioned you adaption to the forms domestic marketing strategy. So, whatever your domestic marketing strategy extend that to the international market, multinational maximum amount of localization.

Whatever the country you are going, you are going to 5 different countries, you have a localized strategy for 5 different countries and by adaptation to the unique international market. So that if something is very unique to market X, I will design some marketing strategy for the market. I will go to the market Y, there is a unique study for that I will take that study for that market that is known as multinational.

Third one is a global marketing targeting the consumer based on the similarities and there is no difference across the globe. I will not have separate marketing for US. I will not have a separate marketing in Germany. I will not have a separate marketing for India or China. I will have same marketing type of strategy which is known as a global marketing.

In international marketing, direct involvement in local marketing and enrollment of foreign markets. In multinational marketing, multi domestic strategy operation in several countries. As I have explained to you, you should have a different strategy for a multi domestic country and multi segment strategy for the global market. The segments are free from the geographical.

You may have a global company but you may have a 3 different segments of the products. You can go to the multi segment strategy and segments are free from the geographical boundary. That means, if I am an product, a global company giving a product for the mid level of the market, I will have a same strategy for India, same study for US, same study for the United States or in Germany or for any other country in the world.

To have the international marketing can have these sales subsidiaries in the foreign country that means you can have your sales subsidiary. Multinational development of the multinational corporations you build it in the in multinational companies and in the global companies development of the global corporations. Major challenge, what are the challenges? Major challenges need to understand the different local markets with international environments.

That is a big challenge for you, because this is very, very challenging. Because you are extending your domestic marketing strategy to the international market. Multinational marketing is very, very costly, because you are doing something unique for country X, something unique for country Y, something unique for country Z. So 3 different countries very, very costly proposition and adoption is a unique market is very, very expensive and very effort taking.

And the third one is the identification of the segment in global marketing is very, very challenging. And delivery is very, very costly, because it is very, very different for you. It is very, very difficult to identify the segment and delivery is very, very costly, because it is a global company. I will explain to this in a later slide.

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So, now the self-learning, can you name some of the International multinational global companies? I am sure by this time you should name but maybe in the quiz. We will go and ask you certain questions maybe the later stage. But I am sure you know which are the companies you can see in India, which are the companies that typically multinational company or the global companies like Google.

Global companies like Microsoft, IBM, and these are the typically the global companies. Multinational companies like Hindustan Unilever, Procter Gamble, and these companies are typically the multinational companies. So, these we can decide there.

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International Marketing = Global Marketing

- While there are theoretical differences between the two terms, in the practice (industry) the two are used interchangeably
- In today's world, there remains very thin line between the two terms as it is very difficult to differentiate between international and global organizations in real life scenario.
- Therefore, we may frequently use 'international organization', 'global organization', and 'MNC'. Meaning of three assumed to be the same until unless specified explicitly in the slides.

The slide features a speaker video inset in the bottom right corner and logos for IIT Bombay and NPTEL at the bottom.

So, now, international marketing is equal to global marketing. See, we are now making the life a little simpler, a little simpler marketing. While there is a theoretical difference, what is the theoretical difference? Theoretical difference is that, that we extend the domestic marketing strategy to the international market. So, we call it international marketing and global we said different definition.

But here the difference in 2 terms in practice **are** interchangeability in today's world. The remains very thin line between these 2 item is very difficult to differentiate between an international and global organization. So, in global organization what we said that uniform strategy for throughout the globe. In international marketing, we say that domestic strategy throughout the globe.

So, then we say an international organization we use this word. And global organization, we use this one and MNC we use this word unless we have to specifically explain the difference between these 3.

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MNC in Today's Context
A Rule-of-Thumb

- More than 50 percent of the total revenue comes from foreign markets.
- Direct operations in more than 20 countries.

The slide also includes a thumbs-up icon, a video inset of a man speaking, and logos for IIT Bombay and NPTEL.

So, the rule of thumb for the multinational is a rule of thumb, you can use it that if the company's more than 50% revenue comes from the foreign market, it is typically the multinational company. And the direct operation, the company should have at least 20 direct operations in that. So, when you call a multinational company, it should have total revenue out of that. If the company's total revenue is 100, 50% of the revenue should come from the foreign market.

And then it should have at least 20 countries his operation is known as an multinational company. So, international marketing is equal to global marketing. While the academicians define the 2 terms distinctly. In industry they are used interchangeability, academicians they define it 2 different, very distinct international is this, global is this. But in the industry people use it typically same.

They do not really consider the practitioner the practicing managers. They do not normally give and they interchange. Sometimes they call it international marketing. Sometimes they call it global marketing. Do not get bogged down with this 2 terminologies. So, for simplicity, it is today's globalized world. In our course, we both the terms we use the same. We will take this in our course, international marketing, global markets almost same.

We are not really going to the theme difference between these two. And we also use the common and widely used term multinational corporation. Thank you very much. Thanks a lot for this session. Thank you.