

Фонд Евразия, финансируемый Американским агентством США по международному развитию (USAID) и другими спонсорами, инициировал первые проекты по микрокредитованию в Республике Казахстан и Кыргызской Республике. Две страны имели проблемы экономического характера, включая нестабильное энерго-и газо-обеспечение, а также нелучшие условия предоставления банковско-финансовых услуг. Невзирая на это, институт микрокредитования заработал в Центральной Азии, в особенности в Казахстане.

THE RISE OF INTERNATIONAL MARKETING

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This morning, I woke up cheerfully when my alarm clock (made in China) rang at 7:30 AM. Couple minutes later, my wife left for work driving her Toyota car (made in Japan). I looked at the feta cheese (made in Kazakhstan) and the local bread which my wife kindly left on the breakfast table, and decided to make some tea using a Lipton teabag (packed in the United Arab Emirates). My kettle (made in China) did an outstanding job giving me hot water for my tea. Today, I decided not to have any of the tomatoes (produce of Uzbekistan) I saw in the fridge (German Bosch branded, made in Turkey). Having finished my breakfast, I went to the bathroom. I shaved using my Gillette Mach 3 razor (made in USA) and Gillette Series Gel (made in UK). I brushed my teeth using my Colgate toothpaste (made in Brazil, distributed by a company in neighbouring Uzbekistan). Before leaving the apartment, I decided to wear my wool jacket (Made in Turkey) because I thought it would keep me warm on a freezing Almaty morning. I locked the door with my highly secure keys (made in Israel). Then I, a Turkish/Canadian instructor, took a short walk from home to Suleyman Demirel University (a university founded in Kazakhstan by Turkish academicians where the language of instruction is English) in order to teach my classes.¹⁴

I would assume, a lot of people go through a similar preparation every morning, without even noticing the variety of *Made in Country X* labels on the products they routinely use. Consciously or unconsciously, each and every one of us is increasingly becoming more dependent on foreign products and services. You may call it globalization, international marketing or even imperialism; but the truth is you can't keep yourself away from it.

What is International Marketing?

International marketing is defined as marketing across national boundaries. It consists of identifying, understanding, and satisfying global customer needs better than the competition. (Terpstra, Sarathy, Russow, 2006). As this definition suggests, we are still talking about marketing here. The only difference is, companies

¹⁴ Anonymous story, adapted to the personal situation of the author. Original source unknown.

involved in international marketing need to deal with foreign markets and foreign customers as well as their domestic customers.

One classical issue we have is the ongoing confusion over the definition of marketing. The marketing discipline has always been far from drawing a realistic picture of its components in the minds of ordinary people. The traditional confusion between marketing and sales has often led to a misunderstanding among those who are unfamiliar with functions of marketing. With this confusion in mind, it becomes even harder to make a distinction between marketing and international marketing. Nowadays, there seems to be an "international" component to almost any marketing activity companies are engaged in. Therefore the borders between marketing and international marketing are increasingly becoming blurry.

Another potential area of confusion is between international marketing and foreign trade. Some people mistakenly say they are dealing with international marketing if they are in import-export business. However exporting is only one facet of the international marketing process, probably the very initial one. Exporting alone does not become international marketing if you are not doing ample research before entering to a foreign market, if you are not putting together a plan clarifying how you will distribute your products in a foreign country, if you are not fixing your price and sales commission structure or if you are not letting potential buyers know about your product (in marketing terms: your promotional mix).

Cultural Pitfalls in International Marketing

When companies deal with foreign markets, it becomes especially important to do sufficient preparation and research. There are funny stories about reputable companies who made incredible mistakes during their marketing campaigns, simply because they overlooked one or more of the cultural factors prevailing in their destination markets.

The Nova story is such a legend that it has been cited in numerous seminars, conferences and publications. Years ago, as a young business student I remember my professor of marketing telling this story in one of his lectures. Supposedly, when Chevrolet's Nova model was introduced in Spanish speaking countries in South America, the company directors were disappointed by the low volume of sales they were experiencing. After several months, they realized that their low sales volume was a result of wrong model name selection. Nova means "no go" in Spanish; therefore consumers were reluctant to purchase a vehicle which "wouldn't go". According to rumours, Chevrolet later had to withdraw the Nova model from the market.

To tell the truth, I have never been able to verify the above story from a trustworthy source. Recently I went on the internet to see if Google would return me some sources. Indeed it did return quite a few web pages for the Nova story. Currently, there are several articles on the World Wide Web which explains this actually never happened. Despite this, a lot of marketers still mention the Nova example when they talk about cultural barriers in marketing. Of course they never mention when or in which Spanish speaking country this has happened. Since I am unable to verify it,

I would honestly think it never happened. However I find no harm mentioning this as a classical example because it could have happened in a foreign market any way. At the end of the day, it just helps marketers make their point.

As a matter of fact, the world of marketing has never been short of examples with cultural pitfalls. Here is a short list of some marketing pitfalls indicating the significance of cultural factors and market research when operating in a foreign market:

- Clairol introduced the “Mist Stick”, a curling iron, into Germany only to find out that “mist” is slang for manure. Not too many people had use for the manure stick.
- When Parker Pen marketed a ball-point pen in Mexico, its ads were supposed to say, “it won’t leak in your pocket and embarrass you”. Instead, the company thought that the word “embarazar” (to impregnate) meant to embarrass, so the ad read: “It won’t leak in your pocket and make you pregnant”.
- Pepsi’s “Come alive with the Pepsi Generation” translated into “Pepsi brings your ancestors back from the grave”, in Chinese.
- An American T-shirt maker in Miami printed shirts for the Spanish market which promoted the Pope’s visit. Instead of “I saw the Pope” (el Papa), the shirts read “I saw the potato” (la papa). (Palia, 2006)

Internationalization of SME’s

My wife and I operated a franchise store in Victoria, BC, Canada between 1999 and 2002 where I had the opportunity to deal with a large number of small business owners. Some of my customers would still keep their daytime jobs, and have home-based businesses on the side. One of the services we offered was business card design and printing. One day James, a local gardener, came to our store and said he wanted to order business cards. I offered him a design with flowers but he was looking for something totally different. “Actually” he said “I wanted to order business cards for my internet business”. He then gave me a rough sketch of what he wanted to see on his business card; and also an electronic version of his logo which wasn’t a common practice at the time.

The slogan on his business card would read “millions of products”. His business card would have a U.S. address although he was residing in Canada. I checked his web site, and indeed this was an online mall literally with thousands of products if not millions. The availability of internet had turned a Canadian gardener to an online international marketer.

The evolution of the internet had so much influence on the growth of small and medium enterprises (SME’s) who otherwise would have been unable to show their entrepreneurial skills in the international arena. The World Wide Web creates some kind of equality among companies no matter how large or small they really are. The impressive buildings or factories owned by large corporations are of very little importance on the web. A much smaller company who understands online behav-

our and develops proper content can possibly defeat large companies in its niche area of specialization. Today a large number of SME's depend on the internet to effectively market their products or services internationally.

Grandmas in International Marketing

In our store, another service we offered was computer rental by the minute. Individuals or travelling sales reps who didn't have a permanent office or an internet connection would come to our store to use our computers. Bob, was a middle-aged gentleman who had a night job. Occasionally, he would come to our store early in the morning and use the internet for about half an hour. This is how I got familiar with Ebay. One sunny morning in the year 2000, Bob showed me how he sold a tiny old book for \$50 on Ebay. He looked happy, because he had paid only \$5 to buy that little book. Victoria, the town where we lived was known as a place for retired people; with a significant number of old English families. As a result, it was a good place to find old, British made household items from estate sales or garage sales at a cost close to nothing.

Anyone who had access to internet could sell items on Ebay. It didn't matter whether you were a 70 year old grandma in Canada or a young successful lawyer in USA. Today Ebay is not the only auction site available on the web. Auction sites have been mushrooming all over the world since year 2000. A lot of Ebayers sell internationally too. This turns international marketing to a fun activity ordinary people can do in their spare time. Some of these individuals end up having a larger enterprise, marketing their products globally. Auction web sites had a critical role in familiarizing ordinary people with international marketing.

The Rise of China and India as Marketers

Thomas Friedman in his book "The World is Flat", lists ten events or factors that "flattened" our global world, his first world flattener being the fall of the Berlin wall on September 11, 1989. Friedman uses the word "flattening" to describe how knowledge and resources are connecting all over the planet as never before. One of his flatteners is "offshoring" which starts with China's becoming a member of the World Trade Organization in 2001. (Friedman, 2006)

There is every reason to believe that China's influence will keep increasing during our life time. One of the most interesting aspects of the emergence of China and India into the global economy is that it is really a re-emergence. China has been for most of recorded history a major part of the global economy, with a per capita GDP comparable to that of Western Europe. (Beal, 2006)

A recent article in the Economic Times of India claimed that 'Indians make best marketing brains', with the top business schools in the United States and Europe having marketing gurus also of Indian origin (Duttagupta, 2006). One area in which India does outdo China is in the field of services, from call centres to software.

China has long been criticized for being unable to create global brands. As a matter of fact, most Chinese exports of goods are traded under foreign brands, but things are changing fast. There are a number of Chinese corporations making their way on the world stage, including Kelon (fridges), Galanz (microwaves), Guangdong Donlim (kettles), GD Midea Holding (rice cookers), TCL (TVs and DVDs) and Hisense

(TVs) (Beal, 2006). However, the one capturing the most attention is Hai'er. Hai'er originates from the port of Qingdao, home to China's most famous beer, and arguably its first global brand, *Tsingtao* (Madden, 2003) (Beal, 2006). Surprisingly, by 2004, Hai'er emerged as the second largest home appliances brand in the world, next only to Whirlpool, manufacturing household appliances in six manufacturing facilities in China and 13 facilities across the globe including the US, Europe, Middle East, Africa and South Asia (Indu, 2006).

Producing global brands seem to be the most logical avenue for Chinese companies as well as for any company who is operating internationally. From 700 Korean OEM producers a few years ago, none remain. They could not compete with the lower cost Chinese manufacturers which were late entrants (Wilson, 2006). Proper use of marketing methodologies in general, and branding in particular are the only ways out for a long-term presence in the global marketplace.

Conclusion

The 21st century has already witnessed rapid developments which led to a wider acceptance of international marketing by business circles as well as ordinary people. Some of the factors influencing international marketing recently have been the internet revolution, and the re-emergence of China and India in the world market. Those companies who successfully implement marketing strategies internationally are likely to stay. Considering their essential need to build global brands, the issues surrounding international marketing will become even more important in the coming years. No doubt, international marketing is an area with a lot of potential for growth.

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