

International Marketing

Lecture 1

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I. Syllabus

II. What is marketing ?

1. What is Marketing?

Marketing is the process of **understanding customer needs** and creating, communicating, and delivering value to satisfy those needs—while helping organizations achieve their goals.

- It's **not just selling or advertising**.
- It's about **finding out what people want, designing products/services** they value, **setting a fair price, making it available where they can buy, and promoting it effectively**.

👉 In short: **Marketing = creating value for customers and building strong relationships to capture value in return.**

2. Key Marketing Theories

(a) The 4P's of Marketing (McCarthy, 1960)

- **Product:** What you sell (design, features, quality).
- **Price:** What the customer pays (discounts, strategy).
- **Place:** How it's distributed (stores, online, delivery).
- **Promotion:** How people learn about it (ads, social media).

Example: Starbucks →

- Product: coffee, snacks, "third place" atmosphere.
- Price: premium (higher than local cafes).
- Place: convenient city-center stores, mobile ordering.
- Promotion: lifestyle branding, loyalty rewards app.

(c) STP Model (Segmentation, Targeting, Positioning)

- **Segmentation:** Divide the market into groups (age, income, lifestyle).
- **Targeting:** Choose which group to serve.
- **Positioning:** Create a clear image in customers' minds.

Example: Nike → targets athletes and fitness enthusiasts; positions itself as "inspiring every athlete in the world."

3. Why Marketing Theories Matter

- They help businesses design strategies.
- They explain consumer behavior.
- They bridge economics, psychology, and management.
- For students: understanding these helps analyze real companies and their success/failure.

III. Process of Marketing Management

- R->STP->MM->I->C
- R: Research (Market Research)
- STP: Segmentation, targeting, and positioning
- MM: Marketing Mix (popularly known as the four P's (product, price, place, and promotion.))
- I : Implementation
- C: Control (getting feedback, evaluating results, and revising or improving STP strategy and MM tactics)

IV. Current Global Economy Issues

Global economic issues today are ***interconnected***.
Inflation, debt, and inequality affect individuals directly.

Trade wars, climate policies, and geopolitical tensions reshape how nations and businesses interact.

Students should see these as **real-world examples of economic theories** (like supply & demand, globalization, and monetary policy) playing out on a global stage.

1. Global Inflation and Interest Rates

- **What it is:** Inflation means prices of goods and services rise, reducing purchasing power. Central banks (like the U.S. Federal Reserve or the European Central Bank) raise interest rates to slow inflation.
- **Why it matters:** High inflation makes it harder for families to afford basics (food, rent, fuel) and raises borrowing costs for businesses.
- **Example:** In 2022–2023, global energy and food prices spiked after Russia invaded Ukraine, causing inflation in the U.S., Europe, and many developing countries.

2. U.S.–China Trade and Technology Tensions

- **What it is:** The two biggest economies compete over trade, technology, and supply chains. They impose tariffs, restrictions, and subsidies.
- **Why it matters:** This rivalry reshapes global supply chains, pushes companies to diversify production, and may slow globalization.
- **Example:** The U.S. restricts China's access to advanced semiconductors, while China invests heavily in its own chip industry. This affects global tech companies like Apple, Samsung, and TSMC.

5. Supply Chain Disruptions

- **What it is:** The global system of producing and transporting goods faces risks from pandemics, wars, and trade restrictions.
- **Why it matters:** Shortages raise prices and slow growth. Companies must rethink efficiency vs. resilience.
- **Example:** During COVID-19, carmakers couldn't get enough semiconductors, delaying car production worldwide.

7. Geopolitical Conflicts and Wars

- **What it is:** Wars and political conflicts disrupt trade, energy supply, and investor confidence.
- **Why it matters:** Markets react strongly to uncertainty, oil/gas prices rise, and global trade slows.
- **Example:** Russia–Ukraine war disrupted global grain and energy exports, while tensions in the Middle East affect oil supply.

8. Deglobalization vs. Regionalization

- **What it is:** After decades of globalization, countries are moving toward regional trade agreements and domestic production for security.
- **Why it matters:** This could reduce global efficiency but improve resilience and national security.
- **Example:** The U.S. promotes domestic semiconductor production through the CHIPS Act, while Asia strengthens trade through the Regional Comprehensive Economic Partnership (RCEP).