International Marketing

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Contents

I. The Process of Marketing Management

The **marketing management process** is a structured, step-by-step approach that organizations use to analyze markets, identify opportunities, develop strategies, and implement actions to achieve customer satisfaction and business goals. Here's a clear breakdown:

1. Environmental Analysis & Market Research

- **Situation Analysis (SWOT):** Identify strengths, weaknesses, opportunities, and threats.
- **Market Research:** Collect and analyze data on customers, competitors, industry trends, and macro factors (PESTEL).
- **Consumer Insights:** Understand needs, wants, and buying behavior.
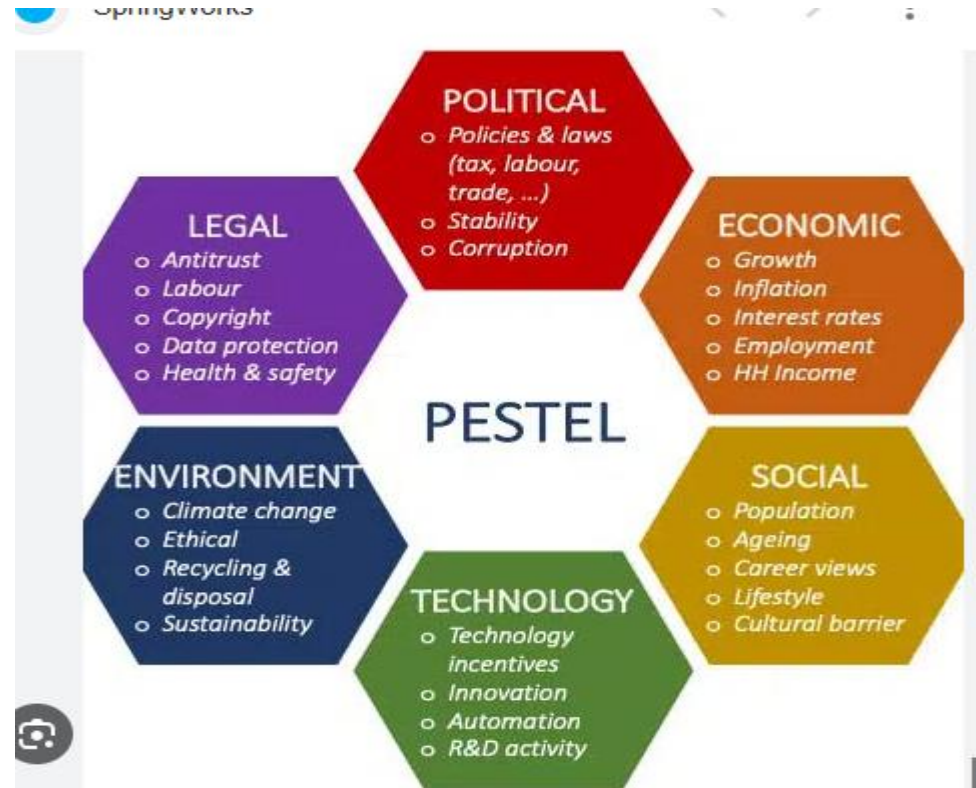
1. Environmental Analysis & Market Research

- **Case:** *Starbucks in China*
    - Before entering China, Starbucks studied **tea-drinking culture** and local tastes.
    - They discovered consumers preferred **sweeter and tea-based flavors**, so they launched "Green Tea Frappuccino" and localized store interiors.
    - → Example of adapting to **cultural insights** from market research.

2. Setting Marketing Objectives

- Define **clear, measurable, and time-bound objectives**.
- Objectives can be:
  - Sales growth (e.g., increase revenue by 15%)
  - Market share (e.g., capture 10% of the premium segment)
  - Customer satisfaction (e.g., improve NPS score)
  - Brand awareness (e.g., boost recall by 20%).

2. Setting Marketing Objectives

- **Case:** *Nike "Just Do It" Campaign*
  - Objective: Increase brand awareness among youth and boost global sales.
  - Nike set measurable goals: expand market share in North America and Asia while repositioning as a **lifestyle brand**, not just sports equipment.
  - Result: Sales grew from $800 million (1988) to $9.2 billion (1998).

3. Market Segmentation, Targeting, and Positioning (STP)

- **Segmentation:** Divide the market into distinct groups (demographic, psychographic, behavioral, geographic).
- **Targeting:** Choose the most attractive segments to serve.
- **Positioning:** Develop a clear brand image and value proposition in the minds of target customers.

3. Segmentation, Targeting, and Positioning (STP)

- **Case:** *Coca-Cola*

  - **Segmentation:** Different groups (health-conscious, teens, price-sensitive).

  - **Targeting:** Coca-Cola Zero targeted **young adults** who wanted no sugar but the same taste.

  - **Positioning:** "Real Coke taste, zero sugar" → positioned as a **healthier alternative** to Coke.

  - → A textbook example of **targeting and differentiation**.

4. Developing the Marketing Strategy

- Use the **Marketing Mix (4Ps / 7Ps)** to create a strategic plan:

    - **Product:** Design features, quality, and branding.

    - **Price:** Select pricing strategies (penetration, skimming, competitive).

    - **Place (Distribution):** Decide on channels (online, retail, direct-to-consumer).

    - **Promotion:** Plan communication (advertising, sales promotion, PR, digital marketing).

    - (Extended **7Ps** add People, Process, Physical evidence – especially in services.)

4. Developing the Marketing Strategy (4Ps/7Ps)

- **Case:** *Apple iPhone*
    - **Product:** Cutting-edge technology, sleek design, ecosystem integration.
    - **Price:** Premium pricing strategy → signals quality and innovation.
    - **Place:** Exclusive Apple stores + online + selected premium retailers.
    - **Promotion:** Minimalist advertising, celebrity endorsements, product launch events.
    - → Shows how Apple aligns all **4Ps** for consistent positioning.

5. Implementation

- Allocate budgets and resources.

- Organize marketing teams and assign responsibilities.

- Launch campaigns, promotions, and distribution activities.

- Coordinate across departments (sales, operations, finance).

5. Implementation

- **Case:** *McDonald's "I'm Lovin' It"* Global Campaign (2003–)
  - Rolled out in more than 100 countries simultaneously.
  - Used consistent slogan + localized ads (different celebrities/music in each market).
  - Required **global coordination** across marketing, franchisees, and supply chains.
  - → Demonstrates the importance of **execution discipline**.

6. Monitoring & Control

- Measure performance against objectives (KPIs).

- Tools: sales reports, market share analysis, customer feedback, digital analytics.

- Adjust strategies if performance is below expectations.

- Continuous **feedback loop** ensures improvement.

6. Monitoring & Control

- **Case:** *Coca-Cola's "New Coke" Failure (1985)*
    - After launch, Coca-Cola monitored consumer reactions.
    - Feedback: strong backlash, brand loyalty decline.
    - Coca-Cola quickly reverted to "Coca-Cola Classic."
    - → Shows how **monitoring & quick response** can save a brand.

II. Philip Kotler's Marketing 6.0

Philip Kotler (often called the "father of modern marketing") expanded his thinking over time from **Marketing 1.0 → 6.0**, with each stage reflecting changes in technology, consumer values, and business environments.

📌 Kotler's Marketing Evolution (1.0 → 6.0)

1. Marketing 1.0 (Product-Centric)

- Focus: Sell products with functional value.
- Role of customers: Passive buyers.
- Example: *Ford Model T* ("Any color, as long as it's black").
- Core idea: Mass production, efficiency, standardization.

2. Marketing 2.0 (Customer-Centric)

- Focus: Meeting customer needs & satisfaction.
- Role of customers: More empowered, companies listen to preferences.
- Example: *P&G* with consumer research & segmentation in household products.
- Core idea: STP (Segmentation, Targeting, Positioning).

3. Marketing 3.0 (Values-Driven)

- Focus: Customers as **whole human beings** with minds, hearts, and spirit.
- Role of business: Deliver not only profit, but **social responsibility**.
- Example: *Ben & Jerry's* (environmental activism, fair trade ice cream).
- Core idea: CSR (Corporate Social Responsibility) & brand purpose.

4. Marketing 4.0 (Digital & Connectivity)

- Focus: Digital marketing, online + offline integration.

- Role of customers: **Co-creators**, engaging via social media.

- Example: *Coca-Cola's "Share a Coke"* (personalized names, social sharing).

- Core idea: Use digital tools to build communities and customer engagement.

5. Marketing 5.0 (Technology-Driven)

- Focus: Use of **AI, big data, automation, AR/VR, IoT** to enhance experience.
- Role of customers: Expect **personalized, predictive** interactions.
- Example: *Amazon* using AI for product recommendations and Alexa for voice shopping.
- Core idea: Tech-powered customer journey.

6. Marketing 6.0 (Human-Centric + AI Integration)

- Focus: **AI + human empathy** → balance technology with emotional & ethical engagement.
- Role of customers: Not just consumers, but **partners** shaping the brand experience.
- Key Features:
  1. **AI-Human Collaboration** → Chatbots + human agents for seamless service.
  2. **Sustainability & Inclusion** → Ethics, diversity, environmental action.
  3. **Metaverse & Immersive Experiences** → New customer touchpoints.
  4. **Hyper-Personalization** → Real-time offers based on mood, behavior, and context.
- **Examples:**
  - *Nike* → Uses **AI-powered apps + immersive experiences** (Nike Run Club, Nike By You customization, plus metaverse brand spaces).
  - *Unilever* → Integrates **sustainability in brand DNA** (e.g., Dove's "Real Beauty" campaign, eco-friendly packaging).
  - *Tesla* → AI in self-driving cars + strong mission-driven marketing (sustainable future).
  - *Spotify* → **Hyper-personalization** with "Discover Weekly" and AI-driven playlists, making users feel emotionally connected.

III. Issues and Questions to Discuss

📘 Part 1: Short-Answer / Essay Questions (10)

1. Explain the six stages of the **marketing management process**. Give one real-world company example for each stage.

2. How did **Starbucks** adapt its strategy when entering the Chinese market, and which step of the marketing management process does this illustrate?

3. Discuss how **Nike's "Just Do It" campaign** shows the importance of setting clear marketing objectives.

4. Coca-Cola launched "Coke Zero" as a product for health-conscious consumers. Which step of the STP process does this highlight, and why?

5. Apple positions the iPhone as a premium product. How do the **4Ps (Product, Price, Place, Promotion)** align with this positioning?

6. Why did Coca-Cola's "New Coke" fail? What does this case show about the importance of monitoring and control in marketing management?

7. Compare **Marketing 1.0** and **Marketing 3.0** in Kotler's framework. How did the role of the customer change?

8. Explain how **Marketing 5.0** (Technology-Driven) is different from **Marketing 6.0** (Human + AI Integration). Use a brand example.

9. Spotify uses AI to create personalized playlists. Which stage of Kotler's marketing evolution does this represent, and why?

10. Do you think companies should prioritize **technology (AI, automation)** or **human empathy (values, sustainability)** in their future marketing strategies? Justify your answer.

📗 Part 2: Multiple-Choice Questions (10)

Q1. The **first step** in the marketing management process is:

A) Implementation

B) Market Research & Situation Analysis ✅

C) Promotion

D) Monitoring & Control

Q2. Which company's entry into China showed the importance of **cultural adaptation**?

A) Apple

B) Starbucks ✅

C) Tesla

D) Samsung

Q3. Nike's "Just Do It" campaign mainly illustrates which step of the marketing management process?

A) Market Segmentation

B) Setting Objectives ✅

C) Promotion Strategy

D) Monitoring & Control

Q4. Coca-Cola Zero is an example of:

A) Mass Marketing

B) Market Positioning ✅

C) Monitoring

D) Implementation

Q5. Apple's premium pricing strategy for iPhones is an example of:

A) Penetration pricing

B) Value-based pricing ✅

C) Cost-plus pricing

D) Loss-leader pricing

Q6. Coca-Cola's quick return to "Classic Coke" after backlash is an example of:

A) STP

B) Monitoring & Control ✅

C) Market Segmentation

D) Product Launch

Q7. Which stage of Kotler's marketing evolution focuses on **CSR and brand purpose**?

A) Marketing 2.0

B) Marketing 3.0 ✅

C) Marketing 4.0

D) Marketing 6.0

Q8. Coca-Cola's "Share a Coke" campaign (personalized bottles) is an example of:

A) Marketing 2.0

B) Marketing 3.0

C) Marketing 4.0 ✅

D) Marketing 6.0

Q9. Amazon's recommendation system using AI belongs to:

A) Marketing 1.0

B) Marketing 3.0

C) Marketing 5.0 ✅

D) Marketing 6.0

Q10. Which of the following best defines **Marketing 6.0**?

A) Focus on mass production

B) Customer satisfaction only

C) AI integration + human empathy ✅

D) Social media campaigns