

GLOBAL MARKETING & IT'S IMPORTANCE – A COMPARATIVE STUDY OF DOMESTIC AND INTERNATIONAL MARKET

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ABSTRACT –

Due to the availability of technology that allows consumers worldwide to share services, communicate, and buy goods from any other nation at the lowest possible price while maximising the use of the resources at their disposal, international marketing has now become a need. Understanding consumers in distant locals is becoming more important as businesses continue to pursue more global strategies. Companies primarily use marketing to understand both their existing and potential clients. Companies must think about how local market research differs when undertaken in foreign markets when they explore the global economy. The International Marketing will assist the businesses in utilising the benefits of globalisation to assist and reach the greatest number of customers worldwide.

This research article makes an effort to raise readers' and consumers' understanding of the need to carry out international marketing operations using technologies like the internet, mobile commerce, and e-commerce tools. Corporate management needs informational basis, i.e., proper marketing research covering problems and opportunities in international operations, when developing global marketing programmes. The development of effective global marketing programmes is substantially facilitated by overviews of market circumstances and relationships, worldwide product market acceptance tests, regional performance maps, efficiency assessments of specific global marketing mix instruments, etc.

The Author has tried to highlight the benefits, ideal strategies for promoting international marketing and draw a line of difference between international market and domestic market with reference to McDonald's as an example.

Keywords- consumers, local markets, foreign markets, technology, global marketing, McDonald's.

INTRODUCTION-

A study of international marketing begins with the understanding of what marketing is and how it works in an international framework.

The most suitable definition of international marketing is based upon the definition adopted by American Marketing Association "International marketing is the multinational process of planning and executing the conception pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives."

The practice of conducting marketing operations across more than two nations for a variety of goods, services, or other items of interest to both parties is known as international marketing. Customers all over the world will greatly benefit from international marketing and save a lot of time and money by engaging in these activities. The availability of the resources and its minimum problems in providing best services at the point of sale. International Marketing, also known as global Marketing on a world-wide scale or on very large scale to meet the global needs of the customers. The customer performs marketing transaction by visiting the financial institution's secure website, and enters the online marketing facility using the customer number and credentials previously set up. Online product orders, product searches, and other marketing activities are examples of the different kinds of marketing transactions.

The growing number of publications in this field reflects how prominent the topic of global marketing has become. Global marketing is no longer a luxury typically reserved for multinational firms, but rather a need for the survival of all organisations, large and small, considering the growing globalisation of the world economy (MNCs). We live in a time where practically everything may be produced and sold anywhere, both as customers and as citizens.

It is difficult to imagine a location that is not affected by something "international" because the term "global village" is so ingrained in the world. For example, climbing Mount Everest, once was a difficult task but now it is a customised package.

Domestic Market-

Domestic marketing is primarily concerned with marketing that takes place within a defined national or geographic boundary wherein the marketer has a fair amount of freedom to plan, carry out, and oversee marketing strategies, including choices with regards to the marketing mix, in a marketing environment that is generally well-known and open to research. The marketer gains the ability to predict the requirements and desires of his or her market. Other than to monitor and address the threat of imports, there is no need to respond to the demands of the cross-border markets. The home market is the primary area of focus and authority.

International Market-

When a marketer looks outside the domestic market's boundaries to export their goods and services it is called international marketing. This frequently starts with exporting goods directly or indirectly to a neighbouring nation. The goal is to identify markets with requirements that can be met by providing similar to the domestic market. Organizations require a more consistent and effective approach to their involvement with their worldwide markets as they start operating beyond many national/political boundaries.

Research Methodology-

This research paper explains how global marketing plays an important role in today's competitive world. It also tries to highlight the need of carrying international marketing operations followed by the comparison drawn between domestic marketing and global marketing.

The approach used by us in this research paper is qualitative in nature, and secondary type of data which was collected from various trusted sites and published research papers to complete our paper. Different databases were referred while putting this research paper together. After following the mentioned research process and gathering information from the same, we found out the significance of carrying out marketing a global platform and the opportunities and challenges of the same.

This paper also has a detailed comparison of domestic marketing and global marketing.

Benefits of doing marketing internationally-

1. **Survival:** Many nations depend on international trade to stay alive. For instance, Hong Kong would not have survived for very long without the food and water it received from China. Since most European countries are very small, they have shared a common experience. Without international markets, European businesses would not be able to achieve the required economies of scale to compete with US businesses. Nestle, for instance, is bound to rely on international markets since Switzerland, its home country, is so small.

2. **Sales and Profits:** A significant portion of the total business of many companies who have successfully developed markets abroad is conducted in foreign markets. As mentioned significant portion of the overall revenues of many companies comes from international sales. For instance, Coca-Cola's sales make up 80% of its overall revenue from international market. No international company can ignore foreign markets.
3. **Diversification:** Both seasonal and cyclical factors, such as the current recession, climate change may affect the demand for most products in a particular market or home country. These elements are probably going to lower sales, which frequently forces businesses to lay off workers. An international market entry may aid a company in avoiding such scenario. By offering outlets for extra production capacity in foreign markets. For instance, a drop in soft drink consumption during cold weather in a particular country. However, not all nations experience winter at the same time, and others have mild winters and warm summers.
4. **Living Standards:** Participating countries' and their citizens' living standards are improved through trade beyond what is otherwise achievable. Without trade, people are forced to pay more for fewer goods, which reduces their ability to purchase more. Additionally, if some goods and services that weren't allowed to be imported, living in such nations would be considerably harder. Trade encourages competition and efficiency while also making it simpler for companies to specialise, access raw materials and expand.
5. **Growth of International Markets:** Developing nations are becoming more and more attractive markets for global trade; Latin America and the Asia/Pacific region are witnessing rapid economic development. MNCs are unable to ignore the expanding markets. Throughout history, even though their domestic markets were small, businesses have largely attained global domination through entering foreign markets. The Netherlands is a small country in Western Europe, yet its successful multinational companies have grown to be giants globally.

Comparison between domestic market and International market-

	Basis of Comparison	Domestic Marketing	International Marketing
1.	Environmental Factors	Controllable factors: Price, Product, Promotion & Distribution. Uncontrollable factors: Economic, Political, Legal, Cultural and Competitive environment	Controllable and uncontrollable factors are equivalent as in domestic marketing
2.	Nature of Environmental Factors	Simple and uniform	Complex and varying legal, economic, cultural & political environment in different countries differ

3.	Advertising	Language translation may not pose a problem, except in countries like India which is known for multi-linguism.	Most firms face the problem of languages translation while advertising in overseas markets
4.	Marketing Strategy	Uniform marketing strategy	Marketing strategy can't be uniform as environments vary in different countries
5.	Example	Sagar Ratna Chain of Restaurant has uniform menu throughout India	McDonald's, recognizing the importance of foreign markets and local customs customizes the menu by region.
6.	Pricing Policy	Price fixation is a complex task	Pricing is more complicated in foreign markets because of additional problems associated with tariffs dumping laws, inflation and currency conversion.
7.	Media Selection	Media selection or selecting media agencies for preparing and placing the advertisement is not complex	Besides the international marketing the media used in the domestic market may not be readily available.

In case of McDonald's-

The McDonalds on the streets of New York and in malls of New Delhi is not the same in any aspect, rather the taste and menu are influenced by local responsiveness and that difference is noticeable culturally. In the year 1955, McDonalds established its first restaurant in Des Plaines, Illinois. Today, McDonald's is one of the world's leading chains of fast food restaurants. They operate thirty-two thousand restaurants serving more than sixty million customers every day. The fundamental to speedy and successful international growth of McDonald's is the franchise model initiated by them.

Talking of India, cows are held sacred in the Indian religion of Hinduism which is the reason why McDonalds in India doesn't serve beef. For example, in France, wine can be purchased even at McDonald's. This approach makes sense for McDonald's because wine is a significant part of French diets. Furthermore, McDonalds is a firm that seeks a middle ground between a multi domestic approach and a global approach. The firm tries to balance the desire for efficiency with the need to adjust to local preferences in several countries. McDonald's trust on the same brand names and the alike core menu items around the globe. But, at the same time make some concessions to local tastes also and that is why McDonalds determine a transnational strategy.

McDonald's recognized early in its life that overseas market required a very high degree of local responsiveness and that they needed to cope business spread across different regions well, which would be attained only through transnational Approach.

The McDonald name, image, and its food menu are the distinguishing competence that lets the firm to win in foreign market.

McDonald's Global Marketing Strategy-

- 1- **Think Global Act Local:** Regarding local responsiveness and global integration, McDonald uses a transnational strategy. They understood that the international market demanded a very high level of local response, and because their company had expanded too much, they also needed to manage their operations across multiple areas effectively and efficiently, which could not be done using any of the other tactics. The local cultural, political, legal, and economic contexts must be taken into account when building the value chain. (The International Market Strategy of McDonald's, 2021) (The International Market Strategy of McDonald's, 2021)
- 2- **Local Management:** McDonald's places a strong emphasis on local management for improved environmental responsiveness. Additionally, employing locals would increase the company's market acceptance among consumers and allow it to more easily navigate local government regulation. Additionally, having local management enables the franchisee to address employee concerns more successfully while considering regional culture.
- 3- **3-Political Sensitivity:** Governmental risk refers to political actions, occurrences, or circumstances that could have a negative impact on the business climate of a nation and force investors to accept lesser returns on their investments. For McDonald's, the political risk aspect is crucial because there may be some nations that do not permit foreign direct investment in the fast food sector or that forbid franchise-style business models.
- 4- **Franchise model:** The company owns only 15% of the total number of restaurants. Franchisees run the remaining 85% of the business. The business has a strong system in place for training and overseeing its franchises to ensure that they uphold the company's commitment to quality, service, cleanliness, and value for its clients. The company owns only 15% of the total number of restaurants. Franchisees run the remaining 85% of the business. The business has a strong system in place for training and overseeing its franchises to ensure that they uphold the company's commitment to quality, service, cleanliness, and value for its clients.
- 5- **Environmental Friendliness:** Being environmentally conscious is a brand-new, developing idea. Many industrialised nations impose specific environmental regulations to require businesses to follow the standards. For instance, there are explicit instructions on how to dispose of waste produced by company activities. Being environmentally friendly benefits the business and gives it the chance to establish a strong brand. McDonald's also participates in CSR initiatives such as sustainable supply chain management, the production of wholesome meals, etc. McDonald's recently introduced goods that are calorie-efficient and healthy for consumers' health.
- 6- **System and Process Standardization:** For a transnational company to effectively and efficiently manage the businesses operating in many geographies, a standardised system and process must be in place. For instance, McDonald's mandates SOPs such make-to-order, make-to-stock, and just-in-time operations. Businesses from different nations and business partners could standardise their business procedures by implementing and integrating ERP systems. This would enable McDonald's to lower costs, eliminate manual labour, share information more effectively and transparently, improve stakeholder responsiveness, etc.

7- Pricing Strategy: Businesses expanding internationally must assess the pricing of their products depending on local inflation, income gaps among the population, and other variables like currency exchange rates. You can end yourself paying different prices for the same product in different countries due to exchange rates. McDonald's mostly targets middle-class and upper-class residents in major cities since they can pay the costs. After then, they turn their attention to people in the lower middle class.

8- Growth Strategy: The three components that McDonald's growth plan is built upon

- There are more restaurants now.
- boosting revenue and profits at currently operating restaurants
- increasing global profitability

Better operations, reinvestment, product creation and refinement, efficient marketing, and lower development and running expenses will all help established restaurants increase sales and profits. According to McDonald's, its long-term growth and sustainability depend on its stakeholders, including its franchisees, suppliers, and customers. They think that the company will be successful as long as its suppliers and franchisees are as well. As economies of scale are reached in certain areas and the company gains from the global infrastructure, improved worldwide profitability is realised.

9- Entry Strategy and Business Model: Despite the fact that McDonald's cannot export its goods, it can pick from a variety of business models in foreign markets, some of which may require a greater investment of resources than others. Specifically, it can establish a master franchising arrangement where the master franchisee owns and operates all the outlets in his or her territory or finds franchisees to do the same, open a subsidiary that directly franchises, enter a joint venture with a local partner, or any combination of these. The amount of money that McDonald's invests in various markets varies depending on the mode, but in every case, McDonald's has a substantial influence over the number of outlets and the expansion of outlets in each area.

10- Regional Strategy: McDonald's had to adapt its business approach to the needs of the local market to be successful in the host nations. When Asian cultures are quite different from those of the west, regional strategy became crucial for McDonald's as it began to expand there. To provide fresh goods that cater to regional tastes and needs, McDonald's used product localization and innovations.

Example- For Catholics who abstained from meat on Friday, McDonald's developed the "Filet-of-Fish" sandwich in the Cincinnati area in 1963. The first new item to be introduced to the regular menu, it was made available nationwide the following year.

Jim Delligatti, one of the first franchisees of McDonald's Systems, came up with the idea for the "Big Mac" before it was first served in 1968.

The future of international marketing quite promising and bright. Thus, many businesses are expanding globally and utilising this environment to raise the standard of living globally in all areas. International marketing is now easily available and simple to carry out as more nations turn to the internet to provide the finest service to their potential customers.

Conclusion-

Typically, businesses begin their operations on a domestic level. They find it simpler to function in a home setting because they are already familiar with the market conditions, regulations, policies, and client preferences. Additionally, domestic marketing only needs a little amount of money, which makes it easier for businesses to compete locally. However, the domestic market's reach is limited, and thus, businesses' growth quickly stops. As a result, they want to expand their operations to the global market, which offers huge opportunities for expansion and significantly greater returns. International marketing is, however, a very risky endeavour, and for businesses to succeed, a significant level of commitment is required towards it.

Recommendations-

International exports make an important and necessary contribution to the economy and the development of the country and particularly in underdeveloped countries. It provides a strong base for the country's economy. The speedy progress of underdeveloped countries in the industrial field is largely due to their exports. Today maximum business activities have global scope.

International marketing is regarded as an engine of growth and development and the subsequent need for both public and private sectors of business to comprehend the nature of international marketing has happened for many reasons. The most significant factor has been the extraordinary development in communications and transportation. Many trade barriers have broken down and customs tariffs have been largely come down.

Today, International marketing is important not only for the realisation of the full potential of any business, but also for the survival of the business in the competitive market. A company that fails to go global might fail in its domestic business to international competitors with lower costs, better experience and improved products.

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