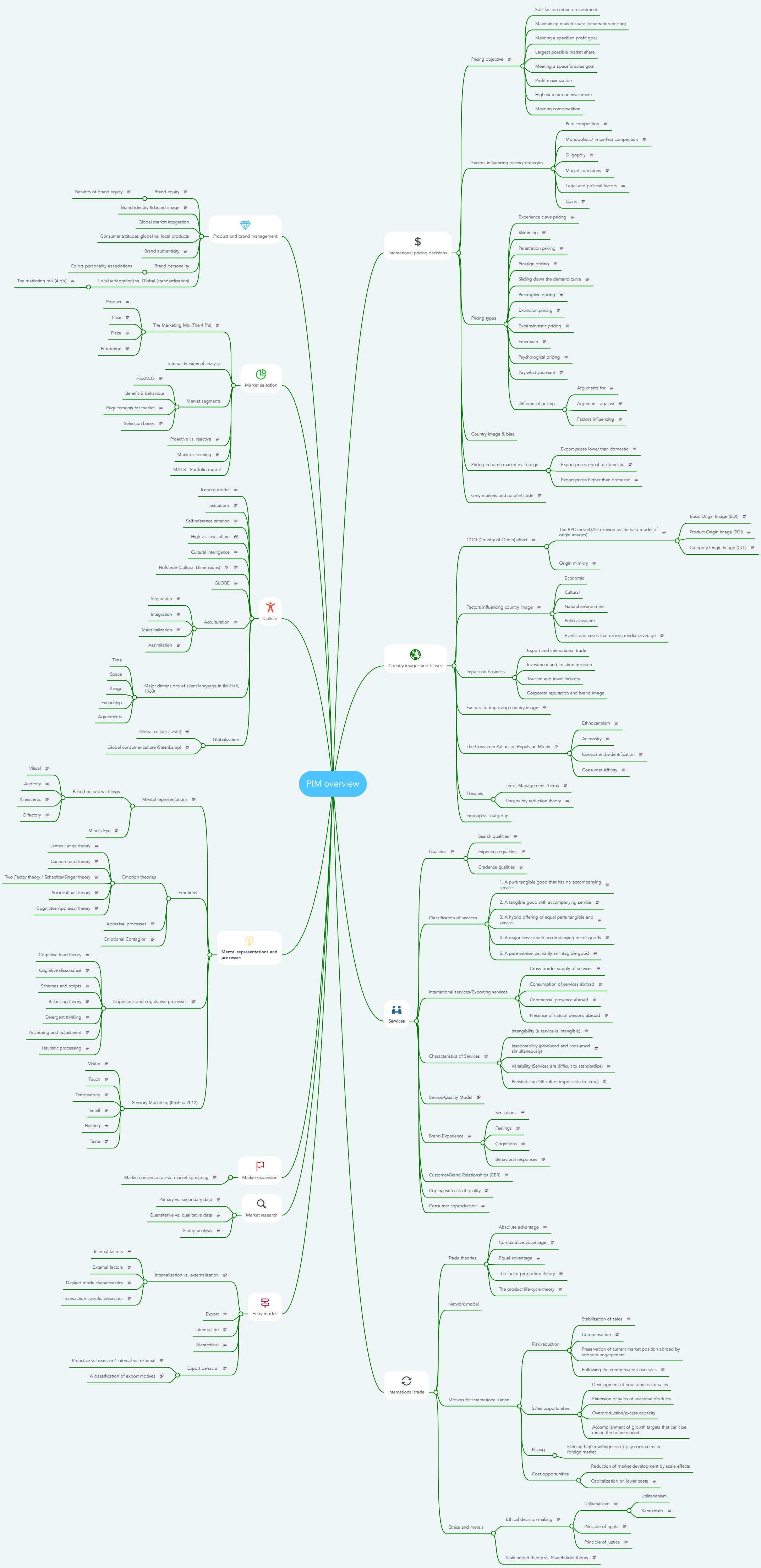
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Meeting a specified profit goal
Largest possible market share
Meeting a specefic sales goal
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The Marketing Mix (The 4 P's)
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PIM overview

1. International pricing decisions

1.1. Pricing objective

Costs: Raw materials, shipping, labor
Market conditions: Demographics, culture, economy, etc
Competition: Market concentration, competitive advantages
Legal and political factors: Restrictions to setting pricing free
- Culture: Consider luck, religion, etc.

1.1.1. Satisfaction return on invstment

1.1.2. Maintaining market share (penetration pricing)

1.1.3. Meeting a specified profit goal

1.1.4. Largest possible market share

1.1.5. Meeting a specefic sales goal

1.1.6. Profit maximzation

1.1.7. Highest return on investment

1.1.8. Meeting compmetition

1.2. Factors influencing pricing strategies

1.2.1. Pure competition

The market sets the price

1.2.2. Monopolistic/ imperfect competition

The sellers can differentiate their product/marketing and has the ability to adapt their prices

1.2.3. Oligopoly

Prices depend on the expected reactions of other sellers

1.2.4. Market conditions

Determines price ceiling
Influenced:
- o Demographics, culture, economy
- \- Demand can be expressed as price elasticity
- o How much of a good is demanded by a change in prices

1.2.5. Legal and political factors

Restrict the freedom of a company to set prices through:
- Antidumping legislation
- Tariffs
- Import restriction
- Etc.

E.g. custom duties in India. The company might want to vary it's prices for that market

1.2.6. Costs

Determines price floor
Include:
- o Raw materials
- o Shipping
- o Labor
- o Overheads
- The same types of costs are relevant for both domestic and export activities, but their relative importance can differ
- o For a small exporter that wants to export away to a faraway market, this might mean extra costs e.g. changing the product dimensions to meet the market, extra costs for shipping, and extra costs for meeting different regulations that are in place in in the different markets.

1.3. Pricing types

1.3.1. Experience curve pricing

When doubling volume, production costs decrease by 10- 30%

1.3.2. Skimming

The company initially sets a high price to tap the market willing to pay the higher price → when that market is exhausted, a new lower price is set

1.3.3. Penetration pricing

Price is initially set low to attract mass market with the assumption that the large volume of sales will lower costs to make a profit

1.3.4. Prestige pricing

Setting a high price to signal exclusivity and high quality to the customer - Can be used to achieve high profit margins and can be used by companies offering products of high quality and a strong image

1.3.5. Sliding down the demand curve

Variation of market skimming: a pricing method in which the initial price is set at the highest possible level and then gradually reduced to attract successive waves of purchasers as demand diminishes.

1.3.6. Preemptive pricing

Prices are set low enough to discourage competitors from entering market. When volume increases and costs decrease, even lower prices can be set (associated with dumping)

1.3.7. Extinction pricing

Aims to drive existing competitors out of the chosen market (associated with dumping)

1.3.8. Expansionistic pricing

Expansionistic pricing is the same as penetration pricing but with even lower price

1.3.9. Freemium

Base product is free and add ons are costly.

1.3.10. Psychological pricing

fx 9.99 instead of 10, taking into account symbolism of numbers.

1.3.11. Pay-what-you-want

A participative type of pricing in which the customer freely decides what to pay

- Customers are attracted to this approach, because it gives them a certain level of control

1.3.12. Differential pricing

1.3.12.1. Arguments for

- Marketing differs in different markets
- To ensure that products are priced appropriately in relation to each other

1.3.12.2. Arguments against

- Customer pressure for uniform prices

1.3.12.3. Factors influencing

- Differential elasticities of demand
- Local competition
- Fixed cost/variable cost ratio
- Stability of demand
- Marketing strategy
- Markets are separated

1.4. Country image & bias

1.5. Pricing in home market vs. foreign

1.5.1. Export prices lower than domestic

Arguments for:
-Gain market acceptance
-Product remain competitively priced
-Production may be cheaper in foreign market - thus set price to reflect that
-Country biases and willingness to pay -> overcome ethnocentrism
-Counter negative COO effects
Arguments against:
-Could be perceived as dumping

1.5.2. Export prices equal to domestic

Arguments for:
-Builds on domestic experience with pricing
-Safe starting point with lacking knowledge of new market
-Avoid impression of dumping
-Can easily be altered as knowledge is acquired
Arguments against:
-Domestic/export markets differ
-Company objectives may differ across countries
-Does not make up for transportation costs

1.5.3. Export prices higher than domestic

Arguments for:
-Exporting is expensive – might hedge against transaction costs
-Extra risk of operating abroad (Political instability & Corruption)
Arguments against:
-Uncompetitive
-Cannibalism
-Grey markets and parallel trade

1.6. Grey markets and parallel trade

Due to differential pricing consumers in the expensive countries import the product from cheap country leading to cannibalization.

2. Country images and biases

2.1. COO (Country of Origin) effect

Influence that a product's country of origin has on consumer perceptions and purchasing decisions.

Studies have found COO effect is stronger for products that are unfamiliar/novel to consumers and when consumers are less involved.

2.1.1. The BPC model (Also knwon as the halo model of origin images)

The model argues that three origin images are sequentially related in a causal chain (Josiassen et al., 2013)

2.1.1.1. Basic Origin Image (BOI)

> The image that individuals have of the origin in general; for example, its resources, weather, and people.

2.1.1.2. Product Origin Image (POI)

> Relates to the image that individuals have of the products originating from the origin country and the product-making ability of the origin country.

2.1.1.3. Category Origin Image (COI)

> Relates to the image held by individuals about products in a particular category, and the abilities of the country in terms of making such products

2.1.2. Origin mimicry

> When a firm uses origin branding deceptively, Extra local origin branding - firm wishes to enter a market characterized with a local bias

2.2. Factors influencing country image

> Country image: defined as the collective perceptions and opinions that people have about a particular country

2.2.1. Economic

2.2.2. Cultural

2.2.3. Natural environment

2.2.4. Political system

2.2.5. Events and crises that receive media coverage

> Natural disasters, political instability, and economic downturns

2.3. Impact on business

2.3.1. Export and international trade

2.3.2. Investment and location decision

2.3.3. Tourism and travel industry

2.3.4. Corporate reputation and brand image

2.4. Factors for improving country image

> -Public diplomacy and international communication
> -Branding and marketing strategies
> -Sponsorship
> -Cultural exchange and tourism promotion
> -Crisis communication and reputation management

2.5. The Consumer Attraction-Repulsion Matrix

Link: https://rb.gy/slw4uz

2.5.1. Ethnocentrism

is a term applied to the cultural or ethnic bias—whether conscious or unconscious—in which an individual views the world from the perspective of his or her own group, establishing the in-group as archetypal and rating all other groups with reference to this ideal.

2.5.2. Animosity

strong emotions of dislike and enmity based on beliefs of past and ongoing events of hostility between nations or people (Averill, 1982, 1983).

2.5.3. Consumer disidentification

is founded on dissimilarity-repulsion theory and
social identity theory.

2.5.4. Consumer Affinity

often associated with immigrants having a preference for the country they come from.

2.6. Theories

2.6.1. Terror Management Theory

Bonding is a way to cope with the knowledge of one’s mentality.

- Argues humans are the only species that have an active knowledge that life inevitably ends. To remedy this terrorizing knowledge, they focus on the survival of their cultural worldview.

2.6.2. Uncertainty reduction theory

A theory that supports “Terror Management theory”

- Argues that uncertainty is what motivates people to self-categories and identify with the group in order to cope with the uncertainty. Better to cope as a group than as an individual

2.7. Ingroup vs. outgroup

3. Services

3.1. Qualities

Services are generally high in experience and credence quality; this leads to risks for consumers.

3.1.1. Search qualities

Search qualities: Characteristics / attributes that the consumer can evaluate and judge before the purchase (fx cars)

3.1.2. Experience qualities

Experience qualities: Characteristics / attributes that the consumer can evaluate and judge after the purchase (fx a haircut)

3.1.3. Credence qualities

Credence qualities: Characteristics / attributes that the consumer finds hard to evaluate even after the purchase. (fx medical diagnosis)

3.2. Classification of services

3.2.1. 1. A pure tangible good that has no accompanying service

This would be toothpaste or bread.

3.2.2. 2. A tangible good with accompanying service

Could be a smartphone with accompanying services like an app store

3.2.3. 3. A hybrid offering of equal parts tangible and service

A restaurant would, often times, have equal parts service and good

3.2.4. 4. A major service with accompanying minor goods

Airline travel is primarily a service, but also has some physical goods

3.2.5. 5. A pure service, primarily an intagible good

A lawyer or hairdresser has no tangible goods, and is therefore a pure service

3.3. International services/Exporting services

3.3.1. Cross-border supply of services

Only service crosses the border, often through digital service channels (fx Netflix)

3.3.2. Consumption of services abroad

Only the customer crosses the border and makes use of the service in the home market (fx tourism)

3.3.3. Commercial presence abroad

The company crosses the border by opening a new branch or office (fx McD franchisees)

3.3.4. Presence of natural persons abroad

An employee of the company travels abroad to perform the service.

3.4. Characteristics of Services

Definition of a service:
A service is any **act or performance** one party can offer to another that is **essentially intangible** and does **not result in the ownership of anything**

Its production **may or may not be tied to a physical product**

3.4.1. Intangibility (a service is intangible)

Intangibility: Services cannot be touched, seen, or felt like physical products, making them harder to evaluate before purchase.

3.4.2. Inseperability (produced and consumed simultaneously)

Inseparability: Services are typically produced and consumed simultaneously, involving both the service provider and the customer in the process.

3.4.3. Variability (Services are difficult to standardize)

Variability: Service quality and delivery can vary greatly depending on factors like the service provider's skills, customer interaction, and environmental conditions.

3.4.4. Perishability (Difficult or impossible to store)

Perishability: Services cannot be stored or inventoried, meaning that unused capacity is wasted and cannot be recovered.

3.5. Service-Quality Model

Link: https://rb.gy/2gv39k

3.6. Brand Experience

Brand Experience is conceptualized through the following 4 points (Brakus et al. 2009). The 4 points of brand experience are evoked by a brand's **Design and identity, packaging, communications, and environments**

3.6.1. Sensations

Sensory Experience: Refers to the way customers perceive a brand through their senses, such as sight, sound, touch, taste, and smell. This includes elements like product packaging, store design, and advertising visuals.

3.6.2. Feelings

Affective Experience: Relates to the emotional connection customers develop with a brand. This can be influenced by factors like storytelling, brand personality, and emotional advertising.

3.6.3. Cognitions

Intellectual Experience: Refers to the cognitive aspects of a brand experience, such as the information conveyed, problem-solving capabilities, and thought-provoking content that engages customers and encourages them to think critically about the brand.

3.6.4. Behavioral responses

Behavioral Experience: Involves the interactions customers have with the brand, including product usage, customer service, and any other touchpoints that shape their perception of the brand.

3.7. Customer-Brand Relationships (CBR)

Customer-Brand Relationships (CBR) refers to the emotional and psychological connections that customers develop with a particular brand. This relationship is shaped by the customers' experiences, perceptions, and interactions with the brand's products, services, and communication efforts. CBR is crucial in service marketing as it influences customer loyalty, satisfaction, and advocacy, ultimately affecting a brand's long-term success and profitability.

3.8. Coping with risk of quality

-Word-of-mouth: Relying on recommendations
-Ratings: Relying on ratings by others (Trustpilot and TripAdvisor)
-Proxies: Relying on indicators and characteristics to judge quality fx price, brand, looks
-Loyalty: Relying on the same brand, that they have had a positive experience with
-Inertia: High switching costs lead to consumer inertia

3.9. Consumer coproduction

Consumers and service providers cocreate the service.

4. International trade

4.1. Trade theories

4.1.1. Absolute advantage

Absolute advantage in international trade refers to a country's ability to produce a good or service more efficiently, using fewer resources, than another country. This leads to lower production costs and competitive pricing, encouraging global trade and specialization.

4.1.2. Comparative advantage

Comparative advantage in international trade is the ability of a country to produce a particular good or service at a lower opportunity cost than another country, leading to more efficient resource allocation and mutual benefits through specialization and trade.

4.1.3. Equal advantage

Equal advantage in international trade refers to a situation where all participating countries benefit equally from trade, experiencing balanced gains in terms of resource allocation, economic growth, and overall welfare.

4.1.4. The factor proportion theory

> **The factor proportion theory,** also known as the Heckscher-Ohlin theory, is an international trade model that explains comparative advantage between countries based on their relative abundance of production factors (labor, capital, and land). It suggests that countries will export goods requiring abundant factors and import goods requiring scarce factors, leading to specialization and trade.

4.1.5. The product life-cycle theory

> **The product life-cycle theory** in international trade, proposed by Raymond Vernon, explains the stages a product goes through from innovation to decline, influencing trade patterns. The stages are: 1) *Introduction,* where a product is developed and produced in the home country; 2) *Growth,* where demand increases and production expands to other developed countries; 3) *Maturity,* where standardization occurs and production shifts to lower-cost developing countries; and 4) *Decline,* where the product becomes obsolete and is replaced by new innovations.

4.2. Network model

4.3. Motives for internationalization

4.3.1. Risk reduction

4.3.1.1. Stabilization of sales

> By supplying various markets with different business cycles

4.3.1.2. Compensation

> for lost market shares to competitors in the home country

4.3.1.3. Preservation of current market position abroad by stronger engagement

4.3.1.4. Following the compensation overseas

> To counter balance their competitive advantage

4.3.2. Sales opportunities

4.3.2.1. Development of new sources for sales

4.3.2.2. Extension of sales of seasonal products

4.3.2.3. Overproduction/excess capacity

4.3.2.4. Accomplishment of growth targets that can't be met in the home market

4.3.3. Pricing

4.3.3.1. Skiming higher willingness-to-pay consumers in foreign market

4.3.4. Cost opportunities

4.3.4.1. Reduction of market development by scale effects

4.3.4.2. Capitalization on lower costs

of market development in foreign markets

4.4. Ethics and morals

4.4.1. Ethical decision-making

Ethical decision-making in international trade theory involves considering the moral principles, values, and consequences of actions and policies in the context of global commerce. It seeks to balance economic benefits with social and environmental responsibilities, ensuring that trade practices are fair, sustainable, and respectful of human rights, labor standards, and environmental protection. This approach enables businesses and governments to make informed choices that promote equitable growth, social welfare, and long-term prosperity.

4.4.1.1. Utilitarianism

Utilitarianism in international trade theory refers to the idea that trade policies should be designed to maximize overall welfare or happiness across all participating countries. This approach emphasizes the importance of pursuing the greatest good for the greatest number of people, often by promoting free trade and economic efficiency, while also considering potential negative consequences and redistributive effects on certain groups or countries.

4.4.1.1.1. Utilitarianism

4.4.1.1.2. Kantianism

Kantianism in international trade theory is an approach based on the philosophical ideas of Immanuel Kant. It emphasizes the importance of international cooperation, rule of law, and democratic governance in promoting global trade. Kantianism supports the establishment of international institutions and agreements to foster trade, reduce conflicts, and promote peace and prosperity among nations.

4.4.1.2. Principle of rights

The principle of rights in international trade theory refers to the idea that nations and individuals have certain rights and obligations within the context of global commerce. This principle emphasizes the importance of respecting and upholding these rights, such as property rights, intellectual property rights, and the right to fair and non-discriminatory treatment. It also highlights the need for international agreements and institutions to protect and enforce these rights, in order to promote a fair, equitable, and efficient global trading system.

4.4.1.3. Principle of justice

The principle of justice in international trade theory refers to the fair and equitable distribution of benefits, costs, and opportunities among nations engaged in global trade. It emphasizes the importance of upholding ethical standards, ensuring equal treatment, and promoting social and economic development for all participating countries. This principle aims to prevent exploitation, reduce trade imbalances, and promote sustainable growth for all parties involved in international commerce.

4.4.2. Stakeholder theory vs. Shareholder theory

Stakeholder theory in international trade emphasizes the importance of considering the interests of all parties affected by a company's actions, including employees, suppliers, customers, communities, and the environment.

Shareholder theory, on the other hand, prioritizes maximizing shareholder value and profits, focusing primarily on the interests of a company's owners and investors.

5. Entry modes

5.1. Internalisation vs. externalisation

Link: https://rb.gy/zbuvbd

5.1.1. Internal factors

Internal Factors:
- Company size
- International experience (need for local knowledge?)
- Product complexity
- Product differentiation advantage

5.1.2. External factors

External Factors
- Sociocultural distance
- Demand uncertainty
- Market size and growth
- Trade barriers
- Intensity of competition
- Number of relevant intermediaries

5.1.3. Desired mode characteristics

- Risk averse
- Control
- Flexibility

5.1.4. Transaction specific behaviour

Example, outsourcing / using independent partner
- Tactic nature of know-how
- Opportunistic behavior (increase transaction costs)

5.2. Export

- Direct export modes
- Cooperative export modes
- Indirect export modes

5.3. Intermidiate

- Joint venture / strategic alliance
- Franchising
- Licensing
- Contract manufacturing
- Management contracting

5.4. Hierarchical

- Transnational organization
- Region centers (headquarters)
- Sales and production subsidiary
- Resident sales rep./branch/sales subsidiary
- Domestic-based sales representative

5.5. Export behavior

1. motivational factors are specified as either due to stimuli initiated from influences internal to the firm or due to stimuli originating from the company's external environment
2. Second, the motives are categorized in terms of whether the export activity is due to reactive behavior, that is, the firm responds to internal or external pressures

5.5.1. Proactive vs. reactive / Internal vs. external

1. Proactive vs. Reactive:
- Proactive export behavior refers to a company's strategic approach to enter foreign markets based on research, planning, and goal-setting. Companies actively seek opportunities and take initiatives to expand their business.
- Reactive export behavior occurs when a company enters foreign markets in response to external factors or opportunities, such as unsolicited orders, competitor actions, or changing market conditions. Companies react to situations rather than strategically planning their entry.

2. Internal vs. External:
- Internal entry modes involve the use of a company's own resources and capabilities to enter foreign markets. These modes include direct exporting, setting up subsidiaries, or establishing joint ventures with local partners.
- External entry modes rely on relationships with third parties, such as agents, distributors, or licensing partners, to enter foreign markets. These modes minimize the company's direct involvement and risk, but may also limit control and potential profits.

Companies choose between these approaches based on factors like market potential, resources, risk tolerance, and strategic objectives.

5.5.2. A classification of export motives

Link: https://rb.gy/xoquoa

6. Market research

6.1. Primary vs. secondary data

Primary data is data collected directly from the source through methods such as surveys, interviews, and observations.

Secondary data is data that has already been collected by someone else, such as government reports, industry publications, or academic studies.

6.2. Quantitative vs. qualitative data

Quantitative data in market research involves numerical measurements, statistics, and structured data, often used to analyze trends or patterns.

Qualitative data focuses on non-numerical information, such as opinions, feelings, and experiences, providing insights into motivations and preferences.

6.3. 8 step analysis

1. Problem Formulation
2. Method of Inquiry
3. Research Method and Design
4. Data Collection Techniques
5. Sample Design
6. Implenting Data Collection
7. Analysis and Interpretation
8. Reporting Results

7. Market expansion

7.1. Market concentration vs. market spreading

Concentration: Channeling available resources into a small number of markets to win significant market share in focused markets
Spreading: Allocating marketing resources over many markets to reduce risks and exploit economics of flexibility
Which one is determined by factors: Company, product, environmental, marketing (See OneNote) and might connect with MACS

8. Mental representations and processes

8.1. Mental representations

mental structures that enable us to think, reason, feel, remember, and act

- Cognitions: mental representations of knowledge, beliefs, attitudes, and expectations
- Emotions: mental representations of feelings and affective states

8.1.1. Based on several things

8.1.1.1. Visual

Mental representations that are based on visual stimuli, such as pictures, diagrams, and charts.

8.1.1.2. Auditory

Mental representations that are based on auditory stimuli, such as sounds, music, and speech.

8.1.1.3. Kinesthetic

Mental representations that are based on physical sensations, such as touch, movement, and body position.

8.1.1.4. Olfactory

Mental representations that are based on scents and smells.

8.1.2. Mind's Eye

allows us to create mental images without actually seeing them - located in the brain's visual cortex

8.2. Emotions

8.2.1. Emotion theories

8.2.1.1. James Lange theory

Suggests that emotions are generated by the physiological arousal that accompanies a stimulus, and that the specific emotion we experience depends on our interpretation of the arousal.

8.2.1.2. Cannon bard theory

Suggests that emotions are generated by the thalamus, a brain structure that receives sensory information from the body and sends it to the cortex for further processing.

8.2.1.3. Two Factor theory / Schachter-Singer theory

suggests that emotions are generated by both physiological arousal and cognitive interpretation. The specific emotion we experience depends on the interpretation of the arousal, and the interpretation is influenced by the context.

8.2.1.4. Sociocultural theory

cultural emotion theory - suggests that emotions are shaped by the cultural norms, values, and expectations of a society. According to the sociocultural theory, emotions are not universal, but rather vary across cultures and are learned through socialization and cultural influences.

8.2.1.5. Cognititve Appraisal theory

a cognitive emotion theory that suggests that emotions are generated by the evaluation of events in relation to our personal goals, needs, and values. According to the cognitive appraisal theory, emotions are not automatic responses to stimuli, but rather the result of an active cognitive process that involves appraising the significance of the event

8.2.2. Appraisal processes

Cognitive appraisal theory 3 steps:
Personal relevance: Is stimulus relevant to the appraising individual
Goal congruence: Is stimulus congruent with the goals of the appraising individual
Coping potential: Can the appraising individual realistically counter the stimulus

8.2.3. Emotional Contagion

Phenomena that individuals tend to conform to the apparent emotional atmosphere (emotions are contagious) important to brand experience.

8.3. Cognitions and cognitative processes

Cognitions: mental representations of knowledge, beliefs, attitudes, and expectations.

8.3.1. Cognitive load theory

A framework that explains how the human cognitive system processes and stores information. It suggests that there are three types of cognitive load:

- Intrinsic: difficulty of the skill itself
- Extraneous: complexity of the instructions or examples used to learn this skill
- Germane: effort you put into practicing

8.3.2. Cognitive dissonance

the mental discomfort that occurs when our beliefs, attitudes, and behaviors are in conflict. It can lead to a motivation to reduce the dissonance by changing our beliefs, attitudes, or behaviors

8.3.3. Schemas and scripts

A schema: a mental representation that organizes and categorizes information about a particular concept or event. Schemas allow us to make predictions and assumptions based on our past experiences and knowledge.

A script: a type of schema that represents a typical sequence of events that occurs in a particular setting or situation.

8.3.4. Balancing theory

way to resolve cognitive dissonance by restoring consistency among our beliefs, attitudes, and behaviors. The theory suggests that we seek to balance our cognitions by adjusting the importance or strength of our beliefs and attitudes.

8.3.5. Divergent thinking

a type of cognitive process that involves generating many different ideas or possibilities in response to a given problem or prompt. It is often contrasted with convergent thinking, which involves narrowing down and finding a single correct answer or solution.

8.3.6. Anchoring and adjustment

We process information about an object based on prior knowledge. Use old information as anchor to asses new information

8.3.7. Heuristic processing

a type of mental shortcut that relies on rules of thumb or past experiences to make judgments and decisions. It is fast and efficient, but can lead to biases and errors.

8.4. Sensory Marketing (Krishna 2012)

8.4.1. Vision

The effect of different colors/shapes.

8.4.2. Touch

The effect of touch and being touched.

8.4.3. Temperature

The effect of temperature.

8.4.4. Smell

The effect of olfaction.

8.4.5. Hearing

The effect of sounds and music.

8.4.6. Taste

The effect of taste and texture.

9. Culture

9.1. Iceberg model

The iceberg model is often used to illustrate the cultural differences between the United States and Japan. In the U.S., the focus is on the visible aspects of culture, such as the words that are spoken, while in Japan, the focus is on the invisible aspects, such as the context and the relationship between the speakers. This difference in emphasis can lead to misunderstandings and cultural misunderstandings between Americans and Japanese.

9.2. Institutions

- Family
- Education
- Religion
- Government
- Business
- Media

9.3. Self-reference criterion

Tendency to use one's own cultural norms and values as the standard for evaluating and interpreting information

9.4. High vs. low culture

Link: https://rb.gy/igrlhn

9.5. Cultural intelligence

- Cognitive CQ: Knowledge about differences
- Emotional CQ: Ability to manage one's own emotions and respond appropriately
- Behavioral CQ: Ability to adapt communication and behavior
- Physical CQ: Adjust to different environments and customs

9.6. Hofstede (Cultural Dimensions)

Link: https://rb.gy/ebfkoi

Power Distance:
Power Distance is defined as the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally.

**Uncertainty Avoidance: **
The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these

**Individualism/Collectivism: **
It has to do with whether people´s self-image is defined in terms of “I” or “We”.

**Masculinity/Femininity: **
The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine).

Long/Short Term Orientation:
How every society has to maintain some links with its own past while dealing with the challenges of the present and future,

Indulgence/Restraint:
the extent to which people try to control their desires and impulses, based on the way they were raised

9.7. GLOBE

Framework for cultural differences across countries developed by the Global Leadership and Organizational Behavior Effectiveness (GLOBE) research program

9.8. Acculturation

The process of cultural adaptation that occurs when people from different cultures come into contact with each other.

Types of acculturation: assimilation, integration, separation, and marginalization.

9.8.1. Separation

Separation: Separation occurs when individuals from a minority culture reject the dominant culture and maintain their own cultural practices and values. This can lead to the formation of separate communities or enclaves within the larger society.

9.8.2. Integration

Integration: Integration involves maintaining one's own cultural identity while also embracing aspects of the dominant culture. This creates a bicultural identity, where individuals can navigate both cultures effectively.

9.8.3. Marginalization

Marginalization: Marginalization happens when individuals from a minority culture are unable or unwilling to connect with either their own culture or the dominant culture. This can result in feelings of isolation, alienation, and identity confusion.

9.8.4. Assimilation

Assimilation: In this strategy, individuals from a minority culture adopt the values, beliefs, and practices of the dominant culture, often at the expense of their own cultural identity.

9.9. Major dimensions of silent language in IM (Hall, 1960)

9.9.1. Time

9.9.2. Space

9.9.3. Things

9.9.4. Friendship

9.9.5. Agreements

9.10. Globalization

9.10.1. Global culture (Levitt)

Levitt argued that advances in technology, communication, and transportation were leading to a convergence of consumer preferences and tastes worldwide. This convergence would result in a global culture where companies could offer standardized products and services to a mass market, leading to economies of scale and reduced costs. Critics argue that this perspective underestimates the importance of local and cultural differences in shaping consumer preferences.

9.10.2. Global consumer culture (Steenkamp)

It describes a worldwide phenomenon where consumers across different countries and cultures share similar consumption patterns, values, and preferences due to the influence of global marketing, media, and communication. This global culture is characterized by a preference for global brands, products, and lifestyles that transcend local and national boundaries, leading to homogenization of consumer behavior and tastes.

10. Market selection

10.1. The Marketing Mix (The 4 P's)

The marketing mix, also known as the 4 P's, is a framework used to develop and execute marketing strategies.

10.1.1. Product

Product: The goods or services offered to customers, including features, design, quality, branding, and packaging. It's crucial to create a product that meets customer needs and stands out from competitors.

10.1.2. Price

Price: The amount customers pay for the product. Pricing strategies should consider factors like production costs, competitor pricing, perceived value, and target market. Setting the right price can influence demand, profitability, and market positioning.

10.1.3. Place

Place: The distribution channels and locations where customers can access the product. This includes physical locations (e.g., stores) and online platforms. Effective placement ensures that products are available, accessible, and visible to the target audience.

10.1.4. Promotion

Promotion: The communication tactics used to inform, persuade, and remind customers about the product. This includes advertising, public relations, sales promotions, and personal selling

10.2. Internal & External analysis

10.3. Market segments

10.3.1. HEXACO

- Honesty-Humility (H)
- Emotionality (E)
- Extraversion (X)
- Agreeableness (A)
- Conscientiousness (C)
- Openness to Experience (O)

10.3.2. Benefit & behaviour

10.3.3. Requirements for market

Measurable: identify size of segments
Accessible: Able to reach segments (fx media availability)
Actionable: Company should be able to make a marketing program
Profitable: Large and profitable enough for effort to be worth it (fx good to serve small segment, but if too small it will not give enough profit)

10.3.4. Selection bases

Geographic, Demographic, Psychographic, Behavioral

10.4. Proactive vs. reactive

Proactive: Exporter acts actively and initiates selection of foreign markets.
Reactive: Exporter acts passively and reacts to foreign factors

10.5. Market screening

Contractible: Company takes point of departure in a large number of markets and narrows it down

Expansive: Company takes point of departure in existing market and selects additional markets based on similarity (Environmental proximity (cultural dimensions), Trade policy proximity (Trade blocs/subsidiaries etc.), Cluster analysis (group variables to cluster)

10.6. MACS - Portfolio model

11. Product and brand management

11.1. Brand equity

The value of the brand generated through marketing efforts.

11.1.1. Benefits of brand equity

Loyalty
Less vulnerable to (marketing) actions
Less vulnerable to (marketing) crisis (fx covid)
Larger margins
More inelastic consumer response to price increases
Increased marketing communication effectiveness

11.2. Brand identity & brand image

Brand identity: The physical looks (logo, tag line, style, language tone)
Applicaple theory: Logo (Color perceptions), slogan (overcome dissonance), etc.

Brand image: How the brand is perceived (Reputation, emotion, impression beliefs)
Applicaple theory: COO, brand experience, PBA.

11.3. Global market integration

11.4. Consumer attitudes global vs. local products

11.5. Brand authenticity

Continuity: Accountability, brand heritage, nostalgia, ability of brand to demonstrate presence.
Credibility: Delivering on promises of what you get (fx Volkswagen CO_2 emission scandale).
Symbolism: Brands that have value and are iconic, the brand image, buying feeling /meaning / values.
Integrity: Trustworthiness, values of the company.

11.6. Brand personality

11.6.1. Colors personality associations

11.7. Local (adaptation) vs. Global (standardization)

11.7.1. The marketing mix (4 p's)

The marketing mix, also known as the 4 P's, is a framework used to develop and execute marketing strategies.

Refer to: Market selection "Them Marketing Mix" on the mindmap