

International Services Marketing

Dr. B. Saranya., M.Com¹, M.B.A., M.Phil², Pgdca., Ph.D, Net³
Head, Department Of Commerce (Foreign Trade), PSG College Of Arts & Science, Coimbatore.

I. Introduction

Services play a pivotal role in marketing. It is mainly focused that international services has changed drastically over a period of time. With the advent of electronic media and communications services marketing at international level has gained much momentum. International service marketing enables businesses to acknowledge cultural differences when advertising in foreign countries. A marketer has to focus on how the services have to be done at international level with varied cultural and regional differences.

International Marketing

International marketing, also known as global marketing, is the process of overseas advertising of the products that a company sells. International marketing provides a host of benefits to a business, from helping to broaden the customer base to improving the reputation of the brand. Understanding these advantages can help businesses of all sizes to plan their international sales strategies and to focus their customer service efforts.

International Product Life Cycle

Product life cycle theory divides the marketing of a product into four stages: introduction, growth, maturity and decline. When product life cycle is based on sales volume, introduction and growth often become one stage. For internationally available products, these three remaining stages include the effects of outsourcing and foreign production. When a product grows rapidly in a home market, it experiences saturation when low-wage countries imitate it and flood the international markets. Afterward, a product declines as new, better products or products with new features repeat the cycle.

General Theory

When a product is first introduced in a particular country, it sees rapid growth in sales volume because market demand is unsatisfied. As more people who want the product buy it, demand and sales level off. When demand has been satisfied, product sales decline to the level required for product replacement. In international markets, the product life cycle accelerates due to the presence of "follower" economies that rarely introduce new innovations but quickly imitate the successes of others. They introduce low-cost versions of the new product and precipitate a faster market saturation and decline.

Growth

An effectively marketed product meets a need in its target market. The supplier of the product has conducted market surveys and has established estimates for market size and composition. He introduces the product, and the identified need creates immediate demand that the supplier is ready to satisfy. Competition is low. Sales volume grows rapidly. This initial stage of the product life cycle is characterized by high prices, high profits and wide promotion of the product. International followers have not had time to develop imitations. The supplier of the product may export it, even into follower economies.

Maturity

In the maturity phase of the product life cycle, demand levels off and sales volume increases at a slower rate. Imitations appear in foreign markets and export sales decline. The original supplier may reduce prices to maintain market share and support sales. Profit margins decrease, but the business remains attractive because volume is high and costs, such as those related to development and promotion, are also lower.

Decline

In the final phase of the product life cycle, sales volume decreases and many such products are eventually phased out and discontinued. The follower economies have developed imitations as good as the original product and are able to export them to the original supplier's home market, further depressing sales and prices. The original supplier can no longer produce the product competitively but can generate some return by cleaning out inventory and selling the remaining products at discontinued-items prices.

The Advantages of Marketing Internationally

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Market Expansion

The most obvious advantage of marketing internationally is the expansion of a company's market. Expanding the places where a company does business and advertises its products and services opens up a larger customer base and potentially greater profit margins. While small businesses may find that marketing internationally is cost prohibitive, technology such as social media and online newspapers and advertising services have made the process of international marketing even more attractive. Customers can now buy from virtually anywhere in the world via the Internet, making market expansion through international marketing a highly useful skill for businesses to master.

Brand Reputation

International marketing can have a unique advantage of helping to boost a brand's reputation. Right or wrong, customers perceive a brand that's selling in multiple markets to be of higher quality and better service than brands that just sell locally. Major technology companies, global automobile models and multinational banks are proof of this. People are keen to buy products that are widely available.

Global Networking

Expanding into a global market gives a business the distinct advantage of connecting with new customers and new business partners. A company doing business in Eastern Europe, for instance, may find a cheaper workforce, less-stringent tax laws or even less-expensive modes of advertising in local newspapers, television stations and radio programs. In other words, the opportunities for networking internationally are limitless. The logic behind this is simple: the more "places" your business is, the more connections it can make.

Opening the Door for Future Opportunities

International marketing can also open the door to future business expansion opportunities. Not only does global marketing expand a company's sales base, it also helps the business to connect to new vendors, a larger workforce and new technologies and ways of doing business. American companies investing in Japan, for instance, have found programs such as Six Sigma and Theory Z to be highly useful in shaping their business strategies. Being in a new market improves the business's efficiency and helps open the management's eyes to previously undiscovered opportunities for growth.

Types of Service Marketing Strategies

Marketing a service differs from promoting a tangible product because consumers often need to be educated about a service.

Referrals

One of the best ways to market an intangible is through word of mouth. A happy customer will not wait to be asked about a service from friends and will often want to share her experience and tell people why she likes the service. Some service providers use referral programs as an integral part of their marketing.

Demonstrations

Customers might be gun shy about trying a service if they aren't sure what they are getting. Offering free demonstrations helps ease their concerns and can result in immediate sales. For example, if you offer personal training, you might contact a large company with a wellness program and offer to give an employee talk and free exercise class. If you offer public relations services, you might offer meet with a business owner, discuss his current marketing strategy and suggest PR initiatives he could try and outline the cost to do so.

Social Media

Social media are hard to escape, with millions of people sending texts and emails to friends when they see interesting items they want to share. They can also be an inexpensive way for smaller businesses with few advertising dollars to make an impact. A social media marketing strategy lets service providers take advantage of free tools such as Facebook and Twitter to educate consumers and get them to spread the word to their network of contacts.

II. Conclusion

Thus, international marketing of services plays a vital role in marketing of goods at international level and to maintain cordial relationship with other countries. This is true only by trading with other countries will lead to grow our country well. It may be achieved through trading in services or products.

References

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