

BOOK REVIEWS

NEW TRENDS IN INTERNATIONAL MARKETING

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Hana Machková, Petr Král, Markéta Lhotáková a kol. International Marketing: Theory, Practices and New Trends

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The reviewed publication is the first specialized, in English written book, which has been published by the Czech collective of authors of the Department of International business, of the University of Economics, Prague. This publication has a complex approach to the issue of international marketing, a scientific discipline with a dynamic development, closely linked with the business practise, which is continuously adapting to changes in business environment. The authors point out that especially during a period of economic recession marketing can be considered as one of the most important instruments, which helps companies to cope with problems in reference to a decrease in the demand on international markets.

The structure of this publication, comprised of eleven chapters, is logical. All chapters consist of relatively comprehensive theoretical and empirical parts, which are linked with each other.

The basic scheme of the publication refers to the goals set by the authors of this book – to increase the scientific reputation of the universi-

ty abroad and to offer own and specialized literature, which covers the issues of international marketing, explaining the current tendencies in the area of international entrepreneurship.

The first chapter provides an introduction to international marketing, with an emphasis on the important status of strategic management and internationalization, offering companies not only new business opportunities, but also an increase of revenues and profits, as well a chance to decrease the costs, thanks to economies of scale. New trends consist of quality management and the efforts to decrease production costs. Apart from a detailed theoretical category definition, the authors of this book also describe the three concepts of international marketing, which they apply on a case study in the food industry. The end of the chapter is marked by a well-defined characterization of international business strategies and theories of internationalization.

The second chapter describes the international marketing environment, analyzing the fact, that a company must do a PEST analysis

of all components of the environment (political, economic, socio-cultural and technological environment), previous to its start on a foreign market. The second part of the chapter deals with the risks in international business, because internationalization enables a diversification of risks, therefore it can be considered as an instrument of risk management.

International market research is the subject of the third chapter. Research creates an information basis for the management and for the realization of international marketing. Research has in international marketing in contrast to a domestic research a much more important position, due to the different and more complex conditions of the environment and business activities face therefore higher risks. In international marketing, every company exists in the complex environment of a world market. For this reason, the main object of marketing research is the market and its conditions.

The fourth chapter defines the strategic planning and international market entry strategies, focusing at first on the process of strategic planning, pointing out the coherence between the goals, the resources and opportunities on international markets. A part of this chapter is dedicated to the selection of international business activities based on an analysis of the international business portfolio, supported by a case study and it provides also a structured overview of answers to questions such as "How does the company allocate its resources? What are the opportunities on the market?" The last part of the chapter describes international growth strategies and market entry strategies.

The fifth chapters explains the market segmentation based on the knowledge, that the market consists of various consumers, who have different needs and wishes, a different system of values, buying power and shopping preferences. Therefore the company cannot focus on the world market alone, but it must target those market segments, where it sees the best chances for

success. If the general strategy of a company targets a certain market segment and not the whole market, the company can provide more specified values and therefore gain larger profits than a company, which does not use any segmentation, trying to serve whole market. The company creates customized marketing programmes for every new market segment. The purpose of segmentation is to help making decisions about: the type of consumer, which needs to be targeted, the communication methods with the target segments, the development and production of products as well as their placement and their price setting. International marketing enables to create an offer for target segments on the world markets, helping to create economies of scale. The chosen market must be big enough to be profitable for the company to spread its influence on it with the chosen marketing instruments. The company can choose the right positioning and marketing mix for the international market mainly thanks to the concept of segmentation, which allows determining the structure and dynamics of the international market. This chapter describes also the interesting segmentation strategy of the company Bosh.

The definition of a market leads not only to a creation of a segmentation strategy, but also to the preparation of a positioning strategy, which is the subject of the sixth chapter. Positioning is a major decision of significant strategic importance – it is the expression of the brand position among other brands, which are offered on international markets, enabling adjustments to the offer according to the expectations of the customers and in regards to the power of the competitors. The basic aims of positioning are identification: positioning helps the customer to have a better orientation in the wide offer on the market, differentiation: positioning enables to point out differences in contrast to the offers of competitors. If we define international positioning, we need to pay attention to three basic factors: objective characteristics of the product, expectations

of foreign consumers (a very important factor in international marketing, in regards to the image of the country of origin and in regards to the opinion of customers according to international brands) and the position of the competitors on the international market (market share of domestic and international brands and their strategies). The advantages of global positioning are the savings thanks to economies of scale and the possibilities of using a global marketing strategy.

The seventh chapter focuses on the brand policy. Brand creation has become a phenomenon, which is considered by more and more companies as the key to success. A brand has many functions. It identifies the product and the company itself, it is responsible for the differentiation and diversification of certain products, it represents values, tradition and quality, it is a symbol and also a necessary part of the company and consumer image. The next part of the chapter describes the attributes, which are characteristic for the current brand policy: increasing importance of company brands, the creation of global brands, the increasing value of distribution brands and co-branding. The author is trying to find answers to following questions: What is the correct strategy for a brand? Why is the brand so important and for whom? What does create brand value and brand capital? A separate part of this chapter is dedicated to trends in international branding – acquisitions and mergers, international brand unification and the growth of worldwide corporate and private brands.

The eighth chapter is called “Product in International Marketing” and it analyzes strategic alternatives required for a product to enter international markets. The strategic limits of a marketing program are determined on one hand by the strategy of standardization, which enables to realize economies of scale and on other hand by the strategy of adaptation, which tries to adjust the product to local requirements of the market. Sometimes it may happen that a product entering a new market has not the same

success, like it has had in the country of its origin. Why? The reason for this lies in most cases in a lack of product adaptation. Every adaptation must respect the legislative, natural, cultural and other conditions. The chapter deals also with basic product strategies, which are combined with communication strategies.

The ninth chapter introduces the international price policy. It is difficult to summarize this issue into valid rules. The philosophy, the culture, the offered products and the environment of business activities – all these factors play a significant role in the price policy of a company. Apart from this, limitations of certain markets, which are subject to a market entry, also influence the price policy. The author describes a number of variations of a price creation, based mainly on the costs, the competitors and the demand. A lot of attention is also paid to delivery and payment conditions, which play an important role in the international environment.

The tenth chapter covers the international distribution. For companies, which are just entering new international markets, it is one of the most complicated aspects of international marketing. Modern distribution systems are known for their efforts to decrease costs and increase efficiency, as well as for the concentration and integration on a vertical or horizontal level. These activities are supported by a boom of information technologies (articles according to the electronic exchange of product related data – such as EDI, are more and more an essential part of every contract between the buyer and the seller) and the development of logistic services.

The last chapter describes the international marketing communication. This chapter points out the fact, that a company cannot apply any instruments of marketing communication, without their reciprocal interaction. It is therefore necessary to prepare a project of a communication mix for a certain period of time, which integrates several communication activities, with the aim to secure proportionality and con-

sistency of all messages. It is necessary to determine in advance the efficiency of every instrument in regards to costs and it is advisable, to decide for such a combination, which grants maximal effects on the target group. The author of this chapter emphasizes the complexity and also the essence of integration, which is proclaimed to be the attribute of marketing communication. The final part of the chapter is dedicated to trends, which are replacing the classic communication approach by unconventional methods, for instance guerrilla marketing, viral marketing and an increase in CSR activities (corporate social responsibility).

The publication is written in a clear style, in logical order. However, the reader must main-

tain a continual focus, to understand in full scale the connections between the particular aspects, which represent a systematic understanding of international marketing. The very clear overall explanation is supported by the fact, that each chapter contains interesting, stimulating and particular examples from real business practice, represented by case studies.

I would like to conclude my review with the belief that despite of the fact, that this publication has been written primary for university students, many managers active in international business as well as those, who plan to start their activities in this field, will also find answers to several questions, which are common in business practice.