



BM637 – International Marketing

Course Syllabus

Lecturer:

Phone Number:

E-mail:

Course Schedule:

Room:

Office Hours: All course days and by appointment

CREDIT HOURS: 3

TEXT: Cateora, P.R & Graham, J.L. International Marketing (2007)
Irwin: New York. ISBN: 0-13 9780073080062

SUGGESTED SUPPLEMENTAL READINGS: The Economist, The Wall Street Journal, Fortune, Business week, Barrow, Forbes, other periodicals with international content.

I. COURSE DESCRIPTION

This course will present an overview of the unique aspects of marketing in the international business environment and provide the framework upon which multinational marketing management can be based. Emphasis will be placed on the role of the international marketing manager in the development of marketing strategies for a variety of markets in diverse cultural, political and economic situations. Focus will be on the decision making process in the areas of foreign market analysis, target identification, product planning, promotion and channels of distribution.

Global Goals

The global objective of this course is to provide students with the necessary knowledge and tools to develop marketing strategies for a variety of markets in diverse cultural, political and economic situations.

Course Objectives

Upon successful completion of this course, students will:

1. Understand how the basic principles of marketing are applied in a variety of diverse cultural, political, legal and economic environments
2. Be able to analyze foreign markets to determine their overall export potential

3. Understand the benefits that nations derive from unrestrained free trade
4. Be able to design strategies for global competition
5. Be able to explain the various methods of entering foreign markets, the degree of commitment required and the associated levels of risk
6. Have a basic understanding of the types of documentation required for transaction between firms in different nations
7. Know how international marketers develop pricing strategies for goods sold abroad
8. Understand the basic principles, objectives, and problems in developing international channels of distribution
9. Understand the concepts of product life cycle and classification of goods and their importance for foreign market acceptance, product adaptation and overall marketing strategy decision making
10. Be able to identify sources of foreign market information including secondary data from both governments and private industry
11. Be aware of the various techniques used by modern marketers for segmenting foreign markets in both the consumer and industrial sectors.

V **COURSE ACTIVITIES TO MEET OBJECTIVES**

For students to achieve the above learning objectives, this course will utilize a combination of lectures, class discussion, guest lectures and cases addressing marketing issues, firm strategies and market problems facing firms in the international environment of world markets.

Information will be provided from a variety of sources, reading assignments from the text, short written assignments, handout materials, and audio-visual presentations.

CLASS FORMAT

- 45% Lecture
- 45% Case
- 10% Country Report

Grading Criteria

- Exam 30%
- Group Project 30% (Due June 15)
- Case Analysis 20%
- Debate (4x5) 10%

IV. **Class participation/Attendance 10%**

VII. **TOPIC AGENDA**

Session: One: Global Overview

- Two: The Cultural Environment of Global Markets
- Three: Assessing Global Market Opportunities
- Four: Developing Global Marketing Strategies
- Five: Implementing Global Marketing Strategies
Conclusion and Summary

Date	Topic	Chapters	Cases	Guest/Debate
May 12	Global Overview Video1: McDonald Video2: Russian Economics	1 & 2	1-1 P.596 1-4 p. 610	Debate Topic: Global Crisis and Future of International Marketing
May 13	The Cultural Environment of Global Markets Video3: Trade Agreement Changes Video 4: India's Economy and Foreign Markets	3-7	2-4 p. 624 2-3 (written case) p. 621 2-7 p.632	Debate Topic: What makes international consumers tick Guest Speaker
May 19	Assessing Global Market Opportunities Video5: The Gods must be Crazy Video6: Doing Business oversea Video7: Public Diplomacy	8-10	3-4 p.650 3-1 p.636 4-6 p.666 3-3 (written case) p.644	Debate Topic: To Adapt or Not To Adapt. Guest Speaker
May 20	Developing Global Marketing Strategies Video8: Done Deal Video9: China Rising Part 1-IV Video 10: Nike	11-18	4-1 p.654 4-5 p.663 4-3 (written case) p.659	Debate Topic: INTERNATIONAL MARKETING COMMUNICATIONS BLUNDERS Guest Speaker
May 26 and 27	Implementing Global Marketing Strategies. Video11: NAFTA Video12: Coke & Pepsi Video13: Starbucks Video14: YUM! Brands	19	Summary & Conclusion	Exam: Good Luck.

VIII: COURSE DAILY SCHEDULE

8:30 A.M.	-	10:30 A.M.	LECTURE
10:30 A.M.	-	10:50 A.M.	BREAK
10:50 A.M.	-	12:00 NOON	VIDEO/DISCUSSIONS
12:00 P.M.	-	1:00 P.M.	LUNCH
1:00 P.M.	-	2:30 P.M.	CASE ANALYSIS (IN CLASS)
2:30 P.M.	-	3:30 P.M.	DEBATE (SEE SCHEDULE)
3:30 P.M.	-	4:30 P.M.	GROUP WRITTEN CASE
4:30 P.M.	-	5:30 P.M.	SUMMARY

IX Alternative Debate Topic: Pros & Cons

1. Multicultural managers Vs Standardization management style
2. To bribe or not to bribe
3. Protection Vs Free Trade
4. Global Advertising Vs Localized Advertising
5. Social Responsibility & Ethical Behavior

**GROUP PROJECT
FOREIGN MARKET ANALYSIS**

Purpose: The purpose of this project is to give the student the opportunity to develop an understanding of the tasks, procedures, and methods of analysis used by a marketing manager in attempting to determine the feasibility of exporting a product and to determine the market potential of that product in a particular region of the world.

Instructions: Select a product or product category that is currently being produced domestically. Choose a region of the world or major country that you feel may have a need for the product selected. Exercise care in selecting your product and market - avoid obviously illogical topics (exporting coffee to Columbia, coal to Newcastle, or sand to the beach). Prepare a report describing the product's potential in the selected market. Use the following outline as a guide for your analysis.

- I. **Product** - Describe the general nature of the product selected: description, uses, benefits, cost, typical consumer, other characteristics. You may wish to include: manufacturers in the U.S., current stage in product life cycle, and technological considerations. Also, discuss whether the product will be standardized or adapted.
- II. **Geographic Description of Market** - Describe the major nation(s) or region that you have selected. Include maps and basic information regarding countries within the region selected.
- III. **Demand Estimation** - Based on consumption and rate of use data for the product selected, utilize demographic data, industrial statistics, GDP, etc. to determine the approximate total potential level of consumption for the product in each country within the commodities may be used as indices. Include specific consumer or industrial target market descriptions.
- IV. **Competition** - Use whatever resources are available to attempt to determine the level of competition to be encountered for your product in this market. Be sure to consider both domestic producers and producers in other countries.
- V. **Legal Environment** - Analyze the current legal and economic factors relevant to your product. Consider any barriers to trade: import quotas, tariffs, customs restrictions, required licenses, registrations, or permits.

- VI. **Monetary Environment & Financial Considerations** - Describe the current economic conditions of the country or countries involved. Include balance of trade, credit worthiness, currency, foreign exchange rate(s), methods of financing and collection and use of countertrade if appropriate.
- VII. **Cultural Environment** - Examine the cultural problems/differences between the nations involved. Consider: language, customs, attitudes toward U.S., etc. Describe what marketing strategy adjustments and product adaptations should be made.
- VIII. **Political/Economic Risks** - Evaluate the degree of risk that an exporter to this country/region would be exposed. Describe specific sources of risk involved and suggest possible ways to minimize risks.
- IX. **Transportation** - Explore the various possible methods of shipment. Examine speed, cost, cargo safety, and flexibility of each possible transportation method. Include a description of the procedures required for distribution: documentation, insurance, customs, shipping schedules and routes, containerization, and other cargo handling considerations.
- X. **Channels of Distribution within Foreign Markets** - Describe the ultimate consumers or industrial users of the product. Describe types of middlemen involved and how the product will get from producer to end-user.
- XI. **Promotion** - Describe the media available, reach and coverage of the various media, and any legal restrictions involving advertising.

Mechanics

- 1. Format of paper should be similar to project outline above.
- 2. Include a Table of contents, Bibliography and/or References (see example of reference listing below) and a brief Introduction.
- 3. Charts, graphs, maps, etc, should be put in Appendices. Tables and Figures may be included within the body of the report.
- 4. Use either Footnotes, Endnotes, or Author/date citation i.e.:

References

- 1. Albaum, G., Strandskov, J., Duerr, E., Dowd, L. (1995). Global Marketing Management. Addison-Wesley: Reading, Massachusetts. ISBN 0-201-542803
- 2. Boyd, H.W.; Orville, C.W.; Larreche, Jean-Claude. (1998) Marketing Management: A Strategic Approach with a Global orientation. Irwin: New York

3. Buzzel, R.D.; Quelch, R.A.; Barlett, C.A. (1995). Global Marketing Management. Cases and Readings. 3rd ed. Addison-Wesley: Reading, Massachusetts. ISBN 0-201-53972-1
4. Czinkota, M., Ronkainen, I. (1994). International Marketing Strategy: Environmental Assessment and Entry Strategies. The Dreyden Press: New York. ISBN 0-03-098373-8
5. Czinkota, M., Ronkainen, I. (1993). International Marketing. 3RD ed. The Dryden Press: New York. ISBN 0-03-076753-9
6. Dahringer, L., Muhlbacher, H. (1991). International Marketing: A Global Perspective. Addison-Wesley: Reading, Massachusetts. ISBN 0-201-50354-9
7. Harris, P., Moran, R. (1991). Managing Cultural Differences: High-Performance Strategies for a New World of Business. 3rd ed. Gulf Publishing Company: Houston, Texas. ISBN 0-88415-078-X

Title of Paper

Student Team:

[Student Name 1 \(with e-mail address as hyperlink\)](#)

[Student Name 2 \(with e-mail address as hyperlink\)](#)

[Student Name 3 \(with e-mail address as hyperlink\)](#)

Professor:

Joseph F. Aiyeku, D.B.A

Class:

International Marketing

May, 2007

IIS - The Institute of International Studies

RAMKHAMHAENG UNIVERSITY

Bangkok, Thailand

Debate Calendar

Debate 1: DATE: 5/12

TOPIC: EU, NAFTA AND THE FUTURE OF INTERNATIONAL MARKETING

This session will be devoted to the impact of emerging trade blocs (NAFTA, EU, ASEAN, Mercosur, etc.) on international marketing. Both potential advantages and pitfalls will be discussed. Of particular interest will be the issue of whether such economic and political integration will bring about cultural homogeneity within each one of these regions.

Debate 2: DATE: 5/13

TOPIC: WHAT MAKES INTERNATIONAL CONSUMERS TICK

This session will focus on consumer motivation and behavior in different parts of the world. On the basis of their demographic, socioeconomic and other characteristics, we will discuss why people tend to act the way they do in the marketplace. Pertinent issues include why and where international consumers buy certain products and how they are likely to use/dispose of them.

Debate 3: DATE: 5/19

TOPIC: TO ADAPT OR NOT TO ADAPT?

During this chat, we will discuss one of the most difficult issues in international marketing--whether a company should standardize its products worldwide or adapt them to fit local conditions in each of the foreign markets it operates. Practice has shown that there may be advantages and disadvantages in both approaches. Does the fact that the "world is becoming smaller" mean that international marketers will increasingly opt for more standardized approaches? Or, there might be limits to the globalization of markets?

Debate 4: DATE: 5/20

TOPIC: INTERNATIONAL MARKETING COMMUNICATIONS BLUNDERS

This session will deal with the problems that might arise in marketing communications across national boundaries. The various reasons (cultural, legal, economic) why international communication blunders occur will be examined and strategies will be suggested to minimize their impact. Specific examples from international advertising, sales promotions and publicity campaigns as well as international personal selling efforts will be analyzed to better understand the potential for such communication breakdowns.

GESTURES

Did you Know that thumbing your nose or fanning your fingers is a sign of mockery throughout the world.

Here is a checklist especially useful for executives, who are constantly touring the world. It warns them of certain "expressions and movements" in body language, which people living in different nations might find offensive.

In Australia, it is rude to wink at women.

In Brazil, pulling down the lower lid of the right eye means that the listener doubts what you are saying.

In China, point with an open hand and beckon or signal with the hand facing palm down. To use a finger to point or beckon is rude.

In Hong Kong, only animals are beckoned with a finger. To signal someone to come to you, reach out, palm down and flutter your fingers.

In India, grasping your ear means either "honestly" or "I'm sorry."

In Indonesia, hands on hips while talking means that you're angry and is impolite. Beckon with your palm down and your fingers moving in a swooping motion.

In Japan, it is unacceptable for two adults of the same sex to hold hands while walking together. A smile can mean happiness, anger, embarrassment, or sadness. It is an insult to point at someone with four fingers spread and thumb tucked in.

When someone compliments you, respond by waving your hand back and forth in front of your face. Because it is considered impolite to show their teeth, women cover their mouths when they laugh. To make a promise, two people hook their pinky fingers together.

In Korea, it is rude to blow your nose in front of people. When talking to someone, keep your hands in full view. It is rude to keep your hands behind your back or in your pockets.

In Pakistan, it is not rude to stare at other people. It is impolite to show the soles of your feet or point a foot while sitting on the floor.

In Spain, snapping the thumb and first finger together a few times is a form of applause. If you think the person you are talking about is stingy, tap your left elbow with your right hand. If you've heard the story before, put your right hand behind your head and pull your left ear.

In Sri Lanka, moving your head from side to side means yes and nodding your head up and down means no!

In Taiwan, say no by extending your palm forward and waving your hand from side to side. It is impolite to use your feet for touching objects or people. Keep your feet off that chair!

In Thailand, people point to an object with their chins, not their hands.

GLOBAL RESOURCES

Why Your Company Should Go Global Now More Than Ever

As someone who has assisted many companies into the European market during the last two decades, I've seen successive waves of American companies come into Europe. Microsoft, Intel and Compaq all opened offices throughout Europe in the mid '80s. Then there was the American recession of the early '90s, followed by a new wave of Net Economy companies opening their European offices in the mid '90s. But the downturn of the last year is different than those of 1980 or 1990. It would be ironic to miss this opportunity to expand internationally today. Keep reading and I will give you seven solid reasons why to go global now.

Today's economic situation poses a huge problem of how to continue developing sales. The U.S. business climate is depressed, true, but this opens up another opportunity: using the Internet to generate international sales in countries that are not going through a downturn. (In this article, we must leave aside Japan for its depression and China for its lack of disposable income.) The configuration of events today indicates an interesting opportunity that is not to be missed.

Figures first, please. As the rest of the world wakes up to doing business over the Internet, the U.S. online numbers relativize its own domestic market, given that it represents only 4% of the world's population and 20% of the world's economy. Jupiter's Globalization Report, published in January 2001, finds that the U.S. share of the global Internet population will drop from 36% today to approximately 24% in 2005. The problem is that two-thirds of U.S. companies have not yet prepared for a global online marketplace. Forrester predicts that half of all online revenue will be generated outside the U.S. by 2004.

Here are reasons why you should give attention to using your company's Website to reach out to global markets:

1. Foreign economies remain basically sound. The economies of most European countries, as well as some Asian markets (Korea, Hong Kong and Singapore) are still healthy, since their stock markets did not grow so suddenly as it did in America 2-3 years ago at the advent of eBusiness companies. [Business Week](#) magazine quotes David Aaron (as Clinton's former Commerce Undersecretary for International Trade): "If there is to be a recession in America, the only place to look for any potential dynamism is going to be Europe," he says. If the U.S. helped pull along the rest of the world over this last decade, it may be time to shift the burden."

2. eBusiness has become much more credible in the last year. In late-March, 2001, [CNN](#) reported: "Less than a year ago, the skepticism of European businesses towards electronic business was much criticized. Now, with the dot-com crash in the U.S., Europeans will be able to benefit from their conservatism, according to market researcher Gartner Group Inc. 'Europe is not suffering from the U.S. dot-com hangover. U.S. companies have gone down the wrong road and need to back out. That will take them nine months to a year,' said Alexander Drobik, vice president at Gartner. European companies put a lot of thought into their electronic business strategies and learning about the Net, while their U.S. counterparts rushed to launch dot-coms, said Drobik."

You will miss an outstanding opportunity if you do not take advantage of this momentum built up today in Europe and Korea and address their market needs. This enthusiasm in other countries opens a door to those who can address foreign markets online.

3. A further point in their favor, Europe (and Asian) countries are going online faster than ever. Most countries online populations have doubled in the last year.

4. Expand internationally before your competitors do. Those who get in first have a "first mover advantage", early recognition that helps them gain later market acceptance.

5. Perhaps the best reason to go global is simply... "more sales". When global marketing is mature, non-U.S. sales should represent double or triple the amount of domestic U.S. sales.

6. People in other countries do not find that much content in their own language, and are hungry for Websites that bring them what they want.

7. Satisfy your shareholders: companies who have established global sales have a higher value than strictly domestic companies

In order for an American company to gain a critical understanding of market and cultural requirements, they would be best advised to enter global markets through partnerships with U.S. and European Web integrators and translation companies that have locations in the regions where they plan to conduct business. This method will allow these companies to gain a better understanding of local customers' preferences, customs, and business practices, as well as brands and fulfillment practices, before they enter the market. They should make sure that their Web site(s) offer a local, culturally appropriate touch in order to gain and maintain a global competitive advantage.

Once you are convinced to make an action plan to expand internationally, you will need to locate firms to assist you in all the various aspects about globalizing your business -- marketing consultants, lawyers, freight forwarders, after-sales support teams, etc. How do you find knowledgeable partners to navigate through the myriad of details needed to globalize your business and minimize the risk of investment? When looking for advice, here are several questions to ask them:

- Do you have staff on the spot in countries my company wants to target? Local people?
- Are you easy to reach by phone and by email?
- What can be done in local marketing, both online and offline, to make my company be taken seriously? I want my company to be a true competitor to local companies in these countries.
- What telecom services and call centers are available, to centralize marketing and after-sales support in the language of the markets?
- What legal structure does my company need in order to be able to sell in these countries?

Here are several pitfalls to avoid:

- Do not assume that a translation agency is sufficient to help your company go global. Nor is an international marketing consultancy sufficient for this purpose, or a legal firm... or for that matter, any one piece of the whole picture. You will need all these elements working together to go global.
- Do not abandon your international expansion if you have not brought in any sales after one or two quarters. It takes time to build a plan to go global and for your company to be recognized in a given country. Many Europeans, for instance, will not buy from a company when they first hear about it. They have seen many American companies come and go, and usually have had a negative experience with an American "fly-by-night" company that came into their country and left it hurriedly. They want to see that a company will be around in several years, after the bugs are worked out.
- Do not assume that "they speak English in other countries, so there is no reason to translate our marketing materials or Website". Even if some Europeans can read English, they have a tendency to ignore advertising in English. Many times they assume that if a company does not advertise in their own language, they would not want to buy from that company. Willy Brandt, the former German chancellor, put it this way: "If I'm selling to you, I speak your language. If I'm buying, dann müssen Sie Deutsch sprechen [then you must speak German]."

Whatever you decide to do about your global marketing strategy, do not delay. This is an excellent time to turn your attention to foreign shores and expand your business there. Ten years from now,

once you are established globally, you will wonder how your company survived as a predominantly U.S. domestic business.

Written by Bill Dunlap, CEO Global Reach

Online Globalization: Swim or Sink

The Internet is making the business world over, and one of its greatest impacts is in unifying many countries' markets. It has become as easy to sell halfway across the world as it is to sell across the street. Indeed, the world has been shrunk to a very small size... and placed in the monitor in front of your PC. Many people are seeing the logic in dealing with the global market as a unified market, in the same way as Europe saw the need for breaking down country boundaries in the last few decades, and formed the European Union.

The drive for globalization is being promoted through more free trade, more Internet commerce, more networking of schools, communities and business, more email, so that we can ultimately have global integration 24 hours a day, across 24 time-zones and into cyberspace. According to a recent survey, globalization has become the top priority for 80% of American CEOs. If your company has any chance of having a competitor from another country, you have no choice but to take globalization seriously. Very seriously... before your competitor does.

The best explanation of how the Internet and globalization intertwine to give a backdrop for today's world is to be found in Thomas Friedman's book, "[The Lexus and the Olive Tree](#)". (Friedman is a long-time correspondent of the New York Times). Friedman starts his book by showing that the current movement towards globalization is an extension of an earlier era of globalization that ended with World War I. Great Britain was the hub of globalization at that time:

"...with the invention of the steamship, telegraph, railroad and eventually telephone, it is safe to say that this first era of globalization before World War I shrank the world from a size 'large' to a size 'medium'. Now, we have the next round of globalization, thanks to the Internet, starting in the early '90s. The big difference being the intensity of our current globalization, because vast numbers of people have access to the information and technology to become a player (unlike Globalization I)." (p. 388)

The basic point of Friedman's book is that, since the fall of the Berlin Wall in 1989, the world's modus vivendi is no longer shaped by the tension between East and West, but rather by what he calls the "Electronic Herd".

"The Electronic Herd is made up of all the faceless stock, bond and currency traders sitting behind computer screens all over the globe, moving their money around from mutual funds to pension funds to emerging market funds, or trading on the Internet from their basements. And it also consists of the big multinational corporations who now spread their factories around the world, constantly shifting them to the most efficient, low-cost producers. This herd has grown exponentially thanks to the democratizations of finance, technology and information -- so much so that today it is beginning to replace governments as the primary source of capital for both companies and countries to grow. Indeed, as countries increasingly have to run balanced budgets to fit into the Golden Straitjacket, their economies become ever more dependent on the Electronic Herd for growth capital. So to thrive in today's globalization system a country not only has to put on the Golden Straitjacket, it has to join this Electronic Herd. The Electronic Herd loves the Golden Straitjacket, because it embodies all the liberal, free-market rules the herd wants to see in a country. Those countries that put on the Golden Straitjacket and keep it on are rewarded by the herd with investment capital. Those that don't put it on are disciplined by the herd -- either by the herd avoiding or withdrawing its money from

their country... This interaction among the Electronic Herd, nation-states and the Golden Straitjacket is at the center of today's globalization system." (p. 109-110)

Countries of every shape and color are changing fast. Even third-world countries are gradually upgrading their infrastructure and even harnessing the Internet. For example, many Muslims are using the Net today to state their case. The Internet allows many budding entrepreneurs in poorer countries the opportunity to develop economically in ways that would have never been available to them if they were not wired. The Internet simply puts them in touch with opportunities and resources that they have never had before.

Business has expanded the notion of country markets into what Friedman calls "Super Markets", i.e. globalized versions of markets that used to be limited to one country or continent. The interaction between the Electronic Herd and the Super Markets is at the center of today's globalization system. If anything, the Internet has become the planetary nervous system for the global economy. Connectivity is the central issue of globalization. Before the Internet became popular, the flow of funds that make up business transactions and investment was only for large companies (or countries). Now this flow of funds has come down into small and medium companies and even into the home, as numerous articles in magazines testify (across North America and Europe). The Electronic Herd has now descended even into the public.

According to Friedman, no one has more of a choice about the primal rule of the Herd than over death or taxes, as the joke goes -- the Herd determines the success or failure of a country or company... and it works already on a global level, online. A world where we will all be able to be online all the time is shaping up, and this networked world has become the trunk of the tree for a new online world order. Ignore it at your peril. Swim or sink.

Kenneth Lay, CEO of Enron (top B2B portal) says "There are strong advantages to being the first mover in these sorts of global markets. When you are first, you get scale very quickly, and with that comes economies that lower your transaction costs... it's pretty much a winner-take-all environment. The early entrants into these markets will in large part determine how they are shaped. And once an entity establishes a strong market position in this kind of global market, it is awful tough to overtake them." (Friedman, p. 387)

This is indeed what American companies are finding now that they are moving into Europe: it's too late to be market leader now -- they waited too long. (According to a report from the marketing research company International Data Corporation (IDC), American businesses are missing the boat in the international explosion of e-commerce. 70% of American e-commerce Websites sell less than 10% outside the U.S. -- <http://www.galaxie.fr/news/2000053120.shtml>).

European companies in the same market sectors are already well entrenched in these sectors. eBay will have a very tough time surpassing QXL in the online auction business in Europe, where QXL is leader. Amazon has an uphill battle against the FNAC in France for selling books and CDs. The lesson is to expand into international markets fast and take market share as quickly as possible.

"John Chambers of Cisco likes to say that the companies and countries who will thrive in this Internet economy are those who will grasp its importance first, and get wired before the rest of the world realizes that they have to change. If you do that faster than your competitors, says Chambers, there's only thing you'll have to say to them: 'Game over'." (p. 199)

The conclusion is that there is no way to avoid plugging in to the new online world order, as long as a business (or individual) wants to be successful and grow. And there is no sense in resisting tendencies this massive. Recently there was more fighting against globalization in the streets (in Prague, this time). There's no sense in fighting against either

globalization or the Internet. They're coming, whether you want it or not. To be against either is like being "against the sunrise" -- you know the sun will be coming every day, there's not much you can do about it, and you learn to live with it. The real issue is to learn to use globalization to your advantage. Companies need to learn how to mobilize global clients through the Net. It isn't as hard as it looks, but a global perspective is definitely needed.

Written by Bill Dunlap, Managing Director
Global Reach

The Shift of Emphasis in Online Marketing to Other Countries

Until now, the United States has been the primary incubator for e-commerce. But e-commerce is gearing up for world domination, and U.S. companies will soon find themselves facing formidable competition from abroad. By 2003, IDC projects the following sources of online spending:

U.S. -- 34%
Europe and Japan -- 47%
Rest of World -- 19%

Barry Parr, the author of IDC's Web Site Globalization Report, said with the rise of non-English speaking Internet users, it is time to gain a competitive advantage by selling to global markets. "With more than half the potential market outside the US, companies failing to expand internationally are leaving one-half of their potential revenue on the table."

How then can one address these international markets by using the Internet? The first step is to decide which countries to target. As you start using the Web to present your company's products or services to the international market, your analysis needs to keep in mind two factors:

- which countries you already sell to
- which countries are sufficiently online to attract clients

If your company does not have much experience in international sales, then you might as well target the markets with the highest concentration of online population: Japan (27 million) and German-speaking Europe (19 million). As of August, 2000, there are more native speakers from non-English countries online than those from English-speaking countries. The most recent figures are available on Web page glreach.com/globstats.

While it is not necessary to translate your entire Web site into a number of languages, you really should consider translating at least the most important pages. Yes, it is true that many people overseas read English (but far fewer feel comfortable to write you email in English). The real issue at stake is a marketing issue: marketing always takes place in the language of the target market. Willy Brandt, the former German chancellor, put it this way:

"If I'm selling to you, I speak your language. If I'm buying, dann müssen Sie Deutsch sprechen [then you must speak German]."

You want to get their attention, don't you, so they will visit your Website? Then you have to find your visitors in their own language. Getting them to arrive on your Website is the hard part. Assuming they want to spend time there, they click into the site. If they come across English pages... either they stay (because they read English and are interested) or they don't read English and click elsewhere.

Once your site has at least one page in the languages of the countries you are targeting, how do you attract visitors from other countries to it? The techniques are very similar to how you would promote your Web site in English-speaking countries, except that you now need to perform the actions in other languages:

- index registration
- optimizing for foreign search terms in search engines
- press releases
- working the local email discussion groups, forums and Newsgroups
- strategic links
- affiliate program
- banner advertising

Registering a translated Home Page in local indexes is as important as putting your company's name and contact information into the local phone book. It is absolutely necessary, although you would not really consider it "marketing". Real Web promotion is necessary, with a serious budget behind it in order to drive traffic to your site. Here is a summary of the techniques involved.

Search engine optimization: Once you translate a Home Page and register in the country-specific indexes, you will no doubt still experience a problem of getting traffic. Potential visitors from both English-speaking and non-English-speaking countries go to major search engines, type in keywords in their own language, and would like to find sites like yours in their language. Alas, your site is often buried some 10 or 20 pages down in the "results" pages.

Optimizing a Home Page fixes this problem, by placing your site at the top of the search engine listings when a search for non-English keywords associated with your business is done on a major search engine.

Once your Web site is listed in the indexes and search engines in your targeted markets, a press campaign in those countries is one of the most cost-effective promotional tools you can use. Media is hungry for Internet news, and a growing number of publications are dedicated to new Web sites.

Working email discussion groups, forums and Newsgroups in the countries you are targeting. There is no substitute for having someone local represent your company in these forums in their own language, and tactfully bring attention to your Web site.

Strategic links. Although there are not as many indexes and searches engines outside English-speaking countries, there are a good deal of private lists of links about certain subjects. It is your job to get on these lists and point people to your Web site. And again, you will need someone who speaks the language well to do this work.

Affiliate program. An important way of increasing your e-commerce sales is to have other sites advertise your site, and pay them a percentage of the sales they bring you. Of course, you have to sign them up in their own language and arrange foreign payments for their commissions.

Banner advertising. Using this technique in many countries means using several banners, the text of each in local languages of the targeted countries.

The Internet as marketing medium is still quite young, but is maturing rapidly in Europe. By mid-2000, the number of non-English speakers online tripled from twelve months

previous. The sooner you take your company marketing online, the sooner you will move up the learning curve and your online international online marketing will start turning into sales.

Start now... before your competition beats you to it.

Written by Bill Dunlap, Managing Director
Global Reach

Where in the World is Globalization leading us?

Most businesses' traditional borders, boundaries and marketplace definitions are being made irrelevant by globalization. Such concepts as borders are becoming anachronistic, with the integration of economies to a global scale, both geographically and in vertical market segments.

No one can deny that the rest of the world outside of English-speaking countries are coming online faster than anybody's business these days. What is the state of affairs, and how does that impact our businesses? How seriously do we have to take the admonition to "go global"? And, concretely, what needs to be done with our Websites to fully take advantage of this wave of non-English-speaking people coming online?

Statistics state that nearly half of today's on-line users are English-speaking. Global Reach estimates 147 million people from non-English-speaking countries are online now in April, 2000 (glreach.com/globstats), and this group will grow to 200 million by 2001 and 430 million by 2003. But according to Nicholas Negroponte (Director of the MIT Media Lab), 2002 will see towards one billion users online, because many people will be using one computer (without owning it), in third-world countries.

Nevertheless, there is a perception in much of the business world that the entire online world speaks English, and so companies don't need a multilingual site or promotion. Two very basic problems here:

1) whether or not a person speaks English has nothing to do with the responsibility of a Website to communicate in the language of the target markets. Dutch, Danes and Swedes read English just fine, and yet they surf in their own language. They live their life in their own language, not in English. If you want to attract their attention, your site has to go where they are, that is, use online marketing techniques in their own language.

"Marketing always takes place in the language of the target market."

Always. Outside the seven countries where English is native, and India too, there is no form of marketing in any country that happens in English. If someone doesn't believe this, they should visit Europe, Asia or South America; travel is an instant cure for a U.S.-centric perspective on the world. People live their life in their own language, and your marketing better follow, whether the media is newspaper/magazine ads/articles, radio/TV, billboards... or Websites.

2) English is a native language to only seven countries and is readily spoken by much of the populace in Benelux, Scandinavia and India. It is not understood well in Germany. Not in Japan. And certain not in Southern European countries, South America or China. If a Website is selling IT products, English is usually sufficient, after an initial page in the language of the target market (a "jumper page") is available. IT people worldwide have to be conversant in English, but the initial attraction of their attention has to happen in their own language. But for other services/products, the deeper into the population one goes, the more translation is necessary.

In countries where Web surfers spend most of the time on Websites in their own language, they have no chance of finding a Website that is in English. The issue of language

comes down to a simple question: Is your company going to take the export market seriously? If so, there is no issue about expanding a site to several languages: it is a requirement to be taken seriously by foreign markets.

You might be still more convinced if you were to look at your online competition, no matter what country they are from. Do you have competitors who are taking the global markets more seriously? Europeans have been engaged in multi-cultural marketing for centuries, and it is natural to them. And today, nearly one-half of their corporate sites are multilingual. If you have competitors who are more serious about the world market than you are, you will gradually lose ground to these competitors.

Companies who are exposed to the winds of global competition should also be conscious that their own investors are looking to invest in companies who are selling globally. Recent studies show that the top priority for 80% of American CEOs is globalization. Investors want to maximize their investment... and today that means being a leader not only in the U.S. domestic market, but the world market.

If these arguments have convinced you to develop a multilingual site, you can start with just one page, or a few important pages, in the languages of important target markets. (To learn which languages are most represented on the Internet, look at the chart on Web page glreach.com/globstats.) Promote each language gateway in the countries speaking those languages, using the techniques of Web promotion.

Over time, it will be clear which languages are most important, and more of the Website can be translated. It is fine to start with just a few pages that lead back into the English part of the site. But one always runs the risk that someone who is interested after a few clicks, and then comes to an English page, and gets lost among other English pages, will simply click elsewhere. It is all too easy for a Web visitor to leave the site if he/she does not understand English well.

You've heard of translation software? If you've ever tried translating a phrase from English into Spanish and back into English, you must have surely died laughing from the result. However, recent improvements of translation engines and microprocessor speed have made machine translation decent. You'd never want to use a machine translation on your company brochures or to write copy for a Web page, but it can substitute for having someone native in a language handle email response. The quality is getting better every year.

There are combinations of machine translation and human management that can be had for \$0.06-0.07 per word (in comparison with human translator costs, usually \$0.20-0.40 per word), and that is getting reasonable for handling email inquiries and service requirements. As everyday PC speeds surpass 1000 mhz, machine translation should become much more common and reliable. It takes this level of processing power to make a decent translation.

Conclusion: hire a translator for Web pages, but use machine translation (or combination of that with human management) in email correspondence. Until the volume of business justifies a part-time person who can write email in a certain language that has become important. After a few part-time employees start developing a market in their own languages, a company should hire an International Sales Director/VP to manage the growth of sales from abroad. This is a fast-growing area, and international sales, although international sales may start at 3-5% of total sales, they can grow to 60% (and over) of a company's total sales within a decade. I've seen it happen many times.

In budgeting for a multilingual web site, place at least twice as much budget into the promotion of the site as in its creation. That is true about for any Website, English or non-English. After you have determined the amount to be budgeted for its promotion, delimit the number of language zones that will be targeted initially. Apportion the total budget according the percentages.

For example, if a site wants to target German, French and Spanish-speaking countries, a simple analysis shows this many people online in these countries (April, 2000 figures):

German -- 20 million

French -- 13 "

Spanish -- 20 "

TOTAL: 53 million in the combined target markets

A logical place to start would be to put 38% of the international online marketing budget into German and Spanish promotion and 24% into French promotion.

Next, decide which techniques of Web promotion are best to use for the kind of product or service one is selling. One of our favorites these days are search engine optimization: people enter a word in their own language to search for Websites about a particular subject, and your site would come up on the top 10 or 20 results, with a summary in their own language. That gives an immediate incentive to click on it. Another efficient tactic is online guerilla marketing, which includes asking for strategic links from synergistic sites in other countries, and working the email discussion groups and Newsgroups of a particular subject in the target country markets.

Banners are simply too expensive to use: they are best for branding purposes, not for generating sales leads. An early entrant into international online marketing needs to concentrate on showing some sales for its efforts, as branding is for large companies. Nevertheless, if banner are used, they should be translated and put on sites in the languages of the target markets. Non-English-speaking people are four times as apt to click on a banner if it is in their language, than if it is in English.

Future directions of global Web marketing:

Portability. In the past few months, we have started hearing about the wireless Internet (WAP), which is encouraging hardware vendors to make portable Internet access devices (the next generation after the PalmPilot or portable phone. So people will be Web-based no matter where they are, at the office, at home or on the road. Imagine what a marketer's dream this will be: being able to reach your market much more than just the limited time when people are in front of a PC. Now this presents the same issues as the Web we have today. The issue of multilingual marketing comes into play, since marketing in Europe and Asia takes place in the language of the target market.

Automatic translation. One of the leaders in machine translation is Lernout & Houspie (www.lhs.be), who is developing a speech-driven front-end and back-end, whereby you can speak to the Net access device, and someone else understands what you say, spoken to them in their own language. It's simply a matter of combining speech-recognition technology and automatic translation.

Talk about the possibilities of one-to-one online marketing where language is no longer an issue! Of course, this product is still on the drawing table and probably won't be available in a readily marketable form for five years. So until then, companies who want to get attention in non-English-speaking markets will have to continue translating their Web pages. And promoting them in each of the countries where they want attention.

There might be another step beyond this. In the same way as talking is more elegant than typing on a keyword, thinking is more elegant than talking. What if we could interact with the Internet through our own nervous system, rather than having to formulate our thoughts into words? Professor Warwick in England is making himself a guinea-pig for human chip implant in his arm, to experiment the connection between his own nervous system and output from the chip. Once this technique is perfected, to interface electronics with a human nervous system, it is just one more step to connect the interface to the Internet.

It is as hard for us to imagine the implications of where this technology could take us as it was for Jules Verne a century ago to imagine the 20th century, as an extension of the 19th century. (Verne missed some big developments, such as TV, the computer and the Internet). But once scientists start tapping the level of the mind where thoughts become words, it might be that multilingual Websites and automatic translation (text or vocal) might be bypassed, if we can communicate more directly. The barriers of distance and language can indeed disappear at that point. This idea is repeated in articles from the recent press, I did not make it up, and should not be immediately rejected as far-fetched.

But for the next few decades, at least, we have to keep to dealing with multilingual marketing, as globalization is being completed. Language is still an extremely important issue in being able to communicate with other countries' markets, and multilingual marketing still has many years to go yet.

Written by Bill Dunlap, CEO

Articles about Global Online Marketing and E-Commerce

Articles available on this site:

- [Today's Opportunity for Addressing European Country Markets](#)
- [Top 3 Things North American Businesses Must Know About International Internet Marketing](#) (interview)
- [Why Your Company Should Go Global Now More Than Ever](#)
- [Online Globalization: Swim or Sink](#)
- [The Shift of Emphasis in Online Marketing to Other Countries](#)
- [Where in the World is Globalization leading us?](#)
- [The "First-Mover Advantage" in Foreign Markets](#)
- [Global Branding -- No Branding Before Sufficient Sales](#)
- [Managing and Budgeting a Multilingual Website Promotion](#)
- [Why American companies seem to resist "going global"](#)
- [Optimizing for Search Engines in Other Languages](#)
- [Phone interview about international online marketing](#)