

# International marketing orientation

[Business](#), [Marketing](#)



International Marketing Orientation Adherence to the marketing concept lies at the heart of an organization's marketing activities. A) Define the marketing concept in terms of its three conceptual pillars and explain how export market orientation is related to it. The marketing concept holds that the key to achieving organizational goals consists of determining the needs and wants of target markets, and then creating the goods and services to satisfy them. (Kettle, 1980).

There are three pillars to the marketing concept, namely external orientation, alignment of corporate goals and integration of operations. Firstly, external orientation - this refers to how corporate activities are focused upon providing customer satisfaction. However it is also about keeping abreast of the technologies available in a bid to develop better products, perhaps at lower long-term costs. Furthermore by being externally orientated, firms should closely monitor competitors' actions, so that responses could be made.

For example, price undercutting can be responded to quickly. The second pillar revolves around cross functionality and involves an internally integrated way of doing business. Integrated marketing takes on two levels. Firstly the various marketing functions (sales, advertising, market research etc) must all work together. Secondly, this must be well coordinated with other company departments. (Kettle & Philip, 1997), Marketing Management)

Export market orientation refers to the activities firms perform in their efforts to incorporate the marketing concept into their export operations.

The market-orientated activity a firm performs in its export markets is termed " export-orientated behavior" , defined as the export-focused generation , dissemination, and responsiveness to export market intelligence. (Cadence et al, 1999) To conclude, market orientation is basically the implementation of the marketing concept: a set of information processing behaviors (Kohl & Gaswirths, 1995). Furthermore, It should be noted that the ultimate purpose of the marketing concept is to help organization achieve their goals.

In the case of private firm, the major goal is profit. Marketing managers therefore should focus on providing both value to the customer and profits to the organization. ) Discuss the three behaviors necessary for the marketing concept to be implemented in export markets The implementation of the marketing concept is market orientation. Market orientation can be expanded and incorporates competitor and other environmental orientations.

To be export market orientated, organization need to generate, disseminate and respond to information about customers, competitors abroad and International environmental factors (exchange rates, political risk, foreign market entry barriers etc). This market information is crucial for firms operating in foreign export markets as it is fundamental to the decision making process. The generation, dissemination and responsiveness aspects are overview as: information generation refers to systematic gathering of information on customer, preferences (Hunt & Morgan, 1995).

The dissemination aspect is then using this information and communicating it with relevant departments in the organization. And finally the

responsiveness part involves analyzing the information to develop knowledge and use it to guide strategy. A (1999) study by SHCOON, supported the desegregations of export information acquisition along three distinct modes, namely: export marketing research, export assistance and market intelligence.

Research suggests that exporters tend to prefer and trust export market intelligence over and above the other two (Reid, 1984), because it is obtained from industry players and is cheaper. How can exporting organization increase market orientation in their foreign markets? In order to become more market orientated towards their foreign markets, organizations can better co-ordinate their marketing activities so that all functions in the firm are involved in the export decision making, so that there is a lack of dysfunctional conflict within the firm.

While also increasing shared values between domestic and export operations. However it is often reliant on senior management's attitudes to both exporting and export market orientation, and commitment to exporting are also critical to fostering a top-down commitment to export market orientation, and thus an increase in the extent to which export information will be gathered, disseminated and responded to. Research by Lings & Greenly (2009), indicated a positive impact of external market orientation on customer satisfaction and a firm's financial performance. ) Critically examine the logic underlying the export market orientation performance relationship. / Explain what the consequences of developing an export market orientation are, in terms of how it impacts on export performance. In

the export market orientation literature, research focuses on determining whether the relationship between firms' MEMO behaviors and their export performance is positive. The logic underpinning this potential legislations is straightforward and firmly grounded in the resource-based-view (ROB) of the firm. ( Hunt & Morgan, 1995).

MEMO behavior gives the firm the capability to create superior value for export customers. MEMO firms are more informed about the needs and wants of their target markets and will be positioned more strategically than their less market-orientated competitors, to tailor products and services for those markets. Furthermore, the informational advantages accrued from MEMO behavior mean that the exporters that are more market oriented will be more impotent in their choices of export target markets and will choose their export marketing strategies more effectively.

The research conducting in this area provides evidence that MEMO behavior is positively related to multiple facets of export performances, such as: sales volume, growth in profits, market share and market entry. As such it points to a basic liner relationship between MEMO behavior and export success.

Octagon et al. , 2009 also pointed towards there being a non-linear relationship. As to achieve high levels of MEMO behavior, firms may need to cut investments in other orientations to fund the increase in export market information generation, dissemination and response behaviors.

Thus increasing MEMO behavior levels come at an opportunity cost. There is a balancing act in finding the sweet spot between increasing customer value through higher MEMO levels, and avoiding decreases in customer values

resulting from reduced investment in other strategic market dynamism and the degree of internationalization. Specifically, MEMO behavior may have less utility when the factors affecting the needs and requirements of export customers are static and predictable, because only minor adjustments to the marketing mix are required to service them.

Their study found that firms operating suboptimal in more dynamic markets will typically experience better performance to those in less dynamic markets. They also found that increased internationalization brought with it increased information processing demand and a more complex business environment. And that a higher scaled exported is met with increased logistical costs, foreign laws and cultural differences to identify. While greater scale often improves profits, the challenges resulting from it, can have a detrimental impact on performance.

In conclusion, the evidence from Octagon et al. Study is useful when examine the performance relationship. It identifies the non- linear relationship and the effect of moderators on the MEMO performance relationship. The limitations of the study, was that it used cross-sectional data from a single source and the data was only collected from Finland. It might be informative to reassess the model using data obtained from several sources at firms, and use a country that's export markets are geographically remote. For example, New Zealand.

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