

# Overseas marketing- challenges and opportunities research paper samples

[Business](#), [Company](#)



## **Introduction**

The concept of global expansion in some of the growing business enterprises has resulted in market diversification of products overseas. Despite a number of challenges encountered in marketing products overseas, there has been quite a return from sales of products overseas. In the recent times, the business entities have put into consideration the idea of global expansion to increase production capacity, and organization's profitability. Changes in market forces of demand and supply have been attributed with the marketing strategies of companies in locating a strategic location for undertaking business activities. According business reports, in 2010, most business activities and organizations do not put into consideration challenges faced when expanding their business. On the contrary, most of the business entities focused on the opportunities arising from expansion of new markets overseas (Gillespie, Jeannet and David 34).

There are various challenges and opportunities attributed to the expansion of new markets overseas. This paper will try to figure out myriad opportunities, which business entities are faced with while addressing respective challenges in the establishment of the new markets. According to research conducted by various Chief Financial Officers, business activities are not held back by some factors such as the magnitude of local competition or geopolitical challenges. There are various reasons for starting a foreign investment overseas. For instance, market seeking is usually a major objective. According to various economists, business enterprises go overseas in search for market of goods and services. Market expansion and growth have always been an essential point for business organizations.

Through overseas marketing, organizations can increase their customer base, sales, and thus increase profitability. Business organizations have gone further to introduce new products into the market. As a result, the organization expands its customer base and acquires a new marketing region (White 56).

Marketing of products overseas can also be aimed at achieving efficiency. Business organizations sell products in order to take advantage of favorable trade terms and conditions, cheaper inputs overseas, and favorable taxes and regulations. One of the primary reasons for marketing products has been as a result of favorable tax rates and government regulation in that region. There are other important reasons for investing in overseas markets such as reducing mitigation and diversification. Most growing businesses expand internationally in order to diversify their products and services. This is an important aspect of marketing since it helps businesses sell more than one product in multiple countries thus reducing the chances of the company from having hardships in economic and political challenges, in one country (Blythe 17).

Investment in a foreign country can also help business entrepreneurs acquire local expertise in various business activities and strategies. Some countries have a reputation on particular skills and technical knowledge. Investing in such countries helps acquire, understand, and assimilate such skills in business organization. As a result, there is an exchange of knowledge and skills. Another important aspect of investing overseas lies under the fact that companies need to acquire foreign ideas and innovations in their undertakings. In the modern days, companies need to embrace improved

technology and other innovative ideas aimed at improving production and business profitability. Business organizations thus require workforces from various backgrounds and different cultural roots. This is important for a company to bring in different fresh ideas from each and every person. Another vital reason for investing overseas is to avoid risking parent company through a subsidiary. Growing companies establish subsidiary companies in foreign countries in order to limit liability extension to the parent company. This strategy is important for business organizations since it reduces chances of bankruptcy by the parent company (Gillespie, Jeannet and David 37).

## **Challenges of Overseas Marketing**

Overseas marketing may be faced with myriad challenges in an effort to expand and diversify products. Business organizations have thwarted from expanding their products overseas as a result of socioeconomic and political factors experienced in the host country. Protectionist rule against foreign investment has been a hindrance to foreign investment and marketers around the globe. Protectionism implies that a country will impose some rules and regulations protecting its domestic resources and industries from international rivals. These types of regulations are usually imposed by the government in the aim of promoting internal economic development while excluding foreign investment in the country. Implementation of such rules in a country will adversely affect investment and marketing of products in that country (Leader 19).

## **Political Challenges**

In most cases, marketing of products and services in foreign countries is challenged by changes in the political climate and instability. Marketing of products and services can be negatively affected by the political climate in the host country. Business organization will make strategies on ways through which it can market its commodities in a foreign market. A foreign country experiencing war and political violence cannot be suitable to start any business activity or undertake marketing activity. As a result, marketing managers are advised to establish suitable marketing regions to invest on their products and services.

## **Economic Challenges in Oversea Market**

Economic challenges and diversity entails every aspect of the economy that influences marketing of products overseas. For instance, the value of the host country may be very weak leading to low returns compared to domestic currency. As a result, foreign investment will be hampered by weak foreign currency. Economic challenges may also take the form of markets in the foreign country. On this front, marketing of products and services may be hampered by high supply of a particular product in a foreign country. This leads to low prices thus no need of marketing such a product due to low price expectations.

## **Cultural Diversification**

Cultural background is usually a determining factor in the marketing of products and services in foreign markets. Business enterprises usually have to conduct a research study of the targeted business location before starting

any business activity. Individuals from various cultural backgrounds have different tastes and preferences based on their cultural beliefs and norms. As a result, cultural beliefs and norms of a particular community may adversely affect the consumption of a certain product in the market. This leads to low demand for that product thus marketing of such commodities will achieve an organization's goals and objectives of increasing revenue. Cultural diversity, on the other hand, entails the incorporation of certain behaviors and traits in order to establish proper marketing channels in foreign countries.

### **Discrimination**

Establishment of proper business channels in a foreign country may encounter racial discrimination from the host country. Business organization faces racial discrimination practices of foreign countries leading to lower product sales. Discrimination is practices are common in highly competitive markets and where foreigners establish a substitute commodity in a foreign market.

### **Corruption**

Corruption in the host country may lead to low performance in production and efficiency in the foreign market. Most business organizations face hardships in acquiring regulations permits in a foreign country as a result of corrupt government bodies and regulatory authorities. Corrupt practices will thus adversely affect the success of marketing products in a foreign country.

## **Work Ethics and Behavior**

In business operations, businessmen should be strategic in establishing a market for a product in a foreign market. A business organization will be faced with work ethic issues on a foreign market. As a result, it is advised that a marketing manager conduct a prerequisite survey of the foreign market before making indulging in marketing. There are various business ethics and behavior one has to get acquainted with before getting involved with the real business operation. For instance, China has various business ethics which should be followed to the letter for success in business activity. Such business ethics and behaviors enable businessmen to establish good contact with the society. As a result of good conduct, business enterprise is prone to be a success.

## **Geographical Diversity**

In establishing a market in a foreign country, geographical diversity is an important factor to put into consideration. For the success of a product in a foreign market, geographical region and climate for the foreign market is an important factor to consider. The geographical location of a foreign market determines the means through which products and services are going to be transported to the market. Geographical location of a market can negatively affect the marketing of products and services to a foreign country. As a result, proper research on the foreign market and available means of transport to the region should be of first priority (White 69).

## **Opportunities in Marketing Overseas**

Marketing opportunity in a foreign country will increase the level competition in the host country. Production of more products from the foreign country will create an influx of products and services in the foreign country thus leading to high supply of commodities. Increase in production of goods and services will in turn increase the level of competition from rival industries. Increased level of competition is usually healthy for development of industries through strategic means to diversify and differentiate products (Gillespie, Jeannet and David 89).

## **Job Creation**

Investment in a foreign country will lead to an increase in employment opportunities thus facilitate economic growth through the multiplier effect. The host country will benefit from the establishment of industries in the region since unemployed individuals will get access to employment opportunities. This is a positive effect of foreign investment since individuals will increase their income and in turn increase level of consumption. This effect will subsequently affect economic growth of the country. As a result, there will be economic development in the region (Blythe 58).

## **Bring in Expertise and Technology**

Foreign investment will pose a positive effect on the host country's expertise and technology in the production process. Production of a commodity in foreign market will ensure that individuals in the host country get adequate training and expertise required to work in the industry. As a result, there will be transfer of knowledge and skills. Transfer of technology will also be



unavoidable since the company will need a workforce that is well acquainted with the modern technology. The aforementioned practices will ensure that the host country's work force gets to familiarize with high technology and acquire high skills to be utilized in the industry.

## **Market Size**

Expansion of international markets translates to increased market size. Most business organizations have felt the need to globalize and expand their market operations around the globe. Marketing managers have come up with strategies to ensure that expansion of products and services to foreign countries is done in an effective and productive manner. Increase in market size for a company will positively affect its performance and thus increase production capacity. As a result, the company will improve on its profits and thus promote government revenue through the contribution of corporate taxes.

## **Market Potential**

Expansion of market overseas will act to the benefit of an organization. Globalization of industries has a lot of advantages to the potential of a business enterprise. For instance, a company will be faced with different rules and regulations from different countries. As a result, foreign companies can benefit from an economic crisis occurring in one country. This ensures that the company diversify business operations to secure potentiality in case of business risks. The business enterprise potential is thus gained through diversification of the market in different regions. Expansion of foreign

markets and business entities will thus ensure a company remains potential in its operations.

### **Access to New Customers**

Expansion of business enterprises in a foreign market ensures the acquisition of new customers. It is important for a company to acquire new customers in order to increase its customer base with time. As a result, business entities will have an increased demand for their products and services at all times. Establishment of new customer base results from company's knowledge of customers' tastes and preferences in a certain market. It is thus important for a company to establish new and keep old customers in order to expand its sales and production capacity. This ensures high growth and profitability.

### **High Growth Rates**

Establishment of marketing channels in a foreign country will ensure high productivity of the company. Increased customer base ensures higher sales of products and services in the foreign market. This translates into higher profits accumulated by the company over time. Further expansion of the company means that there will be high revenues thus increased growth rate. It is thus worth to mention that the global expansion of a company results to high growth rates due to increased sales and profits (White 72).

### **Advertising of Products and Services**

Business organizations are always advised of adequate and intensive research before launching any product in a foreign market. Marketing and campaigns of a new product in foreign markets are accompanied by a lot of

hurdles. In advertising of a new product in a foreign country, the culture of the people in the region needs to be put into consideration. Cultural beliefs and norms of various individuals can bring about negative results when it comes to advertising and launching of a new product in the market. For instance, when an organization is developing a sales team in the marketing process, there is a need for direct contact with clients. Clients are the most determinant of success in launching a particular product or service. Cultural beliefs and norms of the foreign country should be well known in order to prevent any setbacks. Some advertising and launching techniques may not work well with clients. It is thus important to establish a direct contact between clients and sales team members in order to figure out their tastes and preferences. Through acknowledging people's culture and understanding their likes and dislikes, it will provide a stepping stone to the next procedure in marketing practice. For a product gain in popularity, sales team members should get to know various methods to entice clients. This can only be done through knowing and appreciating cultural beliefs of the foreign market (Leader 57).

### **Primary Issues and Concerns**

Expansion of a company's market in a foreign country is an issue that needs to be discussed and consulted with the management team. There are various market entry challenges which require a lot of management knowledge about economic and political situation in the foreign market. On the other hand, expansion of the market in a foreign country is a demanding process that requires a lot of capital for its establishment. It is thus clear that there

are some issues which need to be put into consideration before making a final move (Gillespie, Jeannet and David 52).

## **Conclusions**

Establishment and expansion business enterprise in a foreign market has advantages as well as disadvantages. By contrast, expansion of the market in a foreign country will have lots of merits than demerits. As aforementioned, expansion of a company and its products to a new market will create a lot of business opportunities important for growth of a company. For instance, a company will establish new customer base thus diversify its customers around the globe. This will increase a company's sales and production and in turn profits. As a result, a company will exhibit growth and expansion. It is thus important for business organizations to expand their market internationally since the move carries a lot of positive effects.

## **Works Cited**

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