

Case study 1 - international marketing



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Acer Inc Case Analysis BY YOU YOUR SCHOOL INFO HERE HERE Question By divide and conquer, it is describing Acer's attempt to segment global markets by their buying characteristics and then cornering these markets using appropriate advertising and positioning among competition. For example, Acer identifies geographic, demographic or psychographic characteristics in global markets and then segments according to these attitudes or behaviors. Acer recognizes, as one example, that in the United States people tend to buy based on emotional principles, which would be more akin to psychographic segmentation. They then seek out characteristics, such as prestige-oriented attitudes or general lifestyle, and then develop advertising and integrated communications strategies to meet these needs. It is segmentation and then response to market identification using language that would be accepted by these groups. Divide and conquer segments " must be revisited to ensure relevance" (Schwarz, 2007, p. 1). Question 2 This paradox fits into Acer's strategy as it is recognized that global markets are products and local markets are people. There is no standardized method of achieving marketing success due to the fact that people across the globe, even if they have similar demographic traits, will not have the same buying behaviors. Businesses that believe they can use standardized advertising and communications principles are engaging in paradoxical thinking (sagepub. com, 2007). Local markets can be easier identified with and segmented while global markets are more difficult to define. Acer spent a great deal of time learning Chinese buyer behaviors, such as feelings about product reputation, that helped standardize segmentation and ad strategies in this specific culture. Globally, however, Acer must adapt these principles to meet unique market needs. Question 3 Acer can definitely become larger

behind this important competition so long as they understand how to segment markets effectively in the global marketplace. This will require research, perhaps focus groups or surveys, to gain an understanding of what drives subculture buying behaviors or those dictated by psychographic traits related to lifestyle. In markets where Dell and HP are strong and preferred brand names, Acer must position their products uniquely and promote whatever attributes Acer products have over competition. Gaining brand recognition is one starting foundation that might include communications where the logo is present to familiarize consumers with the Acer name and image. If the products are cheaper than HP or Dell, they might position on pricing and use promotion (or even incentives) to gain short-term sales increases and build long-term loyalty to Acer's pricing structure related to quality and function. Question 4 Acer recognizes that U. S. customers buy based on attitude more than rational decision-making. In order to gain further market share, they must use marketing research to identify with what these attitudes actually are. Is buying behavior based on brand name preferences, social influences, or price? These are questions that must be answered in order to gain more market share. They need also to conduct environmental and competitive analyses of larger competition and discover what they are doing, in terms of marketing, to achieve such a quality reputation and achieve higher sales results. Market analysis and competitor analysis is the best launching point to achieve these goals. They must figure out how to give themselves more localized exposure in segmented market groups, using advertising or a short-term integrated marketing communications campaign, which might include incentives or short-term coupon strategies until brand preference has been established in their

desired market groups. References Sagepub. com. (2005). " The Paradoxes in Global Marketing Communications". Retrieved March 9, 2011 from http://www.sagepub.com/upm-data/5312_De_Mooij_Chapter_1.pdf

Schwarz, Paul. (2007). " Divide and Conquer: A Case Study of Profitable Market Segmentation". Retrieved March 10, 2011 from <http://www.marketingprofs.com/7/divide-conquer-profitable-market-segmentation-smith-schwarz.asp>