

Lecture „International Marketing“

Summer Term 2024

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Time Schedule

Datum	Thema
08.04.2024	Topic 1: Organization and Introduction: Specific Characteristics of International Marketing
15.04.2024	Topic 2: Internationalization and Basic Orientations in International Marketing
22.04.2024	Topic 3: Convergence of International Markets (Part 1)
29.04.2024	Topic 3: Convergence of International Markets (Part 2)
06.05.2024	Topic 4: Divergence of International Markets
13.05.2024	Topic 5: Strategies for Emerging Markets
20.05.2024	<i>Public Holiday (No Lecture)</i>
27.05.2024	Topic 6: Categorical Decision Fields of International Marketing and International Market Selection
03.06.2024	Topic 7: Market Segmentation and Timing of Market Entry
10.06.2024	Topic 8: Foreign Operation Modes
17.06.2024	Topic 9: International Marketing Strategy and Marketing Mix: International Product Policy
24.06.2024	Topic 10: International Marketing Strategy and Marketing Mix: International Communication Policy
01.07.2024	Topic 11: International Marketing Strategy and Marketing Mix: International Distribution Policy
08.07.2024	Topic 12: International Marketing Strategy and Marketing Mix: International Pricing Policy
15.07.2024	<i>Exam Preparation</i>

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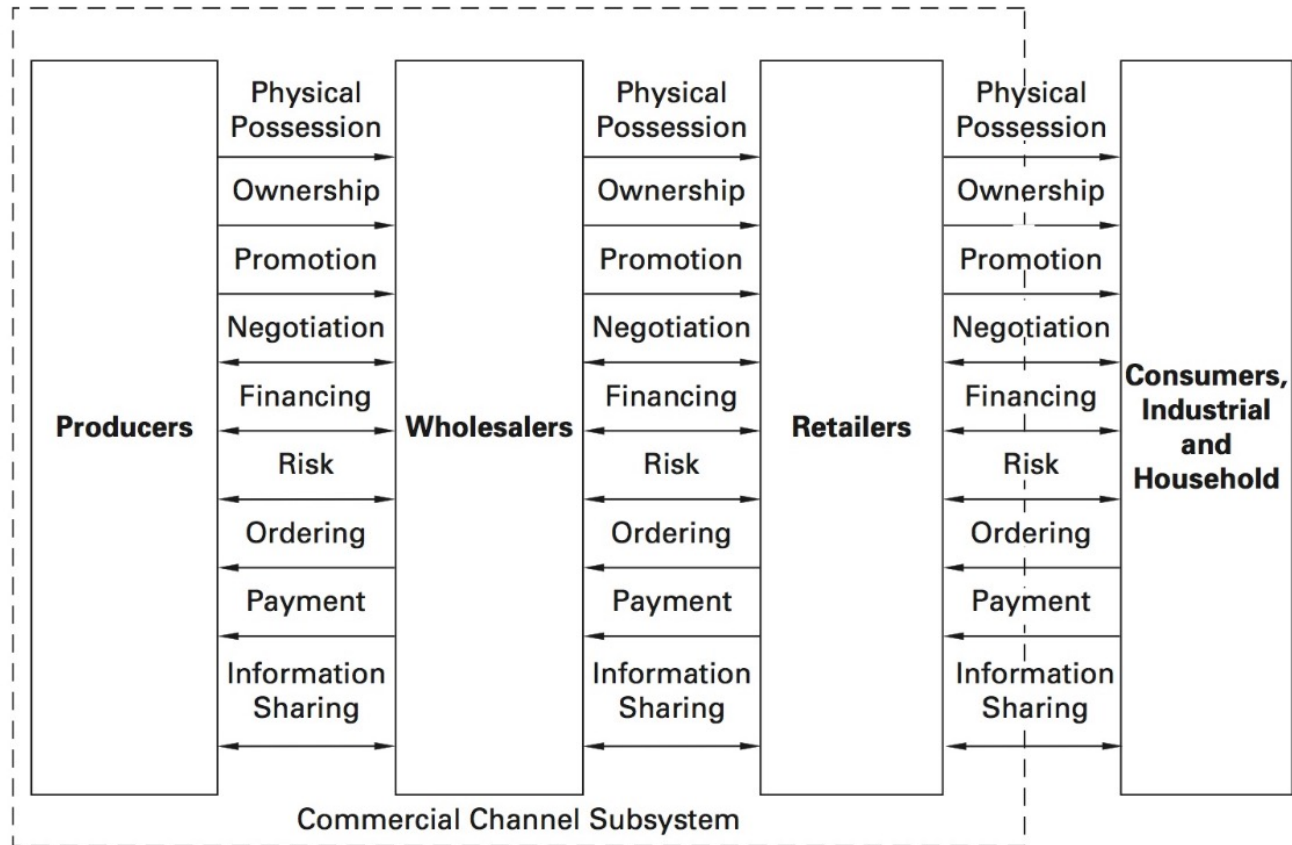
**Topic 11:
International Distribution
Policy**

International Distribution Policy

- International distribution
 - the process by which products and services **flow** across different country markets between producers, companies that act as intermediaries, and consumers, that includes the transfer of ownership.
- International logistics
 - the strategic management of the **flow** of products and services across different country markets among marketing channel members, including both upstream and downstream activities.

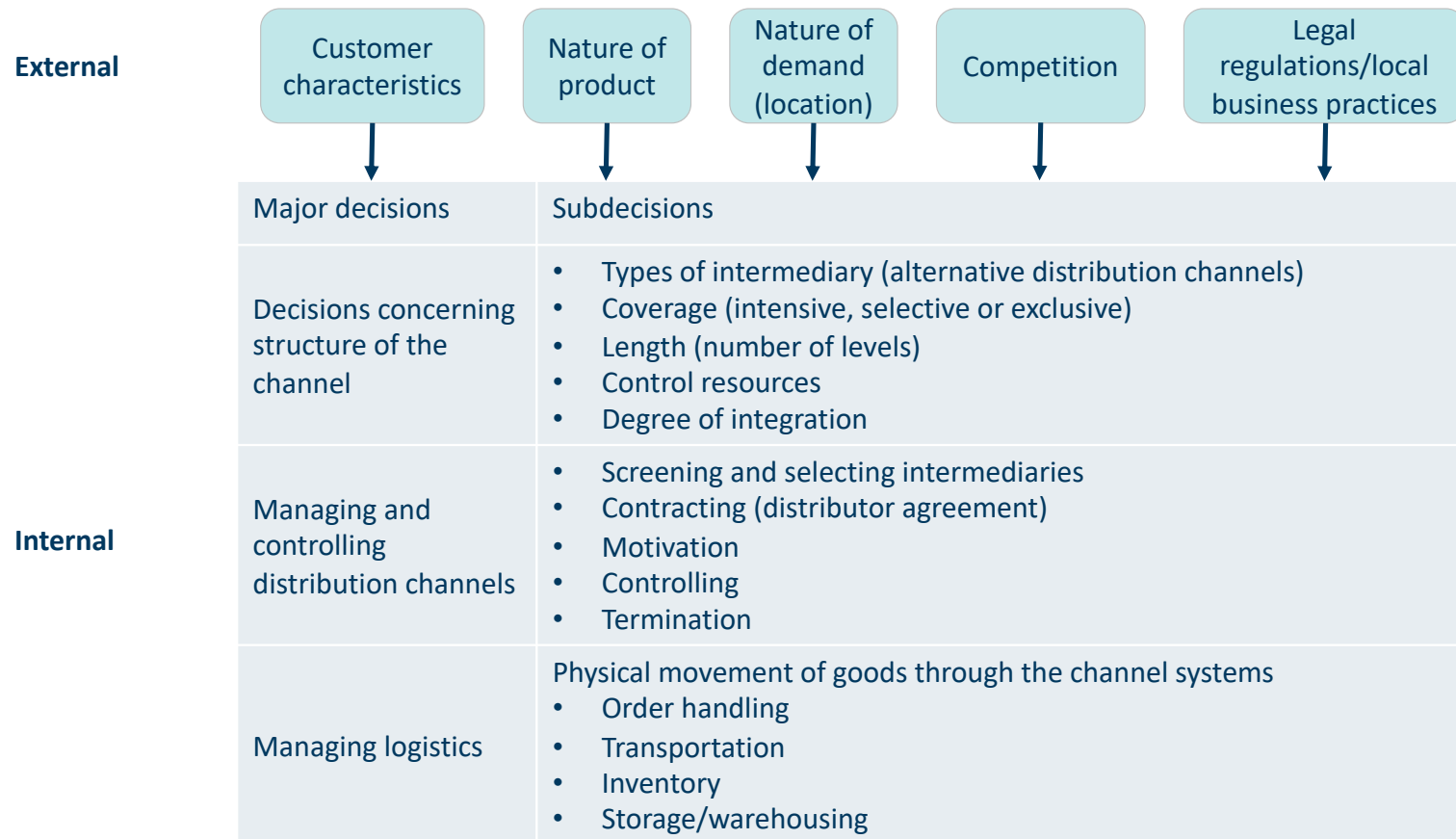
Source: adapted from Baack/Harris/Baack 2012, p. 376.

Channel Flows and Channel Members



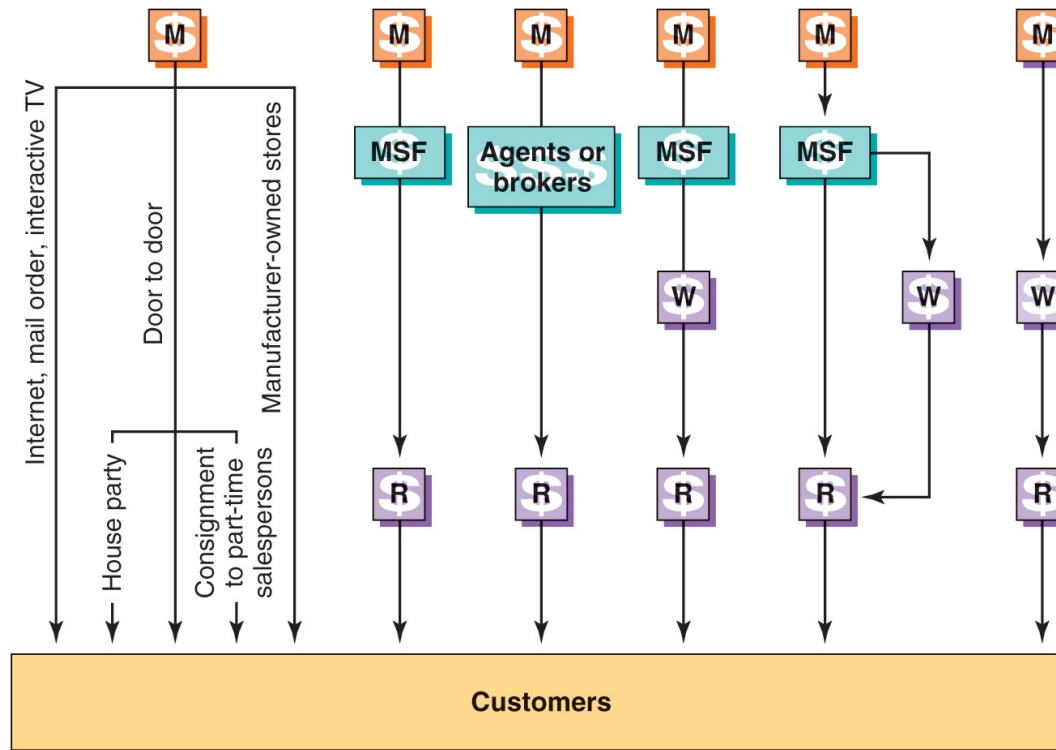
Source: Palmatier et al. 2015, p. 62.

International Channel Decisions



Source: Hollensen 2017, p. 598.

Typical Distribution Channel Structures

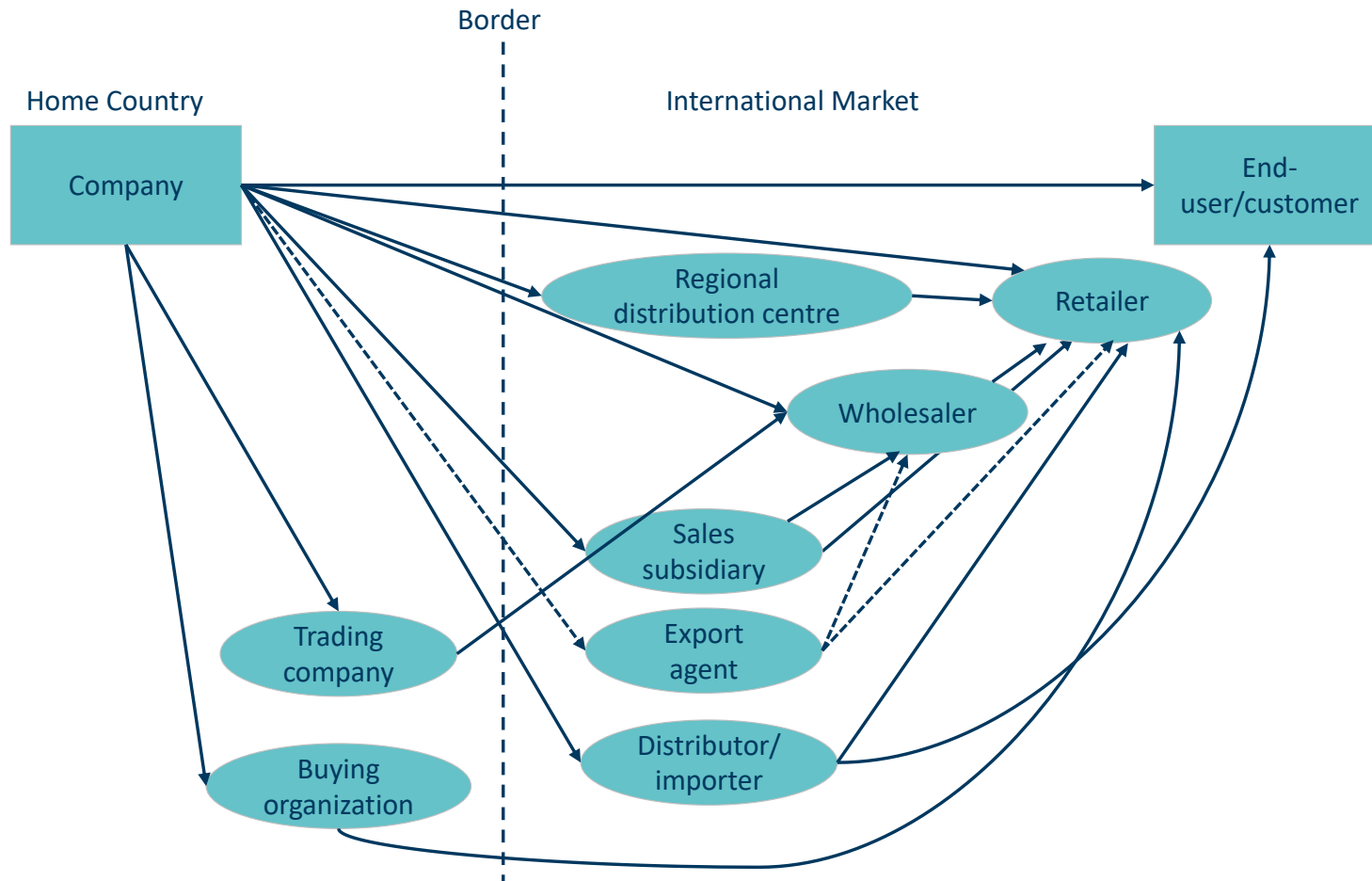


M = Manufacturer **MSF** = Manufacturer's sales force
W = Wholesaler **R** = Retailer

Source: Warren/Keegan 2015, p. 364.

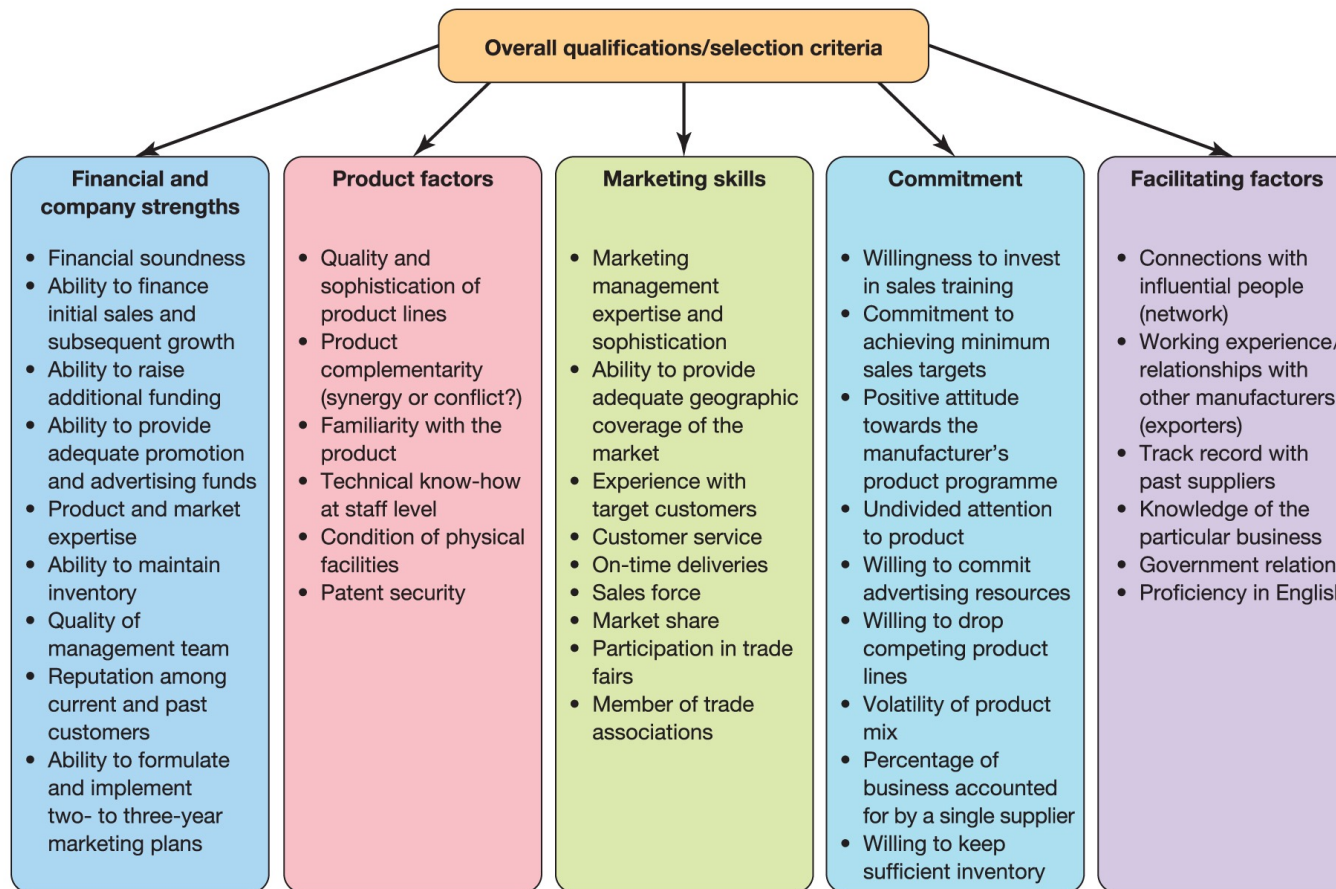


Typical Distribution Channels in International Markets



Source: Bradley 2005, p. 306.

Criteria for evaluating Foreign Channel Members



Source: Hollensen 2017, p. 610.

An Example of Channel Member Evaluation

Criteria (no ranking implied)	Weight	Distributor 1		Distributor 2		Distributor 3	
		Rating	Score	Rating	Score	Rating	Score
<i>Financial and company strengths</i>							
Financial soundness	4	5	20	4	16	3	12
Ability to finance initial sales and subsequent growth	3	4	12	4	12	3	9
<i>Product factors</i>							
Quality and sophistication of product lines	3	5	15	4	12	3	9
Product complementarity (synergy or conflict?)	3	3	9	4	12	2	6
<i>Marketing skills</i>							
Marketing management expertise and sophistication	5	4	20	3	15	2	10
Ability to provide adequate geographic coverage of the market	4	5	20	4	16	3	12
<i>Commitment</i>							
Willingness to invest in sales training	4	3	12	3	12	3	12
Commitment to achieving minimum sales targets	3	4	12	3	9	3	9
<i>Facilitating factors</i>							
Connections with influential people (network)	3	5	15	4	12	4	12
Working experience/relationships with other manufacturers (exporters)	2	4	8	3	6	3	6
Score			143		122		97

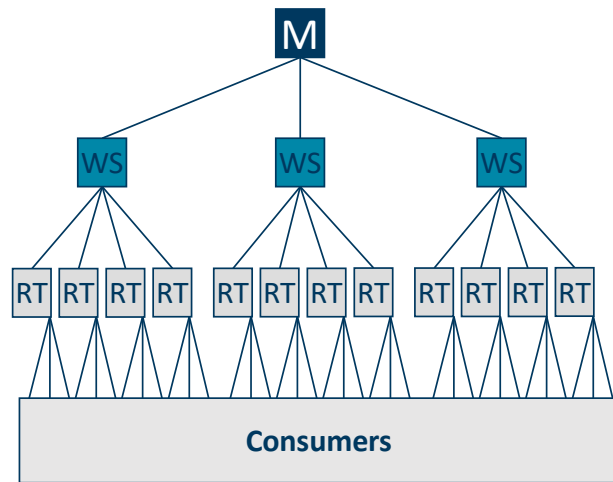
Scales:
Rating
 5 Outstanding
 4 Above average
 3 Average
 2 Below average
 1 Unsatisfactory

Weighting
 5 Critical success factor
 4 Prerequisite success factor
 3 Important success factor
 2 Of some importance
 1 Standard

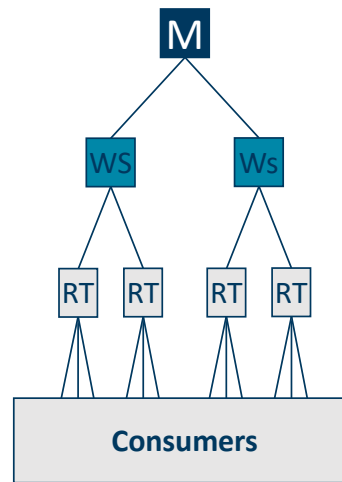
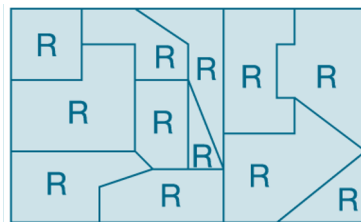
Source: Hollensen 2017, p. 611.



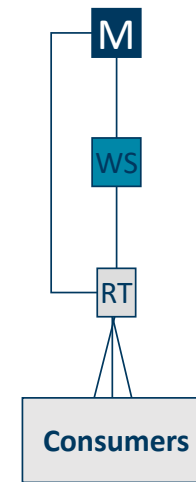
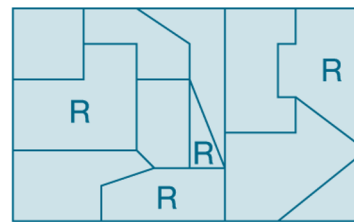
Strategies for Market Coverage



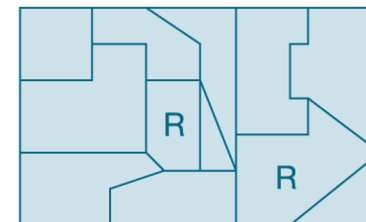
Intensive



Selective

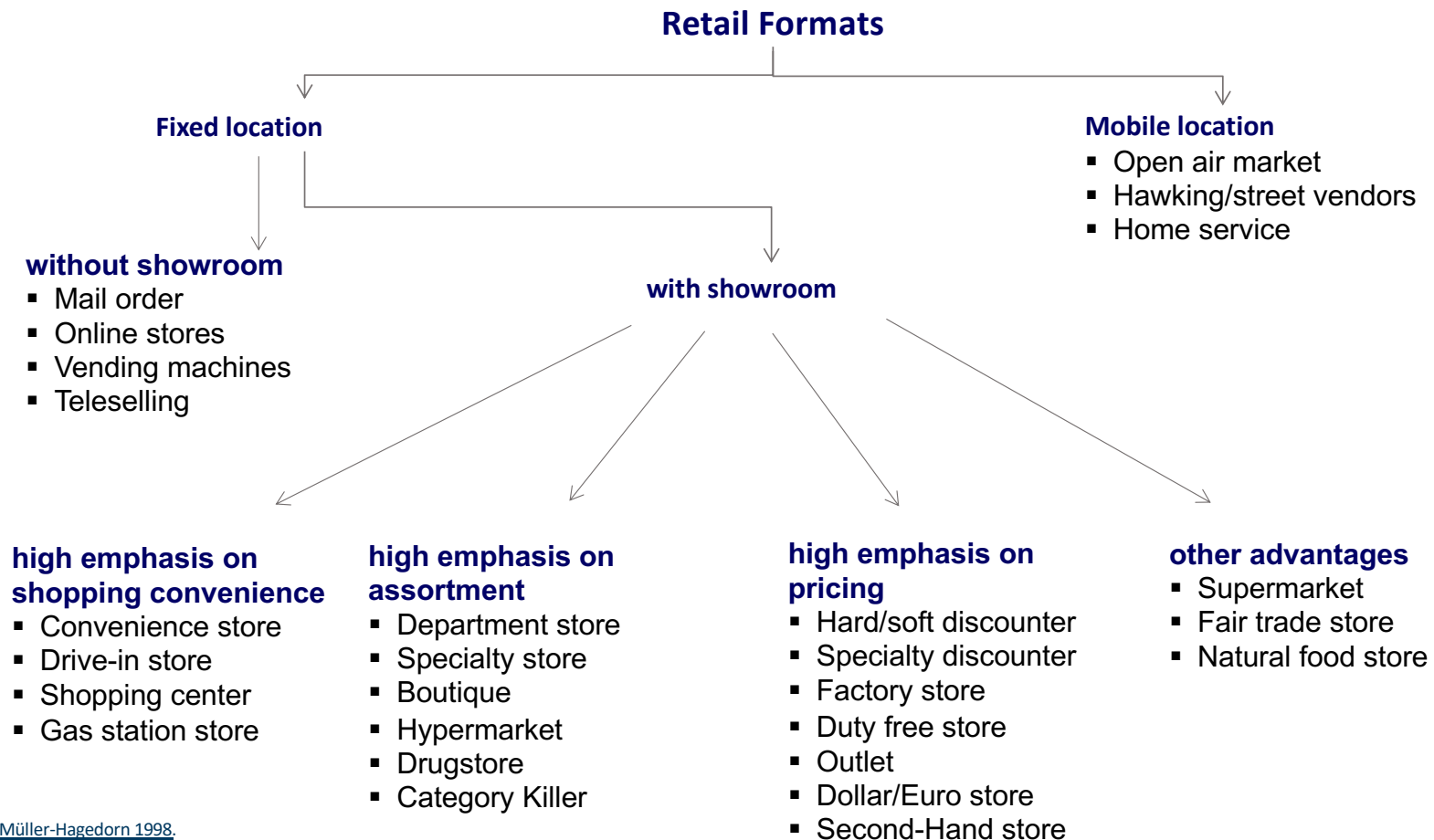


Exclusive



Source: Hollensen 2017, p. 602.

Types of International Retail Formats and Locations



Source: adapted from Müller-Hagedorn 1998.

End-User Channel Preferences (1)



A new kind of Distribution Channel? (2)



Source: <https://www.youtube.com/watch?v=CitIVrHXuFg>.

International Logistics

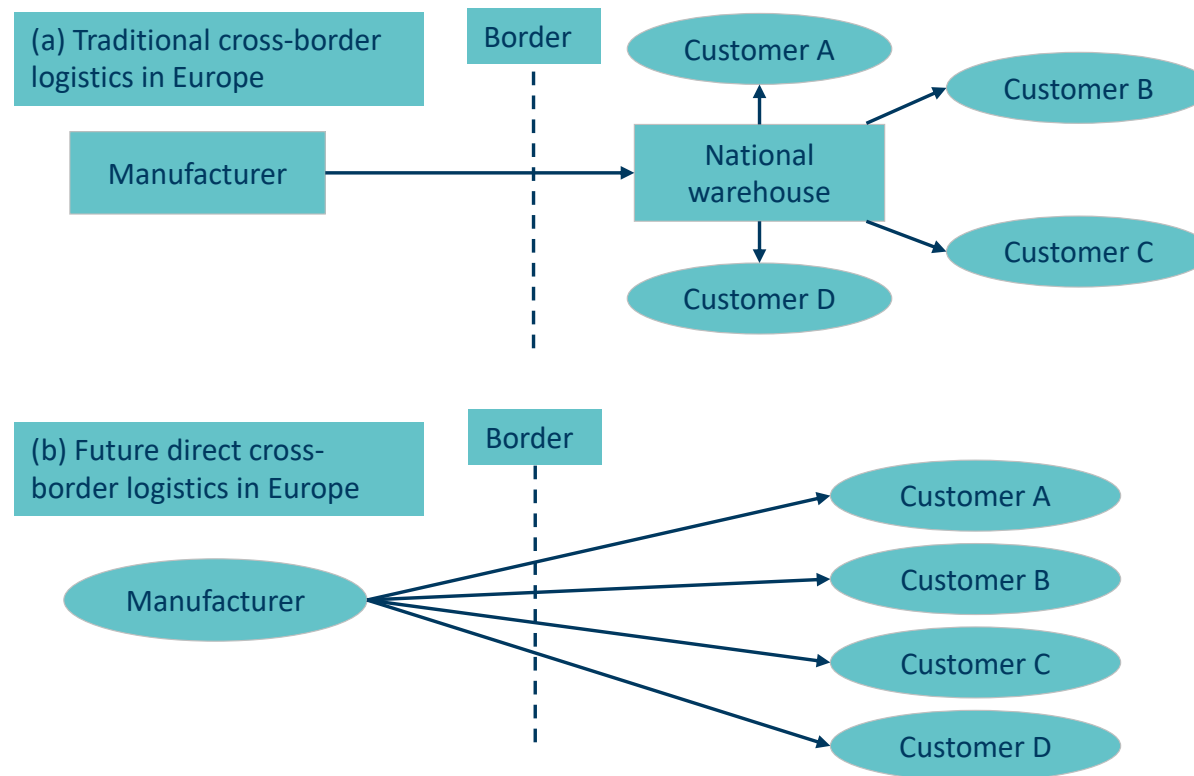
Example: BorderGuru



Source: Borderguru / <https://www.youtube.com/watch?v=WMIHaH004UM>



Alternative Cross-Border Logistics



Source: Bradley 2005, p. 324.

Evaluating Transportation Choices

Characteristics of Mode of Transportation	Air	Pipeline	Highway	Rail	Water
Speed (1 = fastest)	1	4	2	3	5
Cost (1 = highest)	1	4	2	3	5
Loss and Damage (1 = least)	3	1	4	5	2
Frequency* (1 = best)	3	1	2	4	5
Dependability (1 = best)	5	1	2	3	4
Capacity** (1 = best)	4	5	3	2	1
Availability (1 = best)	3	5	1	2	4

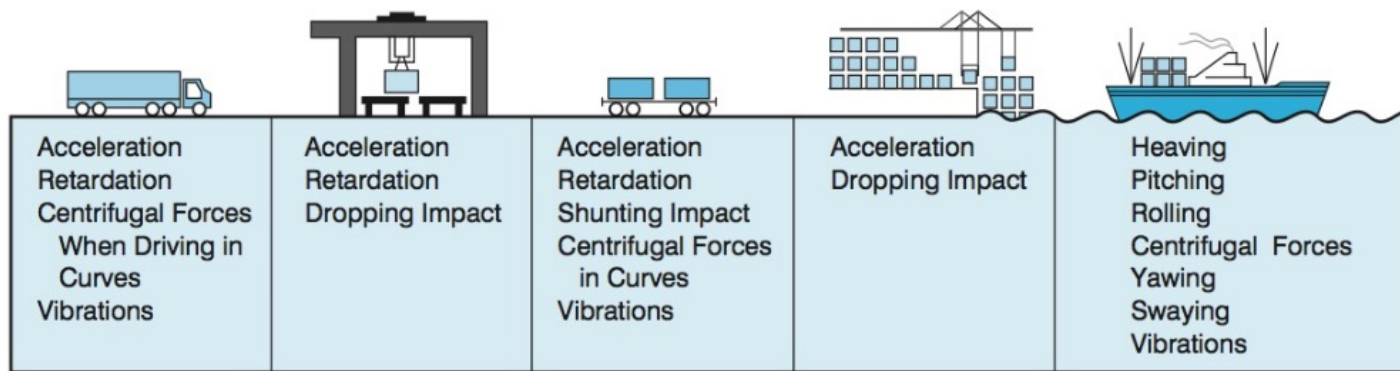
*Number of times mode is available during a given period of time.

**Ability of mode to handle large or heavy goods.

Source: Czinkota/Ronkainen 2013, p. 520.



Challenges in International Logistics (1): Stresses in Intermodal Transport



Source: Czinkota/Ronkainen/Zvobgo 2011, p. 490.

Challenges in International Logistics (2): Forward Logistics in Rural Areas



Typical problems on gravel road networks



Source: <http://blogs.worldbank.org>



Challenges in International Logistics (3): Problems of Transport Documentation

- Complexity: numbers of documents and correspondents
- Culture: language, currency, law
- Change: changes in requirements
- Cost: costs of preparation
- Error: consequential costs of error and cost of correction

Source: Davies 1984, p. 66.



Learnings

- International distribution
 - Flows and channel decisions
 - Distribution channel structures
 - Evaluating foreign distributors
 - Strategies for market coverage
 - Retail formats and locations
- International logistics
 - Cross-border logistic alternatives
 - Digital delivery of goods
 - Various challenges in international logistics