**International Marketing**

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**Question No 1**

**Knowledge of International Marketing for Managers in today Globalized Business World**

The digital revolution transform the businesses structure completely and shows its effect beyond the borders. The businesses are hardly remain domestic. The world is now considered a global village. In this globalization era it is very important for a business managers to have the key knowledge and expertise of International marketing. The knowledge of international marketing become very vital when the world introduce open economic system. The target market extended to foreign market as well so if the manager have good international marketing knowledge he would identify and serve the customers better than other country. The globalization provide space for every country to operate and hold market through comparative and competitive advantages. The better understanding of international in today globalization will increase the growth opportunities and further improvement and development in the term of product, services and operations. The manager then be able to expend and diversified target market to different countries.

The global business world is very complex and challenging for manager because countries operating on competitive advantages in global markets so the manager must know the tactics and techniques to compete it a global level. The foreign companies will operate domestically and will compete with them so a good manager with knowledge of international marketing and global business operation will not only survive but operate effectively. The customers’ characteristics are different in different countries so the manager will trace out their taste and preference to serve them best. The risk involve in international marketing is increased with globalization because many country will now be able to compete for the same product.

**Example:** Apple has extended its business globally with the help of international marketing.

The international marketing knowledge helps the people to take advantages of globalization and make people able to manage business in foreign country from local. The knowledge of international marketing in today globalization will compel the managers to innovate and improve its product to go successfully in the global markets. The international companies usually have the latest technology will also give tough time to managers if not well informed about international marketing procedures.

**Example:** The technology Giant Ali baba purchase the Pakistan online service provider DARAZ because Daraz was not able to compete.

The Manager with sound knowledge of international market would carry out the research effectively because the global market is different from local and the target audience are nor identical and similar to local but completely change. The international marketing knowledge will make the manager able to protect the business from global or foreign business that could possibly create an effect because possible protection strategy would be made.

**Question No 2**

**Similarities and differences between Domestic marketing and International Marketing**

**Similarities**

The domestic marketing is the selling of goods and services in the country local markets. While in international marketing the goods and services are sell to different countries. The both marketing share some similarities which are following

**1) Satisfying the basic consumer needs**

The element of satisfying the basic consumer needs between the two types of marketing is same. Both types of marketing involve to find out the consumer wants and ways to best satisfy them.

**2) Creation of Goodwill**

The creation of goodwill are the same factor between domestic and international marketing. The goodwill can be achieved liberal guarantee and after sale services.

**3) Research and development**

Both domestic and international marketers are involve in research and development to improve the product and its performances and trace out the customer expectations from product.

**4) Marketing technique I-e Non-human factors**

The marketing techniques are also relatively similar, the non-human factors like product, and price etc. are also same in both domestic and international marketing

**Difference**

Following are the main difference between domestic and international marketing

**1) Growth opportunities**

The growth opportunities in domestic market is limited because the goods and services are offer locally and the scope is also limited while in international marketing offer goods and services in several countries so it offer numerous opportunities and scope.

**2) Risk Involve**

In domestic marketing the risk factor is lower because of fewer challenges and limited scope. The cultural and geographic factors are relatively same. While in international marketing the risk factor is high because of high challenges are involve like socio-culture differences, exchange rate and comparatively greater amount of uncertainty.

**3) Research requirement**

In international marketing the research is very much important because getting to the foreign market need extensive study as the country is unaware of the condition and trend prevailing there. While on the other hand the local market does not need much research because the company operating in domestic market usually aware of its condition prevailing in market.

**4) Technological use**

In domestic marketing the technological use are limited as it operate on small scale while in international marketing the technological use is wide and latest technology of different country can be used.

**5) Financial Resources needed**

The domestic market need less financial resources and capital investment because of its size while the international marketing needs significant amount of financial resources and capital investment.

**6) Limitations**

The domestic marketing do not face many limitation because the market is local while the international marketing face many limitation including language barriers, cross-culture difference and societal norms.

**Question No 3**

**PART A**

**Role of protectionism to protect local industry from foreign invasion**

The protectionism practices create policies that allow government to promote domestic producer and encourage domestic production of goods and services by imposing tariff and other limitation on inflow of goods and services from foreign marketplace. The protectionism play vey vital role in encouraging and protecting local industry. To boost the local industry the imposition of tariff and other duties will increase price which will encourage local industry to produce more. The invasion will result on exploitation by charging high prices. The local industry will helps in reducing unemployment. The protectionism is the best tool to keep the money flow with in the economy and also increase business size to compete at a higher level. The protectionism tools are usually implemented by developing countries. It protect consumers and job for the local people. The protectionism tools like tariff, imports quota is really helpful weapon for short term benefit.

**Drawbacks of imposing strict protectionism**

In long term the strict protectionism weaken the industry because in the absence of competition the local industry firms have no reason to innovate. Eventually the domestic product quality will decline and would also be expensive than foreign competitor product. **Example** Job outsourcing provide cost reduction to some developed country like US call centers in Pakistan or china. Another drawback is that protectionism limit supply of foreign goods which result in high prices of domestic goods because of high demand and consumer will be left with no choice. In protectionism the consumers have very less choice. China unemployment already increases because of strict protectionism policies.

**Question No 3**

**PART B**

1. **Balance of Trade and Balance of Payment**

Balance of trade of a country shows the difference between the value imports and exports over a specific period of time. It is the biggest component of balance of payment. The balance of payment shows the statement of all transaction between a residents of country and rest of the world. The favorable balance of trade is trade surplus in which country exports exceeds its imports. The trade surplus indicate economic prosperity and competency while unfavorable balance of trade is trade deficit in which the country imports are greater than its exports. The trade deficit show economic depression and high level of dependency. While the balance of payment is further divided into two accounts I-e Current account and capital account. The current account shows net earnings on foreign investment and net trade in goods and services. While capital account includes capital exports and imports and foreign aid.

Example: The Pakistan balance of trade is unfavorable and face trade deficit of 1.5 USD billion.

1. **Global marketing and domestic marketing**

 Global marketing is the process of planning, producing, placing, communicating and promoting a product and services worldwide Global marketing involves in worldwide trade and the market is wide for selling. The globalization creates demand for product world widely because countries are interdependent on each other. In global marketing the strategies of marketing worries depend upon the country and region. *For Example: McDonald offer the taste of burger according to the country which means they cannot sale the same burger in every country.* The global market is also very competitive as there is many country offer the same product with competitive advantages.

Domestic marketing is where the goods and services are bought and sold within the boundaries of a country. In domestic market the target segment is not as larger as global market. The domestic market usually face less competition and each company have similar set of economic, social and competitive challenges and are also serve relatively one set of customers. In domestic marketing the decision-making are easy and also less financial risk involve and less resources required. Serving in domestic market is relatively easy because the geography, demography target market and customer needs are familiar.

1. **Non-Tariff barriers**

Non-tariff barriers is restriction on trade through trade barriers using a way other than tariff. Non-tariff barriers objective is to priorities domestic demand and also reduce high imports which is not helpful for economic growth.

**A) Specific Limitation on Trade**

On form of non-tariff barriers is specific limitation on trade that includes Quota, import licensing requirements, embargo etc. Quotas is use to import or export limited amount of goods and services. The Embargo is used by powerful countries in which they block trade due to political difference through ban on in and out of commercial ships from specific port. Other form to allow specific volume to be import or export.

**b) Customs and Administrative Entry Procedure**

Another way to restrict trade through non-tariff barriers is to impose strict government rules through customs and administrative way. The introduction of high custom fee, various documents requirements, transit fee, pre-shipment, inspections and import licensing with the aim to reduce trade to support domestic economic growth.

 **c)** **Charges on Imports**

The country economic growth is directly proportion to the trade surplus which indicate high exports and low imports. The country always try to reduce imports by introducing high charges and duties on imports of luxuries goods because imports result outflow of money from domestic economy and discourage local production. Pakistan is one of best examples of trade deficit but now government introduce high charges on imports of luxuries goods to encourage domestic production. **Example** Pakistan introduce high taxes and duties on Vehicle imports.