

Towards a Global market...



**A Concise hand book for
The International
Marketer**

**Concise notes on International Marketing Management for the
busy student**

Billy C Sichone

CREDITS

Kotler Philip, Principles of Marketing

Cateora Philip, International Marketing

Hill W Charles, International Business

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Dedication

**To the best marketer in the world, my dear wife,
Jane**

Acronyms

MNC	Multinational Corporation
SRC	Self-Reference Criterion
IM	International Marketing
GATT	General Agreement on Tariffs & Trade
WTO	World Trade Organisation
VER	Voluntary Export Restraints
TQM	Total Quality Management
LDC	Least Developed Countries
KFC	Kentucky Fried Chickens
EXIM	Export and Import

Preface

The advent of globalization brings with it yet another inevitable major paradigm shift in the way business is conducted world over. In years gone by, goods were made and sold locally without the input of any international consumer in mind. The quality issues were not as paramount as they are today. What mattered was quantity and striking appropriate economies of scale.

Products and services can no longer be localized as they once were in the light of the globalization gales sweeping stronger across the planet, much more as we hurtle along in millennium years and beyond that lie largely yet untrodden.

In coming up with this brief manual, the writer has extensively consulted various Marketing gurus of the day that include, Phillip Kotler and Philip Cateora among many others. Every International marketer worth his/her salt must therefore make this book their faithful companion.

Thus, the author thought it prudent to put a few notes together for the busy marketing student, lecturer, business executive or indeed, any curious reader to take a cursory view over the entire vast International Marketing landscape before delving into the ‘meaty’ works of other contemporary marketing experts. Thus this volume has deliberately been kept in ‘capsule form’ only offering tips on the broader subject.

It is the authors’ hope and prayer that the journey through this International Marketing (IM) introduction will be but an appetizer for the larger and fuller works by the venerable Philip Kotler, Perreaux/McCarthy, Philip Cateora and others.

Pleasant journey!

Billy C Sichone
28/05/04, Mongu-Zambia

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Chapter one

INTERNATIONAL MARKETING: A BIRD'S EYE VIEW

*I*nternational business is taking different shades and is unavoidable today. This dynamic world is rapidly changing to the extent that it has been reduced to a “*Global village*”. This assertion is true in every sense because what happens in one part of the world has a rippling effect on some business transaction thousands of kilometres away.

As such, it is critical to have the right cadre of people in the right places at the right time to lead and manage the global companies. We are now experiencing the first generation of global manager whose mettle is tested on international assignments, where they manage organisations with a diverse work force, across teams, cultures and perceive things in different ways due to the script inscribed on our souls. Things are relative on the international scene. It is to this end that this book review was written, so that the international manager's role can be fully appreciated and understood.

Many have undertaken to write on the grand subject of IM but few really excel in summarizing and combining other current issues such as environmental concerns that are now high on the world agenda. There is a deep divide in the world as to what traditional capitalistic business teaches and planet conserving issues largely brought about by unregulated exploitation of resources to meet the selfish needs of human kind. Various views as to how business should be conducted and what exactly should be done constitute many endless debates^o. While some believe that Businesses should lead the way to planet preservation, others think it is independent pressure groups (e.g. Friends of the Earth, WWF, Green peace etc) while still others think it should be private individuals in the driving seat as they change their habits assuming that this will have a “trickle up effect” and eventually find itself in the policy making room. Only then will things will change, they postulate. That notwithstanding, endless hot debate rages on while the planet hurtles along to irreparable destruction. That said, Marketers are generally agreed that marketing's primary function is to

^o Refer to *Business and the Environment* published by the Universities Press. It has various highly instructive articles throwing some light on the hot issue of Business and Sustainable Development.

ensure consumers' tastes are obeyed and repeatedly satisfied, in an eco-sensitive fashion, hence the proliferation of social responsibility ethics in modern business practice.

To effectively handle this deep and wide subject in a few pages is really a pipe dream but effort has been made to ensure the volume captures as much critical information as possible. Thus, the book is divided into several chapters, each focusing on various aspects related to international business in general, cultural environmental, techniques to assess the market opportunities, strategy develop methods, corporate context of Marketing in financial terms and finally the role of International marketing in Future.

The second chapter for instance basically defines 'Marketing' in general and International marketing in particular so that reader and write have common working definitions on critical terms as relates to the current business scenario where we realise that people from various origins view the same issue differently explaining their varied reactions. What may seem right to me may not necessarily be so to my neighbour due to hind and acquired perceptions and values. As such, the International Marketer must aware before hand that interpretations of similar events will vary significantly from place to place. This view of things is our **Self-reference criterion (SRC)**

In business, care must be taken not to react by SRC as various different customs; tastes and cultures exist in the international business.

To better appreciate international marketing, it is advisable to read widely, travel places and then apply the acquired skills in your unique context. The institute for the future have published a book "Global Work" which gives very valuable insight into the current global context, trends and practices. Charles Hill, Welford, Starkey, Shaw and others have equally done great work which merit earnest perusal if you are to be a star international worker.

So much then for the overview of International Marketing in a global context, let us now proceed to define terms in the next chapter and beyond.

Chapter Two

INTERNATIONAL MARKETING DEFINED

What exactly is International Marketing? It is defined variously but someone has defined it as “*the performance of business activities that direct the flow of a country’s goods and services to consumers or users in more than one nation for a profit.*” Others have defined marketing as “the creation and delivery of a standard of living”^L or “Producing what you can sell not selling what you can produce”.[®] The AMA has defined marketing in two ways as “The performance of the business activities that direct the flow of goods and services from producer to consumer or user” and if we may add ‘in more than one country’. Their latest definition is even more elaborate as “ the multinational process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives.”[◇] The venerable Philip Kotler defines Marketing as “a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value to others”^J ...across boundaries, if we were to raise it to the international scenario. The aforementioned definitions, though not all comprehensive, give a some what good picture of what International Marketing (IM) is all about. Many parameters are encapsulated, hidden and hinted at in the words used. Further more, the above given definitions show the consumer potency unlike in the past where the producers called the shots. Today’s consumer better knows their rights and flexes their choice muscle. IM builds on micro marketing towards macro marketing where the world is seen has one homogenous market. McCarthy and Perreault have done some excellent work on these two aspects. Clearly, the profit motive (for the International marketer) is paramount in addition to quality, satisfaction and brand loyalty. In a fast globalising economy, International trade is a necessity for any 21st century company to remain buoyant in a ferociously competitive world. There certain key factors one has to note before venturing into a new market

^L As quoted by Kotler in his book, Principles of Marketing pp 2

[®] Ali Moi, Marketing Effectively, pp 6 (2001)

[◇] As quoted by Shaw and Onkvisit in their book, International marketing: Analysis & Strategy, pp7

^J Principles of Marketing pp9

and these are the **controllable factors** (**4 Ps**, Product, Price, Promotion, and Place) and the **uncontrollable variables** such as the Political, Legal, and the cultural environment. There are 3 ways of Marketing:

1. **Ethocentric** where goods are produced for one domestic market but the goods go “International” as a “*by the way*” due to surplus.
2. **Polycentric** where subsidiaries are located in different countries and each operates almost independently in that they set up their own marketing strategies etc.
3. **Regiocentric/ Geocentric** where marketing is on a global scale.

In the quest to penetrate and capture more market, the Marketer must develop a global awareness in him/her self as well as those s/he will work with. The orientation of International Marketing hinges on the ability to assess and adjust properly to impact unfamiliar contexts. It also rests on the environmental approach to international strategic marketing that differs from domestic marketing that deals with one homogeneous market. The homogeneous market serves people with similar tastes, cultures and habits where as the international scene has to deal with multiple markets with various shades of taste and likes.

As earlier intimated, IM is a stepping stone towards macro marketing unravelling the meaning of global business as to how that the world has been reduced to a small place where transactions done in a remote part of the world have some effect on the business transactions at another part of the world. The trend today is that World Trade is going “Global” and as such, the successful marketer should strategically think globally. The World economy has gone through different cycles and phases. At one time, The USA Multi National Corporations (MNC) reigned supreme and unrivalled. It is on record that the 20th century saw the world go into at least two economic depressions between the World wars. After the wars and eventual recovery of some poor economies, the USA & other countries started thinking “Global” in terms of trade. The weapons that had strategically fought the trade wars in the past were obsolete and to remain obstinate would have spelt total doom. We are into the era of *interdependence*, which in effect is the most dangerous stage.

In order to regulate trade for sanity, efficiency and equity, various instruments were set in place to guarantee “free and fair trade” by different countries. An association was set up to monitor and ensure fairness in trade, and thus the first General Agreement on Tariffs & Trade (**GATT**) was set up and later (**1994**) the World Trade organisation (**WTO**). All countries that

signed the **GATT** agreement were expected to adhere to the rules. The decision was arrived at because Member States used all manner of ways to protect their economies while expecting others to open up theirs. The following were some of the barriers to trade:

1. Protectionism: through

- (a) **Unrealistic standards:** where countries set unreasonably strict quality standards.
- (b) **Tariffs:** To protect the domestic infant industry from external competition, tariffs are imposed.
- (c) **Quotas:** When Governments impose restrictions as to the quantity of goods to be imported for a given period.
- (d) **Voluntary Export Restraints (VER):** where a country just decides out of its own free volition, to restrain exports in order to deal with a problem.
- (e) **Boycott:** where goods are not bought for a specific reason or to press a certain demand to be met. A good example is the Apartheid fight of the seventies and eighties. A more recent case is the Zimbabwe versus UK/USA stand-off in 2008.
- (f) **Monetary barriers-**Either by restricting access to foreign exchange or refusing foreign transactions like drafts.

These protectionist tendencies have impeded trade efficiency.

However, when a country is in international trade, certain key indicators will tell whether the economy (i.e. GDP, Transformational Development indicators (TDI), Social transformation, efficiency, reduced corruption, fewer regulations etc) is growing or not at macro and micro levels. The following are the key indicators:

1. **Balance of trade-** This is balance of trade with the rest of the world's International trade and financial system. Brue[Ⓢ] has given a good definition of this aspect. Charles Hill[Ⓢ] is another that has attempted to deal with this but yet another authority has defined it as “a component of the balance of payments, the surplus or deficit that results from comparing a country's expenditures, merchandise imports with the receipts derived from it's merchandise”[Ⓢ] ‘The tabulation of a country's

[Ⓢ] Economics, pp 9

[Ⓢ] International Business, pp 239-243

[Ⓢ] The Language of Trade: A glossary of International trade terms, p30.

credit and debit transactions with other countries and international institutions. These transactions are divided into two broad groups: **Current account** and **capital account**. The main items included are exports and imports and services (the balance of trade), foreign direct investments, intergovernmental loans, transfer payment, capital inflows and out flows, and changes in official gold holdings and foreign exchange reserves,⁸ the variance between the income and expenditure.

2. **Stability and development.** In the past, the poorer nations could not enter the International Trade scenario because of various adverse conditions such as war, poor infrastructure, weak currencies, and political instability. This caused inflation to soar out of control. Thus, the IMF was set up to stabilize foreign exchange rates and establish freely convertible currencies.
3. **Culture/Structure. Keiretsu** is found in Japan where huge companies have numerous associating companies. In other words, one core company at the helm with hundreds of other associated companies like the Mitsubishi group (Involves **160** companies, of which **124** are listed the Tokyo stock exchange.). Each is entirely independent with its own board of Directors. Companies today are seeking longer and more stable relationships between vendor & supplier.
4. **Macro & micro indicators.** For a nation to be favourable destination for DFI, certain indicators such as GDP, inflation, social, legal, political as well as infrastructure, must be in place otherwise the Investor risks making ship wreck. Recently, **Zambia has been showing positive signs** and thus attracted many multinational corporations and individuals.

Having briefly defined terms and highlighted some important parameters, we now proceed to consider some key issues in International Marketing, now that the basic definitions have been clearly laid.

⁸ The language of trade: A glossary of International trade terms Page 30 by office of International Information programs, U.S. Department of State

Chapter Three

KEY ISSUES TO CONSIDER IN INTERNATIONAL MARKETING

In the previous chapter, various definitions of IM were given but in the present chapter we proceed to demonstrate that the International marketer is confronted with many parameters before s/he ventures into a given market. A number of points must be borne in mind as one goes about work and among these is the knowledge of the factors that will influence the success of trade in that particular area. It is important to know the geography of a place and how it is likely to affect the effectiveness of trade. Some places are located in mountainous terrain while others are in valleys where there is little or no infrastructure to support trade. The international marketer must carve a route to overcome these hurdles and emerge profitable. On the other hand, the marketer must study the history of the place, the people, the culture, and how the topography has affected their perceptions of outside influence as well as how they do things. History will give clues as to why people behave in a particular way and how they have developed e.g. xenophobic tendencies if any and why. In a nutshell, when about to embark on International Marketing, it is crucial to note:

a. History

1. Know the Topography and climate of the World's nations.
2. The History of the people as to why they have developed thus and why they react the way they do.
3. The historical events that have affected international marketing, trade links/routes as well.
4. Environmental issues more than ever before are now paramount in today's business discussions. Issues such as waste disposal have taken the centre stage.
5. The World's non-renewable resources are fast being depleted and must thus be carefully handled.
6. So far the United States has had the most powerful economy in the world and as such, has abused its potency sometimes. It is hardly surprising that the **Monroe's doctrine** has been popularized in Panama. It states that "*The west must keep its*

hands off Latin America” referring to meddling Europe and other world powers.

Once the history and geography have thoroughly been analysed and imbibed, it is prudent study the cultural dynamics.

b. Culture

It goes without saying that cultural knowledge is crucial if one is going to market successfully. What is Culture? We can safely say that *these are the accepted norms of practice among a local people*. Each group of people has its own code of conduct from which it judges things. Usually, Culture is not written but inscribed on people’s hearts and minds given their background orientation. Thus, Culture is relative and may not be the same in all the places. The Cultural aspect has various elements that must be addressed before venturing into a given market:

1. **The Language** – the language must be mastered so that negotiation is made easier. Generally people loosen up their guards and relax when they realize that you have made an effort to know their language. An example is what obtains in some provinces of Zambia. If you make no effort to learn the local dialect, your service quality reduces by that token. You will be ignored even if they fully understand what you are saying but speak their language and you are instantly in business!
2. **Material /technological** – this has to do with the level of technological and material advancement of people and how they view change in terms of the fast changing world. The manager must be aware of the pace in order to plan well.
3. **Social Institutions** – Social organizations, Education, Political structures all border on human relations and activities.
5. **Humans & the Universe (religion etc)** – Each culture has certain things that influence their world view. One of the major influences is religion.
6. **Aesthetics (Folklore, Music etc)** – This refers to the arts, the music and all the cultural ceremonies that affect the people in their respective setting. Examples are the Kuomboka, Mutomboko and N’cwala in Zambia.

The Marketer must have “Factual Knowledge” as well as “interpretive knowledge” of a culture if are to excel. S/he must also possess cultural sensitivity & tolerance of the varying shades of culture and nuances that are salient in each unique culture. This calls for an anthropologist to decipher, which the marketer should be. An anthropologist is one who studies human

behaviour, reaction as well as the impact the environment has on his/her habits. The marketer's primary task is to introduce a new product on the market.

Three reactions result when marketing internationally. The first is resistance because something is new and strange. The second is outright rejection because something does not relate to the culture. The third is acceptance because the product is viewed as useful and palatable.

On the American continent, there is a mixture of cultures and this must be taken into account when attempting to market. Recall that America is a land of settlers who arrived with their different sets of cultural baggage when they settled there.

The services of a cultural translator are critical as a cultural translator is one who knows more than factual translation but interpretive as well as insight into the cues, and nuances of a culture. As the marketer penetrates a market, a change takes place in people's minds due to the frequent adverts, which eventually influence people's tastes and attitudes.

c. Relativity and perception

One international shock one encounters is the amount of relativity of many things. As one ascends the international ladder, absolutes become less pronounced and among them is the view of things, which may appear clearly wrong in the one country as well as contradict the overall corporate ethics. For instance, we note that people view **time** differently due to cultural orientation. The people from the Middle East and Asia are not really "*time bound*" i.e. time conscious whereas the people from the west are "*Time-bound*" and really precise on time. In short, **Monochromic time** (M-time) are time bound and emphasise on time keeping, appointments and punctuality while **Polychronic** (P-time), are not time bound.

African Time

Reading through an article in the Post Newspaper of Tuesday October 28, 2003 entitled "*Can Africa Keep time?*" set my mind thinking once again. I thought I should put pen to paper on this subject because I feel, to a larger extent than we realize, we fail to develop as a continent due to our attitude towards time. The article was drawn from a discussion on the BBC on how that the African is perceived as one who cannot keep time. This view has been strengthened by the recent happenings in the UK when a Ghanaian

King arrived many hours late for a meeting, and I would imagine, saw nothing wrong with that. Indeed, from what I have read and observed over the years, I suppose this sad perception is true relative to our friends from the developed world.

Generally, in Africa, we are laid back, not time conscious without any sense of urgency at all. All that matters is to see the sunrise and set. Many reasons can be given for this attitude but I hasten to give a few which immediately come to mind:

Firstly, the average African mind set has not grown up with a watch and has moved with the changing lengths of the shadow. In other words, the angle of the sun relative to the horizon has been the determining factor. Thus, there has been no rush to do anything in a given period. Perhaps this explains why generally, as Africans, we do not see the sense of all the noise about time keeping. The question asked is, is the sun still up there? If yes, then why the rush?

Secondly, the typical African mind largely moves by instinct not man made time frames. The appointment talk, meeting times and the rest of it are foreign to the African mind and are viewed as an inconvenience! Time must revolve around a person, not vice versa as obtains in the west.

Thirdly, the recent world changes as we hurtle along towards the global village have caught the African by surprise. In the first place, the huge technological strides as well as the one world economic order have taken place away from the continent. These dynamic changes, though many have begun hemming in on the African continent. Before the Continent is liberated from the clutches of poverty, another thing has already evolved. The advent of **IT**¹ is especially responsible for these rapid changes because decision-making is largely time bound as a result. As such, when a typical African sets foot on the Washington or London streets, it is all a whirlwind for him or her! As such, the African is perceived as “late” relative to the robust world.

Fourthly, traditionally, what matters in the African mind is whether something is done or not. It does not matter when but whether. In other words, Africans are event driven not time bound. As opposed to the Western world that is a time slave, the African is liberated. Therefore, in the typical African setting, I would not be surprised to learn that words like “appointment or time keeping” etc do not exist!

Fifthly, the African is content with the status quo and is not in a mad rush to get things done at the expense of others. What matters in Africa are relations

¹ Information Technology

rather than things or material gain. The traditional, communal system has hitherto been more valued rather than the individualistic western culture. In the developed world, the question is often, “what can I gain out of this in the shortest possible time?” as opposed to the African who asks, “how can I better the lot of every one else?” Both these positions have their own positives and negatives. In other words, the African has no ambition beyond the communal good. The drive to achieve much self-gain in a short time is absent. It is worth noting that the idea of keeping time seems shocking to some from other circles too. They arrive at 09:30 hrs for work, scavenge around for “*ma local bunzi*”[∠] with a two litre zigolo[∨] container to wash down the rocky stuff. After galloping that, they then borrow a newspaper that they read all morning and then knock off for lunch at 11:50 only to return at 16:35 hrs in time to knock off. Their actual work is secondary and appears to be an inconvenience! When asked to work under dead lines, two reactions are given: The one class endlessly offers assurances like it will be done within twenty minutes, when they actually mean twenty days! When the hour of reckoning arrives, you receive excuses as long as the great East road! In between, they will have spent all the time gossiping and debating on inconclusive less topics. The other set of people develops goose pimples and eyes widen like big marbles at the mention of a deadline. It looks like it is the worst trial ever encountered to be asked to work under a fixed time frame. They, as it were, feel like a chain has been fixed to their ankle because this or that deal will be disturbed at 10:30 hrs behind the FTJ institute of Democratic Governance building. They look so traumatized as though a concept from planet Mars has suddenly been introduced without warning or consent! Further more, they become pale, lose weight or blush, if ever a black person can. They are not accustomed to diligence. Thanks to the cell phone, it averts many a disaster.

Having said the above, I venture to submit that the so-called time keeping problem is not limited to Africa alone, no! The Middle East and the rest of the eastern world have historically been the same as African, if not worse. According to what I have read and observed in some of these our friends, they are equally in the same pit, if we can call it thus. For instance, Philip R Coteora in his monumental work “**International Marketing**”, (pp 124-126, 9th edition), high lights a number of helpful insights. In that book, he states the different attitudes to time. For instance, he brings the idea to bear on the

[∠] These are ‘rock’ buns made out of flour and popular among pupils and students

[∨] Zigolo=Saturated cold sugar solution usually loved by boarding pupils and students

international traveller that one shock a person encounters is the amount of relativity of many things. As one ascends the international ladder, absolutes become less pronounced and among them is the view of things, which are clearly wrong in the one country as well as the corporate ethics. For instance, we note that people view the commodity “**time**” differently due to hind cultural orientation. The people from the Middle East and Asia are not really “*time bound*” i.e. time conscious whereas the people from the west are “*Time-bound*” and precise on time. In short, **Monochromic time** (M-time) are time bound and emphasise on time keeping, appointments and punctuality while **Polychronic** (P-time), are not time bound. Put differently, people in the Western world follow Monochromic time while those in the middle East and Asia polychromic time.

It should be further noted that the typically time bound western business person is in for a shock if s/he went to the middle east hoping to complete business as per schedule. Then jet out of the country the next day having clinched an arms sale deal for instance because time is not treated as scarce a commodity as perceived by the westerner, unless of course they are dealing with highly exposed people.

Having asserted the above let me hasten to deal with the merits and demerits of valuing time.

The article asks the question, “*Is poor time keeping Africa’s worst enemy?*” I venture to think that the question is good and worth exploring by some other fertile mind. For now, let us centre our thoughts on advantages or disadvantages of keeping time.

Advantages

1. When time is observed much more is achieved in a timorous and harmonious manner. There will be less frustrations and people will be progressive. Where time is kept, there you shall see more constructive informed decisions made there by leading to more legendary feats. With the advent of IT, decisions that once took a year can be made within minutes. How many developmental decisions will have been made in the same period in this Technological world?
2. There will be more development as opposed to what obtains in a nation like Zambia today. Politicians spend all their time bickering and wrestling power from each other rather than focusing on the way forward. While some are questioning those that got political office via a forged ID, others spend all their time scheming ways to hit the

opponent under the belt. Meanwhile, time is ticking away and rests not. Granted, some degree of controversy is essential, but let us be mindful of time *bane*.

3. Individuals will achieve more both for their personal and corporate good. If one person for instance establishes a business empire at 27, this will spur others to do the same at a younger age. Thus, people will be focused and direct. As at now, procrastination cripples us BAD!
4. There will be less time wasting. People will spend less time idling away on Fantasy Island expecting manna to fall from the skies. As the case is in Africa to day, people spend more time on either entertainment or scavenging for food. In regard to entertainment, many now look to the western world with their 24 hours television stations via satellite. Children and even adults are addicted to the box (TV Screen) and fill their minds with many unhelpful things while the time swiftly flies by. Others are hooked to the Internet. I have nothing particularly against TV and the rest because in and of themselves, they are actually helpful, but I raise my finger in protest against the headless abuse of these or the lack of self-control. For instance, look at how much time individuals spend watching movies and then compare with the time they spend on research. The stark difference is as night and daylight! Very few visionaries determined to succeed or leave an indelible mark upon the sands of time are ever produced by the entertainment spirit alone. No wonder, Shakespeare of old is still quoted today, though he be dead over four hundred years! I am sure he valued time not a little. Next time you are tempted to while away time, remind yourself that Western world have already developed that is why they can afford to produce what you now consume. When will they have the privilege of consuming your products if you are forever glued to the screen like a zombie?
5. There will be less trickery and corruption. I strongly believe if people are time conscious, to some extent, they will determine to do their best and will have not time engaging in corrupt behaviour and practice. Africa is infested with institutionalized corruption and I venture to challenge the world to consider taking this commodity "Time" more seriously.
6. It will be less costly to raise our progeny. As things stand, many Africans do not see the urgency of working hard in a given time frame so as to be independent. They leave everything to fate and chance. It is not strange for instance to have 27 year olds still lodging with their parents!! Granted, the social settings are different and the African

- economies cannot absorb all those that would leave their parents/guardians, but when people are time conscious, they will venture to redeem the time and make the most of every opportunity.
7. Businesses will blossom. One of the reasons why Africans do not succeed in business is this lack of time consciousness. They do not have the acumen, the urgency or the opportunistic sense that is all neatly bundled up in the commodity called “time”. The average African thinks some dark powers or evil forces militate against their success when in actual fact, the problem may be poor time management. Like St Paul of old once said, “*The time is short*” and that we must “*Make the most of every opportunity*” (**I Corinthians 7:29; Ephesians 5:15,16, Holy Bible**), we must be as wise as serpents and yet as harmless as doves. The African has not grasped nor internalized that concept.
 8. There will be less time for gossip and slander. I hardly need to be labour this point. I believe that want of redeeming time explains why certain people have developed an attitude of pocking into others’ business without cause. They will not rest until they “down load” from the Local Gossip Area Network (**LGAN**). If people saw the shortness of time, they would be too busy being good time stewards than spend any time crushing this or the other’s reputation. I often marvel how neighbours know when you have had a sumptuous meal or when the home economy is suspect. They even know what capital item you intend to buy before you verbalize it!

But what are the **disadvantages** of keeping time? It is hard to capture any demerits as most of the things related to good time keeping are positive. However, let us briefly state that time keeping, as perceived from the Developed world standpoint, has some demerits. The following general demerits come to mind before we consider the ones that directly affect strategy:

1. The world becomes more stressful when too much attention is given to time.
2. The World becomes the slave of time rather than vice versa. This is in keeping with what Christ said to those that attacked his disciples regarding the Sabbath day observance (**Mark 2:27**). I believe the so-called developed world is a hopeless slave to time.
3. The time madness is largely responsible for the breakdown of the natural African system. The western culture of time has squeezed into our vocabulary words such as “appointment”! Originally, Africans

valued each other above all things but now, deadlines and all the rest of it have destroyed the natural union we once knew. Now what matters is **TIME** and not people. I am aware that in the Natural African setting, abuses were there such as time wasters and lazy slothful gluttons who patronized their hard working folks even at awkward hours, but this has robbed us of the quality time we spent with each other. These funny fellows move like “Target odourless” leaving you no room to take cover when you see them. They move like headless chickens, to summon some violent language from Prof J Kab or like misguided scud missiles. I fear that part of the high marriage failure rate and the increasing juvenile delinquency may be tied to too much attention given to other things as they appear more time bound relative to others. The effects? Children grow up like wild grass just under our noses!

4. Destroys families- People are too busy “sowing & reaping”. Promotes individualism. That explains why the developed world suffers from multiple psychological problems because Time has turned people into serious individualists thereby compromising the social psychosocial therapy extant in slower developing countries.

There could be other reasons but those few will suffice for now.

With respect to strategy directly, we suggest the following demerits:

- (i) Undue pressure sometimes forces quality compromise. As enterprises and individuals get bogged down with time frames, they inadvertently compromise the quality output of any activity.
- (ii) Sometimes time consciousness leads to wrong conclusions and wastage. Decisions are made on insufficient observations or inconclusive data all because time had not been allowed to ferment the observed target to the full.
- (iii) At other times, the strategies are not “context appropriate” leads to a wrong “strategy fit” especially in Africa & the East, may be misunderstood, “raffle the waters”, as it were. Time means different things to different contexts and thus affects strategy success rates.
- (iv) Business may become impersonal, material not customer focused. The modern customer would like to flex their muscles and show that they are in charge and sovereign on consumption choices.

We now progress to explore the reasons **why time must be kept and redeemed.**

It goes without saying that time once treated as a commodity will yield great reward. For instance, progressively, we shall see more children achieving more and growing up to be visionaries. I once read of a child that was on a PhD program at age 12!¹ Aside from the Genetics talk, I think this child has really realized the importance of time. We must be good managers of time always.

The following reasons come to mind as to why time must be kept and redeemed:

1. Time is precious. Recall those days when essential commodities were scarce? Recall those long queues? Then a tablet of soap was like gold. Not so today.

We should treasure time like in those days, it is a rare and scarce commodity. Once it is lost or trifled with, we will have ourselves to blame.

2. Time is irrecoverable. Once time is lost, it cannot be recovered. It is gone forever into the irretrievable past. It is archived as it were. If you mess around with time now, you are digging your own grave. In the end, it will be your master rather than the reverse.

3. The time is short. There are too many things to be achieved in this life in relation to the time allotted to us. Seventy or eighty, if we have the strength and we are gone! In fact, in Africa, the average life expectancy is around 37! As such, time must be treated more delicately. Already, I am beginning to feel like a grand father as I approach the mid thirties, how much more for those that are well over fifty. Look at the plans you have and then budget your time life, how much disposable time will be left? If you are discerning enough, you will agree with me that time is indeed in short supply. For the politician, time means a lot though sadly, they actually work a week before the elections! See how the road network has improved even in once remote places. Look at Lusaka and the Copper belt. In Mongu for instance, the roads were patched up in record time but now two years have passed after the elections, its all a forgotten story. Some times, I wish we had elections everyday, and then we can see all those monies stashed away in some foreign clandestine accounts summoned to build more roads!

¹ Internet

But then, the elections business is costly and some times generates more heat than development. The time is indeed short, redeem it!

4. What you become tomorrow depends on what you do with time now. Said differently, Time is a determining factor for the future outcomes. Africa is reaping the effects of having been asleep in the light. The world has never stopped spinning on its axis nor the moon around the earth, yet African has dared remain asleep! To get out of this mess, we must resolve to make the most of the Time NOW and then we can go on holiday the next day. Our time slave friends work extremely hard during the year and then rest real hard too when its leave time, why can't we? Strategic Planning and acting are critical, methinks.

5. How you die largely depend on how you value time. If you trifled with time, it will like wise treat you the same. You will pass away like a fly. You will be buried in the corner of the world and forgotten, then grass will growing over your grave. If you are fortunate, a tombstone will be placed over your grave. The vast majority of us will be buried among the commoners because we did not value time. I venture to say that where you spend eternity depends on how you use time!

Before we conclude the subject before us, how can we corporately and individually improve on time keeping?

I do not have a magical answer but here are some of the tips from my experience:

1. Set your short and long-term goals clearly and begin to work towards them immediately.
2. Strategise on how to achieve the said goals. It would be helpful to break down your goals into smaller “packets” and monitor them periodically. In that way, you will watch your progress. Personally, I already have long and short-term plans on paper and live each year without much ado.
3. Set some benchmarks and indicators that will tell you whether you are on course timorously or not.
4. Keep a diary and plan it preferably a week in advance. Read books like Stephen Covey’s “**Seven habits of highly effective people**” and “**Principle centred leadership**”. These books once well read will help you.
5. Make time keeping a habit. This begins slowly and grows into a natural thing. Refuse to rest on your laurels or on what obtains ordinarily. The fact that every one is slothful does not make the thing right. Embarrass your team leader by arriving early all the time. Who knows, you may just encourage him/her to pull up their socks!

6. Budget your time wisely and pick only the most critical and value adding things.

7. Buy a good functional watch. This may seem silly but I mean it.

Unfortunately, many have wristwatches but they are the worst timekeepers! Friends, those watches are not just merely ornaments, they have a function to help you keep time! I fear many of us have been cursed by our wrist watches countless times. Interestingly, others buy watches for pomp and show. Actually, some of those watches do not even work! They most probably were stolen from grand pa or from other weaker mortals...

Well, well, well what shall we do at this stage? Only one thing, let us redeem the time that remains. Away with the lazy old mentality! We must and can do it! No longer will the west dub Africa the timeless continent!

I fear it is a question of **attitude** rather than primarily money. Rationalise as much as you like, the bottom line is attitude and lack of sense of destiny.

Oh that Africa may arise! We can make it!

In a Low context culture, verbal interaction is explicit and easy to communicate and get down to business almost immediately. On the other hand, in a High context culture, prior interaction is implicit with too many rules and 'ceremonies' to be performed before you get to the issue at hand. We must go further to say that, in some cultures, presents and gifts are not only allowed but expected. Whereas in the country of origin, certain practices such as tips are forbidden, the same multinational company would find it difficult to do business in a country with contra views and policies on tips. The following must be taken into consideration in international Marketing:

- (1) **Cultural imperative**-These are the 'non-negotiable' in trade and must be known by those who are to venture into business in a foreign land.
- (2) **Cultural adiophora**-These are optional nuances, cues and modes of behaviour which could either be ignored or imbibed. One would not be ostracized for not grasping these practices.
- (3) **Cultural exclusive**-These are practices and ways that are strictly and exclusively for the natives which a foreigner dares not learn or copy as to do so will be viewed as an insult.

As one continues to work in a foreign country, employing certain unethical initiatives may help get away with it as long as they are not arrested or

discovered. Some of these include **subornation** (where one pays someone to do the unethical thing that is not quite in line with his or her job) or **Lubrication** (Where tokens are given to encourage someone do their job more efficiently). Another aspect that must be watched is the political environment, to which we now turn our attention.

d. Political

A marketer must take into account the political environment in which one intends to work because this variable is very critical in determining which direction to go. By and large, the Political environment ranks among the highest variables before one gets bogged down with other '*knitty gritties*' such as the culture and legal aspects. The following factors will influence international investment:

1. Stability of Government policies and how they will affect trade liberty.
2. Number of Political parties and their Policies.
3. Nationalism, what the government policy is on international ownership of businesses. At some point, there was a drive by many governments to forcibly turn all multinational companies into the hands of the nationals as has been the case in Latin America and Zimbabwe lately (2007)

This may not necessarily mean taking over title of the said companies but all the positions are taken over by the natives. There are a number of ways the government can react to international investors. The following are some of them:

1. **Confiscation**- This is where the government simply takes over without compensating the international investors.
2. **Expatriation**- Where there is a take over by the state but compensating the Investor for the loss incurred.
3. **Domestication**: Where all companies are Nationalised and become parastatals with the natives at the helm.

When venturing in a new market, a number of political risks must be expected such as:

1. **Economic risks**- How sound is the economy or will it collapse any time? Is it a sustainable one? Is it growing and can our business blossom in that setting?
2. **Exchange controls**-What exchange controls on cash are there? Are we going to be allowed to externalise our cash to our head office without much ado?

3. **Local content laws-** What are the local content of law? How secure is our investment when we take it there? Is there any possibility of our losing our property?

4. **Import restrictions-** Are there political restrictions on what is to be imported and how much of it? Is there strict censoring or quotas imposed.

5. **Tax controls-**How high are the taxes on foreign goods? Are there any tax rebates and for how long?

6. **Price controls-**Are prices freely determined by the law of demand and supply or are they state controlled?

7. **Labour problems-**Is labour readily available? How cheap or expensive is it? The Katrina has created a labour problem in New Orleans (USA) as late as 2008, three years after the disaster.

8. **Sanctions-** Are there any international pressures laid against the state?

What type are they? Are our goods going to flow freely? In the past, Governments were hostile to foreign investors but in the last decade or so, the situation has changed. Examples abound such as Zambia (before 1990) and xenophobic South Africa (2008). The following strategies will lessen political risk:

1. When entering a country, it may well mean that Joint ventures with the natives are entered into or
2. Expanding the investment base by joining with banks who are owed a lot of cash by the Government so that the Government will be disarmed from wrecking havoc as they will be interested parties, for how can you bite the finger that feeds you?
3. Marketing & Distribution- Ensuring that the company holds the controlling power over the distribution world wide so that should the Government cannot be “funny”, or else risk losing Market for their products too.
4. Licensing-Intellectual property & Technology. This licensing limits usage and is for a specific period. It may be good to register the patent both within that country and abroad. This has been a challenge in countries like China where weak or no enforceable laws exist.
5. Planned Domestication-This is a Systematic withdrawal because the Government is going to decree thus “any way”.

6. Being politically correct. Ensure that your entity is correctly positioned as relates to the powers that be, especially the policy makers.
7. Good Corporate image and social responsibility ethics. Corporations need to learn that from the time they arrive, every eye is on them expecting to benefit or reap where they did not sow. A well crafted policy and consistent “user friendly” image takes care of this threat. This is a double edged sword because it pleases the natives, government and reduces corporate tax in some cases, all in one stone throw!

Government-MNC relations are generally positive if certain conditions are voluntarily and naturally met. Some of these include:

1. Improvement to the balance of payments- The country benefits economically.
2. Use of locally produced resources-The use of local resources is preferred and encouraged as it is cheaper, creates employment and brings about development.
3. Transfer of capital and technology to the locals- Although the benefit may not be seen immediately, the process brings about transference of technology, and capital to the natives, as they earn and reinvest in their locality.
4. Job creation- Unemployment is at its height so any initiative to create job opportunity is welcome. Zambia has experienced some thing of this in recent years (2003-2008)
5. Significant tax contribution to the national treasury- The government smiles if it can get something out of the multinationals. Zambia has now reaping from royalty taxes after raising the tax to 3% from 0.6. Over K 256 billion was raised in less than 3 months in 2008! In 2006, Zambia earned over \$ 2.5 billion (CNBC) from copper sales giving over 64% of the total GDP but very little went into state coffers due to a weak tax regime. This has been rectified though much has already been lost to international investors who have externalised over 95% of their profits.
6. Social contribution. As organisations pay back in different ways as corporations like Celtel (now Zain) has done in the past. This endears the brand name to customers and natives at large.

What other thing ought to be borne in mind? Let us explore further.

e. Legal

The varying legal systems position renders it difficult for a company that has its tentacles in various countries at one and the same time. The various legal systems that do exist are:

1. **Code law/civil** derived from the ancient Roman empire.
2. **English law (Common law)**- This was derived from the decisions that were passed in local courts set by the English King (law of precedence).
3. **Islamic law**-Based on and derived from the Koran.
4. **Socialist law**- Developed by Carl Marx who believed that all men should be equal and as such championed the socialist movement.

All these are some of the hurdles that the multi country corporations have to face.

Thus, companies must agree before hand which law is going to be used in settling any potential dispute. The following ways could be used to settle international disputes:

1. **Arbitration**- where two disputing parties agree on an impartial person to stand between and solve the problem without going into court.
2. **Litigation**- Simply having recourse to the law and settling the matter in court. This is the least desirable because it has complications such as which law to use and also dents the image of the warring parties.
3. **Conciliation**-a non-binding agreement where two disputing parties agree to ask a third party to mediate the differences.

f. Market research

Market research is equally crucial in international Marketing for information gathering prior to decision making.

Market research defined

What is Market research? Simply defined, it is *‘the systematic gathering, recording and analysing of data to provide information useful in marketing decision-making.’*^Ω . Another authority, Zikmund defines it as “the systematic and objective process of generating information to aid in making marketing decisions.” I would add another definition and state that it is the systemic collection and collation, analysis and interpretation of market information for effective strategic decision making in a given context. Clearly, all the definitions suggest that market research is regulated and

^Ω Cateora, International Marketing, page191

logical as opposed to haphazard, intuitive or random. Further, this collated information should be relevant, of integrity, accurate and timely giving the necessary leverage to make correct decision in a ferociously competitive and relative global setting.

To arrive at tangible useful information, the following research process will occur: First, we **define the problem**, what sort it is. Thereafter, determine the sources of information and then proceed to gather the relevant data from secondary and/or primary sources. Finally, analyse and interpret the data then present the results.

Challenges encountered during IM research

On the international scenario, a number of problems are encountered. International Market research is principally similar to domestic Marketing though it differs in scope, information collected, information systems and the setting up of the Multinational Marketing information Systems (MMISS).

Among the many options available for data collection methods is that of questionnaires. A good questionnaire has a number of attributes such as being brief, with 'Yes' or 'No' answers. Accurate and relevant information is key or else large sums of cash will be wasted in the wrong direction. Today, it is not only enough to have a huge capital base but there must be correspondingly relevant, timely and accurate information to hand. With the research done and out of the way, we next think about the opportunities that avail themselves.

g. Segmentation

Trade is slowly shifting from the highly industrialised nations to the lesser-developed countries. What is a good market? Some authorities like Cateora simply state that it is an area where a target group of customers are found who are willing and ready to buy the products. In other words, it is a place where demand for goods is eminently great. A market has segments that must be treated differently depending on what the goal is. A market segment then has four components that make it up:

1. It must be identifiable- can be clearly seen and picked out.
2. It must be economically reliable- stable and counted upon to work for our purposes.
3. It must be economically reachable and accessible at all times.

4. It must be more homogeneous in its characteristics as compared to other parts of the market.
5. It is large enough to be profitable-Other wise it would defeat the purpose to cut it out.

The international marketer views **a country as one uniform market while the next country is unique and so on.** However, there are limitations of viewing a country as “*one uniform market*” because:

1. The assumption is based on country variables and not on consumer behaviour patterns.
2. It assumes total homogeneity of the country segment.
3. It over looks the existence of homogenous consumer segments that exist across national boundaries.

Whatever the case in the quest to identify new markets, the following are the means of identifying market segments:

1. Age groups- Is this our target group?
2. Income classes-Do they earn enough to buy our goods?
3. Polychographic measures.

Let it be constantly be borne in mind that markets differ widely but some of the hurdles and challenges a marketer might anticipate when eyeing a socialist-communist country as a market for example, are:

1. The quotas- How big are the quotas and the restrictions there of?
2. Closed doors-This may well mean the way a country seeks to isolate itself from foreign forces even economically. The emphasis is to use local resources or to restrict imports from countries with similar political systems.
3. State owned businesses- The extent and number of the parastatal companies.
4. Corruption- The level of corruption and what is being done about it. Can we handle such levels of corruption? In Zambia, graft fight was consistently pursued under the Levy Mwanawasa regime but still a big headache today.
5. Instability- How politically stable is the place?
6. Resistance- What is the orientation of the natives towards foreign investment, are they favourably disposed or not?
7. Bureaucracy- How easy is it to get a small transaction done, especially in those key government offices?

8. Infrastructure- How accessible is the most remote area where we want to reach? What about the general road network?
9. Distribution network.- Is there a systematic distribution net work for our goods? What about the transference of our marketing messages across the country? How long will an advert take to permeate around the country?

It must be noted that the less developed countries are fast becoming important potential markets (BEM)[¶]. These include Poland, China and India, among many others. The least developed countries (LDC) are largely found in central Africa while the newly industrialized countries include Mexico, Chile, Brazil, and South Korea, though still among the LDC. The other important grouping is the ‘**4 tigers**’ of Southeast Asia. They are economic giants led by Japan and are composed of Taiwan, Hong Kong, Singapore and South Korea.

Countries need infrastructure if they are to develop and attract international investment. What is the use of investing in a country that will not allow your goods to flow quickly and profitably? In an age of international trade, a country cannot afford to be averse to the MNC unlike the well-known Coca-Cola case in India. At one time India was so hostile that Coca-Cola pulled out of the country but now, India has had to woe Coca-Cola back. Akin to domestic marketing, there are different segments in the world through the eyes of the International Marketer, though the global marketer holds a contra view. We are now witnessing the first “*Global generation*” of consumers who do their shopping on the internet and from global TV networks like CNN[‡]. Let us patiently tarry and see what is in store as we see the attempted regional groupings that have coloured the international business horizon take shape and begin to work.

i. Regional Groupings

Regional grouping are now more common and preferred because of their attendant benefits. Heinon Hannu clearly and ably demonstrates in his masterful, pithy PhD thesis (Helsinki University 2006) that regional trade groupings littered all over the globe and are increasingly encouraged despite the hurdles during their establishment. He demonstrates that these groups come about as countries in a region try to coordinate activities in terms of

[¶] Big Emerging Markets

[‡] CNN= Cable News Network

trade so as to reap the best mutual benefits from within the region. Usually these groupings come up with standards and terms of reference to which all the member countries must subscribe such as reducing tariffs on goods from within the grouping but raising them on foreign goods from outside the catchment area. A number of International agreements have been entered into which address different aspects of international trade. The **GATT**¹ (**WTO**) is a case in point. Most of the groupings are localised whilst being regulated by international principle laws such as the fair trade law. This law seeks ensure that fair trade practices are observed in international trade.

Some of these groupings are:

- (a) The USA/Canada Free trade area.
- (b) **COMECON**- Council for mutual Economic Assistance, by the USSR council for mutual economic assistance of socialist countries.
- (c) **NAFTA**- North American Free trade area.
- (d) **Mercosur**- Southern Cone common market found in Latin America
- (e) **AFTA**-ASEAN Free trade area-found in the Asia Pacific Rim
- (f) **CEA**-Chinese economic area
- (g) **EU**- European Union
- (h) **CEFTA**- Central European Free trade area.
- (i) **ASEAN**-Asia Pacific rim including Japan, Taiwan, South Korea.
- (j) **SADC & COMESA**-In Africa. The one is for the South African region while the other is broader to incorporate Malagasy, Mauritius and a few others.

It is believed that in Future, Multinational markets are likely to increase. How ever, two views have been advanced

1. Regional economic Blocks will dominate the world trade scene.
2. New markets of developing countries will be key such as China.

The future economic groupings must harmonise if their efforts are to give dividends. **Harmonisation** is the mutual recognition, to work together, on some set standards. Not only should there be harmonisation but reciprocity. **Reciprocity** is simply the condition of being reciprocal, mutual action, a 'give and take' situation.

A third postulation about the future trade is that it will be region less, as people advance to use e-commerce and the advent of virtual corporations.

¹ GATT= General agreement on trade and tariffs: WTO= World Trade organization

What then are the strategic implications on marketing, yea, the International Marketer? Despite all the potential advancement and the increased ease of communication and interdependence, we think that the problem of language will still linger. Also, the one global market concept if realised, will lessen the barriers as well as blocking those out side the regional block. The latter implication is rather negative some what but it is one of the ramifications never the less.

Having seen the frantic efforts people have made, we now consider some marketing some key successful strategy factors to help us in our quest to penetrate and capture those markets in the ensuing chapter.

Chapter four

FACTORS TO CONSIDER IN FORMULATING SUCCESSFUL MARKET STRATEGIES

In attempting to develop global marketing strategies, the potential investor must carry out a **SWOT** analysis where there is a deliberate move to ‘*count our men*’, as it were. Inherent strengths, weaknesses, opportunities and the threats that might come as a result of attempting to penetrate the target market need determining long before hand. With that out of the way, the strategic planner must define what their goal is whether domestic, international or global marketing. Once agreed, the marketer proceeds to formulate the strategies that will cover the whole world as one market for example. In the case of International Marketing that is based on the premise that each foreign market requires its own culturally adapted strategy, where appropriate methods will be employed. **The primary difference between global and international marketing is orientation.** Among the ways of penetrating a market is by partnership, Joint ventures, part ownership and franchising. Franchising provides a standard package of products, systems, and Management services, and the franchisee provides market knowledge, capital and personal involvement in Management. Franchises include soft drinks, motels, retailing, fast foods, car rentals, automotive services, recreational services, and a variety of business services from print shops to sign shops. Franchising is the fastest growing market entry strategy. There are three types of franchise agreements extant:

1. Master franchise.
2. Joint venture.
3. Licensing

Some Zambian franchise examples include partnerships between Pioneer (and Solabana, Zambia), CK Zambian scientific, Kodak, BP and Phoenix among many others. These corporations fly the franchiser flag high, maintain quality standards and reap much by that token.

Since the customer demands high quality standard goods, Total Quality Management (**TQM**) is essential. In addition to the quality standards, there

is need to establish local relationships that focus on the marketing process (**Relationship marketing**), strategic business alliances, partnership and joint ventures. Where Joint Ventures are preferred, it is prudent to know the four factors associated to this mode. These are:

1. That Joint Ventures are established, separate, legal entities.
2. They acknowledge intent by the partners to share in the management of the JV
3. They are partnerships between legally incorporated entities such as companies, chartered organisation, or Governments, and not between individuals.

Another key thing in joint ventures is that there must be equity positions held by each of the partners. Unfortunately, these strategic alliances fail half the time. Among the major causes of this is the lack of perceived benefit by some partner. The second is differences in management style or differences in goals. This has happened so often as was the case in the VW & Ford case where they differed on strategic plans. If you will recall, TQM is a must in the global competition because quality carries with it a competitive advantage where a company can eke out a niche that takes time to dislodge. The benefits of TQM lies in the fact that:

1. It helps the firms produce goods and services that more than meet customer expectation and continuous satisfaction.
2. It is a corporate strategy that focuses total company efforts on manufacturing superior products with continuous technological improvement and zero defects that satisfy customer needs.

The customer's changing needs are identified through market research. This emphasizes the **real rather than the imagined customer expectations**. Further more, formulated quality control systems for all functions are everywhere not just in the manufacturing sector. The goal is to have quality *in built* within the system. Needless to say that **the customer defines quality**. S/he is enthroned and dictates what and how it is to be produced. Kotler makes a big issue about this and rightly so[^]. Further more, Total Quality Management has worked wonders in Japan by reducing costs. This is the *silver bullet* sought by everyone in the world. **TQM** has also some how contributed to the successful procession to globalisation. What, after all are the benefits of globalisation? These are few and soon told.

[^] Principles of Marketing pp 2,3

1. Economies of scale and Marketing are achieved.
 2. Transfer of experience and know how across countries.
 3. Uniform global image e.g. Coca-Cola or Colgate.
 4. Control & coordination of operations easier, cheaper and less complex.
- Quality is a must and can only be ignored at one's own peril. We next consider export trade mechanics and logistics.

Today, the regulations and restrictions of exporting and importing still exist, even in the world trade leaders like the USA. The major goal of these regulations is to watch what is exported and imported. This is especially true of the strategic goods to certain countries and vice versa.

The major reason for this is basically to protect the domestic industry from unfair external competition as well as to conserve foreign exchange. In many countries, the economy is both extremely weak and fragile where poor quality and expensive goods are produced. These mediocre goods stand no chance of competing with the cheaper and higher quality international products.

In a country, there are certain ways to get things done which differs from place to place. This is by logistics. Logistics are a total systems approach to management of the distribution process that includes all activities involved in physically moving raw materials from producer to final consumer efficiently and timeously.

For example, in terms of transferring goods by either sea or land in certain countries, the foreign freight forwarder is licensed by the federal maritime commission. The said freight forwarder arranges for the shipment of goods while acting as the agent for an exporter. In this case, an exporter, instead of transporting the goods him/her self in the international environment would use the services of a foreign freight forwarder because of the following reasons:

1. It is cheaper in the long run.
2. The forwarder knows the local "rules" and would easily manoeuvre around where the exporter would falter losing time in the process.
3. It is also less cumber some to the exporter as the agent manages the daily hustle and bustle that goes with the transference of goods.
4. It gives a strategic out look to the exporter because the forwarder will be swift to deliver while the exporter will invest energies in other on coming worthy causes.

That notwithstanding, the International Marketer will encounter a lot of restrictions and hurdles as s/he seeks to plough through the maze of the international market. Among the major import restrictions will be the following:

1. Tariffs- The charges on imports so that the local industry is protected
2. Exchange permits- Allowing the exchange of goods
3. Quotas- The restricted amount of imports allowed within a country.
4. Import licenses- Authority allowing one to import certain specific goods only. This restricts trade.
5. Boycott- The deliberate decision not to buy certain goods in order to press certain demands to be met by the other party.
6. Standards- Set standards, which must be met failure to which foreign goods are rejected.
7. Voluntary agreements- non-binding agreement between parties over goods.

Despite all the present hustle and bustle, the day is coming when most of these hindrances will be past and forgotten. For now, we content our selves with what we have.

Further more, we need to state that a product is more than a physical item; it is a bundle of satisfactions (utilities) the buyer receives. As such, when attempting to sell internationally, the seller must make sure that the products are savoured with all the desirable traits, are universally acceptable certified high quality goods and viewed as helpful and desirable by the consumers. Emphasis must be given here because Global goods must be made to a certain international quality, cost, and culturally acceptable universally. This calls for hard work diligence, open mindedness and a willingness to watch the market meticulously to establish exactly what the consumers want and need, not merely what we ourselves perceive to be the need. This may well not be the case! As such, the following factors must be taken into consideration as they influence the acceptance and diffusion of goods:

- (a) Newness of innovation. Generally, people are cautious initially until all fears and suspicions are allayed. A good example is the Instant Nshima product that hit the Zambian market years ago. People could not come to terms with the fact that nshima could be prepared in less than five minutes and thus the product line failed to tick leading to its demise.
- (b) Complexity of use. Is it user friendly? The more easier to use, the better.
- (c) Usefulness/attributes. How useful is this compared to the last product?

- (d) Brand name, country of origin. How well established and reliable is this brand internationally? In countries where people are crazy about product source, this works as a marketing tool or the reverse. For instance, the “Made in USA” label excites many as compared to the “Made in China” although the trend is slowly tilting the other way as the Chinese adhere to international quality standards.
- (e) Life cycle of a product is the level at which the product is in terms of quality and consumer acceptance level.

Today, as earlier intimated, green marketing must be taken into consideration especially in Europe. Environmental issues are fast taking the centre stage as the planet struggles to maintain eco-equilibrium. Any company that address these green issues such as Anita Roddick’s Body Shop gains more mileage business wise. A famous university in the UK has something like this at the end of its emails: “Think of implication on the environment before printing” or “Printed on recycled paper”. This may not immediately strike a bell on the pauper but the advanced nations like England are making a big issue about green marketing.

The Body shop International

This has been a dynamic shop network lobbying various social crusades especially those on the Environment. If one only heard about its activist works, one would never imagine that the same entity could possibly produce excellent products, whereas if one only knew about the excellent products, one could not have imagined that this was the same unorthodox, blunt, rough and riotous shop! Yet both these attributes mystically unite in this selfsame organisation!

For the body shop, it has meant changing all the time depending on the social needs that confronted it. It has been built around the robust principles of Anita Roddick, whose ways have been dubbed eccentric but highly relevant and profitable. Anita has had a passion for social change and has successfully left her mark on the company work culture. The Body shop has been an exciting and thrilling place to work at because of the constant new challenges. But who is Anita and from whence does she hail? What has she done and where is she heading to next? What prospects lie ahead of the body Shop in ensuing years?

Anita Roddick began the shops in 1976 and developed them. She, with the help of her husband worked together and moulded the shop as they saw fit. Having owned a hotel previously, they sold it to pursue other life long desires before Anita began doing a business based on natural herbs. The herbs business mainly focused on skin care, and thus attracted women. With time, people developed confidence in the products and thus, the shop picked up. It is now close to twenty years since the first shop was opened and today, the shops are dotted internationally on the globe. Its presence is mainly in the UK but plans are under way to conquer more and new frontiers. Although the body shop does not market its products, quality does it for the shops.

But who is Anita exactly? Anita descends from Italian-immigrant parents and has some hind exposure to business although she never had any formal business training. She got married to Gordon and turned their house into a hotel. As earlier intimated, they sold it to pursue other things. It was whilst in that state that Anita began a small shop dealing with skin care, using natural ingredients. From one shop, the business blossomed into a chain of shops that are a force to reckon with. Founded on Anita's strong principles of social good and environmental protection, the Body shop has been so successful capturing international attention.

But what has made the Body Shop tick? What has been the secret behind the phenomenal growth despite unorthodox business practices? For one thing, the body shops have been a hive of activity, constantly changing with the times. A lot of innovation takes place, is customer taste sensitive, strongly social and environmentally conscious, possessing appealing, natural and personal attention to the customer, responsive to the current needs and strategic in approach. In addition, the goods are of high quality, the leader is daringly radical, possesses a good franchising net work with a unique anti animal testing stance. All these attributes have blended so well together so as to boost the company success while defying proven industry norms. Further, we assert that the most important sources of this success have been many. The first source has been the environmental protection stand. Today, with the frequent talk on the uncontrolled planet degradation, anyone raising a finger against this scourge will receive a hearing. As such, the environmental crusade has highlighted the body shop on the international scenario. For another thing, the unique and strong community contribution thrust is an asset. The company believes that the company has a moral duty to pay back, in some way, what is got from the community. This stance alone is a

powerful competitive advantage tool. Still further, the head of this organisation, Anita Roddick, is a robust, diligent and candidly outspoken leader who can not be easily ignored. When she yells from her tunnel, the world halts to hear her. In addition, the ingredients used in the products are natural and do not allow testing on animals. The use of the environmentally sensitive methods receives a lot of applaud from all corners of the world, thus the global acclaim given to the body shops. It is a curious fact that the shops do not advertise, but the ingredients utilised do the marketing. Anita has been the single most powerful force in the company. Her management philosophies are excellent though they are centred around her and are quite imposing. If any will not toll the same line with Anita, they are surely on the warpath with the iron lady. That notwithstanding, she is an asset to the company in that she has led the company to a strategic position, etching out a unique niche. Although there is a lot more competition today, the shops continue to tower above rivals because Anita has wielded certain potent attributes onto the company culture. For example, the company is very sensitive to environmental and customer taste change, vibrant, agile, and responsive maintaining high quality products. Further more, there is a lot of innovation and ideas constantly flowing from Anita's fertile mind. She has brought about product changes, initiated projects, research and collaborated with powerful NGOs to get mammoth tasks and changes done. Single handedly, she has resiliently and valiantly stood against the world even in the face of major opposition from her own employees. For Anita, dead orthodoxy is not relished but hounded out through the window. Once she sees something and approves it, she will unflinchingly charge like the Bull towards the goal, of course minding that the business continues to run successfully.

Obviously, there are many lessons we can learn form such a dynamic company and individual. Firstly we learn that if a company is to be successful in today's hostile business environment, it must be constantly alert and adjust with the times. This means continuous improvement of products, be constantly learning, be more sensitive to customers, maintain a "small company" atmosphere in the company, be agile, contribute to the community, and add a "*human face*" to the company. Secondly, we learn that a company must hire "*Known quantities*" as much as possible for these will attract attention to the company. Not only should these be known people, but also they must be creative, robust, resilient and diligent risk takers who will not mellow at puny attacks. Anita is the very epitome of constancy. Thirdly, we must ensure that though star players are preferred,

the must not be allowed to paralyse others. This is evident at the Body shop where Anita is almost everything and no one dares cross her path. This means that when she fizzles out from the business horizon, the company sinks with her. An ideal situation is to have a “pool” from which to tap leaders. Anitas’ eccentric manoeuvres are uniquely good but their sustainability is questionable. Fourthly, let it be noted that the company must be agile, fluid, unbureaucratic, flexible, customer sensitive and must provide that ‘personal touch’ to their business. Customers must feel individually appreciated and noticed. Myriad companies have staggered to the company graveyard because of the loss of that personal and good quality speedy service to customers. Fifthly, the company must maintain a clear strategic mission that should, like the star that guided the wise men, lead the company to its destiny without much ado. Sixthly, the unique and unprecedented product niche must be guarded jealously. Not only must this be improved and expanded, but also the products themselves must be improved continuously. The body shop is unique in its social goals as well as in its use of natural ingredients. Others are copying this uniqueness today but they cannot attain unto its unique prowess. From the afore mentioned lessons, we can clearly see that the Body shop deviates widely from the normal business trends. Although one’s hair stands on end when thinking about this entity, yet a company can survive outside the norm, as long as it reads the times well and acts at the right time. Timing and the right moves are what count. Having asserted thus, let us be quick to say that it is safer to use the long tested and tried ways, though with a strategic eye.

Looking at the way that the company has developed and evolved over the years, especially in the UK, we have reason to believe that the body shop has a bright future though this will be hard won. The business world is replete with companies that are moving towards the use of the same natural ingredients that have hitherto made the company have a strong uniqueness. The niche has scarcely been neither challenged nor eroded. In the light of the emerging threats, it is imperative that the company relocates to a more sustainable position that will strengthen the uniqueness. Among the many things it will have to do in its quest to evolve into a better company is to maintain and enhance its “personal attention” to clients, its sensitivity and responsiveness to the changing demands and tastes of customers out there. Above all, the company must continuously be innovative, train human resource to take over from Anita, and not lose focus on its community contribution ethic. Now that the body shop is confronted with the titanic task of penetrating the American market, it must adjust its gears very well

because the issues it will face are fundamentally different from the usual. For example, the American consumer tastes will differ. Further more, the big social concerns such as the environmental crusades are not as hot issues in the States compared to Europe. Added to the list of potential hurdles is the legal environment, trade restrictions, approval criteria of products by the American authorities, the difficulty to recruit people with a like passion as those else where in the body shop network and the threat from more apt “copy cats”. One other concern is the age-old stance of not advertising. On the American market, if a company will not advertise, it will not be noticed and book a place among the company graves. These and many strategies that have eked triumphs in Europe may not carry the day in the States. That notwithstanding, the Potential market is there as long as the following are observed; Firstly, the company should strategise, by initially carrying out a market research and then looking for the best way to enter the market. One way could be to produce some exceptionally high quality products that can be given free to some key clients for a start. Powerful policies and structures that will ensure sustainability over time must further support this strategy. I suggest that initially, only one outlet initially be open and then spread wings depending on the performance of the same. As such, there must be an allowance for a pay back period of say two years. This may mean running at a loss for a while before breaking even. It would be wise that the shop hires “known quantities” that wholeheartedly imbibe the Body shop ethics and who will fearlessly champion the entity causes. Alternatively, the shop could identify the “Big” social issues on American soils, adopt them and champion the same. Furthermore, the community contribution must be elected carefully so that it is relevant. Natives could be trained who will easily accomplish all these. In addition, I feel that the Anita grip over the company must be modified to allow more liberty for the shop mangers. Apart from franchising, the company must now reconsider its stance on marketing. In the UK, absence of direct marketing may work, but the American situation is different, therefore, due care must be given. It is true that what has made the shops thrive all a long has been the risky ventures and unorthodox methods, but this new prospect calls for walking circumspectly lest failure dents the company image. The legal environment as well ought to be watched carefully and if possible, the best lawyers and partnership/collaborations are sought. If an American partner can be found, a partnership knot could be tied. Lastly, the company must strengthen its niche by adopting new strategies that will highlight the uniqueness of the products. Topping those qualities should be the high standards and usefulness of the products. The

community contribution must come in by and by though must be highlighted in the mission statement too.

As Anita and colleagues peer into the future, I would encourage them to launch full throttle onto the American market knowing that the battle is not unique but inevitable!

As the global market is dynamic, the marketer must ensure that the exact needs of customers are investigated, anticipated known before are mass produced. Notable also is the growth of the service industry where products are not tangible physical goods. Unlike tangible products, services have to do with the softer side of business such as efficiency, courtesy, convenience, reliability among many others. In Zambia, with its apparently budding economy, the service industry has seen an upswing unlike in the past when tourist destinations went begging. Walk into any service organisation and notice the world class courtesy extended.

The fundamental characteristics of services are: they are intangible products whose intrinsic value is the result of performance, or an occurrence that only exists while it is being created.

In point form, characteristics of services are:

1. They may be perishable-once created, it cannot be stored but must be consumed simultaneously with its creation.
2. Not transferable
3. Heterogeneous-individually produced.
4. Inseparable from its consumption.
5. Services are either consumer or industrial.

This type of marketing must also meet certain international standards as laid out by the **ISO 9,000**. ISO is an internationally accepted standard for quality of goods, processes and services. When a product or company is ISO certified, then it is assumed that the goods are without defect and can be relied on. To be certified, the processes must guarantee the highest quality out put. This shows security and guarantee of good quality goods. The modern trend is to trade only with ISO certified clients because the certification acts somewhat as an assurance that the products are of the highest quality standards giving recourse to compensation in the event of product/service failure in guarantee period. Industrial products are

items/machines used for mass production whose aim is profit (service industry). Products must repeatedly satisfy the buyer so that product loyalty is built. Total quality management (TQM) comes into play here as it is integrated into all products and services.

We must however bear in mind that countries are at different stages of development and thus the level of standards of goods will equally vary by the same token. There are stages of development in countries. The first stage is the **Pre industrial** where the country does not have any basic foundation and infrastructure to support any meaningful development due to poverty, policy and culture. Examples are the least developed countries (**LDC**) where debt and poverty have badly ravaged the economy thus impeding effective quality control. The second stage is the **industrial level**, where the country moves to the stage where it begins to **develop the primary manufacturing industries**. It is from these that the building blocks of the economy are formed, and usually at this stage, the product quality is poor and begins to improve in the next stage. The third stage results from having slowly built enough muscle to accelerate in the **growth of the manufacturing industry**. This stage witnesses the rapid proliferation of multiple varied industries that specialize in different economic goods. The fourth follows the third stage that translates into the **well-industrialised economy** where goods are produced on a large scale with economies of scale achieved. It is at this stage that the country begins to have surpluses and also the problem of disposal becomes evidently a major concern. This is the stage where many countries in Europe have reached. The fifth and final stage where the apex or **complete industrialization** is reached and is the desired goal for many a country. Very few countries have reached this stage where every thing is in its perfect state. It must be highlighted however, that there is always room for improvement, in the area of having minimal pollution effluents discharged to the environment. Japan, USA and Germany are some of the countries that are approaching these high level stages. But how does a LDC sell and market goods to a completely Industrialised country which has high quality standards that are well above the mediocre quality goods that are churned out from the wheels of a non ISO company?

Before leaving off these development stages, it is worth mentioning that others[∇] have styled these levels into six as given below:

1. Self supporting agricultural level

[∇] Parraeult and McCarthy, Basic Marketing, pp 17-19

2. Pre-industrial or commercial.
3. Primary manufacturing.
4. Non durable & semi durable consumer products.
5. Capital equipment and consumer durable products manufacture.
6. Exporting manufactured products.

The first three stages denote countries that supply raw materials to the last three. Some academics have suggested that in future, some countries will skip all the stages and move to the weightless economy where the currency is ideas. South Korea is investing heavily in this.

But how can this hurdle be surmounted? Some have suggested that Franchising as well as attracting DFI is the way to go in the global economy. In Marketing to any of the countries at various stages of industrialization, the Countries use any opportunities that avail themselves. Some of the avenues where goods are marketed are through trade shows to exhibit and demonstrate to potential users. It must be noted that the trade shows attract high-level decision-makers who ultimately influence the buying trends of countries.

When all the marketing and net working is done, we move over to the distribution channels that will be vehicles for our goods.

There are many channels of distribution that are employed from place to place to ensure the safe and speedy passage of goods across the world. For instance, in Japan, the channels are multi layered while in America, the structures are simple. On the side of the company, this is a good avenue for getting prompt feed back. These agents come in various shades and contractual agreements entered into. The said agents can either have no title to goods or operate as merchants who have title to goods. Agents use parent name and are not independent while merchants use their own name and have title to goods. However, control is important for parent company in the foreign country for effectiveness. Kentucky Fried Chickens (KFC) and MacDonald's among many immediately come to mind.

Kentucky Fried Chicken (Japan) Limited

Getting started in a foreign new market can be a nightmare. This was the experience of the Kentucky Fried Chicken in Japan, where their products were not appreciated until certain unorthodox methods were devised. Back

in the USA, the fast food sold like hot cakes but in Japan, it had to take the likes of Loy Weston and Shin Ohkawara.

But who are these maverick individuals? From whence do they hail? Loy is American and has vast experience in the Far East, having laboured in Japan during the Korean War. Weston had been intrigued by the oriental culture and studied it thoroughly before returning to the States. In many ways than one, he was the right man for the job. On the other hand, Ohkawara is native Japanese and has excellent local contacts. He too has vast experience having worked for the giant printing firm, Dai Nippon of Osaka. The pair is simply marvelous when working together.

For a long time, the Mitsubishi Company had desired to popularise chicken sales in Japan but had had problems. As such, the said company approached Kentucky Fried Chickens (KFC) with a view to start up a partnership in Japan. KFC willingly obliged as they were planning further international penetration. The only problem that confronted the partnership was the lack of the right human resource, which was solved when the above mention duo were hired. These were valiant men equal to the mammoth task.

Initially, as earlier intimated the Fried Chicken shop went in with the *all time popular American dish* and menu, which to their surprise was a near disaster. The local people preferred other dishes! For the Natives, fish and not chicken was the meal! After several dismal attempts, the duo devised survival strategies. As would be expected, cash was the need of the times. KFC International came to the aid and got the KFC Japan on its feet once again. Weston and Ohkawara figured that their only survival strategy lay in the innovations that met the local needs best. As such, they introduced some local foods like fish on the list, though not formally approved by head office. This innovation proved extremely successful because the locals loved the taste, service and quality of the food. In a short time, KFC Japan began to blossom and opened other outlets as the demand grew. Today, KFC Japan is a shining example of a KFCI outlet that has adapted to the local scenario and excelled.

But as expected, the apparent independence of KFC Japan was not well received by all concerned stakeholders at KFCI. Their arguments run as follows: firstly, the added dishes are not on the list of the KFCI products world wide, why should KFC Japan be unique? Secondly, some feel that the shape, size and the design of the kitchens in Japan are not akin to the standard KFCI allowable. The Outlets in Japan are slightly smaller and slightly crammed together. Thirdly, the quality of food and the place where the food is prepared is not to the KFC international standards, although may be acceptable by the local standards. Fourthly, the apparent disregard of, and

hostility to the KFCI by the KFCJ management irks many. KFCJ wilfully refuses to neither obey nor implement uniform standards and also questions every suggestion that comes from KFCI. Quality standard auditors from KFCI also have a tough time with KFCJ. This situation has led to a situation where KFCI is seen to be interfering with local operations worldwide. In general, KFC is not managing its international operations well because of two reasons. Firstly, for many years, the head office neglected the international operations and let them run independently as well as fend for them selves. They grew like '*wild grass*'. How then, can HQ suddenly come issuing orders at this late hour? Secondly, though closely akin to the first point, the HQ has not effectively communicated with the subsidiaries the new strategies. Having had such a weak and fragmented background, there is need to come in slowly while explaining the new approach. The top management must be sensitive to the unique views of each KFC outlet because the new and excellent strategies if insensitively and wrongly applied will lead to another disaster. So far, the KFCI has handled the situation badly.

It must be realised that although international uniformity is required in multinational companies, certain standards are not applicable in some cultures, although the principle remains the same. This scenario is what obtains in the fast food franchising business and demands organisation, strategic vision, financial muscle, high quality fresh food, speedy service, wide menu selection and knowledge of the local cultural traits. Unlike the other products, food is very sensitive and affects the very foundations of some one. It takes time for one to convert to new foods, especially if they are exotic. That is what confronted KFCJ. Talking about these impediments means that the Kentucky Fried Chickens must alter its strategy to suit the prevailing local circumstances. In as much as a uniform international menu is desirable, room must be given for the local KFCs to add the perceived delicacies, of course bearing in mind certain principles. Firstly, these 'offshore' outlets must maintain the highest hygiene standards that cannot be faulted either locally or internationally. This calls for more accurate planning ensuring that minimum stock is kept thus lessening the mass destruction of the food, after specified time limits. Secondly, The Company must "think globally but act locally". This will entail still delegating some muscle in the local management to make local strategic decisions, of course in consultation with the HQ. Effective communication is crucial prior to any implementation of plans. The Dick Mayer 'stages theory' of country management is plausible because it is progressive and fosters better overhead management. The three stages advanced were the following:

1. The entrepreneurial stage where there is a lot of managerial orientation. This needs goal-getters like Loy Weston. At this stage, very little bureaucracy or inflexible control is applied. This is at the initial stages of foreign market penetration.
2. The second stage involves the involvement and appointments of local baronies as management. This ensures that the same champion the cause locally and help the natives to accept the company easily.
3. The last stage is marked by the appearance and hiring of professional managers who run the company henceforth. This has been the stage at which KFCJ has been at daggers drawn with the HQ. Professional Managers are generally viewed as strategic thinkers, objective and accurate observers, who can easily read the times and ably anticipate trends. In a nutshell, the professional managers are long term planners, as their plans are sustainable.

By all standards, this approach is fine as long as it still remains conscious of the unique local needs. If the above management proposal is anything to go by, then it means that the KFCI management must change and standards set which must be imbibed by all. As earlier intimated, the background notes about KFCI are not plausible, but time has come when the house should be made orderly again. To achieve this, patience, training and much discussion has to go into it. Let the lessons learnt from the past experience serve as a beacon to avoid a similar mishap in future. This means KFCI getting involved from the initial stages all the way through to the maturity of the same outlet. We have reason to believe that present hostile reaction from the foreign field is largely due to the past neglect by HQ, much like how a child would react to a long absent parent who suddenly appears issuing marching orders!

This brings us to the question as to how to handle the present independent minded staff like Loy Weston. Though he has been elevated to Vice president for the North Pacific, he still is viewed as obstinate. In many ways, the hot criticism is not justifiable for the following reasons; Firstly he was made that way by the company, when they did not support nor nip his unorthodox tendencies in the bud. As such, he is merely acting consistent with the past culture. Secondly, care must be taken to recognise that Weston is a goal-getter and by that token has certain strengths that others do not possess. Further, he has a thorough knowledge of the market, tastes, and the culture which no other person from the West may possess. His vast experienced is unequalled as well.

Thirdly, let it be noted that Weston is a “known quantity” in the north Pacific as well as all the Pacific rims of the far-east. This goodwill alone should make KFCI tread carefully lest they lose some market. Believe it or not, some people’s presence on board speaks connections and quicker market triumphs. Dick Meyer should directly talk with Weston with a view to build bridges. Weston must be valued, respected and saluted for the excellent feats he has thus far achieved and then reason with him about the new strategies. Let it never be forgotten that Weston has studied some law privately, and so, he is bound to react eccentrically if not diplomatically approached. Care must be taken to ensure that KFCI is not merely reacting with an individual rather than a wrong principle. I say so because the criticism seems to be aimed at an individual rather than a practice. Having laboured to table the new strategies, he must be gently told to choose whether to tow the same line or leave. Past follies must be acknowledged and then the new strategies asserted. Alternatively, Weston could be moved to new markets where penetration is needed. He may not easily countenance this frequent shuffling though! Lastly, he could be recalled to head office as one of the Directors so that he can see the dilemmas. If still unyielding, sadly, KFCI must part with the man, for the 21st century leader must be learning all the time and flexibly mutate with the times. This painful decision must be arrived at after the KFCI has done a critical self-audit. Could it be that the internal system is faulty? Having cleaned the house, it will now be possible to spread the wings wide, flap them and then fly to success!

Clear agreements must be entered into prior to commencing to implement the deal. Note that the Japanese believe in many middle men and the choices of the said middle men depends on company policy either to:

1. Establish own subsidiaries or
2. Appoint some agents, one for the home country and another for the “abroad one”, whether to take title to goods or not. In some countries like the Nether lands, the Middlemen are Government affiliated where **90%** share ownership is by the Government unlike in places like the USA where there are no merchant middlemen used. This is a sharp contrast considering that both are capitalist countries.

We hurtle to other aspects of the distribution channels: What must be looked at when choosing agents and merchants. When locating, selecting and motivating channel members, the following are considered important:

- i. Locating- this involves a general looking around with a view to identify and engage potential suitable channels and agents.
- ii. Selecting-This entails picking the best from among many questions such, as *'Are they cheaper, the best, interested and loyal?'*
- iii. Motivating- We should always be looking for ways and means to motivate our net workers and consistently so. A motivated workforce can unleash more than we would ordinarily expect. This could be by magazines, newsletters, encouraging them to visit the Head office, advertising etc. The customers can be reached in various ways such as:

3. The use of direct mail distribution which has several advantages over the indirect because:

- (a) It is cheaper
- (b) Cuts bureaucracy
- (c) Challenges old paths.
- (d) Cuts down on work force
- (e) Successful way of entering a market.

Having asserted the above, we hasten to say that middlemen are needed in certain markets because:

- (a). There is minimum investment on the part of the company some times.
- (b)No company personnel or major expense of managerial effort utilised.

The disadvantages are equally many such as:

- (a)The Export Management Company (EMC) seldom affords to make the kind of market investment needed to establish deep distribution for products.
- (b)Commission drive is so costly some times that people rush for the extra buck at the expense of doing a good job.
- (c)Cannot operate short term but on a long-term basis.

Factors affecting choice of channels of distribution are:

- (a)Specific target markets within and across countries.
- (b) Marketing goals, in terms of volume for example.
- (c) Financial and personnel commitments
- (d) Control and length of channels etc.

To be successful in a chosen distribution channel, the following '**6 C's**' must hold true:

1. **Channel**- Is the channel ideal?

2. **Cost-** Is it cost effective?
3. **Capital-** Do we have the financial muscle to set up and sustain such a chosen route?
4. **Control-** Can this framework be effectively controlled?
5. **Coverage-**How much of our desired market catchment area is covered?
6. **Character and continuity-** Is the character of channel favourable? Is it in keeping with our goals? Are there any potential threats that might cripple our operations? These are difficult parts that must be addressed by the *Norazi agent*. A *Norazi agent* is one who specialises in shady or difficult transactions such as contrabands.

The effectiveness is directly dependent on the selection of middlemen as well as on the degree of control the manufacturer can and/or will exert. But how then can a marketer go about advertising goods in a global market? We give a birds' eye view in the ensuing paragraph.

When it comes to advertising, many variables come into sharp focus. The International advertising tailors its adverts uniquely different in each market, Global advertising has to do with advertising in the same way across the world. Other wise, the product is advertised as one uniform brand, assuming that the world is one huge market. In the international market **pattern advertising** is employed because:

- (a) Each region is regarded as unique at least culturally.
- (b) There is a move towards homogenous tastes but not quite yet.
- (c) Some products have “uniform application”- similar tastes and needs.
- (d) Apart from advertising, there is the sales promotion. This is a short-term effort directed at the consumer such as price cuts and raffles to create more sales.

The sales promotion is designed to achieve such special objectives as:

1. Consumer- product trial and/ or immediate purchase.
2. Consumer introduction to store.
3. Gaining retail point of purchase display.
4. Encouraging stores to stock the product.
5. Supporting and advertising & personal sales efforts.

However, the communication process and advertising sometimes misfires due to misunderstandings. Advisors can over come the problems highlighted above by engaging interpreters/translators living in that foreign land.

Alternatively, the local people can be used or those that know the cultural cues and diversity.

The local market characteristics, affecting the advertising and sales promotion of products, are:

- (a) **Culture**-The orientation and the set norms in a particular region.
- (b) **Tastes**- what people like and approve of.
- (c) **Perception/decoding**- How well exposed and developed their minds are to accept foreign and new views/products.
- (d) With the advent of the Satellite TV, the Marketer is able to simultaneously reach many countries since the world is viewed as **one market**. Thus, products are standardised, using the same Logo. As a result, with the passage of time, it is believed that slowly, the powerful media is creating a uniform perception of standard products. It is believed that the global consumer generation has already budded. For example, when the youths in Japan watch TV about what the youths in the States wear, and next time you see them wearing the same! Consider the Jeans, Nike or snicker craze for a moment, who does want these products on their bodies?

A number of critical steps in International marketing must be observed and the following six steps involved are:

- (a) Study the target market and see where one may need to modify things.
- (b) Determine the extent of worldwide standardization.
- (c) Determine the promotional mix-by the national or global markets.
- (d) Develop the most effective message(s) that effectively transmit the word around.
- (e) Select effective media. For example, international media as the CNN may be ideal because it is live and has a global coverage 24/7!
- (f) Establish the necessary controls to assist in monitoring and achieving worldwide marketing objectives.

The Marketer must be aware that there are two extremes that must be loathed in the advertising debate:

- (a) Uniqueness of markets/contexts and different advertisement approaches.
- (b) The global Marketers' assumption of one uniform homogenous market approached with one global market strategy, over looking regional differences altogether.

Global brands generally are the result of a company that elects to be guided by a global marketing strategy. Global brands carry the same name, design, and the creative strategy everywhere in the world; Coca cola, Pepsi-Cola, McDonalds, and Revlon are but a few of the global brands.

Further assertions are that:

- (c) Many companies have realised that complete uniform standardization is an ideal rather than a fact.
- (d) An important reason for uniform promotional packaging across country markets is cost saving.
- (e) Standardisation does require advertisements to be country or culture neutral, other wise they do not work.

With the advertising hurdle out of the way, the international Manager must now take an internal look so that the Human Resource within ensuring everything is in place in relation to market expansion as well as a diverse work force that is cohesive and well catered for. The ensuing chapter handles this aspect. **This is the heart of this volume.** Therefore, we ought to tread carefully and slowly here for we are about to '*walk on hallowed ground*'. Let us therefore remove our sandals!

Chapter five

INTERNATIONAL MANAGEMENT IN A GLOBAL CONTEXT

This chapter is a critical pearl of this volume because it is here that International Management practice radiates the brightest. All along, People Management has been latently alluded to but here, it is transfigured as it were, for our peering into. As you will notice, the profile of the global manager is interesting because the said manager could be recruited from any point of the terrestrial ball. Gone are the days when only local staff could be the ones recruited for a job. Now, any one can take up the job as long as they have the right qualifications, competence and the acumen to feature on the international scene. In that case, the Manager must be very versatile, diligent, active and multitalented to fit in well in varying environments. As such, there is need to be multilingual by mastering more than one language as well as their unspoken cues that go along with the local culture.

In addition to the aforementioned point, the International Manager can lead from any country and base. Thus, International experience is crucial for the present and future global manager having a wide mind and rich exposure internationally so as to objectively handle staff problems of various shades. For example, the need to empathise and understand the local situation yet to keep a global focus is key to the success of manager of a diverse work force. Closely tied to what has been mentioned is the need to learn to motivate staff. How can one discern the aches and needs without empathizing with the colleagues? Were we to exclusively use Standard American motivation practices, they will most probably be out of taste with certain contexts. Thus, there is a way in which one must know the best way to reward and motivate a diverse cultured work force, although still keeping within the corporate culture and goals. The person who will be an excellent international manager and marketer must possess the following cultural skills:

1. Maturity- One who is wise and able to handle diverse and sometimes radically different cultures competently.
2. Emotional stability-The person must not be moody and unpredictable. In one moment, very warm, friendly and sociable but in the next hostile, argumentative, bigoted and throwing tantrums all over the place! The Manager must hold him/herself in all situations whilst keeping his/her head in all situations.

3. Considerable breadth of knowledge- It is not enough to have the financial backing or the acumen, but rather, knowledge must be first resident in the brain and from that platform then launch to deal with each case as it rears its multicoloured head! The Manager must have a broad knowledge in terms of geography, history, culture, local politics, policies and the possible strategic routes to employ. S/he must also know the strengths, weaknesses, opportunities and threats that confront the fate of the organization.

4. Adaptability- Having acquired the knowledge and acumen, the manager must also have an ability to adapt to the circumstances prevailing so as not to appear out of step with the times. In other words, the understanding must trickle down to the heart where it will affect the will to accept the situation and do the best to reap maximum benefits both for the organization, employees and the local community. Half the time, the will revolts to stay in a given context and thus, the manager, though knowledgeable and apt will pack his/her bags and return home as a lamentable failure.

5. Good attitude and effort- this aspect is closely connected to the above-mentioned point but has more to do with the mindset and the inward disposition that one has towards life. If one is strictly ruled by his/her SRC, they will be perceived to display a bad attitude and thus put in very little effort. Usually, such have a defeatist attitude to a point where even their minds cannot think objectively or strategically.

6. Positive out look- having said the above, the good manager then must cultivate and have a positive out look to whatever situation that confronts him. Optimism should be the hallmark of a good International Manager.

7. Flexibility-able to objectively judge a situation and change where necessary even at personal cost.

8. Multilingual- Able to competently operate in more than one language especially, Chinese, French or any other important business International language apart from English. An Indian language will be good to have under your belt.

9. Resilience under pressure-The ability to recover after a fall or some defeat. This calls for patience, persistence and determination to succeed despite the momentary odds.

10. Ever learning posture from past experience- The best goal getters are serious students of their environment and ensure they do not repeat the same pitfalls.

11. Realistic-Objective view of things such as targets and expansion rate among many.

But that is not all, some further traits include:

- (i) Communication- Since we live in a world of interdependence as well as an information age. It is therefore not advisable to keep to oneself and only release 'Press statements' at irregular intervals while the rest of the time, pitch darkness reigns within the organization. Clandestine, authoritarian and '*commando*' like managers are out of step with contemporary management trends. Effective communication is the key to every thing today.
- (ii) Respect-The manger must have due regard for others and not 'ride a high horse' where no one is viewed as important as the self. Many an international manager has wrecked their potentially glittering career by arrogance and pride, although they had unrivalled world class plans.
- (iii) Tolerate ambiguity- The Manager must have a high tolerance level of uncertainty because of the dynamic and relative nature of the international scenario. Some people cannot stand being in limbo for long and easily get frustrated, but not so the good manager. Instead, s/he meticulously watches the motions of the market and comes up with a pattern over time and yet always giving allowance for sudden change. This calls for patient endurance and resilience. Analytical and logical people are the most in need of this grace of patience.
- (iv) Empathetic- able to feel and imagine oneself in the shoes of the person needing help. Without empathy, it is impossible to appreciate and rightly apply the correct remedy in a given situation.
- (v) Open minded and non judgmental- half the time, without our consciousness, our SRC affects the way we judge things and situations. Our prior training, orientation and culture have a more potent influence than we realize. Half the time, our back ground influences our world view. For instance, what we have termed as 'moral and right' may not necessarily be the same elsewhere. Thus, the manager must not be dogmatic nor condemn others for holding on to a contra opinion and practice.
- (vi) Prompt action. The astute Manager's sharp eagle eye must spot things and quickly devise a solution long before it happens or goes out of hand. This is a rare strength but the good International Manager possesses that discerning eye and exploit it to appropriately handle issues. In other words, s/he must recognise and timeously control the situation. This further requires one to boldly make decisions in record time.

(vii) A good sense of humour- Laugh off things and not take things too personal. Care of course must be taken not to trivialise important and critical issues.

The work of the International Manager leading people has to contend with diverse attitudes, beliefs, cultures, and values of the local condition. For instance, in the United States, the company business takes precedence over family and relations where loyalty is given to the entity. In Latin America, the opposite is true. Further more, in the USA, the entity concept of the organisation is espoused strongly while in other places, the entity cannot be separated from the proprietor and staff. Another difference is the way people view their jobs in a particular organisation. In the West, working for a particular organisation is not viewed as life long while in places like Japan, people devote themselves to one for life along side other relatives and friends. The work relationships are more personal and founded from culture and family while in the States, the grounds of hiring some one is not family attachment or prior knowledge but largely on merit. We may even add the attitude towards working hours as a difference! A Japanese worker will toil tirelessly until the work is complete everyday without minding the knocking off time while an American will content him/herself with the 8 hour schedule, pack bags and go home, whether the work has been accomplished or not! All the above attitudes influence out put and reactions of people towards their vocation. The international manager must contend with and contain all these variables and yet succeed.

Chapter Six

CHALLENGES FOR THE INTERNATIONAL WORKER

In global marketing, expatriates are an integral part though this trend is changing. Now locals or third country nationals can act as managers because they are sometimes better emissaries and will know/understand the context better. Although an international career is plausible and admirable, ironically, many would-be Expatriates are reluctant to leave their countries because of the following undesirable traits that go along an international assignment:

- 1. The “out of sight out of mind” syndrome** seems to grip the sending company head office. There is a sense in which the person on an international assignment is “forgotten” about as soon as they leave the head office doors. For instance, the expatriates do not get information on time, are treated, as not part of the “home team” and neither are they consulted on major decisions, even on ones that affect the very stations they lead. In short, there is an absence of that sensible feeling of belonging but rather replaced by the feeling of alienation.
- 2. Lack of career development.** It seems that those that remain at base get preference treatment in terms of training, have better access to resources, are in constant touch with the “*known quantities*” at head office and thus develop rapport, network as well as friendships to the end that they are naturally recommended to higher tasks while the expatriates in the fringes of civilisation are relegated to the promotional terraces. When the said expatriate returns home from abroad, this discrepancy is so vivid as one compares with peers. Obviously, one feels “robbed”, cheated and demotivated.
- 3. Another hair-raising issue is the re-entry “inconveniences”** that accompany settling back home. When the expatriate family has been away from home for a number of years, many variables will have changed and as such, there is need to prepare for another “*culture shock*”. Some of the inconveniences faced will be the change of status, earning power, new job descriptions or unpredictable and ambiguous challenges daily, the change of station for the family in terms of friends, pace of life, school, food, dress codes, liberties and even attention given. Sometimes the expatriates may not have had an opportunity to own property whilst away from home due to restrictions. In some cases, they may not have saved up to buy a house and when they return to base, they feel as though

they have “crash landed” thus shooting up the stress levels. Relocation can be traumatic and stressful if not prepared for psychologically way before. Obviously, no one wants to feel disoriented or stranded! We all want to be in control of our destiny.

4. Further still, the Lack of adaptation by family to a strange environment is an issue to be pondered upon long before venturing out on an international assignment or else the sending company stands to lose a lot of money as the expatriate family abandons ship for home. In such times, the family completely fails to adapt and as such the family must get back to base where the entire family feels comfortable. This is a very painful decision for the head of the family because whilst s/he can cope, the others will not be able to stand the stress thus contributing to the said family morbidity rate. This aspect cannot be over looked, as the family is an integral part of ones’ livelihood and team. It is therefore recommended that the family under goes adaptation-training sessions long before the shift takes place. As we all know, people naturally have an inborn “*inertia-meter*” to change but if sweetly and meticulously handled, the family might just buy the same lenses and begin to view things in the same light.

Although we have already alluded to it above, we must stress that the business leader of tomorrow must be at least multilingual. **The process of learning another language apart from the mother tongue can be quite unsettling** for many a person, especially for the American who assumes every one somehow knows or should know English. The natives equally expect the same of the expatriate at hand. The dictates of learning a new dialect shuts many a door of prospective expatriates because taking up the job may entail the family radically switching to another language. Further more, it may be that the success of the job hinges on the mastering of a foreign language as well as the cues thereof. Some one must learn languages such as French, Spanish, Chinese or Italian to succeed. This is an insurmountable task for some. The precipice is too steep.

As though the aforementioned points were not enough, **the Manager must learn the culture, values and attitudes of the locals if to be effective.** The cultural aspects cannot be dispensed with that easily because for many an entity, success rests on the cultural, dialect and cue knowledge. It is interesting that the natives are very keen observers of anything new. If it is a person from another cultural setting, somehow, unconsciously, they feel that person must know their expectations in terms of their own culture. As such,

if the international manager does not display any knowledge of the local values, the natives feel threatened, insulted, belittled, despised and thus develop animosity towards the marketer although s/he might be the herald of good tidings. As a result, the locals will not look at the products objectively and thus not be responsive towards the marketed goods or remain indifferent. They will, as it were, keep an “*arms’ length*”. Thus, the product may turn out a dismal failure as very few will buy or market the product to others.

What could a corporation do to arrest the sad situation above and instead motivate the international expatriate team? One reason suffices for our purposes and it is this:

Keep in touch with expatriates so that they do not feel “*left out*”. As was intimated in (3) and (4) above, the expatriate families feel cut off from the base, much like how an astronaut would feel without either the lifeline or the Space Manoeuvring back pack. They feel unsafe, unimportant, irrelevant and without assurance as to whether what they are achieving is plausible. Naturally, we all need some commendation or a pat on the back. Further more, people feel encouraged when they are urged on or consulted on some seemingly trivial matters. The fact that they know something about what is going on will settle many a hiccup.

Having asserted the above from the perspective of the expatriate, we now proceed to state that it is costly to maintain an international sales force let alone a motivated one. The following reasons why it is expensive immediately come to the fore:

1. Cost of living allowances are high: To send some one on an international assignment is costly business because you pluck them out their “natural habitat” and plant them in a foreign environment. As such, that loss of home creature comforts must be atoned for by ensuring that the new setting is as close to and as comfortable as the home country. For example, the children of the said expatriates may have to attend the international school as well as provide incentive allowances for being away from home. In the distant past, this author perceived an international assignment as a great privilege above all else. The present mindset is that not all is rosy when one considers all the parameters and the opportunity cost attendant to the international job. In as much as it is more lucrative, there is the emotional cost and family ties that must be

dealt with rather ruthlessly for a while. But that notwithstanding, the well adjusted International Marketer will brave the “weather” and stand firm against all odds, all things being constant and equal. The International manager must be ready for change at all times. As some one has aptly quipped, “*the only thing that is constant is change*”^{II}- Not even much money can replace the home serenity. Yet maintaining an expatriate abroad is expensive business, akin to sending the Space Shuttle for six months in space.

2. Salaries in “Dollars” and higher than average: As earlier intimated, to post some one on an international assignment means what they get is more attractive than at home. If there is no incentive, many would opt to remain home or quit all together. Let it be known also, that the higher pay acts as a potent motivator making it worthwhile to remain abroad. As will be noted, those that earn much on their eight-hour job will rarely look for another job in their free time but those who get very little will scrounge for as many jobs as they can to survive, all the while disillusioned and discouraged. By that token, it is justifiable to pay in an international currency such as the Dollars and at a higher rate, depending on the cost of living. For example, if one lived in the Nether lands, they would need to earn a lot to be comfortable because of the high cost of living. Were we to convert the same to our local currency such as the kwacha, it would shock many of us at the multi figured salary! But then, check the cost of living in that country!

3. Transport, lodging of expatriate to and from country of origin as well as locally: Obviously, the expatriate family must be well catered for during the transition period, whilst abroad and on the way back home. All these are huge costs but necessary. One has to bear in mind that these selfsame people are the ones carrying the company flag and image wherever they lodge. Naturally, we all like keeping up good appearances wherever we lodge and so, will do our utmost to provide a conducive environment. Underlying this whole process is the motivation of the potential expatriate family so that the impact is minimised.

We have thus scratched on the surface of issues that international workers face on their global assignments

^{II} Anonymous

Chapter Seven

TYPES OF INTERNATIONAL WORKERS

Global work by and large hinges on the right parameters which include the correct staff cadre. In the previous chapter, we considered the challenges encountered by global workers. An attempt was made to introduce the highly turbulent and relative international business environment. In the present chapter, we proceed to consider the type of staff cadre that various organisation employ to effectively implement their corporate strategy and by that token prove to be a relatively short chapter before we move on to consider success factors in chapter eight.

Basically, multinationals draw their world class staff cadre from three sources as explained below:

- 1. Natives-** There is an increase in the appreciation of employing natives in certain sensitive positions because of the acumen of the people who know all the inroads to success in that particular context. It is also cheaper to hire locals as opposed to expatriates, thus saving on the overheads.
- 2. Expatriates-** For a long time, this has been the practice of many a Multi national organisation because of the feeling that “*our own is better*”, knows the corporate goals, will be objective and socially intelligent to read the times. The expatriate is expected to know the critical aspects of the business and will thus more easily represent the organisation. In a nutshell, the expatriate sent on an international assignment for a number of years from the head office and will most likely be a native of that country where the head quarters are placed. The trend of hiring expatriates is steadily on the decline although still very prevalent. With the advent of the **virtual organisation**, it would be difficult to have expatriates in the sense we have described.
- 3. Third-country nationals-** another option is to transfer some one from one branch/division to another to head another place within the network. That person is not usually from the head office nor is s/he a native of the country of origin of the organisation but another third country e.g. from India or Pakistan. This practice is on a lesser scale than the expatriate option but equally works well.

From the foregoing, it is clear that International Management is complex and needs a well adjusted person who is objective, wise, persistent, resilient and with the right acumen to fight the battles that lie ahead. Globalisation is a powerful force that cannot be ignored today because it is forcing many entities to redefine themselves as well as causing them to re-craft their once universally potent strategies. Like the respectable Peter Drucker once said, people are the most valuable asset any organisation possesses and must thus meticulously treat them well. They must be continuously motivated being internal customers themselves. In addition, they need to be constantly trained so that they acquire relevant skill sets. The ferociously hostile competition in global business today calls for a well instructed and 'out of the box' thinking mindset otherwise many valuable dollars will go down the drain.

O'hara-Devereaux and Johansen's book on global work is a good place to start if you are to grasp the contents of this chapter in a deeper way. Charles Hill's International business as well as Cateora are excellent comprehensive works meriting perusal.

Now that we have demonstrated that the choice of staff is critical to international management success, it is time to cruise to a consideration pricing aspects of international products.

Chapter Eight

SUCCESS FACTORS IN INTERNATIONAL MARKETING

We open this chapter with the following declaration: “Even after producing the best quality goods, the marketer ought to ensure that the goods are successfully sold out”. Many people associate marketing to selling alone but that is just part of the story as marketing involves a whole range of parameters. Selling involves getting customers to buy the products. As will be noted, customers are willing and ready to buy goods that are fairly priced and equal to the satisfaction they derive. As such, if there are too many middlemen in the distribution process, chances are that the prices will shoot up thus reducing sales. Therefore, in the present chapter, an attempt is made to establish prices for an entire market, as opposed to different prices that are pegged in different market segments. Recall that products are produced with a particular market in view as well so much that the price, in a way is determined by the goal. But recall also that the Global Marketer has to have a uniform brand and uniform price if going to market goods on a global scale. Should the prices vary, this could harm the sales and the goodwill of the company. Thus before prices are fixed, certain questions must be answered such as:

1. Is the price right and fair?
2. Does the price take into consideration factors such as inflation?
3. Is the price competitive and profitable enough?
4. Does the price match the bundle of utilities and satisfactions in the product?
5. Will all people regardless of culture and location accept the price?

If the above are adequately addressed, then the marketer can safely venture on. However, there are situations in a country where foreign exchange is hard to secure due to restrictions or the Dollar is simply scarce. In such circumstances, (and where allowable) the barter system can be used. In general, counter trade is an option, which is defined as the *‘arrangement under which the sale of goods or services from one country to another are linked to sales in the opposite direction. Counter trade arrangements*

frequently characterize East-West trade.[≈] There are at least **4** types of counter trades

1. **Barter**- where there is an exchange of goods for goods.
2. **Compensation**- This involves the payment of a mixture of goods and cash.
3. **Counter purchase**- Where a contract is signed to the effect that the seller agrees to sell a product at a set price and receives payment in cash and vice versa.
4. **Buy-back**-‘This agreement is made when the sale involves goods or services that produce other goods and service, that is, production plant, production equipment, or technology.’^f

Companies must also take into account other avenues such as transfer pricing, intensity of competition, the commercial as well as political risks and also the hedging options that are available. Hedging has to do with shifting the risk to a third party. These gadgets should inoculate the international marketer from the price escalations that occur as a result. This price escalation can be further mitigated in three ways:

1. Lower the cost of goods- Build quality in the production process to avoid re working as well as adopt the best practice methods.
2. Lower the tariffs- The Government should reduce or remove tariffs.
3. Lower the distribution costs-Reduce on the number of middlemen such as agents and merchants.

As we draw to the end of this chapter, it is fitting to briefly consider the capital needs that the prospecting multinational company needs to possess. As usual, a number of variables will come into play. Firstly, the company must assess its ability to generate funds from within and then outside the firm. A critical internal scan is crucial to determine whether the local resources are enough, appropriate and cheaper. Generally, this is the case in the event where this where this situation fails, the option available is to approach financial bodies such as the Export and Import Bank (**EXIM**) for cash. This body is set up by the government to facilitate and promote trade within for local companies. The said body also issues loans and guarantee to potential creditors so that international trade may be enhanced. In other

[≈] The Language of Trade: A glossary of international trade terms, Page 48.

^f International Marketing, Philip Cateora, page 575.

words, the **EXIM** supports among other major things, capital investments, guarantees risk, and supports American companies to go international.

As intimated, the EXIM Bank is American but has tentacles in other parts of the World as well, working on the same principles. But what are the ways in which finance can be secured? What arrangements avail themselves? For an international transaction to occur a number of sureties are needed and a number of ways have been devised such as the following five basic payment arrangements:

1. **Letters of credit**-This is a letter opened in favour of the seller by the buyer. The said letter shifts the buyer's credit risk to the bank so that in the event of failing to pay, the bank takes up the responsibility.
2. **Bills of exchange**-This is a time draft where one promises to pay at a future date whilst taking possession of the goods now. In other words, the bank issues that bill but will only make actual payment when the agreed date arrives. In that case, the seller pays a small charge if he/she cashes the bill before the agreed date. In this case, the seller assumes all risk until the actual dollars are received.
3. **Cash in advance**- in this scenario, the seller demands that cash be paid in advance before shipment of goods can commence.
4. **Open accounts**-Sales take place but only with long standing trading partners whose credibility is worth resting on. In this case, the seller is in a position trusting that the other parties will automatically honour their parts.
5. **Forfaiting**- this is a one time arrangement with the bank by the seller to buy a specific accounts receivable. Usually an institution will act as the forfeiting party, assuming all political risks as well. In other words, as some one has said, "*Forfaiting is a long term financing technique which is available for the seller to make a one time arrangement with a Bank or other financial institution to take over responsibility for collecting the account receivable*". The exporter offers a long financing term to its buyer, but intends to sell this account receivable, at a discount for immediate cash. The forfaiter buys the debt, typically a promissory note or bill of exchange, on none recourse basis. Once the exporter sells the paper, the forfaiter assumes the risk of collecting the importer's payment.

A number of financial institutions other than the EXIM bank are available in the USA or Zambia. Two of them are the Agency for International Development (**AID**) and the Overseas private investment corporation

(**OPIC**) for USA or Commercial banks and microfinance institutions for Zambia.

There are many other factors worth considering such as the physical Environment, ethics, e-commerce and other hot issues of the times but suffice it to say that the above are the most critical and ought never to be ignored though we shall touch on these in the concluding chapter as we briefly consider marketing in future. Certainly, it has thus far been an exhilarating journey, how we wish we could go further but want of time and space forbids us.

Chapter Nine

INTERNATIONAL MARKETING IN FUTURE

The rapidly mutating global business scenario makes it especially difficult to exactly predict what is in store for the International marketer in future. Manfred Steger gives some idea to what is happening today and perhaps what may result. He says the following and quotes a famous saying of our times as follows: “The often-repeated phrase that ‘globalisation compresses time and space’ simply means that things are getting faster and distances are shrinking dramatically”[⇔]. That could not be said better because truly, the world is fast becoming one small unit where every event and transaction has a rippling effect right across the world. This means that the life pace will get even more faster as decisions are made at the click of the mouse. The click generation is indeed adding another dimension previously unknown to the marketer. Among these unprecedented occurrences is the whole idea of internet buying which essentially cuts off a lot of layers, channels and approaches to business. What this means is that the business climate will radically be different from what it is today in a few decades to come, perhaps making our present practices appear archaic and inefficient. Globalisation entails that International Marketing will increasingly be virtual reducing much physical travel and the placing huge teams in a foreign country all attendant high costs. In other words, the Marketer will spend more time designing a user friendly website easily accessible to consumers, adding many features that outdo competitors. By that token, the marketing workforce will significantly diminish in keeping with the times. The marketer will have to acquire newer and better skills in sink with the times such as unique IT competencies. A persuasive mouth alone will not be sufficient to win the battles ahead.

Another aspect that will affect International Marketing is the rise and proliferation of regional groupings. Since nations are moving to integration, at least economically, the scope of International marketing might widen beyond borders of two or three countries but to the entire region. SADC for instance will open the market from South Africa all the way to the Congo, sweeping across all the countries in between.

[⇔] Steger, Globalization, pp 12 Oxford University Press.

By its essential nature, International Marketing will pave and refine the way for global marketing to take root. The harmonisation of regional markets will eventually lead to regions integrating into even bigger markets and in the distant future, one huge market with little or no trade barriers between countries. In other words, domestic marketing opens doors for International Marketing leading to Global marketing, thanks to the ever pervasive powerful global electronic media system that works 24/7 shaping the way people perceive things and respond.

With the advent of developed data collection systems such as satellites and improved educational and technical competencies, the once unattractive markets will be the desired play grounds for the International marketer. Countries like China, India and perhaps Afghanistan may one day be desirable destinations unlike the famous London, Washington or Johannesburg as is presently the case! This assertion looks remote and far out of remote but who would have thought the Beijing Olympics would be as classic as they turned out to be leaving the time crazy westerners spell bound at the sheer efficiency of the Eastern Asian country culture! New competencies have to be developed to reach the vast poor in India and China despite the hurdles such as poor infrastructure or distribution channels that confront them. This is where the world's business is heading. Dubai is another surprising shining example of a transformed place within a space of 20 years. From a neglected sandy remote place in the gulf, The United Arab Emirates has emerged as a serious business centre attracting merchants from all walks of life and nations.

Finally, International Marketing will take into account many largely presently ignored issues such as the Environment and Business obligations (corporate responsibility, stemming planet degradation etc) to the local context. Some work and talk about this has already begun by the likes of Paul Hawken in his book the Ecology of Commerce, as well as Porter and others who have been at pains peering into the future in relation to the future of Business in general. They hold different views on HOW earth degradation can be halted and by WHO but they are generally agreed that a problem exists and must be fixed soon, not later. Climate change, planet temperature rise (as CO₂ is released to the atmosphere to act as green house gas), erratic flooding, shrinking polar caps, reduced ice bergs, rising Carbon content, increased disease burden, skin cancers and poor air quality all point to one thing: the Earth is fast giving up and unable to sufficiently regenerate itself

fast enough. The natural renewal support systems are quickly being disintegrated and not given chance to function well. It is like pulling the plug from an oxygen machine that sustains a comatose patient. International marketing will then give this due wait as well as the bigger picture and magnitude of what is at stake. By that token, green business will take a higher place on the world's priority unlike now when the business person literary gets irritated to be "accused" of seriously degrading the planet by inefficient processes that leave toxic waste all over the world. At best, today's merchant will reluctantly bear you allowing you finish your ranting and then swiftly get back to the old ways! If the laws become too tight in one part of the world, the Multinational corporations will migrate to another part of the world where the laws are far more relaxed, yea, not enforceable akin to what has happened to China and India where cheap labour is readily available. Since developing countries crave industrial development, they will be the first target destination for this DFI! Poverty is really a menace!

Steger concludes well when he analyses the future of Globalisation by stating that "unfortunately, despite their encouraging version of globalisation, many globalists have remained within the parameters of their corporate agenda. If implemented at all, their proposed 'reforms' remain largely symbolic in character"[^] We still have many hurdles to surmount before globalization becomes a vehicle for democratic advancement or fostering global equity in every sense.

We really must close at this juncture but I trust I have most ably dealt with the grand subject of International Marketing Management! I would therefore strongly urge any one intending to work in an international environment to avail them selves to various pungent IM texts and "soak" in the classical monumental works until they have "*sucked out all the juices*". It has been mesmerizing globe trotting across this terrestrial ball within the confines of those pages.

Having safely manoeuvred our ship among the rocks without running aground; we can safely now rest our case here"!

[^] Steger, Globalization: A very short introduction, pp

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