

## **International Services Marketing: A Theoretical Approach**

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### **I. Introduction**

International services have unique characteristics compared to domestic services; the differences compared with domestic services are that they include the cross border activities and have the interaction with foreign culture (Wong, 2009). Services on an international market can be difficult as expectations are hard to predict from one culture to another. Many services companies nowadays earn more than half of their profit outside their home market. Little research attention has been given to the performance of the service firms in the international context and services marketing models with international approach considers new research opportunities. In an international context, environmental factors have a substantial influence on the strategy and success of MNC subsidiaries operating in foreign markets. While considering marketing strategy for East Europe, compared some key characteristics of East European markets with Western European market situation. They identified huge difference in purchasing power, speed of product development, buying behavior, competition situation and trade structure between the two regions. In international marketing it is not easy to identify who the customers are, what their needs are and what characteristic they have.

International services are defined as, “deeds performances, efforts, conducted across national boundaries in critical contact with foreign cultures” “Intangibility and heterogeneity become important issues to overcome in the international market.

### **II. Therotical Framework Of Interational Marketing Strategy**

There are two types of factors that influence the international marketing strategy,

- a. External factors
- b. Internal factors

#### **a). External Factors :**

In internationalization of services external factors put both challenges and opportunities for multinational firms in developing their marketing strategy.

**Market characteristics** refer to those factors that determine the level of sophistication and development of particular foreign market, including its marketing infrastructure, advertising media availability, distribution structure, and market size. These characteristics can help in deciding the degree of standardization/adaptation to be incorporated in the marketing strategy.

**Competition** is another vital antecedent to the standardization/adaptation which a company thoroughly considers before entering in the international market arena. Competition intensity is significantly and positively associated with both product (service) and promotion adaptation, suggesting that competitive pressures may necessitate strategy customization to the specific requirements of the foreign market to gain an advantage over rivals.

#### **b). Internal Factors:**

**Company strategy** deals with a company’s overall policy relating to areas of investment, R&D, internationalization, form of entry, marketing, etc. Choice of country, selection of marketing channel and market segmentation fall within the strategy and are also vital to succeed in international business. Identification of customers and competitors are primary considerations for a company and therefore to be planned carefully.

**Technology** is defined by Ford et al. (2003) as the ability based on scientific knowledge that can be used for commercial purposes. It does only mean the capacity to innovate but it is also about how the innovation can be successfully packaged, presented and delivered to the customers. In services marketing, technology plays a significant role in offering customer friendly services through internet, information technology and time shortening planning.

**Competitive strength** is the foreign firm’s ability to develop and market goods and services with a good quality and at a competitive price. A firm may be competitive in the domestic market but it is not easy to maintain the competitiveness in the international field as there are both local and internationally reputed firms are active in such markets.

### **III. Why It Is International Services Marketing Is Important**

The international business environment has changed drastically thanks to globalization and market liberalization. Widespread use of electronic channels in marketing and product distribution has intensified competition in global markets.

**a. International Audience:** Services are intangible products generally delivered through interactive channels. They are offered either as primary products or as supplementary components, according to the Management Study Guide

**b. Cultural Expectations:** International service marketing enables businesses to acknowledge cultural differences when advertising in foreign countries.

**c. International Networks:** Service businesses that build and maintain international networks build close relationships with customers. This allows them to raise sales while expanding their market presence abroad. Taking advantage of Internet-based promotional and networking platforms, such as social media, lets them reap maximum benefits in market penetration strategies. Digital platforms are particularly useful for small and medium-size service companies engaging in international promotion because they are fairly affordable and easily accessible.

**d. Promoting Differentiation:** International service marketing is an important platform for brand differentiation among service companies offering similar and related products in foreign markets. Indeed, brand recognition enables service companies to stand out and remain competitive. That makes promotional campaigns that engage the audience while establishing brand awareness as critical as the investment required to operate on an international basis.

### **IV. Types Of Services**

Services fall into two categories namely, **Cost service:** A services that is the primary purpose of the transaction. Example: Lawyer, Teacher. **Supplementary service:** Services that are rendered as a effect to the sale of tangible product. Example: Home delivery option offered by restaurants.

### **V. Problems In International Service Marketing**

Following are the problems faced :

- ❖ A service cannot be demonstrated.
- ❖ Sale production and consumption of services takes place simultaneously.
- ❖ A service cannot be stored. It cannot be produced in anticipation of demand.
- ❖ Service cannot be protected through patents.
- ❖ Services cannot be separated from the service provider.
- ❖ Services are not standardized and are inconsistent.

### **VI. Conventional International Marketing Literature**

Conventional international marketing textbooks follow a reasonably similar structure and concentrate on goods marketing. Their contents may be summarised under five headings as follows:

1. Introduction to international marketing.
2. The global environment.
3. Market entry.

#### **1. Introduction to international marketing.**

This section normally outlines the growing significance of international trade and its importance in increasing a country's standard of living.

#### **2. The global environment.**

Elements of the international environment such as culture, economics, political and legal considerations are discussed in this section of the literature. The literature approach taken, quite rightly, argues the need to be sensitive to different market environments and to avoid the self reference criterion.

#### **3. Market entry.**

It is targeted at manufactures. For example market entry is dealt with as a channel decision involving players such as export management companies, trading houses, export/import agents, distributors, strategic alliances, contract manufacturers, subsidiaries and many more.

## **VII. Conclusion**

Marketing is born and developed in an era of manufacturing dominance. That era is past and services are now dominant in the economic sector. International marketing is to get a piece of the over 10 trillion dollars of goods and services that are traded across borders each year.