

A CRITIQUE ON THE MULTINATIONAL MARKETING STRATEGIES

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ABSTRACT

The trade and commerce across border has been expanding over the past decade at a much impressive pace. The international business is being carried on by the multinationals by focusing on their strengths and core competencies achieved by them with the experience of doing business across borders. The international business is possible only with the tactics developed over period by the trade players. The international practices and methods are the subject matter of this critique study. The study puts light on the relevance of the multinational business strategies as critically analysed. The study also looks ahead onto the fact that the effectiveness of the strategies is critically imperative for the success of any business strategy.

KEYWORDS: - International Business, Business Marketing Strategy, International Strategies, Corporate Effectiveness.

REVIEW STATEMENT

Various kinds of the business strategies as being used by the multinationals are reviewed to their relevance and productivity. The work reviews as to how successfully the Marketing strategies are being adopted, formed and used by the multinational firms.

DISCUSSION

The business marketing strategy is always seen as the tools for the drastically moving the organization to the desired direction. The business strategy can be understood as a tool of preparing a policy programme which is adopted through the organization towards achieving a common goal and positioning the organization in a competitive position. The core competence of an organization is known to be generated by the strategies and their relevance by the business houses.

Followings are some of the critically important marketing strategies adopted by the corporates going overseas for their commercial activities: -

Marketing Strategies



The stated above in the chart, the international marketing strategies can be categorized in to following for segments: -

- Follower Marketing Strategies
- Leader Marketing Strategies
- Niche Marketing Strategies
- Challenger Marketing Strategies

All the above strategies are widely being used by the international firms in their policy framework and adoption. The effectiveness of these strategies is reviewed in the following segment of the paper.

REVIEW OF FOLLOWER MARKETING STRATEGIES

When there is a profitable leader in the market and the entry barriers are minimal, the follower marketers come in to the market with the hope to earn revenues from the already tested business idea. In this type of marketing strategies, the after-leader marketers do their business either by copying or innovating of the existing idea or refining the existing business model.

REVIEW

EBay and Amazon are known as the online retail beginners but Flipkart and Snapdeal have taken the idea seriously and refined the model with the express delivery model. They have gone for intermediary acquisitions aggressively. The result is EBay and Amazon is getting tough competition from the Flipkart and Snapdeal.

Even they have been made compelled to shake hands with these neo-market participants.

In another case, Apple conceptualized the Touch screen phones and the Samsung followed the concept. The result is that Samsung has become the smartphones market leader.

REVIEW OF LEADER MARKETING STRATEGIES

Leader marketing strategies have been associated with the fact that the first and successful entrant in the market with an aggressive market position develops its core competencies which are never challenged by any other market player. In this type of strategy, the company makes an aggressive drive taking the market campaign and creating its own market standing.

REVIEW

Microsoft has become a market leader of Computer Operating System being used worldwide as the official operating system. The market role of the Microsoft is unchallenged. The other story is that of Coca-Cola which has intacted its position of being the market leader even with tougher competition from the PepsiCo. McDonalds' has created its own market and occupied the seat of the market leader. All this signifies that the market leader poses as an aggressive wave into the market created by its own. Google did not made any move to challenge the wave created by Facebook as the Facebook

presented itself as the market leader with an aggressive market expansion.

REVIEW OF NICHE MARKETING STRATEGIES

The another one is the Niche Marketing strategy which is being adopted and used by the multinational organizations now a days. In this type of market, a relatively small segment is served under this type of segment. The size of the market is small and is still untapped or served by any marketer. First mover advantage is generally available to the niche marketer. Not all marketers want to enter this market instead very few make their decisions to enter the market. By tapping the niche market, premium revenue can be generated in less competitive scenario.

REVIEW

The first mover in the fashion apparels online store market in India was MYNTRA. Till now the online fashion apparels market was untapped and was not served, it was MYNTRA which took advantage of the niche market of youth shopping for fashion apparels online.

CHALLENGER MARKETING STRATEGIES

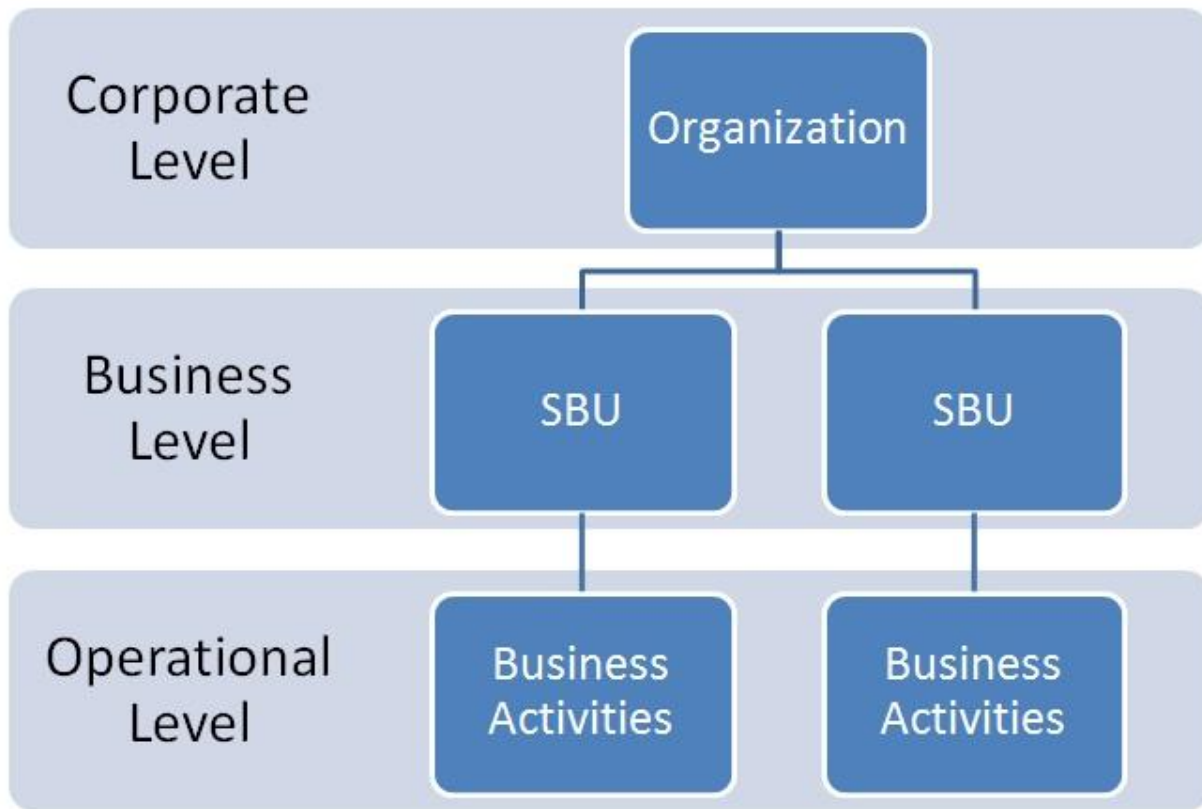
A company which is not a market leader instead it want to be the market leader and undertake aggressive marketing so as to grab the larger market share is known as a challenger marketer. The challenger marketer is use not to be the market leader instead it use to be a contender for becoming the market leader. Every multinational uses to adopt this strategy while going aggressive to create its own market share in highly competitive market place.

REVIEW

Flipkart can be taken as example of a challenger marketer when we talk of EBay or Amazon as market leaders. The Flipkart is aggressively investing in its core competencies. It is going heavily on intermediaries' acquisitions. Although Flipkart is not a market leader still it wants to be the Online market leader worldwide.

RELEVANCE OF STRATEGIC BUSINESS UNIT (SBU) IN MARKETING STRATEGIES

The Strategic Business Unit is a profit centre created by a company for a special activity having separate streams of revenues. The role of SBU in the marketing strategies for multinational business firms is imperative. The following chart shows the exact profile of the SBU and what it does:-



The chart shows the SBU at the functional level above the operational level and below the corporate level. The SBU is identified as a separate function by the functional head. It is managed by the functional head. The SBU is performed by the operational teams which are separate for each SBUs. The SBU becomes more and more important while framing the policies about the future corporate plans and procedures. The criticality of the SBU is that it is composed of all the marketing strategies especially in international trade.

CONCLUSION

The work analysed various marketing strategies and their vitalities in the international trade. The marketing strategies have been used by the international firms like a tool of designing the future course of action and plans for putting the corporate identity as an established brand. In conclusion, it can easily be said that the multinational firms are more strategic than the domestic firms. As they need to face different jurisdiction and market composition at a time, they need to be strategically managed and carry their affairs in a much coordinated way. The presence of more players in the international markets especially when there are domestic players having all the knowledge of the local market trends makes the marketing strategies a

must to use. The multinational firms have more SBUs. They manage each SBU as a separate business. The SBU is coordinated and managed as they are invested with all the strategies and efforts by the multinational firms.

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