Theoretical Foundations of Developing the Concept of International Marketing

Fundamentos teóricos del desarrollo del concepto de marketing internacional

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Contents
1. Introduction
2. Methods
3. Results
4. Discussion
5. Conclusion
References

ABSTRACT:
The latest trends observed in the global economy include the mounting complication of contradictions inherent in processes of the globalization of business operations, increasingly limited resources, and the ever-increasing pace of technological innovation, which is resulting in stiffening competition in the global market. The global consumer market is witnessing rapid changes in consumer behavior. The development of new needs and personalization of product policy have made the consumer better informed and more demanding, resulted in changes in the principles of consumption, and raised society’s requirements for the quality and safety of products people consume. These changes in the consumer market are resulting in the conceptual rethinking of principles of marketing organization and stimulating the emergence of new marketing approaches and concepts in companies. This substantiates the relevance and undoubted significance of the topic under study to ensuring the social-economic development of Russia as a member of the global community. The paper’s scholarly-theoretical basis for conducting deeper research into the subject is grounded in the logical method and methods of scientific abstraction, analysis and synthesis, and qualitative

RESUMEN:
Las últimas tendencias observadas en la economía global incluyen la creciente complicación de las contradicciones inherentes a los procesos de globalización de las operaciones comerciales, los recursos cada vez más limitados y el ritmo cada vez mayor de la innovación tecnológica, lo que está resultando en una competencia cada vez más fuerte en el mercado global. El mercado de consumo global está siendo testigo de cambios rápidos en el comportamiento del consumidor. El desarrollo de nuevas necesidades y la personalización de la política de productos han hecho que el consumidor esté mejor informado y sea más exigente, han producido cambios en los principios de consumo y elevado los requisitos de la sociedad para la calidad y seguridad de los productos que consume la gente. Estos cambios en el mercado de consumo están dando como resultado el replanteamiento conceptual de los principios de la organización de marketing y estimulando la aparición de nuevos enfoques y conceptos de marketing en las empresas. Esto corrobora la relevancia y la importancia indudable del tema en estudio para garantizar el desarrollo socio-económico de Rusia como miembro de la comunidad global. La base teórico-académica del artículo para
1. Introduction

The findings of the authors' analysis of some of the latest research and literature on marketing indicate that the greatest influence on the development of the present-day concept of marketing has come from the works of a number of American and European scholars, including F. Kotler (Kotler, 1995; Kotler & Keller, 2016; Kotler, Armstrong, Saunders, & Wong, 1999), A. Dayan, A. Troade, T. Levitt, J.B. Schmidt, P.R. Dickson (Dickson, 1998), G.J. Bolt, and others, as well as some Russian scholars, like V.I. Belyaev, A.F. Pavlenko, O.Kh. Shneider (Shneider, 1996), I.L. Reshetnikova, S.N. Andreev (Andreev, 2002), N.D. Eriashvili, L.V. Balabanova (Balabanova & Gurzhii, 2010), E.P. Golubkov, A.V. Khrishtoforov (Khrishtoforov & Lazareva, 2010), and many others. These works cover the essence, types, instrumentarium, and concept of marketing.

Issues related to innovative marketing, which is in between the concepts of marketing and social-ethical marketing, have been explored in the works of S.M. Ilyashenko, P.A. Pereryva, I.V. Nedin, N.I. Chukhrai, V.Ya. Kardash, S.S. Garkavenko, A.V. Prokopov, A.S. Teletov, and others. Among marketing's conceptual fundamentals that are most relevant to the market conditions of the world economy is the concept of social-ethical marketing, which directs marketing objectives to the analysis of the needs and wishes of consumers and meeting them in ways that are better than those offered by your competition, while maintaining a focus on boosts in the well-being of all of society. Issues related to socially-ethical and socially-responsible marketing have been investigated by S.M. Ilyashenko, O.V. Ilenkov (Ilenkov, 2013), A.V. Voichak (Voichak, 2009), A.A. Starostina, I.M. Sinyaeva (Sinyaeva & Korotkov, 2005), I.O. Levina, A.V. Khrishtoforov (Khrishtoforov & Lazareva, 2010), A.I. Laburtseva, G.P. Chudesova
Analyzing the development of the world economy within the chronology of the development of the science of marketing opens up new vistas of opportunity and helps determine the causes of social-economic instability in the present-day world, while exploring the latest trends in and concepts of marketing makes it possible to put together new efficient methods and mechanisms of management at different levels of conducting economic activity. The purpose of this study is to explore the concept of the development of global marketing strategy and determine the prospects for the application of principles of socially-ethical marketing in the domestic economy. However, under conditions of export-oriented economic practices there appears to be a lack of research into issues related to the proper choice of the concept of the development of international marketing strategy and relevant tools for carrying it into effect.

The purpose of this paper is to come up with ways to enhance existing scholarly-theoretical approaches to and principles underlying the choice of the concept of the development of international marketing strategy by domestic companies.

Amid processes of integration, any company needs an economic reorientation toward foreign economic activity. The development of foreign economic activity is a precondition for macroeconomic stabilization in Russia and requires that companies properly organize their international marketing activity, which has certain distinctive characteristics of its own. International marketing ought to be implemented in a company based on scientifically substantiated conceptual foundations.

2. Methods

The study’s theoretical-methodological basis is grounded in the use of general methods of scholarly-theoretical analysis for the purposes of gaining a more in-depth insight into the phenomena and concepts under examination. The paper engages the following methods: the historical method, employed for the analysis of the evolution of scholarly notions of marketing and the chronology of its development; the logical method, utilized to establish a cause-and-effect relationship between the economic categories and elements of the concept of marketing under study; the method of scientific abstraction, which helps gain insight into the essence of the concept of marketing as an economic phenomenon; methods of analysis and synthesis, which were employed in examining and identifying the factors influencing the stages in the development of the concept of marketing, as well as exploring the interrelationship between its elements and some of the discrepancies in the behavior of companies and consumers in the market; through analysis and synthesis the authors analyze and carry out a comparative characterization of specific concepts of international marketing.

3. Results

A concept is a set of theoretical foundations that govern the priority focus areas for the development of, or changes in, a certain phenomenon, process, or functional area of activity. Starting in the mid-20th century, the area of the development of an information society has been increasingly dominated by the concept of marketing. Marketing is viewed as a concept and philosophy underlying the company’s activity in the marketplace, based on which the company will orient its activity toward making the most of existing and future market potential and searching for ways to counter threats in the marketplace. The top priority is to meet the needs of manufacturers and consumers. Marketing is oriented not so much toward resolving the company’s internal problems as toward searching for ways to adapt the business to external economic conditions.

The biggest contribution to the development of the concept of marketing has been made by the following scholars: T. Levitt, who focuses in his works on the primacy of the needs of consumers as opposed to production or output; R.J. Keith, who has proven the relevance of taking a marketing approach to conducting business; J. Dean and P.F. Drucker, who started a
scientific marketing management school in the US during the 1950s; J. Culliton and N.H. Borden, representatives of the American marketing management school who developed the concept of ‘marketing mix’; E.J. McCarthy, who developed a methodology for achieving one’s marketing objectives through managing the 4 key elements of marketing: product, price, place, and promotion (the 4Ps); F. Kotler, one of the founders of the theory of marketing and key contributors to the development of marketing management, who suggested viewing marketing as evolving in stages. In the scholar’s view, marketing is about a focus on making what the market wants rather than selling what the company makes (Kotler & Keller, 2016).

A considerable contribution to the development of the concept has also been made by the following representatives of the French and Scandinavian schools of marketing: G. Marion, E. Gummerson, and C. Grönroos, who view marketing as a strictly functional activity; J.-J. Lambin, P. Eiglier, and E. Langeard, who suggest associating one’s marketing with the polycultural nature of European society, the integration of the European markets, and social responsibility. The European school of marketing as a whole is credited with the emergence of new marketing dimensions, like network marketing, services marketing, partner relationship marketing, etc.

The emergence and development of marketing has been accompanied by the making of various marketing concepts, with this evolutionary process gradually giving birth to the following key marketing concepts: the production concept, the product concept, the selling concept, and the holistic marketing concept (Kotler 1995). The principal driving force behind this evolution was an aspiration to boost the efficiency of the company’s activity via various production techniques – above all, through internal factors in the company’s potential (Vorozhbit & Shashlo 2016).

As competition in the market stiffened, companies had to focus on external processes – analyze them and factor them in in conducting their economic activity. This resulted in the marketing concept and marketing approach penetrating into the company’s system of management, with the focus shifting from the company’s internal environment and the potential of manufacturers to the consumer. The concept of holistic marketing integrates the key achievements of the science of marketing and comprises 4 major components: relationship marketing, integrated marketing, internal marketing, and socially-responsible marketing. Holistic marketing is an approach aimed at balancing out various aspects of marketing activity conducted by business entities.

The findings of research into the essence of the concept of marketing suggest that a priority objective for all companies today is to develop their marketing concept at the regional, national, or international level. Table 1 illustrates the evolution of the concept of marketing management, which may also be regarded as the sequence of the development of the concept of marketing management.

<table>
<thead>
<tr>
<th>Author</th>
<th>Concept</th>
<th>Description</th>
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<tbody>
<tr>
<td>P.F. Drucker (1973)</td>
<td>Concept of marketing</td>
<td>The company achieves its objectives through the determination of the needs of target markets and effective satisfaction of the interests of consumers. This concept hinges on 4 major components: the target market, consumer needs, integrated marketing, and profitability.</td>
</tr>
<tr>
<td>P. Kotler (1995)</td>
<td>Concept of deliberate marketing</td>
<td>The company’s marketing helps keep up the optimum operation of its system of sales in the long-run and is predicated on being oriented toward the consumer, innovation, and the product’s value characteristics.</td>
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</table>
Marketing management takes place when at least one party to a potential exchange develops and utilizes the means of achieving desired responses from other parties.

The corporation’s goal is to generate profit to satisfy its own interests and those of its staff and stakeholders through the production of goods that consumers are willing to purchase. The driving force behind the concept of marketing is competitiveness, while making marketing decisions in a highly competitive market is viewed as competitive rationality.

Differentiating between strategic and operational marketing. Strategic marketing involves continual and systematic analysis of the needs of the market with a view to designing effective products with special features for certain groups of consumers, which may ensure the company sustainable competitive advantage. Operational marketing is a tool for implementing the adopted marketing strategy through the use of a marketing plan, inclusive of the marketing mix.

Coordinating economic, psychological, and social impacts; an orientation toward cultivating a partnership with political parties with a view to entering a certain market.

Present-day trends in development determine which areas for the development of the company’s marketing concept it should focus on the most to be able to counter the latest threats in the market, the most significant of which are:

- stiffening competition (hyper-competition), which complicates retaining existing and attracting new customers;
- complications within the company’s market infrastructure associated with getting the product to the end consumer;
- the company making limited use of resources (financial, material, etc.);
- changes in the behavior of consumers, who are becoming more demanding as to the quality and price of products and the level of service.

It helps to formulate the fundamentals of international marketing as part of the company’s overall marketing concept. At the same time, international marketing has distinctive traits and characteristics of its own, some of which include:

1) using a rather complex price setting system;
2) having to factor in with the characteristics of different tax systems and policies in place in exporter countries;
3) having to factor in the characteristics of foreign markets;
4) having to factor in the differences in the organization of marketing activity in foreign countries;
5) having to adopt special types and tools of marketing activity depending on the country;
having to take account of factors in international marketing that are different from domestic ones.

Right now, there are various concepts of international marketing out there, with each characterized by a unique implementation instrumentarium. There are the internal market expansion concept, the external market expansion concept, and the global market concept. Based on its essence, the external market expansion concept may be termed 'the multi-international market concept' (Andreev, 2002). Table 2 exhibits a characterization of existing concepts of international marketing.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Description</th>
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<tbody>
<tr>
<td>Internal market expansion concept</td>
<td>International marketing is viewed as a secondary tool for expanding already existing internal markets.</td>
</tr>
<tr>
<td>Multi-international market concept</td>
<td>The organization and instrumentarium of international marketing may vary depending on the characteristics of the markets of a particular nation. There is no common strategic line of international marketing.</td>
</tr>
<tr>
<td>Global market concept</td>
<td>Strategic focus areas for the development of international marketing are of a global nature and apply to all international markets. The marketing concept is uniform for all markets.</td>
</tr>
<tr>
<td>Concept of a single strategic direction for multi-international marketing</td>
<td>Marketing policy has common strategic objectives for the international markets of any country and, at the same time, different tools for achieving these objectives depending on the nation and the characteristics of the company’s operation.</td>
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</table>

Table 2 lists the concept of single strategic direction for multi-international marketing. Compared with its earlier counterparts, the concept makes it possible to establish single strategic direction for the development of international marketing strategy. It concurrently lets you factor in the characteristics of different international markets, similar to the global market concept, and employ different marketing tools, as is done under the multi-international market concept.

Thus, the concept of single strategic direction for multi-international marketing combines the key tenets of 2 major concepts (the global market and multi-international market concepts) and is distinguished by being integrated and adaptive. Under the concept, the international market is viewed from the standpoint of a single global marketing strategy, but it does have segments of its own, for which reason achieving your strategic marketing plans requires substantiating the types and tools of marketing that are individual to each marketing segment of the marketing mix. The choice of a concept of international marketing that is optimal for the company depends on:

- the form of organizing international activity;
- the kind of the marketing mix;
- the way the system of marketing system is arranged structurally.

The most common forms of organizing international activity (Kotler, Armstrong, Saunders, & Wong, 1999) include: exports, joint venture, and multinational marketing (multinational
corporations). Below are the most common types of the marketing mix:

- the individualized marketing mix (adapting to each foreign market or one of its segments);
- the standardized marketing mix (all the elements of the marketing mix are similar for all international markets or their segments; the product’s marketing mix does not depend on which nation it is exported to);
- the combined marketing mix (some of the elements of the marketing mix are standard for all international markets and some are not, i.e. they are intended for particular markets only).

The system of international marketing can have 3 varieties of organizational structure:

- the micropyramidal structure, which is highly centralized. Strategic focus areas for the development of the company’s international marketing are established in a centralized manner, while its foreign activity has a subordinate nature; a characteristic feature here is the standardization of managerial functions and processes in the area of marketing;
- the umbrella-type structure, which is predicated on the existence of a single marketing center, although a certain portion of decisions on strategic objectives is made by foreign governments and subsidiaries; this structure ensures the optimum degree of decentralization in marketing management;
- the interglomerate, which is a set of international operations predicated on multinational multiproduction activity; the possibility of both the umbrella-type and micropyramidal structures being employed.

Since the choice of concept of international marketing is complicated because of the diversity of types of the marketing mix, organizational structures of the system of international marketing, and forms of international activity, it makes sense to develop a scientifically substantiated approach to this choice (Table 3).

<table>
<thead>
<tr>
<th>Form of organizing international activity</th>
<th>Exports</th>
<th>Exports</th>
<th>Joint venture</th>
<th>Joint venture; Exports; Multinational marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of structural arrangement of the system of international marketing</td>
<td>Micropyramidal</td>
<td>Umbrella-type</td>
<td>Micropyramidal-umbrella-type</td>
<td>Micropyramidal-inglomerate</td>
</tr>
<tr>
<td>Type of the marketing mix</td>
<td>Standardized</td>
<td>Individualized</td>
<td>Standardized</td>
<td>Combined</td>
</tr>
</tbody>
</table>

After choosing the optimum concept of international marketing for the company, it makes sense to determine its content and key tenets. The success of filling the concept of international marketing with content depends on the right choice of approach to construing one’s marketing. International marketing activity may be organized based on the following managerial approaches:

1) functional (international marketing as a set of managerial functions in the area of marketing in question);
2) processual (international marketing activity as a sequence of stages in management);
3) situational (international marketing as a set of actions related to prompt reacting to changes
4) structural (the focus is on putting in place a relevant organizational system for managing international marketing activity;
5) systemic (international marketing as a single system of elements).

The most universal and, at the same time, adaptive is the concept of single strategic direction for multi-international marketing. What makes this concept versatile is that it may be employed in any of the forms of organizing international activity (exports, joint venture, multinational marketing).

What makes the concept adaptive is the possibility of putting together flexible organizational structures within the system of international marketing, like an umbrella-type structure and an inglomerate, as well as putting in place a combined marketing mix.

4. Discussion

International marketing can be perceived as a way of thinking only provided that you make a combined use of different managerial approaches (functional, processual, situational, and structural) and develop the conceptual foundations of your marketing in a scientifically substantiated manner (Figure 1).

The author-proposed scholarly-methodological approach to developing the conceptual foundations of international marketing illustrated in Figure 1 combines different approaches to management and lays out the procedure for developing the conceptual foundations of international marketing in a stage-by-stage fashion.

The above approach to construing international marketing may be factored in in substantiating the conceptual foundations of international marketing, more specifically in developing a system of express-monitoring of the company’s international marketing activity.

The approach has versatile use, as it combines several key approaches, including systemic, structural, and functional ones. Taking a systemic approach involves formulating the objectives for the company’s international marketing, setting the goals, and choosing a concept of international marketing by reference to the company’s needs and organizational structure.

Figure 1
A scholarly-methodological approach to putting together
the conceptual foundations of international marketing
Taking a structural approach involves putting in place organizational support for the chosen concept of marketing, more specifically the distribution of functional duties based on the company’s organizational structure.
Adopting a functional approach implies designing the functional structure of the system of international marketing and choosing the tools for international marketing based on the type of the marketing mix. In addition, it is focused on putting together a balanced scorecard for assessing the efficiency of international marketing and, finally, identifying priority areas for the development of the concept of marketing.

Taking a situational approach involves the process of developing a system of express-monitoring of the safety of international marketing.

The theoretical tenets of marketing along with the element of carrying these principles into effect – the marketing mix instrumentarium – are universal and may be continually employed by any organization regardless of what it does, its size, and the nature of the markets it operates in.

Practical, or applied, marketing deals with the effectuation of the marketing concept implemented by a company depending on its organizational structure and types of activity, as well as the results of its previous and current marketing research, which the entire activity carried out under its marketing strategy is based on. The latest scholarly-methodological solutions make it possible to develop a dynamically implementable marketing concept that allows for backward communication to enable adjustments to the marketing process along the way.

5. Conclusion

Under today’s conditions, the most optimum way to construe marketing scientifically is as a way of thinking. This kind of approach makes it possible to form a single vision of international marketing and encompasses not only the spheres of distribution and sales but those of supply and production as well. That is, all activity related to raw materials procurement and final production ought to be preceded by a clear understanding of the needs of end consumers.

The marketing concept incorporates the following key activities: analysis of marketing potential; development of marketing strategies; planning of marketing programs (development of systemic tools); organization of the conduct of and control over marketing activity. These are closely interlinked with strategic corporate planning and resource distribution.

This paper is focused on systematizing a scholarly-theoretical approach to the choice of the concept of international marketing, which compared with its existing counterparts, is predicated on factoring in different forms of organizing international activity, kinds of the marketing mix, and types of the organizational structure of the system of international marketing. The authors have examined some of the key dimensions of enhancing a scholarly-methodological approach to developing the conceptual foundations of international marketing. To the authors, the most optimum way of enhancing the concept of international marketing is through the combination and consistent use of several approaches within the concept of marketing:

- a systemic approach, based on which the concept’s theoretical foundation is formed;
- a structural approach, which serves as the basis for organizational support for international marketing;
- a functional approach, which is used to determine the foundations of conducting marketing research, designing the functional structure of international marketing, and assessing its efficiency;
- a situational approach, which forms the basis of developing a system of express-monitoring of the safety of international marketing activity);
- a processual approach, which governs the establishment of stages in the development of the conceptual foundations of international marketing).

A prospect for further research in the area is the substantiation of the choice of marketing instrumentarium for implementing international marketing concepts of varying orientation.
References

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