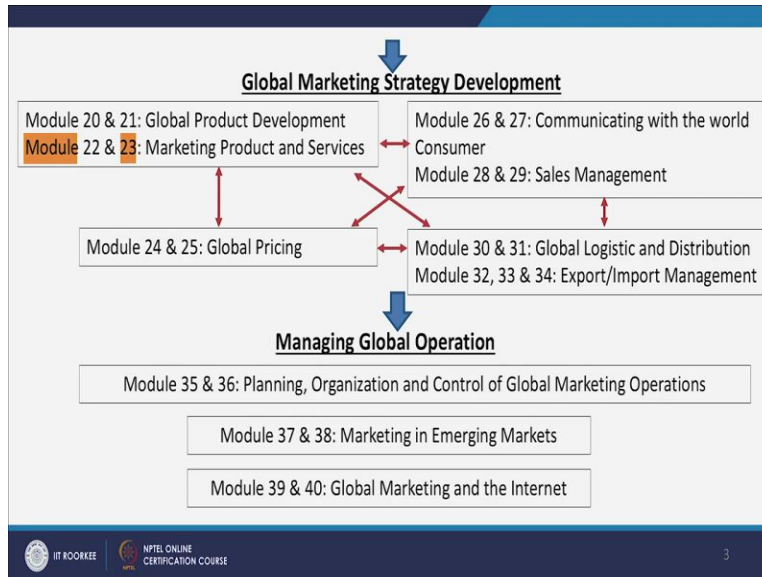


Global Marketing Management
Prof. Zillur Rahman
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Lecture- 23
Marketing Product and Services –Part II

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Welcome to this course on, Global Marketing Management. We are talking about marketing of products and services and this is spread over module 22 and 23. Today we will talk about module 23, that is, first we will talk about, talk about product piracy, so every element of every component of a product, the packaging the design etc, they are prone to piracy. So we will talk about what are the issues involved here and how to go, how to cope with the piracy issues.

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Module Overview

1. Product Piracy
2. Country-of-Origin (COO) Effects
3. Global Marketing of Services
4. Conclusion



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Then we will talk about country of origin effect, it so happens that the name of the name of the country and the product of the brand, they get attached to each other. Sometimes it can be beneficial and sometimes it cannot be. So we will talk about what are the various strategies to cope, cope up with country of origin effect, and then we will talk about global marketing of services.

Now you see that marketing of products is different from that of services, because services have some special characteristics like, they are intangible, perishable, heterogeneous and simultaneous production, consumption. So they is a need to have a separate topic on marketing of services and of late, of the of late, countries they are liberalizing their service sector, because the products sector, most of the product sector, they have already been liberalized. So this is what we plan to talk about today.

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Product Piracy

- Product piracy is one of the downsides that marketers with popular global brand names face.
- Any aspect of the product is vulnerable to piracy, including: the brand name, the logo, the design, and the packaging.
- The impact on the victimized company's profits is twofold.
- There are the losses stemming from lost sales revenues.
- Counterfeiters also depress the MNC's profits indirectly.



Now you see that the product piracy is one of the downside that a marketer with popular brand name faces. So when a brand name becomes popular, then this piracy issue comes in. Anyhow, any aspect of the product is vulnerable to piracy, including the brand name, logo, the design and the packaging. It initially means, someone else who is not, the right owner of those things is copying it without your permission and without your knowledge.

So the impact on the victimized company's portfolio is twofold. There are the losses stemming from the lost sales revenues because eh someone else is also manufacturing and selling the same kind of products. And then counterfeiters also depress the MNCs profit indirectly.

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Product Piracy

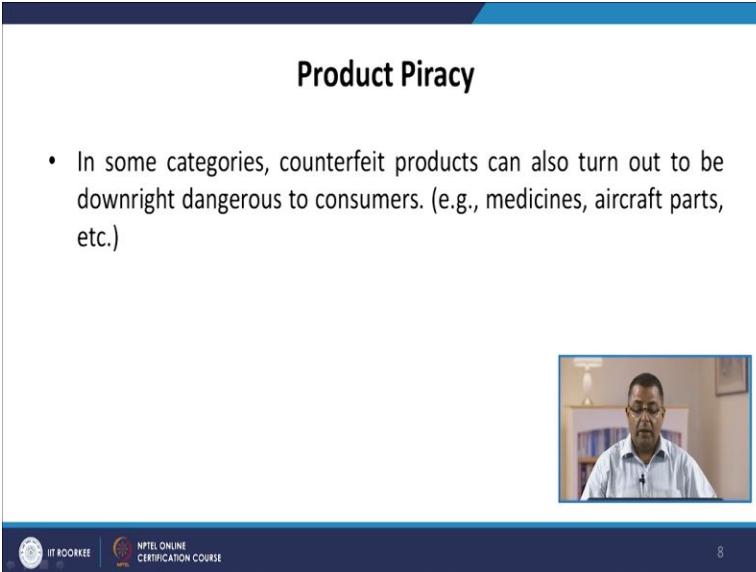
- Indirect impact of counterfeiting on MNC's profits:
 - In many markets, MNCs often are forced to lower their prices in order to defend their market share against their counterfeit competitors.
 - Damage inflicted by pirated products to the brand image:
Pirated products tend to be of poor quality.
As a result, the piracy scourge often jeopardizes the brand's reputation built over the years.



What is the, what are the indirect effect of piracy on MNCs profit? In many markets, MNCs often are forced to lower prices in order to defend their market share against their counterfeit, counterfeit competitors. So obviously competitors counterfeit, counterfeiters they are selling at a lesser price, and in many situations the original manufacturers, they have to sell at a lesser price, so as to compete with the counterfeit.

Damage inflicted by pirated products to the brand image, pirated products tend to be of poor quality, as a result the piracy scourge often jeopardizes company's reputation that is built over the years. So this company has invested lots of money in buildings this brand, and someone else also started making the similar kind of brand, which is of inferior quality. So therefore that will affect the company's reputation.

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The slide is titled "Product Piracy" and contains a single bullet point: "In some categories, counterfeit products can also turn out to be downright dangerous to consumers. (e.g., medicines, aircraft parts, etc.)". In the bottom right corner of the slide, there is a small video inset showing a man in a light blue shirt speaking. At the bottom of the slide, there are logos for "IIT ROORKEE" and "NPTEL ONLINE CERTIFICATION COURSE", along with the number "8".

In some categories counterfeit products can also turn out to be downright dangerous to the consumers. For example in medicine, and aircraft parts, they are dangerous to the health of consumers. What is the, what are, now let us see what are the factors behind the rise of piracy, as I was reading somewhere that 40% of the all the products that are sold at are pirated products.

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Product Piracy

- **Factors behind the rise of piracy**

- The spread of advanced technology (e.g., color copying machines, know-how stolen from multinationals by local partners) is one catalyst.
- Global supply chains also play a key role: Traders often use the web and unauthorized distributors to sell fakes around the world.
- Weak rule of law and poor enforcement of existing legislation also contributes to the piracy spread.
- Profits that can be made from piracy are huge.



For what are the factors behind the rise of this piracy, and the first actor is the spread of advanced technology, that is colour copying machines, know-how stolen from multinationals by local partners is one. The second is the global supply chains they also play a key role; traders often use the web and unauthorized distributors to sell fakes around the world. Weak rule of law and poor enforcement mechanism of existing legislation also contributes. And profits that can be made from piracy are huge. Therefore they it proves to be a further incentive for people to buy to pirates existing brands.

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Product Piracy

- **Strategic options against product piracy**

Lobbying Activities

Legal Action

Customs

Product Policy Options

Distribution

Pricing

Communication Options



What to do what are the strategic options to deal with product piracy, so one is we will talk about each one of them in detail. One is lobbying activities, and then we have legal action, customs, product policy options, distribution, pricing and communication options.

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Product Piracy

1. Lobbying Activities: Lobbying governments pursue different types of objectives:

- To toughen legislation and enforce existing laws in the foreign market. (Host country government)
- To impose sanctions against countries that tolerate product piracy. (Home country government)
- To negotiate for better trademark protection in international treaties such as the WTO or bilateral trade agreements. (Home country government)



 11

What does this lobbying activities mean? Lobbying government pursue different types of objectives: To toughen legislations and enforce existing laws in the foreign markets that is the host country. To impose sanctions against countries that tolerate product piracy so home country government will impose piracy on those countries where they do not there they do not prosecute pirates. To negotiate the better trademark protection in international treaties such as WTO or bilateral trade agreements, they come into force. So WTO also takes that into consideration.

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Product Piracy

2. **Legal Action:** Prosecuting counterfeiters is another alternative that companies can employ to fight product piracy. Legal action has numerous downsides, though.
 - A positive outcome in court is seldom guaranteed.
 - The whole process is time-consuming and costly.
 - Court action can also generate negative publicity.
3. **Customs:** Firms can also ask customs for assistance by conducting seizures of infringing goods.





12

The next, strategic option is legal action. Prosecuting counterfeiters is another alternative that company can employ to fight product piracy. Legal action has numerous downsides. One is a positive outcome in the court, in the court is seldom guaranteed. The whole process can be very time consuming and also very costly. The court actions also generate negative publicity. The third strategic options available with the companies is that of customs, firms can also ask customs for assistance by conducting seizures of infringing goods.

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Product Piracy

4. **Product Policy Options:** This measure may involve putting holograms on the product to discourage counterfeiters.
5. **Distribution:** Changes in the distribution strategy can offer partial solutions to piracy.
6. **Pricing:** Marketers can also fight counterfeiters on the price front. Companies may drastically lower the prices of their products to challenge the low prices of pirated products.





13

The fourth is product policy options. This measure may involve putting holograms on product to discourage counterfeiters. So the company, original companies they come up with some kind of hologram that the spot on the original product and that becomes difficult for counterfeiters to

copy. Then the fifth strategic option is through distribution, changes in the distribution strategy can offer partial solutions to piracy. For example they can have exclusive stores where only those original products are sold. The sixth strategic option is pricing. Marketers can also fight counterfeiters on the price front, companies may drastically lower the prices of their product, to challenge the low prices of their products.

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Product Piracy

7. Communication Options: Companies also use their communication strategy to counter rip-offs.

Through advertising or public relations campaigns, companies warn their target audience about the consequences of accepting counterfeit merchandise.

Anti-counterfeiting advertising campaigns that target end-consumers could also try to appeal to people's ethical judgments: a "good citizen" does not buy counterfeit goods.



14


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Therefore the pirated product will not, will no longer be profitable and therefore they will shut down their shop and original company can continue selling their products. And the last one is communication options companies also use their communication strategy to counter rip-offs. Through advertising of public relation campaigns, companies warn their target audience, about the consequences of accepting counterfeit merchandise. For example what harms harm a counterfeit product can bring to the consumer. Anti counterfeit advertising campaigns that target end consumers could also try to appeal to people's ethical judgments: a good citizen does not buy counterfeit goods.

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Guidelines for IP Protection in China

- *Educate your employees.* Employees are the source of most IP losses. IP is still a fairly new concept in China, so education of workforce on IP is very important. Concentrate on everyday examples.
- *Speedy patent and trademark registration.* Often a Chinese company already registered a patent or trademark in China to gain an edge against foreign competitors or to sell it back to the foreign firm at a lucrative price. It is important to also register Chinese language translations of the trademarks.
- *Keep up with best practices.* Information on best practices to protect IP in China is available through trade associations and chambers of commerce. An excellent resource to consult best practices is the website of the Quality Brands Protection Committee (QBPC): <http://www.qbpc.org.cn/>.
- *Put a senior level executive in charge of IP security.* For effective IP protection, a senior level executive should be in charge of IP security across the firm.
- *Think globally to protect IP.* A company's strategy to combat IP infringement in China should be global as a leak anywhere could affect the firm's business anywhere in the world.





15

Now the following are the guidelines for IP protection in China. First is to educate your employees. Employees are the source of most Intellectual Property losses. Intellectual property is still a fairly new concept in China. So education of work force on intellectual property is very important. Concentrate on everyday examples. The second is Speedy Patent and Trademark Registration, often a Chinese company is already registered a patent or trademark in China to gain an edge against foreign competitors or to sell it back to the foreign firm at a lucrative price. It is important to also register Chinese language translation of the trademarks.


The third guideline is to Keep Up with the Best Practices. Information on best practice to protect IP in China is available through trade associations and chamber of commerce and an excellent resource to consult best practice is the website of Quality Brand Protection Committee, and the link is given here. Put a Senior level Executive in charge of IP security, for effective IP protection a senior level executive should be in charge of IP security across the firm. So it is not IP is not the game, the game, is not a game for everyone but the senior level executive will look after the security of all the intellectual properties that a company holds.

Think globally to protect IP. A company's strategy to combat IP infringement in China should be global, as a leak anywhere could, affect the company's businesses anywhere in the world. Next is country of origin effect. To give you an example, all kind of chocolates that come from Switzerland they are supposed to be of very good quality.

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Country-of-Origin (COO) Effects

- This phenomenon can be defined as “the overall perception consumers form of products from such a country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses.”
- In most product categories, the country-of-origin has a major impact on consumer decision making.
- Consumers hold cultural stereotypes about countries that will influence their product assessments.
- It is a complex phenomenon.



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16



So this is what country of origin effect is. So this phenomena can be defined as, the overall perception consumers form of products from such a country, based on their prior perceptions of the country's production and marketing strengths and weaknesses. So low, China low quality product. So these, these are some kinds of country of origin effect, that get into play. So in most product categories, country of origin has a major impact on consumer decision making. Consumers hold cultural stereotypes about countries that will influence their product assessments. So this is how the cultural stereotypes they affect how consumers evaluate a product. That is the third step of the consumer decision making process and this is a complex phenomena.

(Refer Slide Time: 10:26)

Quality Image of Products Made in Various Countries

	<i>Hong Kong</i>	<i>Taipei</i>	<i>Seoul</i>	<i>Bangkok</i>	<i>Shanghai</i>	<i>Moscow</i>	<i>Frankfurt</i>
1	Japanese (86.4%)	Japanese (94.3%)	Japanese (29.6%)	Japanese (54.3%)	Japanese (49.6%)	Japanese (70.4%)	European (64.2%)
2	European (74.1%)	European (78.3%)	Korean (28.9%)	U.S. (45.8%)	U.S. (39.2%)	European (42.6%)	Japanese (38.6%)
3	U.S. (60.5%)	U.S. (61.0%)	U.S. (19.3%)	European (34.4%)	Chinese (33.6%)	U.S. (24.8%)	U.S. (24.2%)
4	Korean (38.0%)	Korean (28.3%)	European (11.8%)	Korean (20.3%)	European (26.9%)	Korean (15.4%)	Chinese (9.4%)
5	Chinese (6.0%)	Chinese (2.1%)	Chinese (2.5%)	Chinese (11.6%)	Korean (16.0%)	Chinese (1.0%)	Korean (7.9%)






17



Now look at this table that shows, quality image of products made in various countries. So in Hong Kong the Chinese made product of 86.4 and similarly in Frankfurt the Korean made product has 7.9%. Similarly there are several other several data lots of data is given here. For example in Bangkok, Chinese made product have 11.6%.

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Country-of-Origin (COO) Effects

- **Key research findings of COO effects:**
 - Stability over time**
 - COO-effects are not stable; perceptions change over time.
 - Design versus manufacturing**
 - Both the country of design and the country of manufacturing/assembly play a role.
 - Consumer demographics**
 - COO influences are particularly strong among the elderly, less educated, and politically conservative consumers.
 - Emotions**
 - Emotions consumer experience prior to their product evaluations also play a role. Angry consumers are more likely to use COO information in their product evaluations than sad consumers.





18

Now the research suggest about COO effects, one characteristic of COO effect is that they are stable over time that is they come into play over a period of time and then they continue over a period of time. So COO effects are not stable. Perceptions change over time. So the perceptions will stay for some time but then perceptions keep on changing. So the first is that they may be stable over a short period of time but not over a long period of time. Design vs manufacturing,

both the country of design and the country of manufacturing or assembly play a role in the consumer decision making.

So they will be designed somewhere, they may be manufactured elsewhere. Consumer Demographics, this COO effect does not have the same kind of effect on all types of consumers across demographics. So COO influence our partial, particularly strong among the elderly, less educated, and political conservative consumers, another, another, another thing to look after, are the Emotions, Emotions consumer experience prior to their product evaluation also play a role. Angry consumers are more likely to use country of origin information in their product evaluation than sad consumers. So sad consumers may not be using country of origin effect but angry consumers will use that effect in their decision making process.

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Country-of-Origin (COO) Effects

- **Key research findings of COO effects:**
 - Culture**
 - Cultural orientations play a role.
 - Brand name familiarity**
 - Consumers are likely to use the origin of a product as a cue when they are unfamiliar with the brand name carried by the product.
 - Product category**
 - COO-effects depend upon the product category.

19

Then comes, the culture. Cultural orientation plays a role in the country of origin effect. Brand name familiarity, consumers are likely to use the origin of a product as a cue. When they are unfamiliar with the brand name carried by the product for if the consumers are more familiar with the brand name then this effect may be lesser as compared to in the other situation. Next is the Product category, COO effect depend upon the product category. So, a chocolate comes from Switzerland or Champagne comes from France and fashion comes from Italy. Now look at product countries matches and miss, mismatches, examples and strategic implications.

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Product-Country Matches and Mismatches: Examples and Strategic Implication

		Country Image Dimensions	
		Positive	Negative
Dimensions as Product Features	Important	I Favorable Match Examples: <ul style="list-style-type: none"> Japanese auto German watch Strategic Implications: <ul style="list-style-type: none"> Brand name reflects COO Packaging includes COO information Promote brand's COO Attractive potential manufacturing site 	II Unfavorable Match Examples: <ul style="list-style-type: none"> Hungarian auto Mexican watch Strategic Implications: <ul style="list-style-type: none"> Emphasize benefits other than COO Noncountry branding Joint venture with favorable match partner Communication campaign to enhance country image
	Not Important	III Favorable Mismatch Example: <ul style="list-style-type: none"> Japanese beer Strategic Implications: <ul style="list-style-type: none"> Alter importance of product category image dimensions Promote COO as secondary benefit if compensatory choice process 	IV Unfavorable Mismatch Example: <ul style="list-style-type: none"> Hungarian beer Strategic Implications: <ul style="list-style-type: none"> Ignore COO—such information not relevant



So on this dimension, we have country image dimension and on this country this dimension we have dimensions as product features, so it varies from positive to negative the country image dimension, while the dimensions of product features, they vary from not important to important. Now we have four, four cells and the first cell is when the dimensions as product features and country image dimensions they are they match. One is important and other is positive then what. So that becomes a favorable match. Examples are Japanese Auto, German Watches.

Strategic implications is that the brand name reflect the country of origin for the brand name should be such that, in the automobiles, it should be, should be Japanese kind, in watches it should be German kind, Packaging includes the country of origin information. So they the company should write on the packaging about the country of origin. Promote brand's country of origin. So this chocolate, chocolate made in Switzerland and attractive potential manufacturing site when the country image dimensions are negative but, dimensions as product features are important then what? That is the second strategy we are talking about.

That is unfavorable match, examples are Hungarian Auto, automobiles coming from Hungary and watches coming from Mexico, the strategic implications here, what the company should do is, emphasized benefits other than country of origin. While you see that, here we have and emphasize the benefit of country of origin, here we are emphasizing benefits other than the country of origin, and then we should the company should look for, non country branding, joint

ventures with favorable match partners, and communication campaign to enhance country's image. So it is not that only Japan can make automobiles, Hungary can also make automobiles.

Let us move on to the third cell, that is favorable mismatch. So the country image dimensions of positive but dimensions as product features are not important, for example, Japanese beer, what should the company do? Alter importance of product category image dimension. So the dimensions that were not important, company should, company should make efforts to make those dimensions as important. Promote country of origin as secondary benefit if compensatory choice if compensatory choice process. So you promote country of origin as secondary benefit, so it is not the, not the primary benefit.

There are other product benefits, other brand benefits and country of origin is the secondary benefit. In the fourth cell, this is unfavorable mismatch, now here is example is, Hungarian beer and the strategic implications is ignore country of origin. Such information is not relevant because that invokes a negative country image and then it is not important for the customers, therefore we ignore country of origin.

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Country-of-Origin (COO) Effects

- **Strategies to Cope with COO Stereotypes:**
 - Product Policy**
 1. Select a brand name that disguises the COO or even invokes a favorable COO.
 2. Use private-label branding.Develop brand equity : Sheer innovation and drive for superior quality.
 - Pricing**
 1. Selling the product at relatively low prices (for value-conscious customers)
 2. Set a premium price (product categories in which price plays a role as a signal of quality)

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Strategies, to cope up with country of origin, stereotypes so when this country of origin effect is more, then what a company should do, to deal with this kind of stereotypes, the first is product

policy, select a brand name that disguises the country of origin, or even invoke a favorable country of origin. Use private label branding and develop brand equity that is sheer innovation and drive for superior quality.

For example, Haier; Haier is a Chinese company but they have not they have used a name that is not Chinese. So because cheap quality is associated with China, in order to overcome this kind of country of origin, so they have used this policy. That is, selecting a brand name that disguised the country of origin. The second is pricing, selling the product at relatively low price for value conscious customers. Set a premium price, a product category in which price plays a role as a signal of quality.

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Country-of-Origin (COO) Effects

- **Strategies to Cope with COO Stereotypes:**

<p>Distribution</p> <p>1. Use highly respected distribution channels</p>	<p>Communication</p> <p>1. Such strategies could pursue either of two broad objectives:</p> <ul style="list-style-type: none">- Improve the country image- Bolster the brand image
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Then the third strategy can be that can be used here, is distribution. Use highly respected distribution channels either their own established their own distribution channel, or partner with other, other companies having, having a highly respected distribution channel, so that it gives an image that the brand is great. Another strategy is communication; such strategy should pursue either other two broad objectives.

Improve the country image that this country eh China does not only make cheap quality product and to bolster the brand image of the company. Now other than important topic here today that will discuss Global marketing of services. So I have mentioned earlier, marketing of services, is

slightly different or somewhat different from marketing of product because of the characteristics of services, that is one, second now company is now countries they have they are liberalizing their service sector and they had liberalized their product sector already, so let us look at, what are the challenges in marketing of services internationally.

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The slide is titled "Global Marketing of Services" and lists two main challenges in marketing services internationally. The first is "Protectionism," where non-tariff barriers are the most cumbersome, often due to government regulators' creative but boundary-less policies. The second is the "Need for geographic proximity with service transactions," as many services require the physical presence of the provider. A small video inset shows a man speaking. The slide footer includes the logos for IIT BOOENEE and NPTEL ONLINE CERTIFICATION COURSE, along with the number 23.

Global Marketing of Services

- **Challenges in Marketing Services Internationally**
 - i. Protectionism:
 - Most cumbersome service trade barriers are the non-tariff barriers, where the creative juices of government regulators know no boundaries.
 - ii. Need for geographic proximity with service transactions:
 - Most services are difficult to trade internationally and require a physical presence of the service provider.

The first is Protectionism. Most cumbersome service trade barriers are the non tariff barriers, so they are not related to money those barriers where the creative juices of government regulators, know no boundaries. Need for geographic proximity with service transactions, now the problem is that, as I have mentioned, one characteristic of service is simultaneous production and consumption, it means that the service provider and the consumers they should be closer together.

So that becomes a problem a challenge most services are difficult to trade internationally and require physical presence of the service provided. So in how many countries can the service provider is there, so that is another challenge of Marketing Services internationally. Given the intrinsic people intrinsic need for people to people contact, cultural barriers they become important because now two people, two persons, they are, they are coming together. So what kind of interaction will there will be there will be affected by the by the culture they are coming from.

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Global Marketing of Services

- Given the intrinsic need for people-to-people contact, cultural barriers in the global marketplace are much more prominent for service marketers than in other industries.
- Careful screening and training of personnel to ensure consistent quality is extremely vital for international service firms.
- The need for direct customer interface also means that service providers often need to have a local presence. This is especially the case with support services.



So, this cultural barriers in Global Marketplace are much more prominent for service marketers than in other industries, because service provider, service customers they are to be together. So that is why this culture becomes much more important in services as compared to a product. Careful screening and training of personnel, to ensure consistent quality is extremely vital for international service firms. Now this service firm is selling to any, in different countries, how to maintain quality because services, one characteristics of services, it is, they are heterogeneous. They are not homogenous, that is two services produced, may be produced by the same person will look different. So now this becomes another challenge for Global Marketing Services.

Then the need for direct customer interface also means that service provider often need to have a local presence. So, there is a need for the company to have a local presence because, because services are to be delivered and consumed at the same time. So this is specially the case with support services, then another big difficulty is in measuring of customer satisfaction overseas.

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Global Marketing of Services

iii. Difficulties in Measuring Customer Satisfaction Overseas:

- In many countries, consumers are not used to sharing their opinions or suggestions. Instead of expressing their true opinions about the service, foreign respondents may simply state what they believe the company wants to hear. (“courtesy bias”)



So, what may be of satisfying in India may not be satisfying in Sri Lanka or in Thailand or in China. So, that becomes a difficult how to keep, how to measure customer satisfaction across the world. So, in many countries, consumers are not used to sharing their opinions or suggestions. Instead of expressing their true opinion about the service, foreign respondents may simply state that they believe in companies, they believe the company wants to hear, that is a courtesy bias. So whether you like this product, yes, are you satisfied with the product, yes. So in that case it becomes difficult for the company to assess whether the customer satisfied or not, because of this courtesy bias. So all, all your survey results, they will go waste.

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Global Marketing of Services

• **Opportunities for Global Service Industries**

i. Deregulation of Service Industries:

- Some of the GATT rules that only applied to tangible goods are now extended to the international service trade under the new WTO regime.
- In scores of countries, government authorities have privatized services such as utilities, telecommunications, and mail delivery.
- Several individual countries are taking steps to lift restrictions targeting foreign service firms.



But there are several opportunities for global service industries, the first is deregulation of service industries. Across the world, countries they are the deregulating the service industry. Deregulating service industry means that they are these service industries they are opening up for foreign investments. So some of the GATT rules that only apply to tangible goods are now extended to the International Services trade under the new WTO regime. So the service companies eh they are the countries are supposed to open up the service company for, for, service sector for foreign companies. So foreign companies can also come and deliver services in different countries.

Scores of country's government authorities has privatized services such as utilities, telecommunication and mail delivery. So different, different companies from across the world can come and set up their businesses in these kinds of industries, so this is happening across the world. Several individual countries are taking steps to lift restrictions targeting foreign service firms.

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The slide is titled "Global Marketing of Services". It contains a sub-point "ii. Increasing Demand for Premium Services:" followed by two bullet points: "– It expands with increases in consumers' buying power." and "– International service providers that are able to deliver a premium product often have an edge over their local competitors." In the bottom right corner of the slide, there is a small video inset showing a man in a light blue shirt speaking. At the bottom of the slide, there are logos for "IIT ROORKEE" and "NPTEL ONLINE CERTIFICATION COURSE", along with the number "27".

Another opportunity for global service industry is increasing demand for premium services. It expands with increasing, increasing with increases, increasing consumer's buying power, so now people want premium services and the demand for premium services, that is also increasing across the world. International service providers that are able to deliver a premium product often have an edge over their local competitors.

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Global Marketing of Services

iii. Increased Value Consciousness:

- As consumers worldwide have more alternatives to choose from and have become more sophisticated; they have also grown increasingly value conscious.
- Since global service firms usually benefit from scale economies, such savings can be passed through to their customers.



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Another is increased value consciousness, as consumers worldwide have more alternatives to choose from and have become more sophisticated; they also have grown increasingly value conscious. Because of competition, so this phenomena has come into play. Since global service firms usually benefit from scale economies, because they are selling across the world, such savings can be passed through to their customers and therefore the customers will, will get the benefit of the lowered cost and thereby increasing their value eh value of the services that is being sold by international competitors as compared to the domestic one.

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Global Marketing of Services

- **Global Service Marketing Strategies:**
 - i. Capitalize on Cultural Forces in the Host Market:
 - To bridge cultural gaps between the home and host market, service companies often customize the product to the local market.
 - ii. Standardize and Customize:
 - Both standardization and adaption are doable. The core service product can easily be augmented with localized support service features that cater to local market conditions.



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Now what to do when a company wants to sell services across, when the when a company wants to market services across the world. The first is to Capitalize on cultural forces in the host market. Capitalize on the cultural forces in the host market, and not the home market. Now as I had, as I said I had wanted earlier when the service provider and the consumers will come together and they interact, this culture become important factor, in determining the outcome of this interaction. To Bridge cultural gaps between the home and the host market, service companies often customize product to the local market. So now in this situation we are talking of more customization for the local market as compared to standardization.

But the key lies in, standardizing and customizing. Both standardization and adaptation are doable in services. The core service product can easily be augmented with localized support service features that cater to local market conditions. So we are in services we are talking of having both the standardization and adaptation as possible so the core service product can easily be augmented with localized support, support. So we are augmenting the core service with localized support, to localise supposed so as to meet the local customer requirements.

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Global Marketing of Services

iii. Give Information Technologies (IT) a Central Role:

- Service firms add value for their customers by employing technology such as computers, intelligent terminals, and state-of-art telecommunications.
- IT is especially valued in markets that have a fairly underdeveloped infrastructure.
- Companies should also recognize the potential of realizing scale economies by centralizing their IT functions via “information hubs.”



  30

Now how that is to be done, it is in that in this situation, Information Technology will play a central role. Service firms add value for their customers by employing technologies such as computers, intelligent terminals, and state of art telecommunications. IT is especially valued in

markets that have a fairly underdeveloped infrastructure. Company should also recognise the potential of realizing scale economies by centralizing their IT functions via information hubs.

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Global Marketing of Services

iii. Increased Value Consciousness:

- As consumers worldwide have more alternatives to choose from and have become more sophisticated; they have also grown increasingly value conscious.
- Since global service firms usually benefit from scale economies, such savings can be passed through to their customers.

Reduced costs to the customer

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Another important thing that the companies can do is to add value by differentiation. So one is in this situation we are talking of increased value conscious customers, so here we are talking of reduced cost to the customers.

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Global Marketing of Services

iv. Add Value by Differentiation:

- Service firms can appeal to their customers by offering benefits not provided by their competitors and/or lowering costs.
- Apart from monetary expenses, cost items include psychic costs (hassles), time costs (waiting time), and physical efforts.

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And now we are talking of differentiation, so there we have reduced the cost for the for the value of value conscious customers, now we are talking of differentiation, add value by differentiation and not by reducing cost. So service firms can appeal to the customers by offering benefits not

provided by the competitors and or lowering cost. So with this is the kind of value by differentiation we can add and not by reducing cost apart from monetary expenses cost items include psychic cost that include hassles in making decisions about which service to buy. Time cost that is a, waiting cost for service to be delivered and physical efforts.

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Global Marketing of Services

v. Establish Global Service Networks:

- Given the huge investments required to develop a worldwide network on its own, more and more companies are choosing to use outside partners for the purpose.
- Trends of firms grouping together to establish global network can be observed in service industries like airline travel and advertising.



32

And therefore now there is a need to establish global service network given the huge investments required to develop a worldwide network on its own, more and more companies are choosing to use outside partners for the purpose. So it is not that the company has to establish whole of the infrastructure itself, they can choose, outside partners, for this purpose. Trends of firms grouping together to establish global network can be observed in service industries like airline travel and advertising. For example you have Star Alliance, Air India is a part of Star Alliance for now, this is star Alliance has lots of airlines which operates across the world.

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Conclusion

- Product piracy has become one of the strongest challenge that the MNCs need to overcome.
- We have suggested several approaches that can be employed to tackle counterfeiting.
- We have also discussed different strategies that firms can use to handle negative COO stereotypes.
- Next, we covered the unique problems of marketing services internationally and strategies to overcome these problems.



To conclude product piracy is has become one of the biggest and the strongest challenge that MNC needs to overcome. And in each country there they enter they have a different kind of pirate waiting for them. We have suggested several approaches that can be employed to tackle counterfeiting, so one kind of technique may not work across the world, for the company will have to use a number of different techniques at different places across the world where they face piracy.

We have also discussed several strategies that firms can use to handle negative country of origin country of origin stereotypes. So if the countries of origin stereotypes are positive, then it is not a problem for that company that comes from that country, but for other companies coming from other country that becomes a problem, so, how to tackle with, tackle that kind of problems. Next we covered the unique problem of Marketing Services internationally and then strategies to overcome these problems. So, the prom, marketing of services internationally is difficult because of the characteristics of services and we have seen, we have talked about various strategies, to overcome these, these problems of marketing of service internationally.

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And these are the three books that have been used for this module thank you.