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A Study on assessing the extent to which market selection and the mode of entry choices contribute to the success of international marketing

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Abstract. This study will try to explain how to assess the chosen market in international level and the selection process of markets and its effects on the success of the businesses internationally and how to explain them most appropriately. This report aims to choose a target market, by the way, to analyze the markets why we chose this one and do not choose another one. However, the problem is how to dieresis the markets each one, in the first step we should analyze and explain the markets with the problem of environmental business marketing and the way to choose the markets in strategic marketing in the result we can work and be a customer of this market whom we choose it, and it is perfect for us.

Keywords. Marketing, Business, Target market, Analysis and International marketing

Literature review:

With all the development in the current time, reaching information and resources became much more comfortable than before. Nowadays, anybody who wants to generate new ideas can do it in days or maybe in hours thanks to the easy access to the network of data that the internet provides. However, the important thing is choosing among these ideas and analyzing them to pick the one which probably will succeed. (Schmidt, 2018) in her research about 5 Keys to Conducting a Market Opportunity Analysis mentioned that by saying "It is important to narrow down your options and make sure you focus on the ones that have the highest potential for success." ¹ Here she meant that focusing on the best alternatives that may in the future, be a good idea to work on. After choosing among alternatives, selecting the market that wants to be in is the next step, and here the challenges come to the stages because selecting a market process is not that easy when you look at it genuinely. Many managers fail in analyzing markets and underestimate many essential factors that might destroy company plans and future. As the president of ACM consulting Inc. says about it in his article 9 Questions to Ask When Assessing a Market "Too many companies are not able to assess the potential size of the market

¹ Sarah Schmidt (September 10, 2018) *5 Keys to Conducting a Market Opportunity Analysis*, Available at: <https://blog.marketresearch.com/5-keys-to-conducting-a-market-opportunity-analysis> (Accessed: 20 December 2019).

properly, the behaviours required to succeed in that market, as well as how much of the market is attainable and why."².

When we look at the market with a different perspective, when we understand that market means people, and try to understand their behaviours toward specific actions that companies do, we can analyze it better and make it as our competitive advantage and make it works for the company benefits. Francis Sabutey, Top-Notch Writer, Blogger and Digital Marketer noticed that, and he mentioned it in his article "It is about serving people, meeting their needs and solving their problems. When the business meets the needs of the customers, satisfy their desires and solves their problems, it will make more money and achieve a high level of profitability"³ and as Edward Nash, the founder of direct mail explains it "There is only one common denominator that you can count on – interest in your product"⁴.

One of the many essential tasks that managers need to think and analyze it to guarantee the accomplishment of their companies when they enter the international market is the tool, methods and factors that they are going to use with their process. The writer of the Factors to consider for international marketing article says "As technology gets more and more advanced and the world continues to become smaller and smaller because of it; those companies that market their goods or co-operation effectively internationally will take advantage of the huge growth potential that international markets now offer them"⁵.

Introduction:

With every step human take in developing technology, life became easier than before. With every second, technology breaks the borders of countries and make the whole world seems like a small village, a world when you can reach any point in it with a short time and in an easy way. That development in technology has changed every aspect of life, especially for the business world, technology opened the gates for entrepreneurs who dream of changing the world by remaining in the unit area.

In most of the cases when a company goes internationally, the dream might become a nightmare, the bubble that managers imagined burst and all dreams fall. This happens most of the time because of one reason, which is not understanding the market and thinks as it will be as the domestic one, and no factor will be added to the process. Knowing about the new market is so important, but managers also need to know about the people of that market, because people are different, they are different in interests, in the way they look at something, in the way they get influenced, they are different in almost everything. One of the deepest holes that managers fall into is that they depend on their perspective and ignoring the fact of that people might not see the product as they see it, they just do not analyze that they are different, they have different factors that affect them. The good managers always believe in data, in numbers, not in talking of their employees, customers and owners. That how they can make a good decision that far from risk and false assumptions.

Taking a step into the international market could be the first step to the glory of the company and its managers and employees, and it could be a step into the hell that will lead to the disappearance of the company name and may the whole company. Due to the importance of that step, it should be studied carefully and know the different elements that are going to do

² Andrew Miller (October 3, 2014) *9 Questions to Ask When Assessing a Market*, Available at: <https://www.entrepreneur.com/article/237983> (Accessed: 20 December 2019).

³ Admin (November 2, 2017) *How to Identify and Select the Right Target Market for Your Business*, Available at: <https://www.expandgh.com/identify-and-select-the-right-target-market/> (Accessed: 20 December 2019).

⁴ Edward L. Nash (2000) *Direct Marketing: Strategy, Planning, Execution*, 4th Edition edn., New York City: McGraw-Hill.

⁵ Anastasia (September 2, 2015) *Factors to Consider For International Marketing*, Available at: <https://www.cleverism.com/factors-to-consider-for-international-marketing/> (Accessed: 09-01-2020).

effects, starting from the product itself, market analysis, economic situations and any other small factors, and not ignoring anything even if it was small or weak, because most fail not because of not knowing the small factors, but because not giving recognition to the little factors and thinking that it will not paralyze the company future and operations.

Methodology:

In reality, it is very risky and not easy to enter global marketing because there are huge possibilities to face an unwanted situation or failure⁶.

The mode of international marketing entry defines as a stair or row for accepting and going into the new international marketing scale. It can be said that, around the world, there is no exact or unchanged mode to accept by the international marketing, depending on this we came to a specific statement which says, all modes of entry to an international company are significant and important depending on the situation⁷. It means any markets that want to be an international market from anywhere; they need to know which types of mode will be used for having a good and strong strategy. There is a number of modes which are most public around the world for markets such as, licensing, joint venture, exporting and sole venture, also Entry mode strategy is the most factor to success any company to become a global company⁸. It can be said that any entry mode strategy or process could be affected by three main factors including, region (location) profit, manager or ownership profit and foreign region profit⁹. So for being a good and globalized market or international market, we have to be able for a big competition that will happen between your company and others who want to collect more customers through spreading their products and qualities, because it's directly related to the types of products, management, and skills¹⁰. That is why a good decision is to require for entering international marketing, and it will affect the performance of any company that enter global marketing¹¹.

There are many companies that they don't want to be a globalize companies due to some reasons, including, having too much responsibility, more rules, more requirements. On the other hand, many other companies try to become global companies and become successful in joining international marketing due to:

- Working on a large scale due to enlarging economic rate
- High rate revenue
- Extending the time of the products
- Enlarging share of the company
- Being more famous and known around the world¹²

Also, another two important points for being the globalize market and spreading around the globe is,

- Strong brand

⁶ Devine, Å. (2011) *The selection of entry modes when penetrating a foreign market*, <http://www.diva-portal.org/smash/get/diva2:421070/FULLTEXT01.pdf>: diva-portal.

⁷ Wind, Yoram and Howard Perlmutter (1997) *On the Identification of Frontier Issues in International Marketing*, Columbia: Columbia Journal of WorldBusiness.

⁸ Root, Franklin J. (1983) *Foreign Market Entry Strategies*, New York: AMACON.

⁹ Caves, Richard E. (1982) *Multinational Enterprise and Economic Analysis*, Cambridge: Cambridge University Press.

¹⁰ Porter, M. (2004) *Competitive strategy Techniques for analyzing industries and competitors*, United States of America: First Free Press Edition, Free Press.

¹¹ Anderson (1987) *Modes of foreign entry: a transaction cost analysis and proposition*, --: Journal of international business studies.

¹² Explore the Strategy of International Marketing (2012) *International Marketing*, Available at: <https://www.marketing-schools.org/types-of-marketing/international-marketing.html> (Accessed: 09-01-2020).

This point is related to the way and process of developing or creating a product, high quality and specific brand will give high strength to your products and this lead to be more known by people throughout the globe. A high strong brand will bring more customers, so this will increase the possibility to become more famous and grow everywhere in the globe. With the perpetually rising and growing web, the brand structure has gotten to a bigger area a brand culture. To be progressively explicit, it has become increasingly common these days that the brand you support mirrors your way of life. It tends to harm on the off chance that you bargain your image culture. For instance, Google discovered the most difficult way possible when it propelled a self-blue-pencilled web index in China, even though China subjects its new media to government squares. Google's image has been known to make the world access data at whenever.

- Internet issue

All we know that there is too much propagation of the products; products cannot continuously accept a dissimilar plan for each country. That is why through internet markets can present their products and even their markets to reach their goals and become a good international market¹³.

The paper develops the body of knowledge on entering International marketing by addressing the shortcomings of traditional analysis and expands studies on emerging market potential.

Knowing the International market:

An early birth child born with no knowledge, but by time and by experiences, that young child starts exploring the life as it is, start knowing the challenges and problems that life brings in the way, and he or she starts to solve it and live with them. But by the time some of us start to forget that mechanism of that child and start to be a self-dependence creature, start to deal with life as the life created just for him or her and ignores the tool of learning and asking about the unknowing and of course because of many reasons. The successful one is the person who will always be that child who is willing to learn, who is curious about knowing everything. So before doing some actions, managers need and must know about it, especially about the battlefield in the business world, which is the market. But the good question here is how to know?

We can answer that question firstly by defining the international market, which is a market located outside a country border. So, knowing the differences of that market from the local one will help managers to know it better, and according to this information that will be gathered on that specific market, the total operations will be modified to handle these changes.

Market selection:

Selecting market process is not that easy task that you can do it in one night, selecting market means choosing that market rather than the alternatives markets and the business will operate there for years, so you will be affected by that market for a long time, managers should know if that effect will be positive or negative. Selecting the new market should be based on so many factors, one of them is whether this market will serve for the company benefits or not, or the company goals will be served there or not, for example, if the company needs to increase the sells by 5% and that market will do that task. The other important factor for deciding on

¹³ Martin (September 26, 2016) *Global Marketing: Strategies, Definition, Issues, Examples*, Available at: <https://www.cleverism.com/global-marketing-strategies/> (Accessed: 09-01-2020).

market selection is the people culture of that market and how it will respond to the company product based on language, awareness, education, religion and demographic factors.

Steps for going internationally:

In the business world, there is no general blueprint or steps to do a task due to the variety of businesses and industries, so each one needs its specific plan to conduct it. But we can mention the main five steps that every other step divided from them, which are:

- The company should understand why they need to increase their work and go internationally and make the decision of being an international business.

- The company should analyze and study all possible markets to know whether if there is any that goes with the flow of the company goals and mission.

- The managers of the organization should know what is the best entry of that market is and match it with their product and company abilities.

- The marketing department should prepare a marketing plan to go internationally-based of the 4Ps of marketing.

Finally, the company should decide about the operations decisions.

Start the process

Marketing barriers

The things which come easily goes easily and growing a company will not be an easy task to handle. The decision of going internationally will not be a purple way with flowers; it will be a tough road with many challenges and problems that managers must be ready to deal with. The international market is surrounded by many barriers, and here some of the barriers will be explained and how to solve them in order to not fail the business.

- The first concern that must be thinking of is the political and legal barriers. The company must understand the politics of that country and know which party has the power there and how the political system performs there in order to not getting in problems with them. And study the legal system of that country and see if that system is comparable with the company operations, mission, goal and product.

- The second barrier is the customers. The main block of the purchasing process is the customers because if there is no customer, there is no business. The company must know their clients' requirements and needs and their reactions toward the company actions in that specific market.

The interior and outer situation of the business is considered as another barrier to entire that market, the internal environment means the controllable factors of the company and how to change it to make it appropriate to that market, and the external environment which are the uncontrollable factors which the company must adapt them to not be affected by them.

The economic barrier is another problem which means not entering that market in term of its economy or because of the local economy.

Political and legal environments

Obviously, from the recent times until now, politics and laws have a powerful influence on any movement inside a border. It controls the gain of power of any individual and group, and when a company enters a market it will gain money which means power, so politics control any movement of that power and tries to keep the balance of it. So, businesses must keep monitoring the political and legal system. Sometimes these environments produce good opportunities for the business to get more profits like they put new laws for factories to prevent

the pollution, here the companies might find solutions for them and start their businesses with them.

Consumer and organizational behaviours

One of the usual excellent things in humans is they are different because they will study from any other and their interests are different. For example, the product which the company produces is not appropriate with the local customers, but it might be good for others and vice versa. So, knowing the distinctions within these two groups is so powerful to ensure success in business. It can be explained in a really stupid way, by asking who, how, why, where, when and what. Who are the customers that the company will target and understand their behaviours, how the company will flawlessly serve them and covers their needs and wants, why the company should do some specific actions and why the customers will make the purchase process, where should the company serve its customers, when should the company serve its customers and what should provide for its customers, by answering all these questions, the company will understand the customer's behaviours and deal with it correctly. But to understand the customers, the company must pay huge attention to its behaviours and how its employees work and how to get their maximum potentials to serve the customers.

International market entry

The first impression in any relationship is the most powerful, that's why people who know how to generate an excellent first impression is useful in the relationships. The relationship of people is so much similar to the relationship of the company and their customer, that's why the way the companies will entire the market will be the first impression of the product for the customers. There are multiple models of entries to the international market; the company must know which one to choose among these types according to its structure, foreign market, customers, products and the legal and political factors. But in some cases, there is no type of entry can serve the company because it might have different operations; in this case, the managers should create a unique way to enter that market.

Factors of success

The elements of the business structure in an effective business involve directing statistical surveying as a major aspect of building your marketable strategy. By inspecting the administration structure of effective organizations in your industry, you can dependably pick vital strategies that can work for your business. The key achievement factors you track for your business enable you to construct your focused system. Key Success Factors (KSFs) are what you have to do to make long haul business progress. Some regular KSFs incorporate growing your client base, and discovering approaches to make more noteworthy efficiencies in your bookkeeping or stock control. Associations around the world create key designs. They cautiously make a dream of their future and the methodologies expected to arrive. Be that as it may, much neglect to understand their vision and neglect to convey the normal vital outcomes. Lamentably, official groups can't pinpoint the purposes behind this problem, so they rehash the vital arranging cycle, again and again, continually trusting that the following key arranging assembly will get better results. What's more, obviously it doesn't. In all actuality, there are a few key achievement variables of a business. Such as, organization pioneers must comprehend the key components to maintaining an effective business before they can guide their central goal and vision articulations the correct way. Although the key achievement elements of a business may not be a one-measure fits-all, some components are regular too many flourishing organizations.

Fundamental achievement factors are best expressed as activity states and may incorporate the methods and additionally wanted outcomes and besides the activity. Here are five essential vital factors the first one is managing and developing people, Strategic focus – In today's rapidly changing world, Operations, Physical resources, finally, Customer relations.

Conclusions:

Finally, all the companies want to grow and get more shares in that industry, and due to the technological development, reaching more customers became a matter of days if not hours, that gives good opportunities for the companies which want to become an international.

Becoming international is not that easy, to make the process goes smoothly, businesses must study and analyze the market that they will serve and understand the factors that are going to have effects on the success level of their operations and try to understand the differences and tries with their best to adopt the changes that they are going to face in that market to reduce the risk of failing and destroying what the company accomplished before.

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