CHAPTER I

INTRODUCTION

Problem Statement

The world has indeed become a smaller place. International marketing has intensified and is evident in nearly all aspects of daily life. The shoes one wears may come from Brazil, stockings from China, trousers from Taiwan, belts from Korea, shirts from France, ties from Italy, and watches from Switzerland. Competitive forces are no longer restricted by local regions or national boundaries. According to Toyne and Walters (1993), to be successful in today's economy, companies must be simultaneously responsive to local and global market conditions, within the context of being supportive of the company's own overall strategies. "The global corporation accepts for better or for worse that technology drives consumers relentlessly toward the same common goals-alleviation of life's burdens and the expansion of discretionary time and spending power" (Levitt 1983, 99). This is especially true in a world of increasingly complex competitive structures. Companies must resolve the strategic issues of product/market scope, long-term objectives, and functional policies. International marketing skills are an important ingredient for every company, whether or not it is currently involved in exporting activities (Buzzell and Quelch 1987).
International marketing skills are important ingredients for every company, therefore it is vital to identify which skills are needed. After searching the literature, there seemed to be no studies regarding identification of the specific skills needed to be effective in international marketing. Three studies (Busche and Bergerud 1990; Scott 1989; and Graham and Grønhaug 1989) were completed, however, to determine the general perceptions of business people regarding their need for international trade training. Each of these studies concluded that international marketing was the number one priority area for international business training.

A study was completed by Busche and Bergerud (1990) who found that nearly 77 percent of the respondents supported a need for international training. Marketing was the area identified by nearly 64 percent as a potential problem area. Respondents showed a special interest in international marketing with a highly perceived need for training in six topics: (1) research on foreign markets; (2) working through agents and distributors; (3) export marketing know-how; (4) how to find international opportunities; (5) developing an international business plan; and (6) cultural aspects of sales to foreign consumers. These topics were mixtures of both skill sets and areas for knowledge acquisition, yet clearly identified the general area of international marketing as a priority.

Another study concurred with the identification of international marketing as a topic deserving training priority. Scott (1989) found that 84 percent of the
southern California business respondents polled expressed a need for training at the California community colleges. The course selected by 67 percent as being useful to employees was International Marketing. The conclusions of this study did not reveal any insight about which skills were needed to be effective in international marketing. There remained a need to identify skills needed to be effective in international marketing.

Since the vast majority of international marketing studies involve context-specific knowledge because markets and cultures are widely disparate across countries (Myers, Greyser, and Massey 1979), general skills for effective international marketing have not been identified. As Graham and Grønhaug (1989) say, this may be why not much has been learned about international marketing in the last twenty-five years,

Business schools have recently been accused of teaching irrelevant topics as well as doing inadequate research . . . Doctoral dissertations are the keystone of knowledge development in marketing . . . Because theories of international marketing are not well formed, a more exploratory approach, rather than a confirmatory one, will often be appropriate. (153-165)

The conclusion of this study is that research should pursue an exploratory approach to building knowledge in international marketing. Research identifying the skills needed to be effective in international marketing may, in fact, create the progressive portfolio of skills needed to cut across context-specific knowledge and themes effectively. A progressive portfolio of international marketing skills would allow employees to accumulate skills that help them
"adapt to technological and market changes, to improve their prospects or to explore their potential" (Wills 1993, 4-2).

Conclusions from the three studies previously cited clearly point toward the necessity to identify which skills are needed to be effective in international marketing. However, these studies also indicate that there is much difference of opinion regarding which international marketing skills are most important. Using both applied and theoretical expertise, that is a mixture of accomplished international marketers, and academic international marketing experts could provide a sound assessment of the relative importance of international marketing skills.

The structure of the field of international marketing has remained basically the same over the past several decades; however, the emphasis given within the literature clearly reveals that international marketing activities have been given disparate breadth and depth of coverage over the years, with distinct clusters of international marketing skills being emphasized sporadically throughout the time period from Borden (1964) up to Smith and Steward (1995). The marketing mix elements of product, price, place, and promotion, as postulated by Neil Borden (1964), were emphasized as the basis for marketing activities for several decades, yet a study completed by Berry (1990) which ranked the importance of marketing mix activities, offered a distinct difference of opinion. The Berry (1990) study identified customer sensitivity as the most
important marketing mix activity. This reflects a major shift in emphasis regarding the importance of various types of skills—from certain skills being needed primarily by employees within the marketing function, to certain skills now being needed by all employees whose work affects customers, which "involves almost everyone in the business" (Hiam and Schewe 1992, 19).

Disparate emphasis on the importance of various types of international marketing skills continues in recent literature and studies. The switch in emphasis to personal skills is reflected by other recent literature as well. "A company's ability to conduct business in global markets depends primarily on how closely the skills of its personnel match the opportunities present in the market" (Dahringer and Mühlbacher 1991, 204). International marketing is viewed as a system of interacting and interrelated activities which requires multifunctional skills, according to Albaum et al. (1994).

Levels of importance attached to types of experience, personal qualities, and skills needed for effective international marketing may also be based on a description of the ideal candidate for an international marketing job,

He or she should be recognized as a "comer," as a well-rounded businessperson who has built a monument on each of his or her jobs; may have worked in more than one function and has shown expertise in each; is bright, inquiring, and interested; knows the Global Enterprise Company and how to use its strengths both domestically and offshore; is an authority on his or her product lines; is the kind of person who might conceivably develop into general managership, since he or she will be pioneering and
establishing a new business in oftentimes an unfamiliar market area. (Keegan 1989, 708)

Skills needed to be effective in international marketing may encompass more than just the technical skills needed on the job. According to Michael S. Schell, president of Windham International, a New York-based global relocation-management company,

Expatriate assignments rarely fail because the person cannot accommodate to the technical demands of the job. The expatriate selections are made by line managers based on technical competence. They fail because of family and personal issues and lack of cultural skills that haven’t been part of the process. (Solomon 1994, 52)

Given the distinct opinions regarding skills needed for effective international marketing, there is a need, therefore, for international marketing experts, both accomplished international marketers and academic researchers to determine the importance of each of the skills identified as being needed for effective international marketing.

The need exists not only to identify the skills necessary for effective international marketing and determine the importance of each of these skills, but also to pragmatically identify the degree to which employees have these skills. A need exists to identify the extent to which employees perceive that they have the identified skills. These skills encompass more than just the technical aspects of international marketing. A means of identifying the gap between the skills these employees have and the skills they need, and an understanding of this gap is required before appropriate training programs can be developed.

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Purpose of the Study

The purpose of this study was to: (1) identify the skills needed to be effective in international marketing; (2) identify the level of importance of each of these skills; (3) identify the degree to which these skills are present in employees of exporting companies; and (4) describe the gap between the skills these employees have and the skills they need.

Research Questions

1. What skills does a panel of experts identify as being needed to be effective in international marketing?

2. What level of importance does a panel of experts attach to each of the identified skills?

3. To what degree do employees in exporting companies perceive they have these skills?

4. What is the extent of gap between the skills employees in exporting companies have and the skills identified by a panel of experts as being needed to be effective in international marketing?

Significance of the Study

The results of the study are significant in several ways. Most important is that the identification of the general skills needed to be effective in international marketing have not been previously studied and are especially needed at a time
of a rapidly changing global economy. Second, this research indicates the level of importance attached to each of the identified skills, which identifies high-need areas. Third, it provides information on the degree to which employees in exporting companies typically have these skills. Finally, if there is a gap between the skills employees in exporting companies have and the skills they need to be effective in international marketing, the study will provide information on types of training modules needed to develop the skills identified as necessary.

Much research has been completed regarding general international business training needs. However, the studies have been limited to the identification of course selection priorities, which indicate skill bundles. The results of such studies have consistently shown that the general field of international marketing is perceived to be a high priority for employee training. Answers to the research questions listed above will pinpoint specific skill areas which may be included within the general course description of international marketing. It will add to the body of knowledge regarding the general area of international marketing by delineating specific skills needed for effective international marketing, thus it will contribute to both the study of international marketing as well as practical application for training needs.

**Operational Definition**
For the purpose of this study, international marketing was defined as follows: "The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges" occurring among two or more countries "that satisfy individual and organizational objectives" (American Marketing Association 1985, 1).