CHAPTER VI
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

Chapter VI presents a summary of this study including the purpose, research methodologies and major findings. Based on these findings, conclusions are drawn relative to international marketing skill-based training programs for small and medium actively exporting companies. Recommendations are also given for further research.

Summary of the Study

The Problem

International marketing permeates all aspects of daily life. The shoes one wears may come from Brazil, stockings from China, and trousers from Taiwan. Consequently, international marketing skills are important for every company, whether or not it is currently involved in exporting activities (Buzzell and Quelch 1987). According to Busche and Bergerud (1990), Scott (1989), and Graham and Grønhaug (1989), international marketing is the top priority for international business training. However, these studies do not establish the specific skills needed for effective international marketing. The studies also do not convey consensus about the importance of these skills. Unless we identify the skills...
needed and the extent to which they are possessed by international marketers, it will be impossible to develop appropriate training programs.

**Purpose of the Study**

The primary purpose of this study was to answer four research questions:

1. What 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?

**Methodology**

To identify the important skills, data were collected through a Delphi panel of thirty participants who had applied and theoretical international marketing expertise. The panel consisted of academic and practitioner experts. The Delphi process was well suited to identify skills needed for effective international marketing and to build consensus regarding the importance ratings for each skill.

To identify the possession of skills within industry, seventy small and medium-sized exporting companies were surveyed. Companies with an annual
export sales volume of between $500,000 and $50 million were questioned regarding the degree to which they perceived that employees possessed the skills identified through the Delphi process.

The extent to which the skills were possessed was compared to the degree to which the skills were considered important. The priority matrix structuring device (Harvey, Bearley, and Corkrum 1995) displayed these data in a way that allowed skill-based areas for training programs to be prioritized.

Major Findings

The Delphi panel members identified sixty-six skills as being needed for effective international marketing; they reached consensus on fifty-six skills relative to importance. These sixty-six skills were classified into five general categories: (1) planning and operational skills; (2) pricing skills; (3) promotional skills; (4) product skills; and (5) distribution skills.

The Delphi panel determined that the ten most important skills were: (1) assess suitability of your product to foreign markets; (2) adapt to foreign business practices, cultural differences, and protocol; (3) negotiate effectively in a multicultural setting; (4) identify, evaluate, qualify and select foreign distributors/agents/EMC/ETC; (5) communicate clearly with others when English is not their first language; (6) develop promotional/presentation materials/product literature; (7) determine appropriateness of product adaptation versus standardization (e.g., use local language on product packaging);
(8) assess foreign market size and potential; (9) evaluate and select appropriate foreign market entry alternatives; and (10) evaluate and select international pricing strategies.

The top ten skills were evenly spread among the general skill categories of planning and operational skills (three), pricing skills (two), product skills (two), and distribution skills (two). The promotional skill category contained only one of the ten most important skills.

The ten skills which practitioners possessed the least were: (1) evaluate and select appropriate telemarketing organization; (2) evaluate and select appropriate public/governmental relations specialists; (3) analyze and manage "gray market" activity; (4) evaluate and select appropriate international advertising agency; (5) explore other promotional alternatives that may be characteristic of a given country; (6) conduct a global competitive analysis; (7) assess foreign market legal environment implications; (8) assess international marketing training needs; (9) review various classification numbering systems (e.g., SIC, HTS, SITC); and (10) appropriately utilize U.S. state and federal export promotion programs.

These ten skills, rated as having the lowest degrees of possession, were concentrated in the categories of promotional skills (five) and planning and operational skills (three). The pricing skill and product skill categories contained one each, and there were zero distribution skills of the lowest ten.
The priority matrix structuring device was utilized to identify training needs. The degree of possession ratings was compared with the degree of importance ratings. International marketing training categories were established based on: (1) low possession and high importance; (2) medium possession and high importance; and (3) low possession and medium importance.

The study results indicated that, while none of the sixty-six skills fell into the top training category, twenty-three skills were placed into the second training category, and one was placed into the third.

The ten skills rated as having the highest international marketing training priority were how to: (1) explore other promotional alternatives that may be characteristic of a given country; (2) identify and abide by legal issues relative to foreign promotion; (3) assess foreign market size and potential; (4) evaluate and select appropriate promotional mix; (5) write and implement an international marketing plan; (6) evaluate and select appropriate foreign market entry alternatives; (7) adapt to foreign business practices, cultural differences, and protocol; (8) select, recruit, compensate, train, and manage an international sales force; (9) analyze import/export government regulations; and (10) secure foreign country/government approvals (product, safety, environmental, and quality standards).
Conclusions

This study identified the necessary skills for effective international marketing, attached degrees of importance to each of these skills, determined the degrees to which employees of small and medium-sized actively exporting companies possessed these skills, and prioritized international marketing training needs based on the findings. There are three major managerial implications based on the findings. The first two conclusions are presented for academicians and corporate training personnel to consider as they develop international marketing training programs. The third conclusion is presented for corporate managers to utilize as an assessment tool when gauging readiness to conduct international marketing activities.

1. **Since small and medium-sized actively-exporting companies indicated that their employees had medium or higher degrees of possession across 99 percent of the skills, there may be some reluctance to engage in training programs, unless the payoff is obvious.**

   These companies will probably not attach urgency toward participation in international marketing training programs, because they perceive that they already possess a high enough degree of skill in most of the international marketing areas. The results probably would have been much different had a population of companies with little or no export experience, or companies, which tried to export unsuccessfully, been surveyed.
The results are most meaningful when applied to marketing training programs to companies who are actively engaged in exporting. These companies will probably be hesitant to participate in training programs related to areas where they perceive they already possess what they consider to be "adequate" skills. This means that emphasis should be placed on why "adequate" levels of skills in international marketing are no longer acceptable, especially in a competitive global economy. The advertising emphasis when marketing these types of training programs to small and medium-sized actively-exporting companies should be placed on the importance of updating international marketing skills; that what is considered to be "adequate" today, may not be considered to be "adequate" tomorrow.

2. **Skills falling into the international promotional skill category, should be the topic most emphasized when offering international marketing training programs to small and medium-sized-actively exporting companies.**

Small and medium-sized actively-exporting companies perceived the promotional skill category to be their most deficient. Five out of the ten skills "possessed the least," and none of the ten skills "possessed the most," fell into the promotional skill category. Respondents from exporting companies perceived none of the promotional skills among their strongest. However, half of their weakest skills overall were promotional skills.
Based on their raw importance ratings, six of the promotional skills were of high importance and six were of medium importance. While the Delphi panel did agree on the importance level of the one promotional skill rated as being among the ten overall most important, the panel disagreed on the importance level of six of the twelve skills that constituted the promotional skill category, of which three were rated as being among the ten overall least important. This suggests that the expert panel members did not concur that any of the promotional skills should be ranked among the ten overall least important.

Training priorities, through the use of the priority matrix, however, were not based on importance ratings alone; they were based on combinations of importance and possession ratings.

International promotional skills have clearly dominated as the top international marketing training category. The results of this study indicated that three promotional skills were placed within the top four training priorities overall: (1) explore other promotional alternatives that may be characteristic of a given country (priority one); (2) identify and abide by legal issues relative to foreign promotion (priority two); and (3) evaluate and select appropriate promotional mix (priority four).

It thus becomes evident that the international promotional skill category should be the topic most emphasized when offering international marketing training programs to small and medium-sized actively-exporting companies as
we consider the following facts: (1) respondents of actively-exporting companies stated that promotional skills were their weakest area; (2) a panel of experts agree that one promotional skill ranks among the ten most important international marketing skills, even though they disagree somewhat about whether any of the promotional skills should be among the ten least important; and (3) three of the top four overall training priorities fell into the international promotional skill category.

3. **This study has produced a new tool for assessing the extent of international marketing skills within companies.**

Since no method existed for companies to find out whether or not they had the necessary skills, for effective international marketing, one of the primary purposes for this study was to identify essential skills needed. This study produced a comprehensive list of skills and identified which of those skills were considered to be most important by a panel of international marketing experts, against which a company can conduct an international marketing skills assessment. These skills cut across the general skill categories of planning and operational skills, pricing skills, product skills, distribution skills, and promotional skills. Of the sixty-six skills identified by members of a panel of experts as being needed for effective international marketing, the panel agreed that twenty-one were highly important.
Companies should use the assessment instrument to survey employees for their perceived level of possession for each of the skills, as well as for examples of specific competencies they possess that relate to each of the skills. In order to get the most unbiased response, the company should set the stage for the assessment by explaining to employees that low possession ratings may simply be due to the fact that the skill may not be entirely applicable to their job, or perhaps that it may be an area in which the company needs to provide additional training emphasis.

The instrument should direct employees to augment each skill with employee-specific competencies they feel they possess, whether or not the area is applicable to their present job duties. They should also indicate whether or not they feel that each of the skills is applicable to their particular job duties, and if applicable, they should indicate their perception about the degree that they possess each of the skills, on a scale of one to eight, where one equals "do not possess" and eight equals "strongly possess."

After all appropriate employees in a company complete this assessment, those skills, which receive low possession ratings, should be examined to determine the degree to which they are currently outsourced (provided by others), and are applicable to the business. Employee training programs should be developed, based on these findings, in an effort to build skills in appropriate
areas of international marketing where insufficient skill levels exist and no outside sources are available or utilized.

The assessment instrument also provides companies with information about which employees possess competencies related to different aspects of international marketing. This is meaningful in that it provides information about which employees within a company might perform various tasks related to international marketing, whether or not those areas are part of actual job descriptions. This type of assessment would go a long way to assist firms in identifying competencies of employees, many of which may have been "hidden" or underutilized within the firm. The assessment instrument is presented on the following pages.

This study has produced a new tool for assessing the extent of international marketing skills within companies. The assessment instrument gives companies a method to determine: (1) which international marketing skills employees perceive are applicable to their jobs; (2) the extent to which employees within the firm possess applicable international marketing skills; and (3) examples of specific competencies employees possess that relate to each of the skills, whether or not they are applicable to their job duties. The results from this type of assessment can give companies a better understanding of the extent and nature of their international marketing training needs.
# INTERNATIONAL MARKETING SKILL ASSESSMENT INSTRUMENT

<table>
<thead>
<tr>
<th>PLANNING AND OPERATIONAL SKILLS</th>
<th>Applicable (Y) (N)</th>
<th>If Applicable – Degree You Possess</th>
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<tbody>
<tr>
<td>1. Write and implement an international marketing plan; Examples of your competencies related to this skill–whether or not this is part of your job duties</td>
<td>1 2 3 4 5 6 7 8</td>
<td>1=Do Not Possess 8=Strongly Possess</td>
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<td>2. Assess foreign market size and potential; Examples of your competencies related to this skill–whether or not this is part of your job duties</td>
<td>1 2 3 4 5 6 7 8</td>
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<td>3. Develop insights concerning foreign customer buying/technical decision-making behaviors; Examples of your competencies related to this skill–whether or not this is part of your job duties</td>
<td>1 2 3 4 5 6 7 8</td>
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<td>4. Adapt to foreign business practices, cultural differences, and protocol; Examples of your competencies related to this skill–whether or not this is part of your job duties</td>
<td>1 2 3 4 5 6 7 8</td>
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<td>5. Communicate clearly with others when English is not their first language; Examples of your competencies related to this skill–whether or not this is part of your job duties</td>
<td>1 2 3 4 5 6 7 8</td>
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<tr>
<td>6. Analyze import/export government regulations (costs/risks); Examples of your competencies related to this skill–whether or not this is part of your job duties</td>
<td>1 2 3 4 5 6 7 8</td>
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### PRICING SKILLS

7. Evaluate and select international pricing strategies;  
   Applicable (Y) (N)  
   Examples of your competencies related to this skill—whether or not this is part of your job duties

8. Evaluate and select appropriate international payment methods (TT, L/C, D/A, D/P, Open Account, Countertrade, Offset);  
   Applicable (Y) (N)  
   Examples of your competencies related to this skill—whether or not this is part of your job duties

9. Negotiate effectively in a multicultural setting;  
   Applicable (Y) (N)  
   Examples of your competencies related to this skill—whether or not this is part of your job duties

10. Determine costs associated with overseas customs duties and regulations.  
    Applicable (Y) (N)  
    Examples of your competencies related to this skill—whether or not this is part of your job duties

### PRODUCT SKILLS

11. Assess suitability of your product to foreign markets;  
    Applicable (Y) (N)  
    Examples of your competencies related to this skill—whether or not this is part of your job duties

12. Determine appropriateness of product adaptation versus standardization (e.g., use local language on product packaging);  
    Applicable (Y) (N)  
    Examples of your competencies related to this skill—whether or not this is part of your job duties

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13. Review packaging, packing and labeling requirements;  
Examples of your competencies related to this skill—whether or not this is part of your job duties

14. Secure foreign country/government approvals (product, safety, environmental, and quality standards);  
Examples of your competencies related to this skill—whether or not this is part of your job duties

15. Identify "what you are selling".  
Examples of your competencies related to this skill—whether or not this is part of your job duties

DISTRIBUTION SKILLS

16. Evaluate and select appropriate foreign market entry alternatives;  
Examples of your competencies related to this skill—whether or not this is part of your job duties

17. Identify, evaluate, qualify and select foreign distributors/agents/EMC/ETC;  
Examples of your competencies related to this skill—whether or not this is part of your job duties

18. Select, recruit, compensate, train and manage an international sales force.  
Examples of your competencies related to this skill—whether or not this is part of your job duties

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### PROMOTIONAL SKILLS

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<td>19. Identify and abide by legal issues relative to foreign promotion;</td>
<td>Applicable (Y) (N)</td>
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<td>20. Develop promotional/presentation materials/product literature;</td>
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<td>21. Explore other promotional alternatives that may be characteristic of a given country.</td>
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**Recommendations for Further Research**

The results of this study provided a foundation that could be used to initiate several additional studies: (a) using the skills identified for effective international marketing as the foundation for designing skill standards for effective international marketing practice; (b) using the general international marketing training priorities to establish industry-specific international marketing training modules; (c) validate the international marketing skill assessment instrument and develop additional international marketing audit tools, methods and instruments; and (d) using the skills identified for effective international marketing as the foundation for addressing the merits of outsourcing options.
For that reason, the recommendations made for further research focus on additional studies that might refine the results of this study.

1. A study should be conducted to determine which tasks are required to effectively perform the top training priorities as concluded from this study. Tasks should be delineated in the form of skill standards, with simplified checklists to determine training content, and level of competency.

2. A study should be conducted to determine the content for specific international marketing training modules as they relate to specific standard industrial classification (SIC) codes. Study results should produce training modules with additional refinements and specific skills relative to the specific training needs for each industry sector.

3. A study should be conducted to determine the degree to which actively exporting companies have the ability to correctly assess the extent their employees possess various international marketing skills, using the proposed assessment instrument. Emphasis should be placed upon the extension of the proposed assessment instrument and its validation as an accurate, yet practical, assessment tool and method that could easily be self-administered by most firms.

4. A study should be conducted to determine the extent that outsourcing options exist relative to each of the skills identified for effective international marketing. Outsourcing options extend the international marketing skill base of
the company, by way of retaining, hiring, or partnering with other entities to perform the tasks associated with those skills. Emphasis should be placed on the identification of the most common sources for outsourcing, and on the description of how to utilize these sources for effective implementation of specific tasks associated with these skills.