# Revisiting international marketing strategy in a digital era Opportunities, challenges, and research directions

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## Abstract

**Purpose** – The purpose of this paper is to explore the opportunities and challenges facing firms in this new digital era concerning their international marketing strategy and examine how international marketing practices can be revisited in the light of these developments. Consideration is given to a range of relevant issues involved in the design and deployment of effective international marketing strategies using internet-enabled technologies. Such factors relate to internal company requirements, the external environmental situation, foreign market selection and entry, international marketing mix programs, and strategy implementation and control aspects.

**Design/methodology/approach** – A conceptual paper identifies, structures and presents systematically factors influencing international marketing strategy, implementation and control using digital technologies. **Findings** – The authors point to the relevance and potentially important role that the deployment of online organizational resources and capabilities play in influencing foreign market selection and entry decisions and international marketing strategy choices, implementation and control. The authors thus explain how the use of digital technologies can facilitate the firm's foreign market choices and the adoption of effective marketing programs, and offer insights into the adoption of digital tools in more effectively implementing and controlling the firm's international marketing strategy.

**Originality/value** – The originality and value of this conceptual study is reflected in the identification and discussion of factors comprising the organizing framework of an international marketing strategy using internet-enabled technologies and in the examination of fruitful avenues of future investigation as a result of the need to redesign international marketing strategies in a new digital era.

Keywords International marketing, Marketing mix, Strategy, Online marketing

Paper type Conceptual paper

## 1. Introduction

Advances in information, communications and transportation technologies, coupled with the intensified use of the internet and social media on a worldwide scale, have been responsible for increasingly breaking the barriers faced by many firms in operating beyond national boundaries (Javalgi *et al.*, 2012). This is particularly true for resource-constrained firms, especially those of small-to-medium-size enterprises, which now have the motive, flexibility and swiftness to exploit opportunities and confront challenges in foreign markets more effectively and efficiently than ever before (Lituchy and Rail, 2000; Moen *et al.*, 2003). New digitalized technologies have indeed revolutionized the way firms are conducting their business with buyers abroad, by providing significant help in searching for, targeting, serving and communicating with customers in any part of the world (Glavas and Mathews, 2014).

This new digital era can benefit firms operating or wishing to pursue opportunities in the international marketplace in a number of ways, such as establishing and nourishing

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business relationships with customers in various and distant foreign markets, irrespective of economic, political, cultural or other differences; collecting reliable and useful information about buyers, competitors and environmental conditions in different countries, helping in this way to make better informed international marketing decisions; obtaining a cost effective personalization and customization of their market offerings across different countries; managing business transactions across borders in a faster, cheaper and more straightforward way, thus increasing their competitive edge and improving financial performance; and simplifying the way international business is conducted through, for instance, electronic data transfers, electronic payments and online export assistance (Gregory *et al.*, 2017; Yip and Dempster, 2005; Kaynak *et al.*, 2005).

Firms can use digitalized technologies, devices and tools as a means to circumvent various barriers, including those pertaining to the location and analysis of foreign markets, the identification of overseas opportunities, and the communication and interaction with foreign customers, which have traditionally being viewed as seriously hindering company engagement, operation and expansion in international markets (Leonidou, 2004). This is because, as opposed to the traditional way adopted in foreign market activities, the adoption of a digital approach to international business: is both less costly and risky in operating in overseas markets, while transactions with foreign customers are conducted in a smoother way; relaxes the inhibiting effect of various geographic and psychological constraints, thus allowing the firm to deal more competently in diverse, complex and distant markets; and avoids controls, restrictions and other obstacles imposed by foreign governments and regulatory bodies, while at the same time reducing dependence on domestic infrastructural systems (Yip and Dempster, 2005).

Despite this changing international marketing scene as a result of growing digitalization, it is surprising to find that academic research has been left behind practice development, particularly as regards its impact on strategic marketing issues (for indicative studies on the use of digital technologies on international marketing strategy, see Table AI) (Leonidou *et al.*, 2018). Hence, the primary purpose of this paper is to explore the opportunities and challenges faced by firms in this new digital era as regards their international marketing strategy and consider how international marketing practices can be revisited in view of these developments. Our analysis covers various issues involved in the design and deployment of effective international marketing strategies using internet-enabled technologies, which relate to internal company requirements, the external environmental situation, foreign market selection and entry, international marketing mix programs, and strategy implementation and control aspects (see Figure 1). The remainder of the paper is organized around each of these international marketing strategy-related issues, while in the closing sections we draw conclusions, discuss managerial implications and propose directions for future research on the subject.

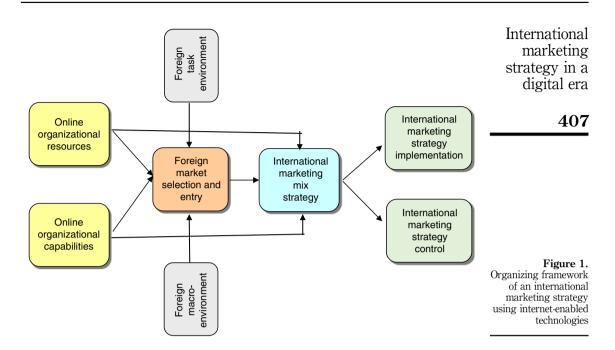
#### 2. Internal company requirements

#### 2.1 Organizational resources

Being familiar, having access, and knowing how to handle state-of-the art digitalized technologies, coupled with powerful information technologies and artificial intelligence tools, are of paramount importance in developing and implementing a sound international marketing strategy that will successfully pursue opportunities and accommodate challenges in today's global business environment (Mathews *et al.*, 2016). This is an important organizational resource, which becomes even more critical when it is successfully combined with other resources, such as the availability of specialized export personnel, adequate financial means and sufficient production capacity, which are also conducive to the firm's success in overseas markets (Bianchi and Mathews, 2016; Leonidou, 2004). The effectiveness of digitalized technologies in international marketing is becoming even



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stronger, when these are integrated with applications of similar technologies in other enterprise functional areas, such as procurement, manufacturing, and research and development (Fahy and Hooley, 2002; Kim *et al.*, 2018).

Developing and maintaining international marketing activities using online tools requires substantial time and effort, as well as the continuous support of adequate financial, human and technological resources (Morgan-Thomas and Bridgewater, 2004; Mozas-Moral *et al.*, 2016). It also needs managers who are both committed and dedicated to monitoring the firm's presence in various online sites and constantly updating, adapting and responding to changes that are taking place in the global marketplace (Theodosiou and Katsikea, 2012). For instance, outdated company websites, neglected corporate blogs and unanswered questions raised in social media by individuals make a poor impression of the company and, in fact, signify that it does not really care about its customers and their requirements (Kim and Lee, 2002; Lee and Lin, 2005). It may also damage the firm's reputation as a reliable and trustworthy supplier of goods to foreign customers who, as a result, may develop disapproving attitudes toward the firm's product offerings and engage in negative word of mouth.

#### 2.2 Organizational capabilities

The possession of the right online capabilities is also crucial in enabling the firm to discover and exploit international opportunities better and faster than its competitors. Such capabilities are vital in generating, integrating and responding to information obtained from interactions with foreign customers, which can subsequently help to enhance customer generation, retention and expansion across different countries (Mathews *et al.*, 2016). Moreover, they can be instrumental in better adapting the firm's marketing programs to the peculiarities of different foreign markets, as well as more swiftly responding to any changes and better accommodating any uncertainties stemming from the international business environment (Perry and Shao, 2005). Furthermore, they can enhance the firm's relationship building potential by improving communication, trust, commitment, and satisfaction with



foreign intermediaries and end-users, as well as assisting in the development of useful business networks around the globe (Mathews *et al.*, 2016).

Online capabilities can also enhance the firm's international market orientation through the exploitation of the wealth of information provided by consumers in various platforms and the social media (e.g. consumer demographic profiles, psychographic data, product/service ratings). This is facilitated nowadays by Big Data collection methods (e.g. data mining), powerful analytical tools (e.g. data science) and new technological platforms (e.g. Google Cloud Platform). Indeed, firms can now analyze the content of the messages exchanged by consumers across markets and obtain useful information about their attitudes, habits, interests and preferences, as well as their perceptions about competing brands. This plethora of data can be of tremendous help to international firms in formulating and implementing sound strategies for segmentation, targeting, positioning, communication and other key marketing tasks.

#### 3. External environmental situation

#### 3.1 Foreign buyer behavior

When selling goods electronically, firms have the potential to reach customers in any part of the world, who can place their orders through the internet, thus overcoming any barriers associated with geographic distance (Sinkovics *et al.*, 2013). Firms can also receive enquiries and feedback from potential global customers, as well as suggestions of how to improve current goods and services or even acquire useful ideas on introducing new products in the world market (Berthon *et al.*, 1998). Since many business analysts foresee that internet shopping will experience exponential growth in the future, expand to a wider range of buyers (e.g. older age groups), and take new forms and modes of conduct (e.g. mobile marketing), international marketing programs and strategies should be regularly adjusted with the view to taking these new trends into consideration and thus keeping abreast of current developments.

Various online brand communities can also help firms to identify and exploit lucrative opportunities in foreign markets through the provision of valuable information that facilitates, for instance, better understanding of consumer buying habits and preferences, the various stages of the purchasing process of foreign buyers, the acceptability of new product concepts and the effectiveness of advertising messages (Baldus *et al.*, 2015; Gürhan-Canli *et al.*, 2018). On the other hand, foreign buyers can interact with these communities to learn more about the firm's goods and services through information gained from other customers, discussions exchanged between community members, and positive comments deliberately posted by the firm to support its products and offerings in foreign markets (Essamri *et al.*, 2019; Lin and Kalwani, 2018).

Digitalization can also help firms to develop sound customer relationship management (CRM) strategies that would provide foreign buyers personalized services "around the clock," as well as customization of its offerings according to the characteristics and idiosyncrasies of each international market (Javalgi *et al.*, 2005). This is more feasible nowadays where firms have at their disposal a wide array of tools to identify people's country of origin, demographic profile, browsing behavior, buying habits, product preferences, shopping activity and so on. The customization of messages, services and products offered to specific individuals being at the heart of this CRM strategy, coupled with the fact that the firm's understanding of and adaptiveness to foreign market conditions is essential for its success, makes digitalized technologies a particularly useful tool in the light of the present day reality (Sheth and Sharma, 2005).

#### 3.2 International competition

The new digital era has also intensified competition in global markets since, not only can existing competitors use digital tools in their foreign marketing operations, but also an ever



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increasing number of new firms from different countries are induced to compete in the international arena (Porter, 2001). Digitalization can provide the firm with additional tools with which to face this growing competition globally, such as closely monitoring the movements and performance of competitors, and responding quickly to their marketing strategies; using various digital marketing techniques to hijack potential customers from competitors and/or attracting and maintaining existing customers from them; choosing, from an extensive list of rival firms in various countries, those that would like to compete or collaborate in tackling the international market; and taking pre-emptive measures and/or erecting entry barriers to combat competitors by participating in initiatives for the establishment of global industry standards (Yip and Dempster, 2005).

#### 3.3 Macro-environment

There are marked differences between countries regarding their telecommunications, internet and other communications infrastructure, which have a serious effect on the extent to which digital technologies can be used (e.g. non-availability of certain social media in some poor countries), the speed of the internet facilities used (e.g. delays in providing information to foreign customers about products) and the quality of the services offered (e.g. responding to customer requests on time) (Guillén, 2002). Hence, international marketers should seriously take into consideration these differences in designing their digital strategies across countries. Notably, in some countries certain digital technologies are either fully banned (e.g. the use of Google and Facebook in China) or partially controlled (e.g. the use of internet in Saudi Arabia) by their governments, which requires modifications in their online international marketing strategies.

Although a growing number of people in various parts of the world are increasingly devoting their time to surfing the internet and/or engaging in social media activities, culture seems to be one of the key factors behind this phenomenon. There are indications, for example, that in collectivistic societies, where social interactions, collaborative efforts and respect of peers are more evident, there is an extensive use of e-mail communication, searching the internet, and participation in social media activities (Jiao *et al.*, 2018). The firm should also take into account people's cultural sensitivities when using the internet, social media and other digital means, since what is considered appropriate, correct and ethical in one country may be less so or even not at all acceptable in another, for educational, religious and other reasons (Baack and Singh, 2007).

The continuous introduction and proliferation of information technology and communications devices (e.g. computers, tablets, smartphones) in the last few decades have evidently been the driving force behind digitalization. Although such technological breakthroughs are expected to proliferate at a faster pace in the future, many people and organizations in the world still do not have access to these technologies. This is evident in many poor countries (e.g. in the African and Asian continents), where access to the internet-enabled technologies is extremely limited, due to the low ownership of digital equipment. High illiteracy levels in many developing countries are also responsible for inhibiting the use of online marketing practices by international firms as a means of contacting local people (Pezderka and Sinkovics, 2011).

A particularly sensitive issue closely related to digitalization is that of privacy. This has emerged recently due to the fact that companies now have at their disposal masses of personally identifiable information, which is sometimes collected and processed without the knowledge of the customer (Hemphill, 2002). Recently, for example, steps have been taken in the European Union to protect people's personal data and, most importantly, forbid the transference of these data to other countries. Another serious issue relating to online selling is the differing VAT rates charged across various foreign countries, which requires that the firm should be registered with the respective tax authorities of those foreign countries targeted by the firm's international business strategy in order to be able to sell its products to each of those markets (Karavdic and Gregory, 2005).



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#### 4. Foreign market selection and entry

4.1 Selecting foreign markets

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Despite the complexity, diversity and uncertainty characterizing the global business environment, nowadays international marketers can capitalize on digital technologies to identify suitable markets that can be effectively served. Targeting foreign countries has now become easier and more reliable, due to the plethora of information available on the internet and other digital sources about country characteristics, economic conditions, consumer profiles and other relevant factors. International marketers also have easy and relatively low-cost access to numerous electronic databases, maintained by public or private organizations, which provide useful insights into macro-economic data, company characteristics and financial performance indicators. Further, the firm has the ability to collect primary data from numerous foreign markets in a relatively inexpensive way through, for example, online surveys, social media content analysis and webpage visit tracking (Moen *et al.*, 2008; Nguyen and Barrett, 2006).

With digitalization, geographic and psychological distance is no longer a serious impediment for the firm in selecting foreign markets (Leonidou, 2004). Indeed, the firm now has the opportunity to sell in any part of the world using digital tools, without having to face problems in identifying, communicating and serving foreign buyers. It also has the opportunity of becoming more familiar with the idiosyncrasies of foreign countries, such as human values and behaviors, customs and traditions, and business systems and modes of conduct, through information gained from the internet and by using social media to have constant interactions with people living in these countries.

The development of digital technologies also has serious implications for the firm's foreign market expansion strategies; that is, whether to concentrate deeply on a few foreign markets or spread thinly over many different markets abroad. Using these technologies, firms are now in a position to serve multiple, diverse and distant foreign markets concurrently, while at the same time intensifying their marketing efforts in specific countries in which they would like to have deep penetration. Thus, nowadays, the firm can adopt a dual strategy approach (i.e. both market spreading and concentration) for expanding into international markets, provided that it has the necessary financial, human, production and allied resources to sustain both strategies.

#### 4.2 Foreign market entry mode

Choosing an appropriate mode to enter a foreign market is critical to the success of the firm's international operations, at both strategic and operational levels. Digitalization can act as a facilitator for both exporting and foreign-based production activities of the firm. With regard to exporting, irrespective of size, firms can now initiate and develop export activities in a much easier and more effective way in any part of the world, because with digital technologies the liability of foreignness, the risks involved in dealing with foreign buyers and the costs of marketing products abroad are reduced. In addition, through the acquisition of more reliable information about overseas markets, better communication with foreign buyers and closer monitoring of international operations using digital tools, exporting firms are now in a better position to reduce the level of uncertainty in their international business transactions and improve performance results.

In the case of firms opting for a foreign direct investment mode, digitalization can help to deeply penetrate the country chosen, in order to establish local production facilities, through the use of online marketing approaches particularly focusing on domestic buyers. Digital approaches can also facilitate communication between headquarters and foreign subsidiaries, to more effectively respond to changes in customer preferences, competitors' movements and environmental trends in the foreign market. Digital technologies can also be used to coordinate marketing strategies (e.g. carrying out cross-cultural market research, co-designing new products, launching multi-country advertising campaigns) with those of other production subsidiaries operating in other foreign markets.



#### 5. International marketing mix strategy

## 5.1 International product strategy

Since the early 1960s, there has been a long-standing debate as to whether a firm's products should be standardized across foreign markets or be adapted to the specific needs and requirements of customers living in each country. With regard to product standardization, the fact that digitalization helps toward converging buying preferences and behaviors and homogenizing market characteristics across different countries, coupled with boosting the firm's ability to reach and serve multiple foreign markets at the same time, implies that international marketers are now in a better position than before to reap the benefits of offering uniform products across countries. However, on the other hand, digitalization offers tremendous opportunities for international firms to adapt their products to single customer requirements across various countries, through the personalization and customization properties of online marketing (Sheth and Sharma, 2005).

Notably, although in the past international firms had to make a specific strategic choice between product standardization and product customization, with the advent of digitalized technologies, they are now able to be more flexible by adopting both strategies at the same time, aiming at different segments in foreign markets. Today, many firms (e.g. Nike, Marks & Spencer, All-Star) are also employing mass customization strategies when selling to a variety of overseas markets by taking advantage of the tremendous power offered by sophisticated online tools. With mass customization, firms can combine the benefits of both standardization (e.g. achieving economies of scale) and adaptation (e.g. satisfying unique customer requirements), thus creating sustainable competitive advantages in the broad-based international marketplace.

Digitalization can also help to develop new products and services through online support on innovative designs offered by other firms and/or suggestions made by foreign buyers located in various parts of the globe (Marchi *et al.*, 2011). The use of the "crowdsourcing" method in social media, where the collective knowledge of large groups of foreign customers is used to provide ideas on new products and/or improvements to existing ones, is increasingly gaining momentum among international marketers. In addition, through the use of various digital platforms, methods and tools, such as social media, blogs and customer databases, the firm can make simultaneous new product announcements across foreign markets that can stimulate immediate demand and make a much greater impact.

Digitalization can also facilitate the building of strong brand equity in international markets, by making use, for example, of attractive corporate/selling websites, engaging content in social media and deliberate viral positive messaging by the firm (Godey *et al.*, 2016). All these are important digital strategies in enhancing the awareness, reputation and image of brands (particularly those having a regional or global reach), as well as building enduring customer satisfaction and loyalty across many countries (Gao *et al.*, 2018). The fact that consumer engagement in social networks produces a great deal of word-of-mouth information implies that positive (or negative) news about the company brands can spread quickly to countless people worldwide, thus further fostering (or weakening) brand equity (Rialti *et al.*, 2017).

## 5.2 International pricing strategy

Nowadays, consumers in various parts of the world can access sites selling products and draw comparisons in the retail prices of various competing brands from the same product group. They are also now in a better position to compare prices for the same product offered in offline vs online shopping and verify whether the product considered is reasonably priced. This transparency in information regarding final selling prices in various countries calls for closer monitoring of customer perceptions and reactions to reduce any discontent stemming from inconsistencies in the company's prices and avoid the viral effects of



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possible negative word of mouth (Samiee, 1998). This is particularly true in the case of the company selling its goods at different prices to countries characterized by great inequalities in disposable incomes, as well as in the case of high price differentials for the same products sold by the company simultaneously through both the internet and retail stores.

The internet also provides a useful medium for the firm to monitor the retail prices of its competitors on a worldwide scale, while the same is also true with regard to international rivals, who can also monitor the firm's prices and how these are adjusted in each country. This situation calls for the development of pricing strategies aiming to compete for a bigger share of the international market, by taking into consideration competitors' strategies, movements and reactions on a global scale (Samiee, 1998). It also requires the careful consideration of multiple parameters that influence costs when selling internationally (e.g. shipping and insurance fees, customs excise and duties, VAT and other local taxes), in order to set reasonable and competitive prices in the targeted foreign markets.

Using internet-based technologies, the firm is also in a position to alter its prices in international markets more quickly and at more frequent intervals, while at the same time proceeding with the fine-tuning of differentiating its prices across foreign markets (Quelch and Klein, 1996). Digitalization can also help the firm to more easily reveal, and subsequently combat, situations where resellers in international markets attempt to greatly differentiate their prices from what was originally agreed, thus contributing to pursuing and maintaining greater price standardization, both within and across countries.

In an attempt to cut down distribution costs and secure lower retail prices, an increasing number of firms use digital means to bypass domestic intermediaries and reach end-users directly in certain foreign markets. However, this direct marketing strategy approach, although yielding the benefit of being more price competitive, should be treated with caution. This is because great differences exist among countries with regard to the share of online purchases by consumers, as part of their total purchases, due to variations in the adoption of internet-enabled technologies and the persistence of shopping habits in traditional, offline ways of purchasing.

There are a number of other important issues relating to pricing that warrant attention when selling through digital methods internationally, including the fact that, in many countries, the use of credit cards or other online payment methods is still neither widely used nor safe to carry out cross-country transactions; when prices are quoted in the firm's local currency, this may create frustration to foreign buyers because of not knowing the exact price for the firm's products (although this problem may be alleviated through the use of currency conversion engines); and the fact that the payment and sales methods announced by the firm through the internet may be different from those traditionally used in some countries, may cause confusion and even annoyance to customers from these countries (Guillén, 2002).

#### 5.3 International distribution strategy

Finding a reliable distributor/agent abroad has been repeatedly cited as an important barrier, preventing many firms from engaging in and/or running their export activities smoothly (Leonidou, 2004). This is because the overseas distributor/agent provides the connecting link between the firm and the foreign market and, therefore, success in this market will largely depend on the quantity and quality of the marketing effort involved, the trustworthiness, transparency and professionalism in the way their business is conducted, and the extent of their connections with government officials, key industry people and other stakeholders. By capitalizing on the plethora of information available on the internet, social media and other digital technologies (e.g. websites, financial data, comments), firms are now in a better position to search, screen and select suitable distributors/agents in diverse markets abroad (Moen *et al.*, 2003). This will also help to reduce dependence on using a



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single distributor/agent in a specific foreign market, especially when this intermediary exhibits relatively poor performance and/or shows little interest in aggressively promoting the company's products.

With regard to managing relationships with foreign distributors/agents, digitalization can help to strengthen relationship quality through more intensified and improved communications, the development of trustful interactions, the demonstration of more commitment and the strengthening of cooperation (Leonidou *et al.*, 2002). This is particularly true when dealing with distributors/agents located in culturally distant markets, where misunderstandings and disagreements in the way business is conducted can give rise to uncertainty, conflict and dissatisfaction, with all the negative consequences that this may entail for the future prosperity and continuation of the working relationship (Leonidou *et al.*, 2009; Skarmeas *et al.*, 2008).

Participation in business networks, which is a valuable resource for identifying and exploiting international market opportunities, is now greatly facilitated by information gained from the internet (e.g. company websites), social media (e.g. LinkedIn) and electronic databases (e.g. Reuters) (Alarcón-del-Amo *et al*, 2018). Such business networks are also critical in establishing strategic partnerships with other actors in the world market on a mutually beneficial basis. They can also help to better integrate the firm's supply chain in international markets and make it more effective and efficient in terms of ordering, making and delivering to foreign customers (Overby and Min, 2001).

Digitalization can also open new ways of distributing the firm's products to foreign markets through the computer network system. In fact, many companies nowadays sell a wide range of goods solely through the internet, while others are increasingly using the internet as a marketing channel that is complementary to their traditional international distribution channels. However, the firm should be cautious when using this electronic channel to serve foreign markets, because it may cause conflict, non-compliance and even reluctance to sell among members of the traditional distribution system who may feel that they are bypassed by the international firm (Samiee, 1998). Such a situation is more evident when the final selling prices of the firm's products marketed overseas through the traditional system are much higher than those of the same goods or services sold electronically.

#### 5.4 International logistics strategy

Although online selling abroad is gaining momentum, this approach demands a lot of commitment by the company when taking orders (e.g. being precise), shipping goods abroad (e.g. identifying and using appropriate transportation means) and providing services (e.g. handling possible complains) from foreign customers on a 24/7 basis. It also requires the necessary expertise to execute these orders in a timely and reliable fashion, conform to domestic and foreign export/import regulations, and effectively handle customs requirements in multiple countries. Nonetheless, digitalization enables the firm to accurately track down and secure at any time the right processing of the order to foreign buyers, from the initial taking of the order up to the point that the order is delivered and even thereafter, thus reducing the likelihood of mistakes, delays and customer discontent.

As firms expand the range of product categories they sell abroad, due to the wider scope of business opportunities offered by internet-enabled technologies worldwide, they will require the development of facilities to keep and maintain more inventory to serve international customers in a quick, reliable and cost effective way (Onal *et al.*, 2018). Digitalized technologies can be useful in this respect, especially if combined with various proven inventory control methods, such as just-in-time. In this connection, the firm's warehouses need to be strategically relocated in international markets to serve foreign customers more efficiently, and their operations be better organized using computer and digital technology to achieve optimal levels in product handling (Muffatto and Payaro, 2004).



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With regard to transportation, digitalization has helped considerably by better coordinating the various means of transporting the product, as well as tracking down the physical movement of the product from the source of supply to the foreign customer (Usui *et al.*, 2017). Although advances in transportation have been responsible for boosting online sales to customers abroad, a number of important issues should be carefully considered in designing an effective logistics strategy: in some countries, the firm may not have access to shipping facilities to make the products ordered by foreign buyers via the internet speedily available to them; air express carriers, like Fedex, UPS and DHL, which are usually outsourced by online sellers for expedient delivery of their products abroad, may not have proper connections and/or face customs clearance problems in certain countries; traditional mail services are underdeveloped in some countries, which makes local buyers sceptical or even reluctant to make online purchases; and in some relatively poor countries, inland transportation is still heavily based on antiquated methods, which makes product delivery to the end-user difficult.

#### 5.5 International promotion strategy

Reduced costs, compared to traditional big-budget media, together with the wide number of people that can be reached simultaneously in multiple countries, makes online marketing communications, such as display advertising, social media-based approaches and targeted e-mail messages, useful tools in conveying the firm's messages to foreign customers (Johnston *et al.*, 2018). However, several challenges need to be considered here: the content of the messages sent may offend people in certain countries by presenting goods and/or services which are against their customs, traditions and religious values; the format of the message, although it may clearly convey the correct meaning to buyers in developed countries, may be decoded differently by people in developing economies; and the language used in presenting the message may not be clearly understood by foreign buyers, unless there is a mechanism for automatically translating this into their mother tongue (although this may also lead to confusion due to inaccurate translations) (Gevorgyan and Manucharova, 2009; Guillén, 2002; Okazaki and Rivas, 2002).

In many countries, advertising on the internet, the social media and other digital vehicles has surpassed advertising in traditional advertising media, such as the television. This requires gradually shifting advertising budgets toward online advertising, while at the same time taking into consideration the media habits of the targeted people in each foreign market. Nowadays, firms may have the opportunity to send their sales promotion material to consumers in various parts of the world at a relatively low cost (e.g. coupons), while they can generate interest and excitement among foreign buyers by engaging them in contests, games and sweepstakes, using social media. Furthermore, they can use social media and other digital methods as a means of carrying out public relations activities internationally, by providing information and engaging in events that support local societies and their people.

A company's website offers valuable information about the firm and its products to people throughout the world, thus enabling visibility and awareness by a wider customer base in a relatively inexpensive way. However, some of the challenges relating to websites in a global marketing context are: whether the language used should be English or the information available on the website should also be available in other languages (especially the language most understood by buyers in targeted countries); whether it should have a globally common look as regards its organization and structure or one adapted to specific country settings; and whether, likewise, it should have a globally common content or one adjusted to individual country requirements (Yip and Dempster, 2005). Notably, an increasing number of firms are currently localizing their websites by taking into consideration various national features, such as colors, symbols and graphics, to attract greater attention and reach much larger numbers of foreign buyers (Javalgi *et al.*, 2005).



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Using social media, such as Facebook, Twitter, YouTube and Instagram, international marketers can also simultaneously achieve "real time" communications with many audiences across different countries, thus fostering relationships with customers worldwide. Of particular usefulness is the creation of "brand communities," in the form of brand fan pages on social media sites, whereby buyers can interact with the firm by liking and/or commenting on various brand posts (de Vries *et al.*, 2012). Social media can also be a useful platform to reach foreign customers, facilitating the achievement of broader networking, image transferability and personal extensibility across international markets (Okazaki and Taylor, 2013).

## 6. Strategy implementation and control

#### 6.1 Implementation issues

Digitalization has also made the implementation of international marketing strategy more convenient for a number of reasons. First, the use of digital tools (e.g. internet, social media, mobile marketing) enables the international firm to better coordinate its marketing activities abroad, especially when operating in a large number of diverse countries. Second, better coordination is also achieved between the marketing function and other functional areas of the organization (e.g. production, finance, procurement, etc.), facilitating better service to the foreign market through intranets and other digitalized systems. Finally, the use of digital technologies can help to enhance collaboration between the firm and other members of the international supply chain (e.g. suppliers, overseas distributors/agents, retailers), as well as foster communication with other stakeholder groups abroad.

### 6.2 Control issues

Through digitalization, the firm is now in better control and able to monitor the implementation of its international marketing strategy. For example, it can carry out time-efficient and low-cost surveys through the internet in the countries in which it operates to assess customer satisfaction levels, product acceptance, advertising effectiveness and other aspects of its marketing programs overseas. Internet-based technologies can also provide a great volume of useful secondary data regarding changes in the economic, political-legal, technological and other elements of the environment prevailing in the targeted countries, which are critical to making the necessary adjustments to its international marketing strategy and applying any contingent plans when necessary. The firm can also collect vital information about how well its strategy is executed in foreign markets by closely monitoring the content of social media discussions (and even participating in these discussions) with consumers located in various countries. In the case of pursuing online sales, the firm can easily track the progress of its sales by country, time period, product type, customer group and other important parameters on a continuous basis, and swiftly take corrective courses of action when required.

## 7. Discussion and implications

#### 7.1 Concluding remarks

A central conclusion that can be drawn from the previous analysis is that the growing phenomenon of digitalization not only poses new opportunities, but also raises new challenges, for large and small firms alike in entering and conquering the international market. Although firms should retain most of their traditional international marketing skills, tools and practices, they also need to add new competences, techniques and approaches to take advantage of this new digital era. While traditional international marketing strategy targets a relatively "passive" audience in foreign markets, in digital-based international marketing there is more interaction and engagement with foreign



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customers. Firms now have the potential to have a fresh, original, personal, and cheap way to reach and serve multiple segments across different countries through, for example, the use of blogs, social media, e-mail and other digitalized options.

By performing digital-led international marketing strategies, firms can reap many benefits such as achieving cost effectiveness, reaching specific niche markets, spreading good news through electronic word of mouth, enhancing brand equity, and generating more product sales and profits. They can also connect with customers around the world, when, where and how they need them, as well as engage customers through continuous interactions aiming to accomplish their marketing objectives for each foreign country. However, firms should also be careful in using digitalized technologies in their international marketing activities to ensure that consumers do not use these to spread wrong messages, bad news, rumors and scandals in a viral way that can place the firm and its products at a disadvantage, with all the damaging effects this may entail for the firm's international marketing performance.

Obviously, the firm is not operating alone in the international market context by the use of digitalized technologies, as such technologies are also used widely by other competitors originating from multiple countries. The key issue here is for the firm to differentiate from its competitors in the way it approaches foreign customers when using online means (e.g. creating attractive websites, cleverly participating in social media, developing interesting video ads), in addition to offering products and services of superior value in a relevant, reliable and trusted way. By combining digital and traditional approaches, the firm will be in a position to build satisfying, long-lasting and valuable relationships with customers all over the world, thus outperforming its rivals.

#### 7.2 Implications

Digitalized technologies have revolutionized the way the firm's international marketing strategy is analyzed, designed, implemented and controlled, and there are plenty of indications that the careful use of these technologies plays a pivotal role in gaining sustainable competitive advantage and achieving superior performance in foreign markets (Gabrielsson and Kirpalani, 2004; Gregory *et al.*, 2017). However, to achieve this, the firm needs first to clearly acquire the right resources and develop the necessary capabilities to fully exploit these technologies for crafting and deploying winning international marketing strategies. The proper use of online technologies will help the firm to better understand the characteristics of the targeted foreign markets (and for each market separately to identify the specific profile of the most suitable individuals to target), to create appropriate products and services, to set attractive trade and retail prices, to find the most efficient mode of distribution and logistics, and to develop the right communication messages.

However, once engaged in online activities to support its international marketing strategy, the firm cannot rest on its laurels, but has to be constantly committed to their use and monitoring, to remain alert to any problems that may arise, and take any precautionary actions when necessary. Digitalization has been characterized as a "double edged sword," offering both opportunities (e.g. positively engaging potential and current customers) and threats (e.g. negatively affecting the firm's reputation due to the spread of a bad rumor). The astute international marketer should realize that digital technologies are constantly evolving and dramatically changing the international marketing scene all the time, and that their careful, transparent and diligent adoption is vital for gaining and maintaining success in foreign markets.

#### 8. Directions for future research

Our previous analysis focusing on redesigning international marketing strategies in a new digital era has brought to the surface various issues that warrant attention in



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future research inquiry. First, with regard to organizational factors, there is a need to investigate the nature of the product (e.g. "smart" goods), digital involvement (e.g. bricks and clicks) and digital motives (e.g. promotion media) in developing international marketing strategies. The predicting role of specific export-related resources (e.g. technological) and capabilities (e.g. adaptiveness) in designing and implementing a digital-based international marketing strategy also needs to be explored (Brouthers *et al.*, 2016; Reuber and Fischer, 2011). It is also important to shed light on how the nature, importance and intensity of certain online-related resources and capabilities change at different stages of the firm's internationalization process.

The role of specific managerial characteristics in developing digital-based international marketing strategies, such as the educational background of managers with regard to digital issues, their attitudes toward using digital technologies in conducting foreign business, and their approach in actually designing and executing international strategies based on digital tools, also requires careful examination (Reuber and Fischer, 2011). It would also be interesting to explore how managers can use digital involvement in international markets as a means to enhancing the development of specific marketing capabilities for their firms (Sinkovics *et al.*, 2013).

Greater attention needs to be placed on conceptualizing and testing empirically the internal (e.g. employee competence in using digitalized technologies) and external (e.g. economic and cultural differences in engaging with digital technologies) factors that drive international firms to choose a standardized or customized strategy across foreign markets. Since digitalization allows for these two strategies to co-exist, it would be useful to determine the appropriate degree of combining them into a powerful weapon to conquer the global market. "Fit" analysis could be a useful tool in this respect, especially when combined with the firm's desirable performance outcomes in each country (Katsikeas *et al.*, 2006; Samiee and Chirapanda, 2019).

Focusing on foreign consumer digital behavior, and how this can shape the firm's international marketing strategy, is another promising area of research. For example, what specific competences and skills (e.g. foreign language, technology adoption, computer literacy) are required by consumers in various countries to receive online retail services? What specific foreign consumer attitudes toward the product's country of origin are needed when purchasing on an online basis? How receptive are consumers to the firm's digital-based marketing strategies when operating in countries with a different cultural context? On which basis (e.g. income group, education level, life style) is an inter-market segment of global online consumers identifiable? What is the role of online interactive communications of an international brand in bridging the distance between the foreign consumer and the firm?

The investigation of the role of digitalization in formulating an international marketing strategy in a B2B context would also be an interesting avenue of investigation. Some relevant research questions that can be asked are the following:

- *RQ1*. What role do social media platforms (e.g. LinkedIn, Twitter, Facebook) play in effectively communicating and selling goods to organizational customers?
- *RQ2.* What is the nature of activity links, resource ties and actor bonds in the firm's international distribution strategy when selling online vs offline?
- *RQ3.* What is the role of adding a digital channel of distribution in international markets in creating conflict with established agents and/or distributors in foreign markets?
- *RQ4.* How does increased information sharing and better customer reach, due to digitalization, influence manufacturer-overseas distributor interactions?
- *RQ5.* What specific customer education for digital international services (e.g. online banking, online technical help, online after-sales service) is required to be offered digitally to foreign business customers in different countries to ensure successful strategy implementation?



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The role of contextual factors in successfully using digital technologies in international markets is another relevant area of future investigation. For example, how workable are the firm's digitally based international marketing strategies in developed vs developing country settings? How can such digital foreign marketing strategies differentiate between firms belonging to different industrial groups, as well as between manufacturers and service providers? What are the differences in the use of digital marketing practices between exporting firms and firms that have production activities abroad? Is the implementation process of digital technologies in international marketing strategy among smaller firms different from that among larger firms? Are there any differences between "born globals" vs traditional exporters concerning the adoption and implementation of digital marketing programs?

Since the adoption of digitalized technologies has often been described as offering the international firm a significant advantage over its competitors, it would be interesting to reveal whether this advantage is anchored on cost reduction, product differentiation or a combination of both. It would also be enlightening to examine which specific performance dimensions – for instance, customer, market, financial, accounting and/or financial market based – are influenced more favorably by adopting a digitalized approach to international marketing strategy. Future research could also investigate the association of digital international marketing strategy implementation metrics (e.g. number of page views, request for product information, conversion rate, repurchase rate) with the firm's financial and/or market performance (Mohammed *et al.*, 2003).

Finally, it would be useful to explore various other peripheral but important issues relevant to the firm's international marketing strategy. For example, what specific ethical dilemmas (e.g. personal data protection vs insights gained through analyzing customer data) are confronted by firms when adopting digitalized approaches to tackle foreign markets? How will new online privacy laws enforced in many countries limit the firm's ability to gather and use information vital for implementing its international marketing strategy? How may online security problems (e.g. sabotage, espionage, cyber-attacks) obstruct the firm's digitalized-based strategy in overseas markets and how secure do foreign buyers feel with their online purchases?

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Appendix						International
	l implement mpediments nputer mer	distributors, is not a ling process to adapted ant usage of ships and nfamiliar	process and ustomer The model attaining	e the use of obalized und rketing mix, panies more company rmance	(continued)	marketing strategy in a digital era
Main conclusions	The internet may be used in international marketing to develop and implement business processes, as well as to sell products and/or services. The impediments to these are categorized as structural issues (e.g. PC ownership, computer literacy) and functional issues (e.g. information management, consumer discontent)	Most firms use the internet to look for information about customers, distributors, and partners. The internet involves a complex buying process and is not a substitute for personal selling, however it can facilitate personal selling process by improving company image. Standardized products, as opposed to adapted ones, are more suitable for internet sales. The exporters' most important usage of the internet is for after-sales services and support. Existing partnerships and product reviews reduce the uncertainty associated with being an unfamiliar supplier	The model sets the links between customer online decision making process and customer relationship management and implies that at each stage customer relationship management practices can be used to develop loyalty. The model also maintains that customer relationship management is critical in attaining sustainable competitive advantage	Competitive globalization drivers have a higher potential to increase the use of the internet in value adding activities of firms operating in more globalized industries. The internet simultaneously allows for standardization and customization. The internet enables companies to have a uniform marketing mix, as well as a global location of activities. The internet makes the companies more competitor-oriented. The multifunctional nature of company websites facilitate globalization. The internet improves global performance		423
Methodology	Conceptual	Multiple case studies among six Norwegian software firms	Conceptual	Survey among 115 multinational companies		
Objectives	To critically examine the limitations and functions of the internet in international marketing	To investigate how small exporting companies utilize the internet in their international marketing activities	To develop an integrative framework to explain the role of customer behavior and customer relationship management in gaining sustainable competitive advantage for internet firms			
Study	Samiee (1998), <i>IMR</i>	Moen <i>et al.</i> (2003), <i>JIM</i>	Javalgi <i>et al.</i> (2005), <i>IMR</i>	Yip and Demster (2005), <i>EMJ</i>		Table AI.Indicative studies on digitalization and international marketing strategy
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424	Main conclusions	Marketing strategy factors (e.g. top management support and commitment, setting internet marketing as a strategic goal), internal factors (e.g. technological information internal inductor distribution of a disting officient consideration)	initiase uccure; internal currure), website factors (e.g. uessigi, encouve internal, and market factors (e.g. customer trust, customer security) are influential on the successful implementation of B2B international internet marketing	Internet marketing capabilities positively impact export information availability, which contributes to export market growth and improves business network relationships. The latter also positively predicts export market growth	Brands exchange different types of value with three categories of social media users: information seekers (information), influencers (followers' attention) and devoted users (co-creation of experience). They receive financial, symbolic and emotional incentives in their interactions with the brands' social media and these become inimitable when they are in alignment with the company's consumer culture positioning. The functional ties with the information seekers, transactional ties with the influencers, and emotional ties with devoted users are considered rare brand resources
	Methodology	In-depth interviews with managers of three companies	of using internet for B2B international internet marketing	Online survey among 204 Chilean exporters	Interviews with brand social media managers and social media users, as well as observations on brands' social media sites in China
	Objectives	To identify critical success factors in B2B international	and to examine the way these factors are applied in real	To examine the impact of internet marketing capabilities on export market	growun To make an in-depth examination and gain insights into the way international brands develop strategic social media ties strategy in foreign markets
Table AI.	Study	Eid et al. (2006), JIM		Bianchi and Mathews (2016), <i>JBR</i>	Gao et al. (2018), JIM
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