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FACULTY OF PHARMACY DEPARTMENT OF
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**The essence of international
pharmaceutical marketing
and its characteristics
environment**

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International marketing– this is the systematic activity of the enterprise in foreign markets, which allows to form a marketing complex adequate to the market environment, which helps to satisfy the needs of consumers and achieve the strategic goals of the enterprise itself



International marketing is distinguished by the globality of production and sales tasks and is carried out by international companies, covering the market

The purpose of international marketing—consumer satisfaction demand in the foreign market under economically favorable conditions for the firm, and it also depends on the phase of the firm's immersion in international marketing.



Object of international marketing there are foreign markets and the global market as a whole

The subject of international marketing there is a ratio demand and supply, their conjuncture, differences in methods and means of formation, satisfaction of consumer demand in foreign markets.



Goals of international marketing

Quality goals:

- ***increasing the level of awareness of foreign consumers about the company's goods and services;***
- ***creating a positive image on the foreign market and good reputation of the company both among clients and partners;***
- ***creation of a well-known company brand;***
- ***active influence on the formation of demand in target markets;***
- ***maximizing the level of consumer satisfaction;***
- ***opportunity to create new jobs.***



Quantitative goals of international marketing *aimed at achieving stable market positions and obtaining maximum profits in conditions of fierce market competition. They are expressed in percentages and numbers. increase in the market share held by the firm;*

- ***increasing the level of profit;***
- ***increasing the volume of sales;***
- ***increasing the degree of enterprise participation in development new market segments;***
- ***reduction of production costs due to increase in the number of sales.***

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Subjects of international marketing include:

- ***Exporters***- companies that produce products in a certain country, and sell it outside this country.
- ***Importers***- companies operating on the territory of one countries, but have suppliers or partners abroad.
- ***International corporations***- large companies that have many divisions and make direct investments in different countries of the world.
According to the form of ownership of the fixed capital, they are divided into transnational and multinational corporations;



- ***Transnational corporations (TNCs)*** is a string of enterprises operating in different (host) countries, but controlled by the headquarters located in a specific country - the country of base. The main feature of TNCs is direct foreign investment from the host country to host countries;
- ***Multinational corporations (MNCs)*** - corporation the main companies of which belong to the capital of two or more countries, and the branches are located in different countries



The main prerequisites for the company's entry into the international arena



- *saturation of the domestic market with goods/services and lack of opportunities for further development of production;*
- *the presence of fierce domestic competition of the market, which encourages the search for less competitive markets;*
- *extension of the life cycle of products due to access to new foreign markets;*
- *additional opportunities and prospects that open up before firms in new markets;*
- *governmental initiatives of various states to attract foreign investments and providing them with a more favorable regime;*

The main prerequisites for the company's entry into the international arena



- *the possibility of maximum growth of economy in the scale of production;*
- *reduction of dependence on the domestic market, on seasonality demand fluctuations and reducing the risk of losses from unforeseen circumstances;*
- *increasing the efficiency of sales activities thanks to strengthening market positions, for example, based on the creation of branches, branches and subsidiaries, expanding the network of service points;*
- *obtaining access to new technologies, know-how provided long-term management in relevant foreign markets, for example, in the form of partnerships with foreign firms.*

Internationalization economic activity.



The emergence of international marketing is connected with the internationalization of economic activity.

Internationalization is the development of stable economic ties between countries and firms from different countries, the exit of the process of reproduction beyond national borders.

Stages of internationalization:

I. Local stage: local (local) production.

II. Initial stage: having contracts abroad before dealing with a foreign dealer or agent.

III. Stage of development: availability of all types of contracts with foreign counterparties.

IV. Growth stage: the presence of production enterprises abroad, located in no more than 6 countries.

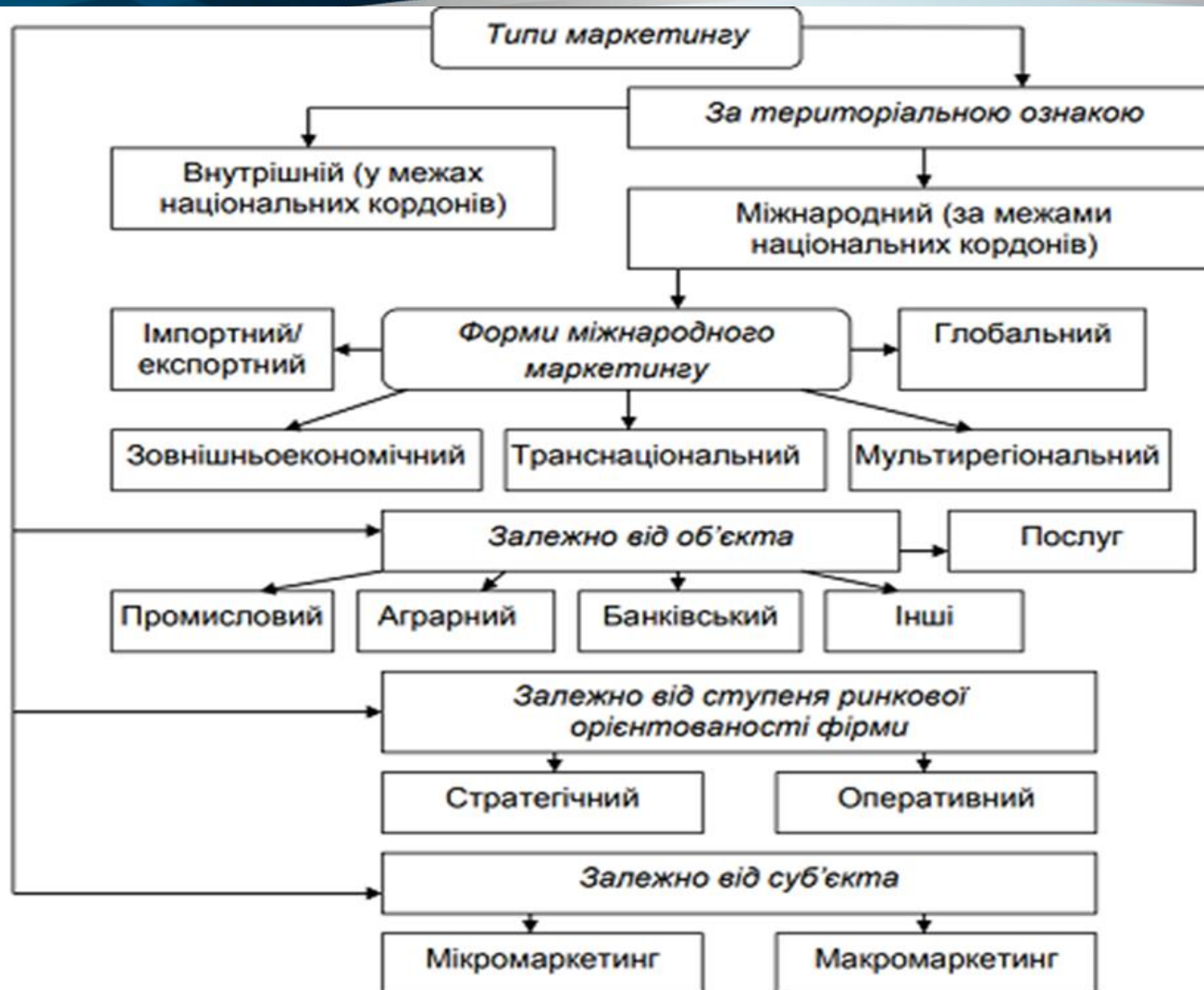
V. Multinational stage: creation of production enterprises abroad located in more than 6 countries

In the process of internationalization, the company goes through the latent, initial, export, foreign, transnational and global stages of development

Ключові ознаки стадій інтернаціоналізації діяльності фірми

| Ознаки | Стадії | | | | | |
|--|---------------------|------------------------------------|------------------------------------|---|---|---|
| | латентна | початкова | експортна | зарубіжна | транснаціональна | глобальна |
| Форми виходу на зарубіжний ринок | — | Експорт | Експорт | Експорт, спільне підприємництво, інвестування | Експорт, спільне підприємництво, інвестування | Експорт, спільне підприємництво, інвестування |
| Роль міжнародного маркетингу | Як предмет вивчення | Незначна | Значна | Пріоритетна | Основна | Провідна |
| Автономність менеджменту у здійсненні міжнародних операцій | — | Повна або залежна від посередників | Повна або залежна від посередників | Залежна від зарубіжних підрозділів | Значна автономність зарубіжних підрозділів | Провідна роль зарубіжних підрозділів |
| Орган управління міжнародною діяльністю | — | — | Спеціалізований відділ | Спеціальний підрозділ | Інтеграційна система органів | Інтеграційна/ спрямовувальна система органів |
| Участь у міжнародному розподілі праці | Початкова | Початкова | Незначна | Значна | Вагома | Провідна |
| Конкурентне середовище | Міжнародне | | | Глобальне | | |

Forms of international marketing



Forms of international marketing



import marketing - marketing activity aimed at the purchase (import) of goods or services from foreign markets;

export marketing - marketing activity related to the sale of products beyond national borders, during which physical transportation of goods from one country to another takes place;

foreign economic marketing - marketing activity caused by the stability or growing opportunities of the firm's presence (in the form of a representative office, sales branch, etc.) in the foreign market, which includes several countries;

Transnational marketing involves the development of many nationally oriented marketing strategies implemented in different countries

Multi-regional marketing - forms and methods of marketing activities used by companies working in separate regions or within integration groups

Global marketing is the marketing activity of a company that considers the world market as a single entity. It is planned to go to all foreign markets with a single product and a marketing complex at once, that is, it is aimed at the standardization of marketing activity in all markets.

The essence and features of the international marketing environment and its types



The specifics of international marketing are determined by the environment in which the company plans to operate

The environment of international marketing is an external space in which operates a firm (organization, enterprise) that promotes its goods on foreign markets.

Macro environment is a set of certain external factors foreign markets, which the company cannot directly manage, but which have a decisive influence on its marketing and management activities in the foreign market: economic; political; sociocultural; legal; technological; natural and geographical; demographic

Microenvironment is a set of largely controlled external ones factors that form the partnership and competitive environment of the enterprise, directly affecting its marketing and management activities in the market: suppliers; mediators; clients; competitors; applicants for entry into the industry; contact audiences

PEST analysis



*The modern practice of organizing international marketing activity confirms that the study of the macro environment is mostly carried out according to the scheme **PEST analysis**, which involves the study of political (Political), economic (Economic), socio-cultural (Social) and technological (Technological) aspects of the external environment that affect the development of the company's business.*

*The **purpose of PEST analysis** there is the tracking (monitoring) of changes in the macro environment in four key areas and the identification of trends and events that are not under the control of the enterprise, but affect the results of strategic decisions.*

Macroenvironmental factors

Methodology of PEST analysis



P (Political)

- тип керування країною;
- стабільність влади;
- свобода слова та норми законодавства;
- рівень бюрократії та корупції;
- тенденції до врегулювання або дерегулювання;
- законодавство в області праці та соціальної допомоги населенню;
- найбільш ймовірні політичні зміни на 3-5 років.

E (Economic)

- ступінь розвитку бізнес-структури;
- темпи зростання економіки, % ставки, курс валют та рівень інфляції;
- рівень безробіття, ситуація на ринку праці та вартість праці;
- ступінь глобалізації економіки;
- рівень наявного доходу населення;
- найбільш ймовірні зміни в економіці на 3-5 років.

S (Socio-Cultural)

- чисельність населення, стать та вік;
- здоров'я, освіта, соціальна мобільність;
- звички та характер поведінки працівників, ставлення до роботи;
- суспільна думка, норми поведінки та обмеження (табу);
- рівень та стиль життя;
- найбільш ймовірні соціально-культурні зміни на 3-5 років.

T (Technological)

- внесок технологій в розвиток ринку;
- розвиток інтернету та мобільних пристроїв;
- активність та розвиток науково-технічних досліджень;
- ступінь використання, впровадження та передачі технологій;
- найбільш ймовірні зміни в технологічному аспекті на 3-5 років.

Economic environment of international marketing

- ***Economic environment of international marketing***—it the set of economic characteristics of certain foreign markets that influence the peculiarities of the marketing activity of the enterprise and are reflected in the macroeconomic indicators of the country's development, the general economic situation, the state of development of a specific product market, the structure of population consumption, etc.

The practice of researching the international economic environment involves the analysis of three groups of factors:

- *rates of economic development of a foreign country;*
- *indicators of sectoral attractiveness of foreign markets;*
- *type of economy of foreign countries.*

Economic environment of international marketing

The rate of economic development of a foreign country- this one the group of factors involves the analysis of the main macroeconomic indicators of the development of the country's economy, namely:

- *GDP per capita; current and projected the level of income (purchasing power) of the population;*
- *investment climate;*
- *currency stability;*
- *inflation rate;*
- *level and structure of unemployment; salary dynamics; level of education, etc*

Economic environment of international marketing

Indicators of sectoral attractiveness of foreign markets are:

- *capacity (size, capacity) of the market,*
- *expansion,*
- *market availability (perception of the product by the market,*
- *purchasing power of target consumers;*

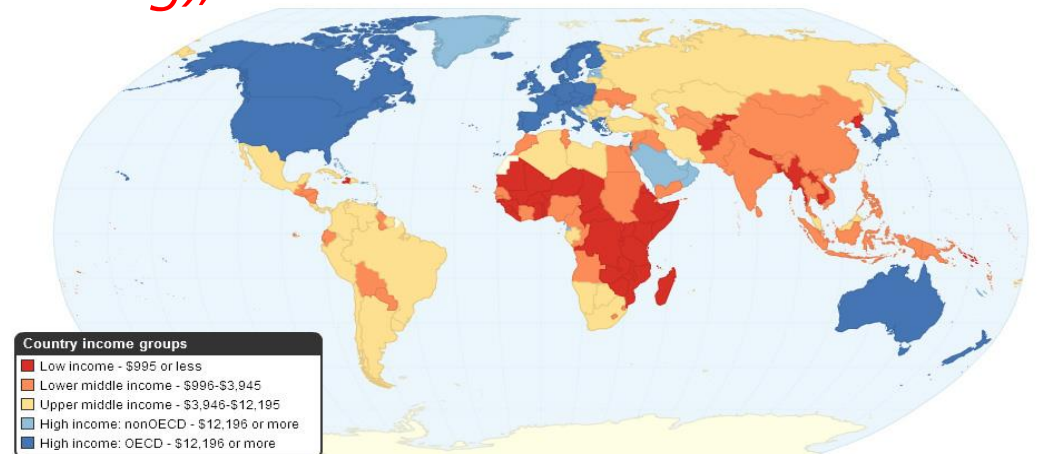
*An important criterion of a country's attractiveness for foreign companies is its **national infrastructure**, which covers such parameters of the economy, such as: the country's transport infrastructure, communication systems, energy reserves, the state of development of the information sphere, the presence of a qualified workforce and its personnel, the presence and state of development of ancillary business. Poorly developed infrastructure significantly limits the possibilities of production, advertising and sales of goods and services, does not provide adequate service support.*

Economic environment international marketing

Types of economy of foreign countries.

3 for the purpose of economic analysis, the UN divides countries into three main types, each of which is characterized by a certain stage of development of market relations:

- *developed countries (states with a market economy);*
- *countries with a transition economy (in the past, countries with centralized planning);*
- *developing countries.*



International political and legal environment. Political risks and methods of assessing their level

Political and legal environment of international marketing -a complex of political and legal conditions that directly (through legislation) and indirectly (through the traditional system of own relations) affect the activities of companies selling their products on the country's market.

International political and legal environment. Political risks and methods of assessing their level



Studies of the international political and legal environment are focused on the study of the main issues, namely:

- *Political stability of the country -*
- *Legislative system of the country*
- *Political and legal principles of management business*
- *Perfection of the judicial system*
- *The level of state corruption device*
- *Type of political system.*

Economic policy of the state as a means of regulating the economy

The economic policy of the state, as a means of regulating the country's economy, can be implemented in the following forms:

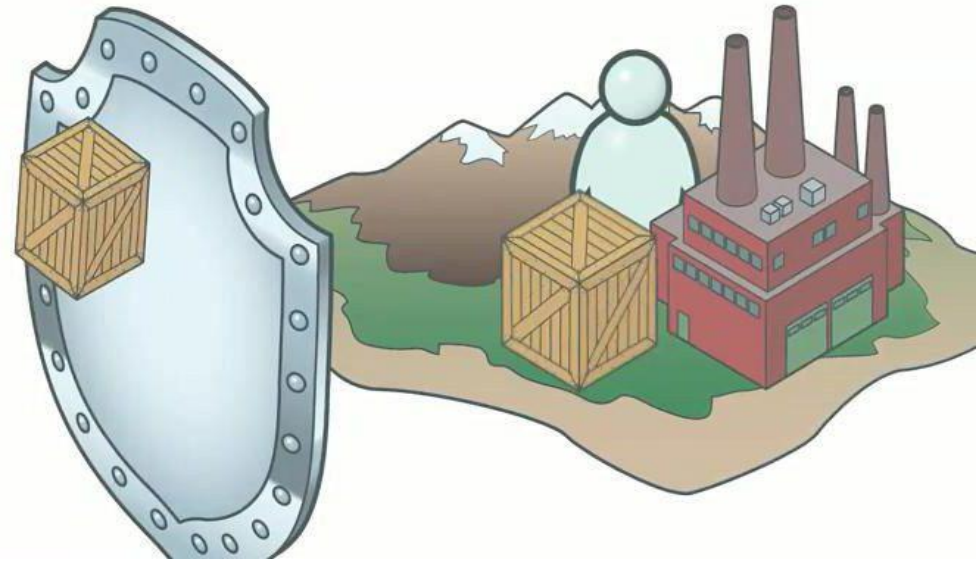
Freedom of trade (free trade -) –the policy of the minimum state intervention in foreign trade, which develops in accordance with the market laws of supply and demand. Under these conditions, the benefits provided by international economic cooperation are better guaranteed;



Protectionism is the economic policy of the state, which is aimed at protection of the national economy from foreign competition due to the use of tariff and non-tariff instruments. The policy of protectionism creates various obstacles in the way of international trade and cooperation, and therefore such a factor

political environment significantly narrows the attractiveness of foreign countries.





In practice, states usually follow a policy of moderation, i.e., a balance between liberalization and protectionism. Depending on whether free trade or protectionism prevails, a country's economy is called open or closed

State regulation foreign economic activity (FET)

State regulation of foreign exchange is a set forms, methods and tools used by state bodies and services to influence economic relations between countries in accordance with state and national ones.

In practice, the following methods of regulating foreign trade are distinguished, as tariff, non-tariff and currency regulation of interests, goals, tasks.



State regulation foreign economic activity (FET)



Customs tariff- it is systematized a list of fees that the government of a particular country imposes on certain goods imported into or exported from the country. They are used to increase state revenues or protect local producers.

- **In the field of import** to tariff methods include not only customs tariffs, but also taxes and duties on imported goods, import deposits, etc.
- **In the field of export**- these are tax loans to exporters, guarantees, subsidies, tax exemptions, provision financial assistance, etc

State regulation foreign economic activity (FET)



Non-tariff trade barriers- restrictions in international trade, which provide for the discrimination of proposals from a specific country in the form of standards that discriminate against drugs of any country.

- *Quota*- quantitative restriction of import into the country of certain medicines for preservation of the foreign exchange rate, protection of local producers and prevention of unemployment growth. They distinguish:
- *export quota*- is the ratio of the volume of exports in in natural (value) terms to the volume of production of this drug in the country for the specified period.
- *import quota*- is the ratio of import of the drug to the volume its consumption in the country for a certain period of time.
- *Embargo*- a ban on the import of a certain drug.
- *Currency control*- state regulation of the amount of cash in foreign currency and its exchange rate for other currencies.

State regulation foreign economic activities (ZED)



Non-tariff regulation methods cover a number of administrative, financial, credit, technical and other measures that limit the import and export of goods and services. It can be a system of licensing, quotas, creation of unjustified product quality standards, bureaucratic obstacles in customs procedures, etc.

Methods of currency regulation is the activity of the state, which aimed at regulating international settlements and the procedure for transactions with currency values. With the help of these methods, the state controls currency transactions, provides credits and loans to foreign legal entities and individuals, sets limits for the export of currency abroad, as well as the exchange rate for the local currency.

Sociocultural environment of international marketing

Sociocultural environment of international marketing- this is the totality of all social and cultural factors of foreign markets affecting international marketing activities of the enterprise.

Among them, the most important are ***language environment, religion, education, traditions, lifestyle, customs and norms of behavior of the population foreign country.*** To assess the social and cultural environment, it is necessary to study its components. 1. Religion.



Components of the sociocultural environment of international marketing

1. Religion. The religion of the population significantly affects the culture of the country. First, it defines a person's system of moral principles and values, shaping his behavior in society, his attitude to work, to other people, to entrepreneurial activities, etc.

2. Communication tools. Means of communication include:

- *language;*
- *the language of non-verbal communication, aesthetics from the point of view of color gamut and symbols. Yes, green is considered a popular color in New Zealand*

In India, it is purple, and in China, white is considered a mourning color;

- *punctuality—in the practice of international marketing there are certain national punctuality requirements. People of different nationalities may find it impolite to be late or arrive earlier than the appointed time. For example, the English will not wait more than 8 minutes; whereas in Germany it is considered indecent to be late within 15 minutes.*

Components of the sociocultural environment of international marketing



3. Living conditions of the population. For example, the company "McDonald's" opened its first fast food establishment in Europe in one of the suburbs of Amsterdam, but the volume of sales turned out to be too low. This was a consequence of not taking into account the fact that in Europe most citizens live in the center of cities and are less mobile compared to Americans.

4. Education. The level of education of the population determines the demand of foreign buyers for certain properties and components of goods and services, for the quality of the level of service and service, etc.

5. Sociocultural values-these are the formed values of the population that determine their attitude to time, cultural heritage, work, well-being, changes in scientific achievements, criteria for self-evaluation and improvement, etc.

6. Folk traditions and customs For example, Disney's policy in Paris was aimed at serving park visitors without alcohol, which caused outrage in a country where a glass of wine during lunch is traditional. B

Components of the sociocultural environment of international marketing



They distinguish:

- **high context culture**- in interpersonal Intuition and the situation play the biggest role in relationships, as well as traditions (formalization of relationships is not mandatory). This type of culture is characteristic of the peoples of Asia.
- **lower context culture**- all interpersonal relations are formalized, the influence of traditions is absent. This type of culture is characteristic of Europe and the USA.

**Дякую
за увагу!**

