

# Revisiting International Marketing Strategy in a Digital Era: Opportunities, Challenges, and Research Directions

## Abstract

*Increasing digitalization in highly globalized world economies has seriously changed the international business landscape, creating plenty of opportunities but also challenges for firms. This article provides an analysis of the various organizational resources and capabilities required for supporting international marketing strategies, as well as explains the new situation that international marketers have to confront in terms of foreign customer attitudes and behavior, competitive practices, and environmental conditions. Moreover, we demonstrate how the firm's selection of and entry into foreign markets can be facilitated using digital technologies. We also indicate how the use of these technologies has transformed the way firms are shaping their product, pricing, distribution, logistics, and promotional strategies abroad. Furthermore, we provide insights into the use of digital tools in more effectively implementing and controlling the firm's international marketing strategy. Finally, we identify promising directions for future research, with a specific focus on revisiting international marketing strategies in light of today's digital era.*

## Keywords

International marketing; digitalization; strategy; marketing mix; online marketing.

## 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, Todd, Johnston, and Granot 2012). This is particularly true for resource-constrained firms, especially those of small-to-medium size (SMEs), which now have the motive, flexibility, and swiftness to exploit opportunities and confront challenges in foreign markets more effectively and efficiently than ever before (Lituchi & Rail, 2000; Moen, Endresen, and Gavlen 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 : (a) establishing and nourishing business relationships with customers in various and distant foreign markets, irrespective of economic, political, cultural, or other differences; (b) 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; (c) obtaining a cost effective personalization and customization of their market offerings across different countries; (d) managing business transactions across borders in a faster, cheaper, and more straightforward way, thus increasing their competitive edge and improving financial performance; and (e) simplifying the way international business

is conducted through, for instance, electronic data transfers, electronic payments, and online export assistance (Gregory, Ngo, and Karavdic 2017; Yip and Dempster 2004; Kaynak, Tatoglu, and Kula, 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: (a) is both less costly and risky in operating in overseas markets, while transactions with foreign customers are conducted in a smoother way; (b) 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 (c) 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 **Appendix**) (Leonidou, Katsikeas, Samiee, and Aykol 2018). Hence, the primary purpose of this article 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 article 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.

...insert **Figure 1** about here...

## **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 stronger, when these are integrated with applications of similar technologies in other enterprise functional areas, such as procurement, manufacturing, and research & development (Fahy and Hooley 2002; Kim, Jean, and Sinkovics 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, Moral-Pajares, Medina-Viruel, and Bernal-Jurado 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 (Matthews 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 (Prasad, Ramamurthy, and Naidu 2001; 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 (Matthews 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 analyse 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, Sinkovics, and Jean 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, Voorhees, and Calantone 2015; Gruner, Homburg, and Lukas 2014; Gürhan-Canli, Sarial-Abi, and Hayran, 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, McKechnie, and Winklhofer 2018; 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, Radulovich, Pendleton, and Scherer 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 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: (a) closely monitoring the movements and performance of competitors, and responding quickly to their marketing strategies; (b) using various digital marketing

techniques to hijack potential customers from competitors and/or attracting and maintaining existing customers from them; (c) 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 (d) 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, Ertz, Jo, and Sarigollu 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 are 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).

#### **4.0 Foreign market selection and entry**

##### **4.1 Selecting foreign markets**

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, Madsen, and Aspelund 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, Giachetti, and de

Gennaro 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, Tate, Zhang, Chen, and Liang 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, Zollo, Pellegrini, and Ciappei 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 versus 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 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: (a) 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; (b) 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 (c) 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 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, Rialp-Criado, and Rialp-Criado 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, Zhang, and Das 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).

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, Kotabe, and Murray, 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: (a) 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; (b) 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; (c) traditional mail services are underdeveloped in some countries, which makes local buyers sceptical or even reluctant to make online purchases; and (d) 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, Khalil, Le, and Cheng 2018). However, several challenges need to be considered here: (a) 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; (b) 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 (c)

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, Radulovich, Pendleton, and Scherer 2005).

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 (Vries, Gensler, and Leeflang 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. Conclusions and implications**

### **7.1. Conclusions**

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 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, rumours, 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 analysed, 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, Ngo, and Karavdic 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 rumour). 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.

## **8.0 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 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 need to be explored (Brouthers et al. 2016; Rgeuber & 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 & 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, Samiee, and Theodosiou 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: What role do social media platforms (e.g., LinkedIn, Twitter, Facebook) play in effectively communicating and selling goods to organizational customers? What is

the nature of activity links, resource ties, and actor bonds in the firm's international distribution strategy when selling online versus offline? 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? How does increased information sharing and better customer reach, due to digitalization, influence manufacturer-overseas distributor interactions? What specific customer education for digital international services (e.g., online banking, online technical help, online aftersales service) is required to be offered digitally to foreign business customers in different countries to ensure successful strategy implementation?

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 versus 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' versus 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 (Katsikeas, Morgan, Leonidou, and Hult 2007) – 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, Fisher, Jaworski, and Paddison 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 versus insights gained through analysing 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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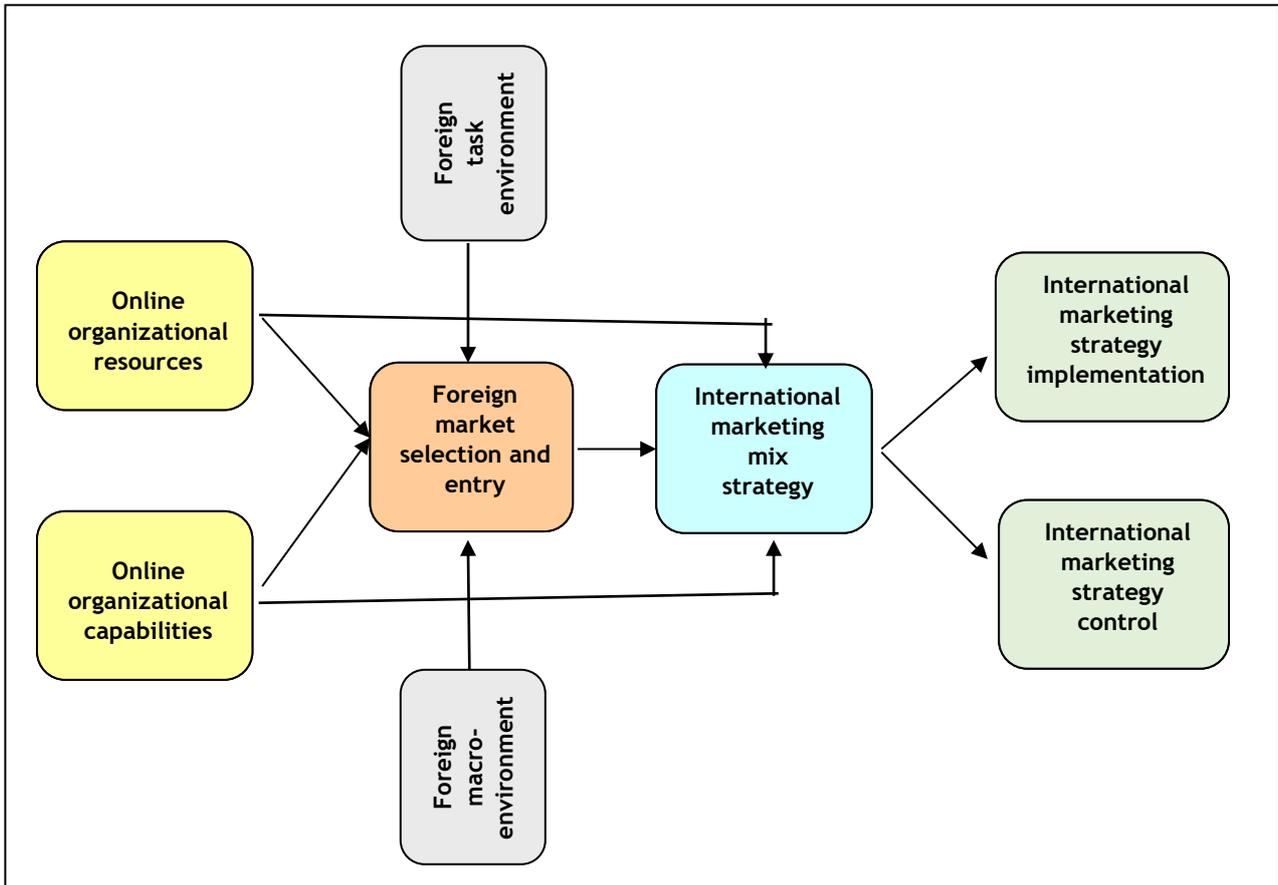
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**Figure 1:** Organizing framework of an international marketing strategy using internet-enabled technologies



## Appendix: Indicative studies on digitalization and international marketing strategy

Study	Objectives	Methodology	Main conclusions
Samiee (1998), <i>IMR</i>	To critically examine the limitations and functions of the internet in international marketing.	Conceptual	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).
Moen, Endresen and Gavlen (2003), <i>JIM</i>	To investigate how small exporting companies utilize the Internet in their international marketing activities.	Multiple case studies among six Norwegian software firms.	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.
Javalgi, Radulovich, Pendleton, and Scherer (2005), <i>IMR</i>	To develop an integrative framework to explain the role of customer behavior and customer relationship management in gaining sustainable competitive advantage for internet firms.	Conceptual	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.
Yip and Demster (2005), <i>EMJ</i>	To explore the role of the Internet in enhancing multinational companies' global strategies.	Survey among 115 multinational companies	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 multilingual and multifunctional nature of company websites facilitate globalization. The Internet improves global performance.
Eid, Elbeltagi and Zairi (2006), <i>JIM</i>	To identify critical success factors in B2B international internet marketing execution and to examine the way these factors are applied in real company settings.	In-depth interviews with managers of three companies that use or are in the process of using Internet for B2B international internet marketing	Marketing strategy factors (e.g., top management support and commitment, setting internet marketing as a strategic goal), internal factors (e.g., technological infrastructure, internal culture), web-site factors (e.g., design, effective marketing), and market factors (e.g., customer trust, customer security) are influential on the successful implementation of B2B international internet marketing.
Bianchi and Mathews (2016), <i>JBR</i>	To examine the impact of internet marketing capabilities on export market growth.	Online survey among 204 Chilean exporters	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.
Gao, Tate, Zhang, Chen, and Liang (2018), <i>JIM</i>	To make an in-depth examination and gain insights into the way international brands	Interviews with brand social media managers and social media users, as well as observations on	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

	develop strategic social media ties strategy in foreign markets.	brands' social media sites in China	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.
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