

GOING GLOBAL: THE ROLE OF INTERNATIONAL MARKETEERS'
COMPETENCIES

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Abstract

The globalization of economies poses considerable challenges to companies. Firms are no longer protected by local governments nor can they afford to ignore non-domestic competitors. This context calls for an understanding of the important competencies required for the success of international marketing activities.

This paper reports an exploratory study conducted in Portugal to identify the competencies that managers perceive as more important for dealing with the complexities of export, international and global marketing. Results reveal that respondents recognize the challenges specific to marketing at the international level and the need for specialised knowledge in international marketing environments and in operational techniques, as well as the importance of specific competencies for international marketers.

Introduction

Probably the most notorious characteristic of the international system is globalization. A number of political, economic, financial and cultural developments in the last decades (eg, the collapse of the Soviet bloc, developments in the WTO and increased consumer convergence) have dramatically enhanced the pace of global integration and interdependence of countries and companies.

This trend has compelled companies to increase their level of international activities. This entails finding new markets and customers, adopting global marketing strategies, finding new locations for value-added activities or responding to competitive moves from a global perspective (Yip, 2003)

International ventures, however, pose substantial hurdles to managers. Indeed, failing to understand and adapt to international environments and deal with international markets, partners and competitors has been pointed an important cause for failure in international businesses (Johnson et al., 2006).

This raises the question of what kind of expertise (competencies and knowledge bases) do international marketing managers need to help companies compete internationally. Identifying such competencies may greatly contribute to understand success requirements in international markets. Such an understanding may offer important insights for promoting internationalisation efforts at different levels: policy making, industry boards' activities and companies recruiting and training activities. Additionally, it may have important consequences for universities, contributing for designing adequate graduate and post-graduate international marketing (Beamish and Calof, 1989; White and Griffith, 1998; Yenyurt et al. 2005; Gray et al 2007).

In addition, a general concern in business-related subjects' teaching concerns whether formal university education is relevant from the companies' perspective, i. e. whether university education is effectively capable of developing the capabilities required by companies (Beamish and Calof, 1989; Gray et al, 2007). Beamish and Calof (1989) contended that the content of international programs should be set in consultation with industry so as to assure its relevance. Thus, several studies surveyed practitioners' in order to identify the knowledge base and capabilities perceived as important for different management functions. Such studies may prove useful in highlighting areas and methods of training which are relevant for inclusion in academic curricula and training programs. In what concerns International Marketing, however, there is a dearth of research addressing the development of global knowledge competencies (Yenyurt et al, 2005) and to the best of our knowledge no such study has been conducted in Portugal.

This paper describes the result of an exploratory study carried out to identify the competencies deemed most important for marketers and managers dealing with international markets and consumers, as well as their educational background. The paper is organized as follows: first, literature regarding development of international competencies is reviewed, then the study methodology and findings are presented. Conclusions and implications follow.

Literature review

Markets have become global for most industries and services. Firms are no longer protected by local governments nor can they afford to ignore non-domestic competitors (Cavusgil, 1991; Yenyurt et al, 2005). As a consequence, the importance of internationalisation for companies' long term survival has been extensively emphasised, for example Yenyurt et al

(2005, 2) contends that “having a global orientation is no longer a luxury, but a necessity for economic survival in a large number of industries”.

Becoming active and successful in international marketing (IM), however, poses considerable challenges to international marketing managers (IMM). Prominent among these, are questions related to international marketers’ competences and expertise. In fact, IM presents specific challenges: “International marketing managers have a role that differs substantially from that of the national marketing managers with whom they deal. It is not the same function just for a larger, or global market” (Ambler et al, 1992, p. 47). In a similar vein, Harvey contended that “The quality of managers in foreign assignments appears to be even more critical than in domestic operations” (Harvey, 1996, 103).

Thus, it has been argued that international marketing requires specific competencies, including cross-cultural competence, and knowledge base (Johanson and Vahle, 1977, Ambler et al, 1992, Beamish and Calof, 1989, Monye, 1995, Gorchels et al, 1999; Yenyiyurt et al, 2005; Johnson et al, 2006).

The process model of internationalisation highlighted the impact of knowledge, both objective and experiential, in the degree of internationalisation of the firm (Johanson and Vahle, 1977). Objective knowledge refers to issues such as market methods, statistical tools and can be generalised across markets while experiential knowledge pertains to culture, distribution systems and market characteristics. Experiential knowledge influences perceived market uncertainty and therefore impacts on commitment to internationalisation (Hadley and Wilson, 2003). The knowledge base required for firm’s internationalization includes “foreign institutional knowledge, or knowledge of governments, institutional frameworks, norms and culture, (and) is significantly related to the degree to which firms have invested in foreign assets and, marginally to the foreign earnings achieved” (Hadley and Wilson, 2004, 712).

Cross-cultural competence has been defined as “an individual’s effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad”, (Johnson et al, 2006, 530). This is, thus, a particularly relevant requirement for engaging in mutually satisfying intercultural encounters which requires further attention from an international business perspective (Johnson et al, 2006).

Consequently, although the barriers faced by companies when going international are numerous, competencies-related barriers constitute an important constraint especially for

SMS in accessing international markets. This circumstance has been acknowledged by academics, practitioners and policy-makers alike (Monye, 1995; Harvey, 1996; Beamish and Calof, 1989; Gniewosz, 1996; White & Griffith, 1998; Ball and McCulloch, 1993; EU, 2007)

Policy-makers have highlighted the need for developing specific capabilities for international marketing. OECD-APEC listed a number of barriers to SME's internationalization (OECD-APEC, 2006) which included identifying international business opportunities, locating and analyzing suitable markets, contacting potential overseas customers, obtaining reliable foreign representation, accessing finance for internationalization, Engaging specialist staff to assist with the management of international markets, etc. According to the "Final Report of the Expert Group on Supporting the internationalisation of SMEs" (EU, 2007), these problems can be grouped into three groups of concern: Insufficient managerial time and/or skills required for internationalization; lack of financial resources and lack of knowledge of foreign markets.

Concern for the need for specific competencies in international marketing has been expressed by managers as well. For example, an empirical study conducted in UK managers concluded that "75% of the sample felt there was need for specialized knowledge of international marketing management for companies to succeed in their international operation" (Monye, 1995: 8). However, the lack of qualified human resources has been acknowledged: "the shortage of qualified international managers to expatriate is considered to be one of the most significant constraints on the expansion of multinational corporations" (Harvey, 1996: 103).

Concurrently, several studies documented the importance of an internationally oriented education system as a means to enhance companies' and countries' competitiveness at the international level (Beamish and Calof, 1989; Gniewosz, 1996; White & Griffith, 1998). A comparative study of the 21 top US graduate programs in international business and found that the majority of the programs had internationalised the curriculum to only a small extent while experts emphasised "the need for international managers to understand the interdisciplinary nature of problems in a culturally diverse manner" (White & Griffith, 1998, 110). In general, these studies expressed their concern for the fact that course content had not achieved the practical content orientation to cultivate high-caliber global managers" (White & Griffith, 1998, 110-11).

Ball and McCulloch (1993) studied the views of American multinational CEOs on the importance of international business education and courses such as Principles of International

business, International Marketing and International Finance were valued. Nevertheless, 80% of the respondents agreed that the international aspects of the business were learned by employees on the job.

In fact, the suitability of academic programs to meet practitioners requirements is a recurrent concern among business disciplines and the question whether IM curricula are responsive to corporate needs has also been addressed (Beamish & Calof, 1989; White & Griffith, 1998). In general, these studies pointed to the conclusion that training for IMM calls for collaboration between Universities and the practitioners' (Beamish & Calof, 1989, Monye, 1995).

The importance of identifying and developing international marketers' competencies points to the need of enhancing our understanding of the specific competencies and knowledge base required for IM operations.

Method

As a preliminary step, a content analysis of recruitment ads for jobs in international marketing management published by a major national weekly newspaper during a 30 day period was conducted. These were analyzed in terms of required education, experience, and competencies.

Personal interviews with international marketing and HR managers of exporting companies were conducted. The list of exporting companies of the official Portuguese Export Agency (ICEP – Instituto das Empresas para os Mercados Externos – www.icep.pt/www.portugalinbusiness.com) was used to identify potential companies for the interviews. A convenience group of companies from diverse industries were identified and their international marketing managers were contacted; Notably, textile companies are predominant reflecting the structure of the industry in the northern region of Portugal, where interviews were held.

Nine in-depth interviews of about 60 minutes were conducted. Most of the interviews were conducted by two researchers. Interviews were transcribed and content analyzed. All companies were strongly orientated to international marketing with sales in international markets of up to 99% of total sales. Although none had an international marketing department, interviewees were mostly top managers, either marketing managers or CEOs, directly involved in setting international activity strategies.

Findings

The content analysis of recruitment ads revealed that employers typically seek for higher-education individuals, with previous experience in international markets preferably in the same industry. Fluency in English was required, and in some cases other languages were valued. Interpersonal, organization and marketing management capabilities such as negotiation and information technologies were strongly emphasized.

In what concerns the interviews, in spite of the importance of international sales and/or international activities, none of the companies had managers with specific educational background in international marketing.

The lack of qualified human resources to work in this area was highlighted by several respondents. Companies rely on experience and in-job training to develop expertise in international markets. Experience, preferably in the same industry, was also evident in the recruitment ads and interviewees highlighted the importance of recruitment within the industry. In general, respondents agreed that training in marketing, and specifically in international marketing, could help solve some of the problems related to their international activity and sales. These include the difficulty to identify and deal with differences between domestic and international markets; handling the bureaucratic/red tape in foreign markets; difficulty in establishing and maintaining relationships with international partners, including communication and cultural problems; difficulties in launching brands internationally; international segmentation and positioning; and the high level of resources needed for marketing internationally, difficult to obtain for individual companies. However “learning ‘on-the-job’ is often not an optimal mode for acquiring exporting knowledge (Samiee and Walters, 2000: 89).

In general, three types of competencies were deemed important for international marketing.

Personal and interpersonal competencies: Respondents highlighted the importance of personal and interpersonal competencies as well as personality-related traits needed to be successful in this area. Specifically, organization, communication, and cross-cultural skills such as adaptability and flexibility and curiosity and openness to new cultures and behaviours.

Supporting competencies: Issues covered were the importance of quantitative methods, information technologies, and foreign languages. English was obviously required, but other languages such as Spanish, Russian or Chinese were also highly valued.

Specific competencies: Specific competencies required for international marketers were grouped into two major groups:

Technical and substantive knowledge. Included here were knowledge of the international system, international economy, and international commerce needed to understand the dynamics of international negotiations and cooperation, namely questions such as international agreements and organizations; international law and contracts; negotiations and alliances; logistics; custom formalities; and exchange rate fluctuations.

Strategic and operational marketing skills: These competencies pertain to the need to fully understand the value chain of the business and the technical aspects of the product and process, including sourcing decisions and outbound logistics.

Discussion and Conclusions

This exploratory study sought to evaluate the requirements for success in international marketing, including the identification of main problems in international marketing and the needs of employers in this area.

In general, respondents highlighted the specificity of international marketing activities, the need of specific theoretical training and experience, the importance of strong technical knowledge of the value chain, the need for considerable investments in time and financial resources in order to obtain results in international markets, and the lack of reliance on the government as a source of export knowledge and information.

The importance of cross-cultural competencies has also been highlighted. Cross-cultural competencies can be improved through experience and cross-cultural sensitivity training. For example, Kayes et al (2005) identified the following competencies for cross-cultural knowledge absorption: Valuing different cultures; building relationships within the host culture; listening and observing; coping with ambiguity; translating complex ideas; taking action and managing others.

The importance of language as a condition for cross-cultural competencies cannot be understated: “The importance of multi-lingual competence in the contemporary business environment is so palpable and so universally recognized as to be a cliché” (Shanahan, 1996). Different studies have acknowledged the need to include foreign languages in international business programs curricula (Grahn and Van Bloomen, 1995; Shanahan, 1996).

Foreign language knowledge is not only required for effective communication in foreign countries, as it constitutes a means to understand culture (Kayes et al, 2005).

Limitations and implications

Although the study has limited generability, these results provide important implications which can contribute to improve course design in the area of IM and business. Improving course curricula in order to allow students to develop and train these competencies will certainly provide companies with more qualified human resources for successful international marketing. Although experience cannot be taught, different pedagogical methods provide hands-on reality learning environments, for example, including project-led education-based methodologies and use of case studies. In what concern cross-cultural competencies, it is important to provide students with opportunities for cross-cultural environments and contacts.

Furthermore, offering executive training seminars in international marketing and international business may represent an opportunity for Universities to adapt their offer to international companies' needs. It has been suggested that, in times of economic constraints which constraint companies to recur to expatriate, "the education process assumes even greater significance in creating international knowledge" (Cavusgil, 1991: 93). However, a high priority should be given to cost- and time-effectiveness dimensions and this type of education needs to be seen as a complement to export know-how gained 'on-the-job' (Samiee and Walters, 2000).

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