

# Encourage sharing of local practices

If only global firms knew what they know about local marketing



**MICHAEL R. CZINKOTA**



**MARC FALCO SCHRADER**

Michael R. Czinkota researches international marketing issues at Georgetown University and the University of Birmingham in the United Kingdom. He may be reached at [czinkotm@georgetown.edu](mailto:czinkotm@georgetown.edu). Marc Falco Schrader is professor of marketing at Aalen University. He may be reached at [marcfalco.schrader@htw-aalen.de](mailto:marcfalco.schrader@htw-aalen.de).

**A** global firm wants to develop local loyalty programs. It might happen that some of its country organizations already have well-established programs in place. Yet country A's staff is unaware that a loyalty program already has been built in country B, so they're not asking. The country B subsidiary doesn't know that country A is in need of help, so they're not telling. Often, country marketing managers may accumulate impressive knowledge, but the firm does not. Synergies from internationalization fail to materialize.

Global firms often don't know what they know. They miss out on the essence of internationalism: developing and using information on a global basis. Knowledge is only accidentally shared throughout the firm.

Today, many small- and medium-sized firms service multiple markets abroad. For them, marketing knowledge that is locked up in a single country is a waste of resources and a limitation on competitiveness.

Cultural differences between countries may influence the way local best marketing practices are being developed and shared. For example, countries with a high degree of uncertainty avoidance may tend to adopt new marketing ideas later (e.g., use of

social media). Also, the enthusiasm in sharing marketing knowledge itself may be affected by cultural predispositions. Research indicates that the dissemination and cross-fertilization of (marketing) knowledge is more intense in collectivist societies (e.g., China and Indonesia) than in individualistic countries (e.g., the United States and United Kingdom).

But the issues that unite us are much more frequent than those that separate us. Interaction between corporate units will provide the opportunity for progress. A global firm will inevitably face conditions where some countries are more advanced than others. But thinking about gradual convergence encourages the sharing of valuable insights internally across the globe.

If marketing decisions are taken at headquarters and country organizations are mainly executing instructions, the creation of unique marketing knowledge is less likely. In decentralized and highly differentiated firms, country organizations have a high degree of autonomy. Here, the accumulation of information that is worthwhile to share is much more likely. Of course, trade-offs need to be made in the context of overall corporate and environmental constraints. For example, a pharmaceutical firm that

considers the guarding of trade secrets and tight enforcement of uniformity as crucial to its competitive advantage is much less likely to encourage the individualization of programs.

To succeed in sharing marketing knowledge, global firms need to maintain an understanding and inventory of what's going on in country and regional operations. Global headquarters often lack such insight. They have an understanding of how the country is performing based on the yardsticks of general measures, but they don't know the details of the subsidiaries' marketing successes (or failures).

To collect and spread marketing knowledge, firms require dedicated individuals who continuously collect information from local operations and serve as knowledge hubs. It should not be the job for everyone.

The marketing knowledge champions should be individuals with significant experience and a broad network within the firm. Ideally, they worked for different countries before taking on their role. There is no need to have all the champions centrally located—as long as the knowledge is centrally acceptable.

Developing best-practice knowledge in marketing is not a question of market size or degree of market industrialization. The knowledge champions must identify countries with marketing best practices. No need to always look to the "big fishes" (i.e., organizations in large and established countries, such as the United States or Germany). Smaller countries and emerging markets are able to develop innovative marketing solutions as well. The Czech subsidiary of a global cell phone provider developed new solutions retaining existing custom-

ers. Often, it is primarily the creativity and sense of entrepreneurship of the local marketing staff rather than sheer numbers that turn a country into an internal marketing leader.

New ways of communication and interaction facilitate local marketing knowledge sharing. It is also useful to encourage the interaction between individuals from different environments. For example, there is no harm in encouraging staff to visit with their counterparts abroad when on an international vacation.

Once local marketing best practices are identified, knowledge sharing

A fundamental prerequisite to achieving local marketing knowledge sharing is persuading the marketing staff of the benefits of doing so. Firms need a culture in which asking for foreign advice, as well as supporting others, is perceived as beneficial. Country organizations may have different maturity levels. While beginner countries receive a "first aid kit" and reduce their risk of failure, advanced countries can position themselves within the firm as front-runners yet also be poised to learn from their colleagues. For example, consumer goods firms in advanced nations can

## **Firms need a culture in which asking for foreign advice, as well as supporting others, is perceived as beneficial.**

can be achieved one to one or through workshops, Web exchange or university courses specifically designed for disseminating marketing knowledge.

There is also the opportunity to use case study competitions, which elucidate a marketing approach used to overcome a tricky situation. The information bank created by such information can be crucial for subsequent analysis and teaching.

The digitization of information and possibilities of electronic communication facilitates global knowledge sharing. Data and information are available across the globe better and faster than ever before, and can provide for international cross-fertilization. To avoid complexity and information overload, it is important to offer easy-to-use search terms, simple delete functions and meaningful keywords.

still learn from some of the approaches used successfully in "bottom-of-the-pyramid" nations.

It helps to encourage conversation between marketers—both domestic and international. A narrow focus may lead to insufficient information or scarce opportunities. Once there is an exposure to things international, the interest may grow rapidly.

Good marketing usually means that specific marketing knowledge is developed locally. Best local practices are required knowledge for a multinational firm. To make this knowledge transparent and accessible for colleagues in other countries is indispensable. Unlock this knowledge. Start with assigning global knowledge champions and identifying local marketing best practices. And then spread the word. **MM**