

Marketing Strategies for Third World Countries

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Abstract— Marketing strategies for the so called third world countries are quite different from the developed world. Apart from low level of development there are many issues that are important for a marketeer. Apart from low purchasing power there are many factors that dominates these markets. The paper is an attempt to analyze these issues to tap the market in these countries

I. INTRODUCTION

When we talk about third world the image that comes to our mind is underdeveloped, low income poor country. These countries are developing and over the year, there are tremendous changes that has taken place in their economies. In no way it may be assumed that these countries are competing with the developed world but it simply means that the scenario is not that bad what one assumes. Marketing in these economies is also changing and so as the strategies. A typical example is the presence of global brands in their malls and in metropolitan cities. The habits of the people are also changing. They spend part of their income on luxury goods, and consider their social image as an important segment of their lives. The global brands take advantage of this phenomenon and sell goods to those customers who many a time can't afford them. The strategy works in many countries and will continue for the years to come.

The question is what should be the strategy for domestic as well as international marketing firms to sell their product in these countries. No doubt it is tough decision as the poor purchasing power prohibits them to sell their product which is not in the reach of the people of these countries. Here are some of the factors which are important for them.

1. Price of the product: Due to the low purchasing power it's difficult for international brands to sell their product at the rates which they are charging in other countries. However, it has been observed that even with the low purchasing power people can go for them when it comes to their social status. If the firms somehow manage to advertise the product in a way that the people connect the product with their social image half the battle is won. Zara which is the most expensive brand even for a developed economy has introduced many clothes with slightly low price in many countries to overcome this hurdle. Moreover, the location of the store at highly crowded and expensive place, catches the eyes of many would be buyer. For the domestic firms they get the advantage of selling the goods according to the different class

of people. The same quality with some modifications can be introduced for another segment of customers.

2. Social Status Marketing: This is very important aspect of selling the product in these countries. Most of the people are concerned with their social status and can go beyond their reach to buy the product. Marketing firms can capitalize on that to sell their product. Fashion advertisement on Facebook and on google are effectively used to allure the customers. It has been observed that people are extremely self-conscious and care about their social image more than the developed world. Sociologists consider this as a lack of confidence which is attached with low income.

It is true that the good clothes, good car and good product gives one the feeling of richness and enhance their confidence but for that one has to spend money. To be a part of a social group one has to spend on these products and this is the important aspect of effective marketing strategy.

Marketeers used the group marketing to sell their product and its very effective in these countries. The third part of the following diagram clearly depicts social media ads as the highest tactic used by the marketeers.

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There's a lot of hype around documenting marketing strategy. But, what does the data say? Take a look at some key statistics.



There's a direct correlation between knowing your audience and making more money.

IN FACT...

Companies that meet or exceed revenue goals are **2.4X more likely to use personas.**

WHAT ARE THE TAKEAWAYS?

KNOW YOUR AUDIENCE KNOW YOUR BRAND DOCUMENT YOUR STRATEGY THEN EXECUTE IT

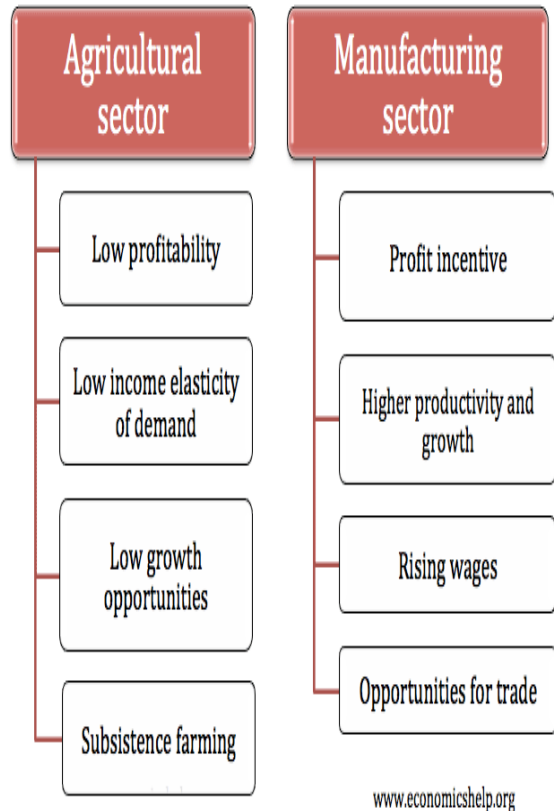
Learn how to get it all done:
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- The Dualistic economy: One significant feature of this type of economies is the dualistic character of these countries. Here one sector is developed sector and the other sector is underdeveloped or less developed. On one side the economy can beat even the developed country whereas in other sector there is subsistence level and people are very poor.

Dual economy



Source Google Images
<https://www.economicshelp.org/blog/10024/development/dual-economy/>

Here the marketers use a carefully planned strategy to allure the customers. For the developed sector high end expensive brands are introduced and for the poor sector the mass-produced low-cost brands are advertised. There is one more sector in between these two which is middle income sector. This segment uses both high end expensive goods for social status and low-cost brand for day to day business. Many marketing firms have introduced their low-cost product in these countries and at the same time their high-end products are still in demand. Da Milano product has different rates in international market but the rates in underdeveloped market is entirely different.

- Value maximization: This type of marketing stress upon the low cost and high value marketing. The price is kept low but the product is so advertised that with low price one gets more. Extra 10 percent free or buy one get one free are the common strategies which work perfectly well for these economies. Sometimes the same product is advertised in such a way that some of the benefits which are hidden but may be useful are exposed to the consumers. For

example, Chyavan Prash in India few years back advertised that the product can be used as slimming product also. Many new consumers joined the family of this product and the strategy worked perfectly well. Similarly, the mobile companies advertising their product with various new uses like apart from camera it can be used for playing games and listening to the music of their choice and watching movies also.

5. The power of advertising: The segment market which is a significant feature of these type of economies is used by the marketer to allure and make the customer permanently. People tend to connect the product with their life time memories and with their growing up cycle. Jabakusum oil in India which advertise that three generation are using the oil is working effectively till today. From cycle to scooter or bike with the same or changed name of the company is not a new thing. Advertisement continuously and repeatedly in different channels make it a memory for the consumers and they remember it at the time of buying the product. It is true that it is a huge expenditure for the companies but the profit or revenue they make after selling the product compensate them more than that.

6. The religious mind: It has been observed that the common feature of these economies is the excessive dependence on the religious functions and culture. Absentees after these function at work place is high which substantiate the claim of high sale of many products. Marketeer can use it as an effective strategy to sell the product. Take the example of India where Hindus prefer to start or buy the new product during Navratras and Muslim wait for the Eid. New year and Diwali are the most prosperous months for the marketers. In other parts of the world the local religious worship is a significant event and local as well as multinationals use this to sell their product. This strategy is working for the last many decades and is very effective also. Instilling the product into minds of the people when the religious function time is coming is a perfect bargain to enhance the sale of the product.

In conclusion it can be said that the marketing strategies are slightly different in these countries and if used effectively can be of enormous benefit to the company.