International Marketing - EPRG Framework

Different attitudes towards company's involvement in international marketing process are called international marketing orientations. EPRG framework was introduced by Wind, Douglas and Perlmutter. This framework addresses the way strategic decisions are made and how the relationship between headquarters and its subsidiaries is shaped.

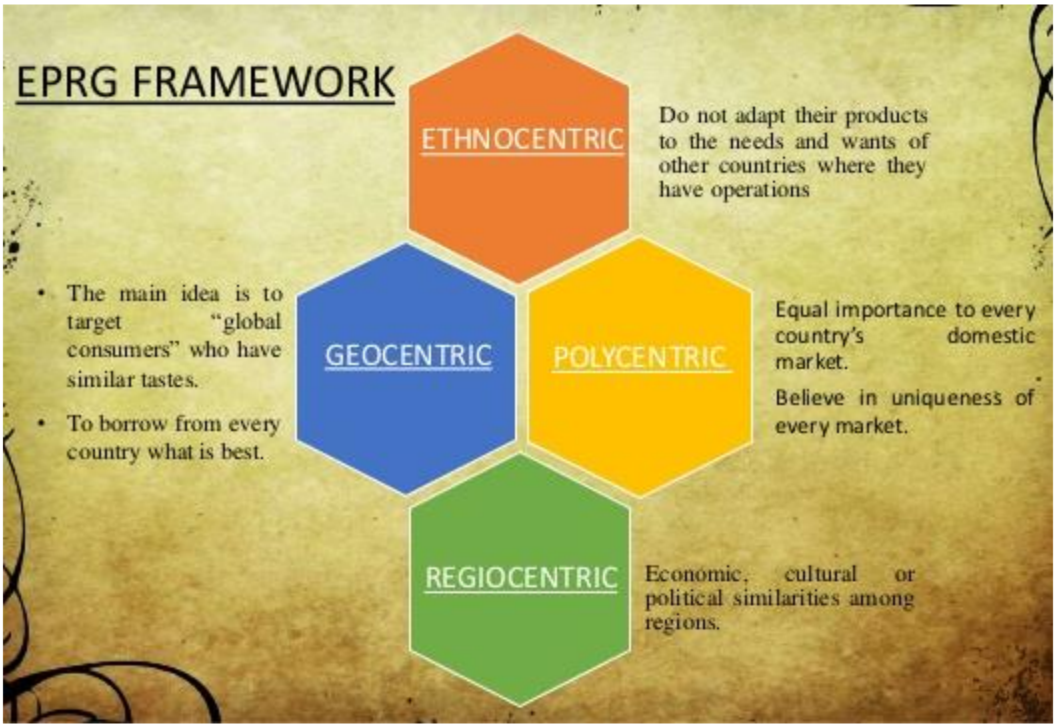
Perlmutter's EPRG framework consists of four stages in the international operations evolution. These stages are discussed below.

Ethnocentric Orientation

The practices and policies of headquarters and of the operating company in the home country become the default standard to which all subsidiaries need to comply. Such companies do not adapt their products to the needs and wants of other countries where they have operations. There are no changes in product specification, price and promotion measures between native market and overseas markets.

The general attitude of a company's senior management team is that nationals from the company's native country are more capable to drive international activities forward as compared to non-native employees working at its subsidiaries. The exercises, activities and policies of the functioning company in the native country becomes the default standard to which all subsidiaries need to abide by.

The benefit of this mind set is that it overcomes the shortage of qualified managers in the anchoring nations by migrating them from home countries. This develops an affiliated corporate culture and aids transfer core competences more easily. The major drawback of this mind set is that it results in cultural short-sightedness and does not promote the best and brightest in a firm.



Regiocentric Orientation

In this approach a company finds economic, cultural or political similarities among regions in order to satisfy the similar needs of potential consumers. For example, countries like Pakistan, India and Bangladesh are very similar. They possess a strong regional identity.

Geocentric Orientation

Geocentric approach encourages global marketing. This does not equate superiority with nationality. Irrespective of the nationality, the company tries to seek the best men and the problems are solved globally within the legal and political limits. Thus, ensuring efficient use of human resources by building strong culture and informal management channels.

The main disadvantages are that national immigration policies may put limits to its implementation and it ends up expensive compared to polycentrism. Finally, it tries to balance both global integration and local responsiveness.

Polycentric Orientation

In this approach, a company gives equal importance to every country's domestic market. Every participating country is treated solely and individual strategies are carried out. This approach is especially suitable for countries with certain financial, political and cultural constraints.

This perception mitigates the chance of cultural myopia and is often less expensive to execute when compared to ethnocentricity. This is because it does not need to send skilled managers out to maintain centralized policies. The major disadvantage of this nature is it can restrict career mobility for both local as well as foreign nationals, neglect headquarters of foreign subsidiaries and it can also bring down the chances of achieving synergy.

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EPRG FRAMEWORK

BCOM FINAL YEAR