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| **BASIS** | **DOMESTIC MARKETING** | **INTERNATIONAL MARKETING** |
| **1. MEANING** | Domestic marketing refers to carrying out marketing activities within the national boundaries. | International marketing refers to carrying out marketing activities outside the national boundaries also. |
| **2. CURRENCY** | There is no problem of arranging currency as payments are made in terms of domestic currency | Different currencies are used in different countries. So the problem of arranging foreign currency arises. Further, the exchange rate is always fluctuating which also adds to the problem of setting accounts. |
| **3. ECONOMIC POLICIES** | Various economic policies of the government regulating business and trade are uniform within the country, like fiscal policy, monetary policy, industrial policy, licensing policy etc. are uniform within the country. | Economic policies are usually different in various nations. The economic policies of one country are not applicable in the other nation. So, the internal marketers has to understand economic policies of all the countries where it intends to extend its marketing activities. |
| **l4. Socio Cultural Environment** | Within a nation, certain socio cultural variables are homogenous. So it is easy to analyse and understand socio cultural environment in case of domestic marketing. | There may be heterogeneity in socio cultural environment among different nations. Socio cultural variables like education level, religion, attitude towards work, value system, customs, traditions etc. Significantly affects likings, disliking, tastes, preferences of consumers. The analysis of socio cultural environment of various nations is a difficult task. |
| **5. Magnitude of Risk** | It has lesser risk as goods are sold within a country. It involves less travelling time, less risk of bad debts as it is easier to analyze credit worthiness within a nation. It does not involve foreign exchange rate risk. | It has more risk as goods are sold across the boundaries of the nation. It involves more travelling time, political risk, exchange rate risk, sea route risk, more credit risk as it is difficult to analyse creditworthiness of customers across the world. |
| **6. Legal and Political System** | Within the country the legislations regulating marketing activities are uniform like Sale of Goods Act, Consumer Protection Act, Contract Act, Income Tax Act, etc are uniform within India. Understanding these legislations within a nation is easier. | The legislations regulating international marketing are different in various nations. Further, International institutions like WTO, UNCTAD, IMF etc. also affect various transactions of International Marketing. So understanding legislative set up affecting International Marketing is very complex. |
| **7. Mobility of factors of Production** | Factors of production like labour and capital have easy mobility within the boundaries of the nation. | Factors of production are less mobile across nations. In some cases, these may be totally immobile due to legal hindrance, long distance, language hurdle, patriotism, customs, traditions etc. |
| **8. Tariff and Non Tariff Barriers** | Within the Nation, there are no tariff (Import duty and export duty), non tariff barriers (quota, license). So mobility of goods within the country form one state to another state is is easy. | There are various tariff and non tariff barriers on movement of goods from one country to other country. These barriers hinder the movement of goods from one nation to other nation. |
| **9. Procedural Formalities** | It involves less documentations and procedural formalities. Executing the transactions related to domestic marketing is not very complex task. | It involves complex procedural formalities and documentations. The services of specialized staff are required to comply with official formalities. It increase the transaction cost of International Marketing. |
| **10. Language Problem** | In domestic marketing, language barriers are not a serious problem. Although there may be various regional languages, but still because of common national language, the person engaged in domestic marketing can communicate with each other. | Language problem is serious across the nations. More than 6500 languages are spoken in the world. Even in case of same language, the way of pronunciation is different in different nations. Services of translator/Interpreter are required. |
| **11. Competition** | The level of competition is less as marketers of one Nation only compete with each other. | The level of competition is very high as marketers from all over the world compete with each other. |
| **12.Government Incentives** | Generally, domestic traders get less incentives in comparison to exporters form government. | Government always gives more concessions and incentives to exporters so as to promote exports. |
| **13. Market Research** | Conducting market research is easier and less expensive as market area is less. | It is very difficult, costly and time consuming to conduct market research across the world. Further global marketing environment is more dynamic in comparison to domestic marketing environment. |
| **14. Quality Standards** | Quality standards and norms are same within a nation. **For example-** In India, for electric appliances ISI marks reflects good quality of product. But ISI mark is of little significance in International Marketing. | Quality Standards and norms are different in different nations. So, International marketer will have to comply with quality norms of all such nations where it intends to market its product. |
| **15. Market Characteristics** | The Characteristics of market viz. channels of distribution, advertising, sales promotion, personal selling etc. are more or less similar within domestic market. | The Characteristics of market viz. distribution network, advertising media, personal selling, tools of sales promotion etc. across the world are significantly different. |
| **16. Transportation** | Rail and Road transport modes are generally used as the distance is less. | Sea transport is the most commonly used mode of transportation as the distance is long. For sea transport, container packaging is used. |