

# CONTENTS

<i>List of Figures</i>	xvii
<i>List of Geo Maps</i>	xxi
<i>List of Tables</i>	xxiii
<i>List of Boxes</i>	xxv

## PART I Global Marketing Environments

### Chapter 1 Understanding Global Markets and Marketing 1

Learning Objectives	1
Global Markets Today	1
Globalization: The World Is Becoming Smaller	9
Globalization and Global Marketing	15
Technology Aids Globalization	21
Developing Global Marketing Strategies	24
A Global Marketing Management Framework	30
Summary	31
Outline of the Book	32
Discussion Questions	33
Experiential Exercises	33
Key Terms	33
Case 1.1: The Brand Called You: Strategizing for Global Marketing	33

### Chapter 2 Assessing the Global Marketing Environment—The Global Economy and Technology 40

Learning Objectives	40
The Global Economy	43
International Trade Theories	48
Economic Systems	49
Market Development and Global Geographics	55
High-Tech Products Lead World Trade	57
Global Countries and Emerging Giant Companies	59
The Green Economy	61
Summary	65
Discussion Questions	66
Experiential Exercises	66
Key Terms	66
Case 2.1: Mobile Language Learning: Praxis Makes Perfect in China	66

### **Chapter 3 Evaluating Cultural and Social Environments 76**

Learning Objectives	76
A High Fashion Brand's Costly Cultural Blunder	76
The Importance of Cultural Diversity	79
Hofstede's Six Dimensions of National Culture	89
Global Leadership and Organizational Behavior Effectiveness	94
Culture and Cultural Distance	95
Measuring Cultural Intelligence	97
Culture and Communication	98
Global Customers	102
Summary	104
Discussion Questions	105
Experiential Exercises	105
Key Terms	105
Case 3.1: Kavli Selling Cheese in a Tube to the World	106

### **Chapter 4 Analyzing Political and Legal Environments 115**

Learning Objectives	115
Legal/Global Political Systems	115
Legal Issues for Global Marketing	116
Intellectual Property Issues: Trademarks, Patents, and Copyrights	117
Trade Regulations	122
Arbitration and Mediation	123
Marketing Mix Regulations	124
Regulation of Communication	126
Political Risk	127
Measuring Political Risk	128
Managing Political Risk	132
Summary	133
Discussion Questions	133
Experiential Exercises	134
Key Terms	134
Suggested Readings	134
Case 4.1: Huawei Enters the United States	134

### **Chapter 5 Integrating Global, Regional, and National Markets 143**

Learning Objectives	143
Introduction	143
Regionalism or Globalism?	145
Regional Trade	145
Regional Economic Blocs	148
Free Trade Areas	149

Customs Unions	152
Common Markets	152
Free Versus Fair Trade	157
Emerging Markets	159
The BRIC Countries	160
The Market Potential of Nations	162
Summary	164
Discussion Questions	164
Key Terms	164
Suggested Readings	165
Case 5.1: Understanding Global Consumer Behavior in Aesthetic Surgery	165

## **PART II Global Marketing Functions and Strategies**

### **Chapter 6 Conducting Global Marketing Research 169**

Learning Objectives	169
Importance of Global Marketing Research	170
Traditional and Emerging Market Research	170
Scope of Global Marketing Research	171
Conducting Global Marketing Research	172
Online Research and “Big Data”	175
Differences in Conducting Global Marketing Research	182
The Global Marketing Research Process	182
In-House Versus Outsourcing	187
Analyzing the Data	188
Reporting the Data	189
Summary	191
Discussion Questions	192
Experiential Exercises	192
Key Terms	193
Suggested Readings	193
Case 6.1: Estimating Demand in Emerging Markets for Kodak Express	193

### **Chapter 7 Entering Global Markets 202**

Learning Objectives	202
Introduction	202
Methods of Entry to International Markets	203
Export Modes	204
Indirect Export	205
Direct Export	207

Distributor Selection Process, Channel Management, and Control	209
Intermediate Entry Modes	215
Intermediate Modes With Contract-Based Agreements	215
International Franchising	218
Piggyback	224
Contract Manufacturing (Outsourcing)	225
Assembly Contract and OEM (Original Equipment Manufacturing)	225
Management Contract	225
Turnkey Contract	226
Strategic Alliances (Contractual Joint Ventures)	226
Intermediate Modes—Equity-Based Agreements	228
International Joint Ventures	228
Hierarchical Modes	234
Factors That Influence Mode of Entry Decision Process	238
Dynamics of Market Entry	240
Summary	242
Discussion Questions	242
Experiential Exercises	242
Key Terms	243
Case 7.1: Israeli Wines in China: Reaching for New Heights	243

## **Chapter 8 International Market Planning 266**

Learning Objectives	266
Internationalization	266
The Ansoff Expansion Model	268
Motivation to Internationalize	270
Theories of Internationalization and Market	273
Patterns of Internationalization	287
Measures of Internationalization and Competitiveness	289
Concentration Ratios	289
Summary	290
Discussion Questions	291
Experiential Exercises	291
Key Terms	291
International Marketing Plan	291
Further Readings	293
Suggested Readings	294
Case 8.1: Dunkin' Donuts—Spicy Fast-Food Chain in India	294

## **Chapter 9 Segmenting, Targeting, and Positioning for Global Markets 304**

Learning Objectives	304
Introduction	304

Global Market Segmentation and International Market Selection	305
Macro-segmentation: First Screening	307
Prioritization: Second Screening	310
Micro-segmentation	315
Targeting	324
Positioning	329
Summary	335
Discussion Questions	335
Experiential Exercises	336
Key Terms	336
Further Readings	336
Case 9.1: Lacoste, a French Brand for Global Markets	337
References	340

## **PART III The Four Ps of Global Marketing**

### **Chapter 10 Developing Global Products and Brands 343**

Learning Objectives	343
Introduction	343
Looking for New Growth Opportunities: The Product Life Cycle Across Countries	345
The Standardization Versus Adaptation Dilemma	350
Product Use	356
Product Perception and Expected Benefits	357
Product Attributes	359
Regulations and Standards	360
Physical Characteristics	361
Style and Design, Color, and Product Quality	363
Packaging	364
Branding	366
Country of Origin and Place Branding	376
Service Attributes	379
Management Orientation	380
Summary	381
Discussion Questions	381
Experiential Exercises	381
Key Terms	381
Case 10.1: Swiss Army: Diversifying Into the Fragrance Business?	382



## **Chapter 11 Setting Global Prices 394**

- Learning Objectives 394
- A Challenging Decision 394
- Factors Influencing Pricing Decisions 396
- Cost-Based Versus Market-Based Approach 410
- New Product Pricing: Skimming Versus Penetration Pricing 411
- Standardization Versus Adaptation of Pricing Policies 412
- Centralization Versus Decentralization 414
- Pricing Strategy Prototypes 415
- Transfer Pricing 415
- Terms and Methods of Payment 416
- Countertrade 417
- Summary 417
- Discussion Questions 417
- Experiential Exercises 418
- Key Terms 418

## **Chapter 12 Global Placement and Distribution Channels 421**

- Learning Objectives 421
- The Power of Distribution 421
- Factors Influencing International Distribution Decisions 422
- Internal Factors 422
- External Factors 426
- Managing International Distribution Channels 428
- Types of Channel Intermediaries 434
- Internet Retailing 439
- Internationalization of Retailing 439
- Physical Distribution 444
- Summary 449
- Discussion Questions 449
- Experiential Exercises 449
- Key Terms 450
- Appendix: Agents and Wholesalers in an International Context 451
- Case 12.1: WhistlePig Rye Whiskey Goes Global 454

## **Chapter 13 Launching Global Communication and Advertising 459**

- Learning Objectives 459
- A Regional Brand Goes International 459
- Global Integrated Marketing Communications 463

International Advertising	467
International Publicity and Public Relations	469
International Sales Promotion	470
International Direct Marketing	470
International Personal Selling	470
Globalized Versus Localized Communication	471
Cultural Values and Consumer Preferences	472
Language and Symbols	475
Advertising Styles	475
Religion	478
Economic and Social System	478
Stages of the Product Life Cycle	481
Competition	483
Legal Constraints	484
Foreign Market Media	486
Product and Communication Strategies	487
The Global Advertising Agency	490
Communication Plan	492
Summary	495
Discussion Questions	495
Experiential Exercises	496
Key Terms	496
Case 13.1: Marks and Spencer Enters China	496

## **PART IV New Trends in Global Marketing**

### **Chapter 14 Using Social Media for Global Marketing 517**

Learning Objectives	517
An Introduction to Social Marketing and Social Media	518
Social Networks and Online Communities	519
The Networked Enterprise—New Challenges	523
Electronic Business and Data Value Chains	526
Artificial Intelligence (AI) in Marketing	529
The Shadow Side of Social Marketing and AI	534
Summary	538
Additional References	538
Discussion Questions	539
Experiential Exercises	539
Key Terms	539
Case 14.1: LexShares and the Litigation Finance Sector	539

## **Chapter 15 Designing and Controlling Global Marketing Systems 549**

Learning Objectives	549
Restructuring for Internationalization	549
Product-Based Organizational Format	550
Regional Organizational Format	552
Functional Organizational Format	553
Matrix Organizational Format	555
New Marketing Organization	558
Customer-Centered Organizations	558
Global Marketing Teams	560
Ambidextrous Marketing	562
Agile Marketing	565
Global Governance	569
Measuring Value Added in Global Value Chains	570
Global Marketing Leadership	575
Summary	576
Further Readings	576
Discussion Questions	577
Experiential Exercises	577
Key Terms	577
Case 15.1: Zara: Managing the Global Supply Chain Successfully	578

## **Chapter 16 Defining Ethics and Corporate Social Responsibility in the International Marketplace 586**

Learning Objectives	586
The Cost of Doing Bad Business	587
Ethics and the Law	589
The Multinational Corporation as a Good Corporate Citizen	591
Can a Company Afford Not to Be Ethical?	596
Social Responsibility Pays	598
Anti-bribery Agreements and Legislation	599
What Can Be Done: Global Corporate Citizenship	604
Summary	606
Discussion Questions	606
Experiential Exercises	606
Key Terms	606
Suggested Readings	607
Case 16.1: Dialogue in the Dark: Social Enterprise in China	607