



Global & Multinational Marketing Strategies

Purpose of the Study and Problem Statement:

Globalization, regionalization, and technological advances such as the internet, have changed the nature of how people do business; bringing consumers from remote and extreme locations in one part of the world with products and services from another part of the world. And yet, many of these consumers never leave their home country. Further, today, no organization or country is immune to some exposures from different countries, cultures, and diversity.

The end of the Second World War brought many changes to the global business environment. These changes were initiated by the U.S., followed later by Western Europe and Japan. And by the latter part of the 20th century further changes have evolved. As an example, a globalization initiative was influenced by a more regionalization of international markets; as witnessed by many regional trade agreements, and bilateral trade agreements. This regionalization has led to a more global economic interrelationship, integration, dependencies, and interdependency.

The economic boom in North America during the late 1990s was in large part due to the end of the Cold War and the opening of the formerly communist countries to the world trading system (Cateora, Gilly, & Graham, 2011). International business in the 21st century has altered its dynamics, with leaders originating from not only the U.S., the European Union and Japan, but also the BRIC (i.e., Brazil, Russia, India, and China) nations; led by China. Furthermore, globalization, regionalization, has also influenced not only the power dynamics on the world stage but also the very meaning of power (Kim, 2003). During the past decade new socio-cultural, political and economic challenges have also been introduced to international marketers. Moreover, researchers argue that the Chinese middle class could reach over 600 million people by 2025, approximately 40 percent of China's population at the time; and based on a projected annual GDP rate of 6.5 percent (McKinsey as cited in Wang, 2010).

Today, more than ever in U.S. history have American businesses, regardless of size, been so deeply involved in and affected by international business. A global economic boom, unprecedented in modern economic history, has been under way as the drive for efficiency, productivity, and open, unregulated markets sweeps the world. Powerful economic, technological, industrial, political, and demographic forces are converging to build the foundation of a new global economic order on which the structure of a one-world economic and market systems will be built. (Cateora, Gilly, & Graham, 2011).

However, researchers argue that “despite the strong interest in global marketing, there is no consensus in the literature about what constitutes a global marketing strategy and whether it affects a firm’s global market performance” (Zou & Cavusgil, 2002, p. 40).

Khanna, Palepu, and Sinha, (2005) argue that CEOs and senior leadership teams of MNCs acknowledge that globalization, or regionalization, is the most critical challenge they face today. They have also become very aware of the difficulty of identifying internationalization strategies, and the selection of which countries to do business with.

Still most companies have stuck with the strategies they’ve traditionally developed and implemented; which emphasized standardized approaches to new markets, while sometimes experimenting with a few local changes.

As a result, many MNCs are struggling to develop successful strategies in emerging markets. Part of the problem, is that the absence of specialized intermediaries, regulatory systems, and contract-enforcing mechanisms in emerging markets- “institutional voids” hampers the implementation of global strategies.

Companies in developed countries usually take for granted the critical role that *soft* infrastructure plays in the execution of their business models in their home markets. This *soft* infrastructure is often undeveloped, or absent, in emerging markets. Companies cannot find skill market research companies that can help them identify local consumer preferences, tastes, and emotional appeal; as well as end-to-end logistics required by manufacturers to reduce costs; or human resource recruiters to screen for lower management and professional levels (Cateora, Gilly, & Graham, 2011).

To further complicate the challenges of globalization and regionalization in the 21st century, researchers argue that the greatest market in the 21st century represents 86 percent of the world that has a per capita GNP of less than \$10,000 per year, or the majority of the people of the world; and from emerging economies (Mahajan & Banga, 2006). Moreover, in a recent survey the World Economic Forum, asked its members to *identify the global economic society and environment of the future*. The highlights of the survey identified the following: (1) global power shifts; emerging economies and China; (2) uncertain economic recovery; (3) population growth and ageing; (4) shortage of resources; and (5) inequality (World Economic Forum, 2011). That is, as economic power shifts from developed countries to emerging economies, political power will inevitably follow. How this dynamic plays out will be at the crux of geopolitical events as we head further into the 21st century. Experts argue that Asia and other emerging markets will outstrip the economic performance of Europe and North America (World Economic Forum, 2011). A bigger economic output suggests a larger voice for emerging economies and developing countries on the world stage. And analysts suggest that developed countries' decreasing economic power marks a power shift towards emerging economies.

To this end, these new global socio-economic and political dynamics will challenge international marketers on how to develop effective global multinational marketing strategies in foreign, and constantly changing, international markets.

Course Description:

This course focuses on the argument that international marketing includes many elements, and issues, beyond domestic marketing, that must be understood, in-depth, in identifying, and developing, relationships with people from many different international markets. The course analyzes numerous elements that occur across national boundaries, such as, but not limited to: different country cultures; the effect of globalization and regionalization on international marketing; international trade; global marketing research; developing and implementing international marketing strategies; understanding country-specific customers; and international marketing channels and pricing.

Further, with the introduction of modern technologies, regionalization and globalization, differences in country-specific economic, political, legal, socio-cultural systems, standardization versus localization, cross-cultural equivalence, institutions, advertising, and infrastructures, the need to understand how to develop and implement effective international marketing strategies in penetrating a foreign country, has never been so important. To this end, this framework will provide a clear foundation for understanding Multinational Marketing Strategies.

Learning Outcomes:

1. Understand the international market environment
2. Understand globalization vs. regionalization
3. Understand standardization vs. localization
4. Understand the significance of cross-cultural equivalence in international marketing
5. Develop an understanding of the global and multinational marketing processes and strategies as they apply when marketing products and services in foreign countries
6. Define, recognize, and assess differences in international, multinational, and global marketing
7. Understand the primary components of global marketing research
8. Synthesize body of knowledge related to marketing, culture, and communication
9. Appraise different global marketing strategies
10. Synthesize and evaluate issues related to global and multinational marketing
11. Analyze and assess Marketing's 4 P strategies in global markets
12. Understand and evaluate ethics when marketing in different countries

Suggested Directly Related Reading Materials:

- Arnold, D. (2003). *The mirage of global markets: How globalizing companies can succeed as markets localize*. Upper Saddle River, NJ: Prentice Hall. (ISBN: 0-13047066X)
- Banerjee, S. (2008). Dimensions of Indian Culture, core cultural values and marketing implications: An Analysis. *Cross Cultural Management, An International Journal*, (15)4, 367-378.
- Cavusgil, S.T., Civi, E., Tutek, H.H., & Dalgic, T. (2003). Doing business in... Turkey. *Thunderbird International Business Review*, 45(4). (AN 10253015)

- Cateora, P. R., & Graham, J. L. (2002). *International Marketing* (11th ed.). New York, NY: McGraw-Hill/Irwin.
- Cateora, P. R., Gilly, M. C., & Graham, J. L. (2011). *International Marketing* (15th ed.). New York, NY: McGraw-Hill/Irwin.
- Craig, C. S., & Douglas, S. P. (2006). Beyond national culture: Implications of cultural dynamics for consumer research. *International Marketing Review*, *23*, 322.
- Czinkota, M.R., & Kotabe, M. (1999). Bypassing barriers to marketing in Japan. *Marketing Management*, *8*(4). (AN 2795277)
- Eid, R. & Trueman, M. (2002). The Internet: New international marketing issues. *Management Research News*, *25*(12), 54–67.
- Javalgi, R. G., Radulovich, L. P., Pendleton, G., & Scherer, R.F. (2005). Sustainable competitive advantage of Internet firms: A strategic framework and implications for global marketers. *International Marketing Review*, *22*(6), 658–672.
- Kragh, S. U., & Djursaa, M. (2001). Product syntax and cross-cultural marketing strategies. *European Journal of Marketing*, *35*(11/12), 1301.
- Kumar, V. (2000). *International marketing research*. Upper Saddle River, NJ: Prentice Hall. (ISBN: 0130453862)
- Leo, C., Bennett, R., & Härtel, C. E. J. (2005). Cross-cultural differences in consumer decision-making styles. *Cross Cultural Management*, *12*, 32.
- Mahajan. V., & Banga,K. (2006) *The 86 percent solution: How to succeed in the biggest market opportunity of the next 50 years*. Upper Saddle River, NJ: Prentice Hall. (ISBN: 0132485060)
- Okazaki, S. (2004). Do multinationals standardize or localize? The cross-cultural dimensionality of product-based Web sites. *Internet Research*, *14*(1), 81.
- Torres, J. A. (2011). Market Strategies, Analysis, Competitive Intelligence, and Challenges in Entering the Chinese Market. *The Journal of the American Academy of Business, Cambridge*, (16)2, 39-46.
- Zou, S., & Cavusgil, S. T. (2002). The GMS: A broad conceptualization of global marketing strategy and its effect on firm performance. *Journal of Marketing*, *66*(4), 40–56.

It is suggested that students read the “Suggested Directly Related Reading Materials” listed above, in addition to the course lectures, in order to gain a more in-depth understanding of the course content.

Related Literature On Course Topic:

The complexity of international marketing suggests the need to adopt a broader perspective on the understanding of marketing principles. This perspective should capture the richness and diversity of these different aspects of culture and their influence, as well as the impact of technology (i.e., the internet and so on), advertising, socio-political, economic, and legal systems. Further, effective and successful international negotiations are largely dependent on understanding the other negotiating party's characteristics, approaches, and culture.

Course Outline:

Module Topics	
1	An Introduction to International Marketing The Scope and Challenge The International Trade Environment
2	The Cultural Environment of Global Markets The Foundation of Culture Culture Dynamics in Assessing Global Markets Cross-Cultural Equivalence Ethics & International Marketing
3	Global Markets Globalization vs. Regionalization Emerging Markets Trading Blocs E-Marketing Multinational Market Regions and Market Groups
4	Global Marketing Research The importance The components (customer needs analysis, satisfaction measurement, competition analysis, and environmental analysis)
5	Developing & Implementing Global & Multinational Marketing Strategy Marketing Entry Strategies The Market Strategy Global Product Branding Cross-Cultural Negotiations Application of the Marketing 4P's in the Global Marketing Environment
6	Understanding & Choosing Your Customers Creating Value Target Market Selection and Product Positioning
7	International Marketing Channels The Channel Design Framework
8	Pricing for International Markets Framework for Determining Prices