

Global Marketing

Foreign Entry, Local Marketing, and Global Management



Johny K. Johansson

*G*lobal Marketing

Foreign Entry, Local Marketing, and Global Management

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Georgetown University

 **Irwin
McGraw-Hill**

Boston, Massachusetts Burr Ridge, Illinois Dubuque, Iowa
Madison, Wisconsin New York, New York San Francisco, California St. Louis, Missouri

Irwin/McGraw-Hill

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Publisher: *Rob Zwettler*
Sponsoring editor: *Nina McGuffin*
Senior developmental editor: *Nancy Barbour*
Marketing manager: *Colleen Suljic*
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Production supervisor: *Dina L. Genovese*
Interior designer: *Kay Fulton/Michael Warrell*
Cover designer: *Michael Warrell*
Cover photographer: *Mel Lindstrom*
Photo research coordinator: *Keri Johnson*
Prepress buyer: *Jon Christopher*
Compositor: *Carlisle Communications, Ltd.*
Typeface: *10/12 Janson Text*
Cartographer: *Maryland Cartographics*
Printer: *R. R. Donnelley & Sons Company*

Library of Congress Cataloging-in-Publication Data

Johansson, Johny K.

Global marketing : foreign entry, local marketing, and global management / Johny K. Johansson.

p. cm.

Includes bibliographical references and index.

ISBN 0-256-16051-1

1. Export marketing. 2. Export marketing—Management. I. Title.

HF 1416.J63 1997

658.8'48—dc20

96-21836

Printed in the United States of America

3 4 5 6 7 8 9 0 DO 3 2 1 0 9 8



About the Author

Johnny K. Johansson was named the McCrane/Shaker Chairholder in International Business and Marketing at Georgetown University in 1989. An expert in the areas of international marketing strategy and consumer decision making, especially as applied to Japanese and European companies and markets, Johansson has published over 70 academic articles and chapters in books. He is the author (with Ikujiro Nonaka) of *Relentless: The Japanese Way of Marketing*, HarperBusiness, 1996. He has conducted numerous executive seminars in many countries, including Japan, West Germany, Sweden, Hong Kong, Thailand, and India. He has also been a consultant to companies in many countries, including Standard Oil of Indiana, General Electric and General Telephone and Electronics in the United States, Ford Werke AG in West Germany, and Mazda and Fuji Film in Japan.

Before joining Georgetown's faculty, Johansson held faculty positions at the University of Washington and the University of Illinois. He also has held many visiting appointments in several countries. He was the first Isetan Distinguished Visiting Professor at Keio Business School (Japan) and the first Ford Distinguished Visiting Professor at University of Cologne in West Germany. He also has been a visiting professor at New York University, Dalhousie University (Canada), Stockholm School of Economics, the Catholic University of Leuven (Belgium), the National Defense Academy (Japan), and the International University of Japan. In 1988 he was a Phelps scholar at the University of Michigan.

Johansson earned Ph.D. and M.B.A. degrees from the University of California, Berkeley, and his undergraduate degree (Civilekonom) from the Stockholm School of Economics. A Swedish citizen, he lives in Georgetown, Washington, D.C., with his wife Tamiko, and their two daughters, Anna, and Sonja.



Preface

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Global marketing is one of the most exciting—but also one of the most challenging—fields of business today. It requires not only a good grasp of marketing principles and an understanding of the global environment, but also how the two interact, and how the environment impacts the applicability of the marketing principles.

The challenge when writing a text in global marketing is how to avoid being overwhelmed by all the curious and amazing differences in the marketing environments among foreign countries. So, the key approach of this text is to focus on the marketing decisions that have to be made, and then to deal with the environmental factors which directly impact those decisions. This text discusses the complexities of global marketing and clarifies the managerial roles involved without getting bogged down by the many environmental issues which are only marginally relevant.

Special Features

When compared to other texts in global marketing, the text has three main distinguishing features:

1. There are no designated chapters on the international environment of politics to discuss finance, legal, and economic regions. With the exception of culture, the book covers such variables on an as-needed basis in the various chapters.
2. As opposed to the view of the traditional “marketing manager,” the typical global marketing manager’s job consists of three separate tasks: foreign entry, local marketing, and global management. For each task the global marketer needs skills that the home market experience (or the standard marketing text) has rarely taught. This text’s recognition of the three roles helps to dispel the notion that “there is no such thing as international or global marketing, only marketing.”
3. The material is based on a theoretical foundation of the multinational firm. This is not for academic credit but rather because the theory helps the marketing manager to understand what drives the company expansion abroad, and it helps the manager understand how and when to adapt the various marketing functions involved.

Standard Material

This text also contains much of the standard research and teaching material that global marketers in business and academe have contributed over the years. This material is reflected not only in the chapter text, but also in the several cases that can be found at the end of each of the four parts. My intent has been to retain and update much of the teaching and instructional material that has made global marketing such a successful class in many business schools (and made for such an exciting managerial career) and to fit the material into a structure which reflects the current aspects of global marketing tasks.

To further illustrate the principles, the book incorporates cases at the end of each part. Many of these cases have been written by outstanding contributors to the field of global marketing, and I am very pleased to be able to introduce them here. Most of the cases are brief, as they are meant to serve as discussion material in class and not as a substitute for the longer Harvard-style cases which occupy entire sessions. In the teacher's manual I give suggestions for suitable longer cases for the various parts.

Target Audience

The text is aimed towards the executive, the M.B.A., or the senior undergraduate, none of whom is completely new to marketing or to the global environment. I have in mind a reader who is familiar with the basic marketing principles and who has had some exposure to the international environment and the thrust toward a global economy. I have avoided unnecessarily complicated jargon; the global marketing job is inherently complex, and any opportunity to “keep it simple” has been capitalized on.

Possible Courses

The three-way partition of the book makes it possible to construct several alternative course outlines from its content.

- A complete course on global marketing, possibly using additional Harvard-style cases, is the “full-course” treatment alternative.
- A shorter global marketing course, perhaps for executives, could go straight from the introductory first three chapters to the global management part starting with Chapter 11.
- An international marketing course could focus on the local marketing and the global management parts.
- An export marketing course could select the foreign entry chapters, and then do the local marketing chapter plus the pricing and distribution chapters in global management.
- At Georgetown I have used the text in a second-year M.B.A. class entitled “Foreign Market Development,” for which I assign all of the

foreign entry and local marketing parts, but only the first two chapters of the global management part.

Supplements

Teaching a global marketing course requires more supplementary material than usual because of the amount of information about foreign countries which has to be provided. I am pleased to say that the editorial staff at Irwin has helped me put together what I think is a very strong resource package.

The supplements are especially designed by marketing professors to help teachers of this course be more effective. We have taken care to offer the best supplements we could make available.

Instructor's Manual: This manual is designed to assist instructors in meeting the varied curricular and pedagogical challenges inherent in teaching an International or Global Marketing course. The authors of this manual have been particularly sensitive to the needs of various kinds of global marketing classroom situations, concerning themselves with syllabus construction, pacing of topic coverage and other teaching suggestions, lecture outlines, discussion of end of chapter questions and supplemental readings based on the varying perspectives and needs of the instructor. Included in this supplement are discussions of the electronic transparencies, videos, and readings.

Test Bank: The Test Bank consists of more than 1,400 questions designed to thoroughly test the comprehension of basic terminology and concepts as well as the student's ability to apply those concepts. The material in each of the text's eighteen chapters is tested by a battery of sixty multiple-choice, ten short-answer and ten essay questions. The computerized version of the test bank, Computest 4, is available in DOS and Windows format.

Electronic Transparencies: A complete set of slides, including both in-text and out of text graphics, are presented on the PowerPoint software disk. Information about the slides is included in the Instructor's Manual.

Videos: The videos are comprised of numerous segments which highlight important aspects of global marketing. The videos are intended to provide unique footage of global marketing in action.

International Readings Booklet: This booklet, available in some packages, reprints current global business articles.

I have tried to make the text as enjoyable and interesting to read as possible. You will, of course, judge for yourself whether I have succeeded.



Acknowledgments

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This textbook would not have been possible without the help and inspiration of many people. The environment at Georgetown's School of Business was ideal, with its emphasis on "international" as a school theme, the support of the Dean and the resources made available through the McCrane/Shaker chair, including a reduced teaching load and an outstanding secretary, Jennifer Barker. Then there were colleagues like Michael Czinkota and Ilkka Ronkainen, friends and competitors, and my other colleagues in marketing and international business, who all convinced me that a new text was needed, and who provided a stimulating environment for its completion. Andrea Alexander, May Guo, Niels Nielsen, and Kerri Olson were very able research assistants.

The content of the book owes much to colleagues at foreign academic institutions as well. First and foremost is Ikujiro Nonaka, professor at Hitotsubashi University in Tokyo, who has been a coauthor and friend over many years. Others in Japan include Tadao Kagono at Kobe University, Akihiro Okumura at Keio Business School, and Kiyonori Sakakibara, now at London Business School. I also learned from Masaaki Hirano at Waseda, Mitsuo Wada, when I was a visitor at Keio Business School, from my colleagues at IUJ in Urasa when I visited there, and from the many Japanese marketers I have met over the years through my academic friends.

In Europe, Professor Richard Koehler at Cologne University was very helpful as I learned more about the European integration effort. In Belgium, Piet Van den Abeele was a stimulating colleague. My Swedish colleagues—Gunnar Hedlund, Jan-Erik Vahlne, Lars-Gunnar Mattsson, Orjan Solvell in Stockholm, and Mats Forsgren and Jan Johansson at Uppsala—have been a source of inspiration over many years. Insead's Reinhard Angelmar and Jean-Claude Larreche have influenced my thinking about European companies more than they know. Tage Madsen at Odense is another colleague who has helped me understand what sets the Europeans apart.

Here in North America, I owe a lot to Alan Rugman at Toronto, who first introduced me to the new theory of the multinational, and whose writings I have used liberally. Susan Douglas was a great colleague during my two years at New York University. Tom Roehl, then at University of Washington now at University of Illinois, has been constantly provocative about the Japanese marketers. During my time at University of Washington, I also enjoyed Jerry Sullivan's different perspective on things Japanese, as well as Dick Moxon's and Fred Truitt's international business know-how. The

work of Hans Thorelli at Indiana, Tamer Cavusgil at Michigan State, David Tse, now at City University of Hongkong, Philip Rosson at Dalhousie, Saeed Samiee and Tulso, Warren Keegan at Pace, and Masaaki Kotabe at Texas has had a strong impact on my thinking. When it comes to global strategy, I have been greatly influenced by George Yip at UCLA, a good friend and co-author, by Kamran Kastiani at IMD, and also by John Onto at the University of Melbourne and Nick Binedell at the University of Witwatersrand in Johannesburg.

Among marketing colleagues, I first want to thank Philip Kotler at Northwestern University and Jagdish Sheth, my former colleague at Illinois who is now at Emory University, both of whom have strongly influenced my thinking about the relationship between global and local marketing. I also want to single out Dominique Hanssens at UCLA, John Graham at Irvine, Arieh Goldman at Hebrew University in Jerusalem Dave Montgomery at Stanford, and Claes Fornell at Michigan, all five of whom have helped bridge the gap between international and noninternational marketing research. So has the strong group of researchers associated with Wharton, including Jerry Wind, John Farley, Bruce Kogut, George Day, and Erin Anderson. All have influenced what is in this text.

Some of the practitioners I have had the fortune to meet and learn from should also be thanked. Chong Lee at Lucky Goldstar Korea, Bruce Wolff at Marriott, Kevin Jones at McKinsey Japan, Ron Hosogi at Microsoft, Mitchell Reed of Grey Daiko, John Stabb at Microlog, and Chris Ericksen, then at GTE, stand out. So do Osamu Iida, Shumpei Hasegawa, Norimoto Otsuka, and Saburo Kobayashi at Honda, Chris Wada at Sony, Mitsuya Goto, then at Nissan, Karl Herman Gistren at Gadelius Japan, Ted Hirose of Shin-Nippon Wex in Nagoya, Hideo Shimoda of Jetro in Tokyo, Kiyofumi Matsumoto at Canon, Hiroe Suzuki at Dentsu, Hiroshi Ohnishi of Core Concept in Osaka, and Norio Nishi at the Commonwealth Bank of Canada in Tokyo. Hans Olov Olsson and Rune Lundberg at Volvo, Klaus Tarlatt at Ford AG in Cologne, and Jan Segerfeldt in Stockholm also have influenced my thinking.

Several of my present and former students provided valuable input of one kind or another. Eric Crabtree of CMT, Inc. in Moscow, Jim Hubbert, now at Disney Japan, Casey Shimamoto now at Daiwa Securities, Tsuyoshi Mano from Kyocera, Masumi Natsuzaka of Kao, Peter Munns at the International University of Japan, and Mitchell Murata at Georgetown have taught me much about global marketing.

Special thanks are due to the case writers who graciously allowed me to use their material in the book: Pamela Adams at SDA Bocconi, Tamer Cavusgil at Michigan State, Wolfgang Breuer and Richard Köhler at Cologne University, Tage Madsen at Odense University, Philip Rosson at Dalhousie, George Yip at UCLA, and Eddie Yu and Anthony Ko at City University of Hong Kong.

The editorial staff at Irwin deserves a great deal of credit. Rob Zwettler and Nina McGuffin are fun to work with, Nancy Barbour was a great slave-driver, and Beth Cigler knew where things were at. Harriet Stockanes in permissions and Michael Hruby behind the photos made me understand that there is more to a book than just the writing of it.

I also wish to express my appreciation to the following colleagues who reviewed this text and provided many helpful insights and suggestions:

Zafar U. Ahmed	Joby John
Minot State University	Bentley College
David Andrus	William J. Kehoe
Kansas State University	University of Virginia
Jessica Bailey	Diana Lawson
The American University	University of Maine
Daniel Butler	Mike Mayo
Auburn University	Kent State University
Joan Buckley	Sam Okoroafo
University College Cork, Ireland	University of Toledo
Tamer Cavusgil	Stanley Paliwoda
Michigan State University	University of Calgary
Paul Chao	Daniel Rajaratnam
University of Northern Iowa	Baylor University
Newell Chiesl	Catherine Rich-Duval
Indiana State University	Merrimack College
Carol Felker Kaufman	Carlos Rodriques
Rutgers University	Governors State University
Josep Franch	Dennis Schorr
ESADE, Spain	UCLA
Pervez Ghauri	Bernard Simonin
University of Limburg	University of Washington
Kate Gillespie	Nader Tavassoli
University of Texas	Massachusetts Institute of Technology
John Graham	Tyzoon Tyebjee
University of California-Irvine	Santa Clara University
Bonnie S. Guy	Bronis Verhage
Appalachian State University	George State University
John Hadjimarcou	Cynthia K. Wagner
University of Texas	University of the Pacific
David Jamison	Jeryl Whitelock
University of Florida	University of Salford
Bail Janavaras	Van R. Wood
University of St Thomas-St. Paul	Virginia Commonwealth University

My wife, Tamiko, and two children, Anna and Sonja, claimed to suffer greatly during the writing, but as far as I could see, their claims were exaggerated. Shattering a myth, my wife taught me that unlimited patience is no longer a Japanese virtue.

To all these people I say thank you. I hope the effort has not been in vain.

Contents in Brief

*P*art One

Fundamentals

- 1 The Global Marketing Job 2
- 2 Theoretical Foundations 34
- 3 Cultural Foundations 68

*P*art Two

Foreign Entry

- 4 Country Attractiveness 114
- 5 Export Expansion 152
- 6 Licensing, Strategic Alliances,
FDI 190

*P*art Three

Local Marketing

- 7 Local Buyer Behavior 238
- 8 Local Marketing
Research 272

- 9 Local Marketing in Mature
and New Growth Markets 306
- 10 Local Marketing in Emerging
Markets 342

*P*art Four

Global Management

- 11 Globalizing Marketing 398
- 12 Global Products and
Services 434
- 13 Global Pricing 470
- 14 Global Distribution 506
- 15 Global Advertising 540
- 16 Global Promotion, Direct
Marketing, and Personal
Selling 574
- 17 Organizing for Global
Marketing 606
- 18 The Future of Global
Marketing 642
- Index 709

Contents

.....

*P*art One

Fundamentals

.....

1 The Global Marketing Job 2

- Going Global 4
- A Historical Perspective 6
 - The Multinational Phase* 6
 - The Global Phase* 7
- Drivers Toward Globalization 8
 - Market Drivers* 8
 - Competitive Drivers* 10
 - Cost Drivers* 11
 - Government Drivers* 13
- What Is Global Marketing? 13
 - Marketing versus Manufacturing* 14
 - Nonglobal Marketing* 15
 - A Managerial Approach* 16
 - Terminology* 16
- Global Marketing Objectives 17
 - An Expanded Marketing Repertoire 18
 - Learning by Doing 21
 - New Products* 22
 - Advertising* 22
 - Distribution* 23
 - Skill Benefits* 24

- Three Hats 25
 - The Foreign Entry Role* 25
 - The Local Marketing Role* 25
 - The Global Management Role* 26
- A Guide to the Chapters 27

2 Theoretical Foundations 34

- Introduction 36
- The Theory of International Production 37
 - Country-Specific Advantages (CSAs)* 37
 - The International Product Cycle* 39
 - Porter's National "Diamond"* 40
 - The New Trade Theory* 44
 - Firm-Specific Advantages (FSAs)* 45
- Internalization Theory 46
 - Mode of Entry* 46
 - Transaction Cost Theory* 48
 - Exporting versus FDI* 49
- Marketing Implications 51
 - Production-Based Advantages* 51
 - Marketing-Specific Advantages* 51
 - Marketing Strategy* 54
- Resource-Based versus Market-Based Strategy 55
 - Always Market Oriented?* 56
 - Knowledge-Based and Resource-Based Capability* 56
 - The Value Chain* 57

Internationalization 60
Role of Technology 60
 Strategy Implementation and Execution 61
Incrementalism 62
Emergent Strategies 63
 Strategy and the Three Hats 63

3 Cultural Foundations 68

Introduction 70
 The Meaning of Culture 73
 Cultures across Countries 73
High versus Low Context Cultures 74
 “Silent Languages” 75
Hofstede’s Cultural Dimensions 76
Gannon’s Metaphors 79
 Culture and Managerial Skills 81
The Skill Development Process 81
Managerial Styles 82
Managing Subordinates 84
 Culture and Negotiations 85
Know Whom You Are Dealing With 85
Know What You Are Saying 86
Know When to Say What 87
 The Limits to Cultural Sensitivity 89
Nonadaptation 89
Keeping One’s Center 91
A Global Low Context Culture? 91
 Culture’s Impact on the Three Global Marketing Tasks 92
 Foreign Entry 92
Local Marketing 93
Global Management 95

CASE 1: Canada’s Thriving Exporters 99
 CASE 2: IKEA’s Unlikely Expansion (A) 102
 CASE 3: The Elusive Market Potential of Eastern Europe 105
 CASE 4: Toys R Us Japan (A) 109

Part Two

Foreign Entry

4 Country Attractiveness 114

Introduction 116
 Basic Evaluation Procedure 117
Stage 1—Country Identification 117
Stage 2—Preliminary Screening 120
Stage 3—In-Depth Screening 121
Stage 4—Final Selection 122
Direct Experience 124
 Special Criteria 126
Political Risk 126
Multiproduct Firms 128
Competitive Entry 129
Choosing Leading Markets 129
 Country Data Sources 130
The Data-Gathering Steps 130
Country Identification 132
Preliminary Screening 135
In-Depth Screening 136
Final Selection 137
 Forecasting Country Sales 137
A Basic Equation 138
Stage of the Life Cycle 139
 The Early Stage of the PLC 139
The Build-Up Method 139
Forecasting by Analogy 140
An Illustration: TV Penetration 140
Judgmental Forecasts 142
 The Later Stages of the PLC 143
Time Series Extrapolation 143
Regression-Based Forecasts 144
 Forecasting Market Share 146
Predicting Competition 146

5 Export Expansion 152

- Introduction 154
- Four Modes of Entry 155
- The Impact of Entry Barriers 157
 - Entry Barriers Defined* 158
 - The Cost of Barriers* 159
 - Tariff and Nontariff Barriers* 159
 - Government Regulations* 160
 - Distribution Access* 161
 - Natural Barriers* 162
 - Advanced versus Developing Nations* 162
 - Exit Barriers* 163
 - Effect on Entry Mode* 163
- The Exporting Option 165
 - Indirect Exporting* 165
 - Direct Exporting* 165
 - The Exporting Job* 167
 - Product Shipment* 168
 - Local Distribution* 169
 - Getting Paid* 173
 - Legal Issues* 174
 - After-Sales Support* 175
- Cultural Distance and Learning 176
 - The “Cultural Distance” Effect* 177
 - The International Learning Curve* 178
 - The Internationalization Sequence* 179
- Export Expansion Strategy 180
 - Macrosegmentation* 180
 - Diversification Benefits* 182
 - Diversification versus Focus Strategy* 183
 - A Comparison of Two Industries* 184
 - Marketing Strategy* 184

6 Licensing, Strategic Alliances, FDI 190

- Introduction 192
- Historical Background 193
- Licensing 195

- Franchising* 195
- Turnkey Projects* 197
- Original Equipment Manufacturing (OEM)* 197
- Strategic Alliances 198
 - The Rationale for Nonequity SAs* 198
 - Distribution Alliances* 199
 - Manufacturing Alliances* 200
 - R&D Alliances* 201
 - Joint Ventures* 202
- Manufacturing Subsidiaries 203
 - Financial Analysis* 205
 - Acquisitions* 205
- Entry Modes and Marketing Control 206
- Optimal Entry Strategy 208
 - Practical Considerations* 209
 - An Optimal Entry Mode Matrix* 211
 - Entry Barriers* 212
 - Optimal Modes* 213
 - Real World Cases* 214

- CASE 1: Honda Goes to Brazil 222
- CASE 2: Barrett Farm Foods: From Australia to Europe 225
- CASE 3: Toys R Us Japan (B) 227
- CASE 4: Daloon A/S (A): The Internationalization Process 230
- CASE 5: Daloon A/S (B): Centering the German Market 233

P **art Three**

Local Marketing

7 Local Buyer Behavior 238

- Introduction 241
- Understanding Buyers 242

<i>A Universal Trait in Local Form</i>	243
<i>Perceived Risk</i>	245
<i>Marketing and Naturalism</i>	246
Consumer Decision Making	248
<i>The Meaning of a Product</i>	248
<i>Problem Recognition</i>	249
<i>Search</i>	251
<i>Search and Innovations</i>	252
<i>Evaluation of Alternatives</i>	253
<i>Choice</i>	254
<i>Outcomes</i>	256
Local Industrial Buyers	257
<i>The Local Business Marketing Task</i>	257
<i>Individual Buyer Factors</i>	258
<i>Buying Process</i>	260
<i>Organizational Influences</i>	262
<i>Relationship Marketing</i>	264
<i>Networks</i>	266

8 Local Marketing Research 272

Introduction	275
The Value of Information	275
Environmental Data	277
<i>Back to Basics</i>	277
<i>Environmental Dimensions</i>	277
Customer Data	282
<i>Research Stages</i>	283
Competitor Data	292
<i>Strengths and Weaknesses</i>	292
<i>Competitive Signaling</i>	293
Research for Decision Making	293
<i>Segmentation Research</i>	294
<i>Positioning Research</i>	295
<i>Product Research</i>	296
<i>Pricing Research</i>	298
<i>Distribution Research</i>	299
<i>Promotional Research</i>	300
<i>Test Marketing</i>	301

9 Local Marketing in Mature and New Growth Markets 306

Introduction	308
Three Local Market Environments	309
<i>Marketing Environment</i>	309
<i>Marketing Tasks</i>	310
Local Marketing in Mature Markets	311
<i>Market Analysis</i>	311
<i>Marketing Decision Making</i>	314
Special Case: Marketing in Japan	320
<i>Market Potential</i>	320
<i>Distribution</i>	321
<i>Customer Analysis</i>	322
Local Marketing in New Growth Markets	324
<i>Market Analysis</i>	325
<i>Marketing Decision Making</i>	327
Special Case: Marketing in Latin America	328
<i>Market Environment</i>	329
<i>Regional Trade Agreements</i>	330
<i>Market Segmentation</i>	331
<i>Market Communications</i>	332
<i>Distribution</i>	333
<i>Major Country Markets</i>	334
<i>Pan-Regional Marketing</i>	336

10 Local Marketing in Emerging Markets 342

Introduction	344
Local Marketing in Developing Countries	344
<i>Countertrade</i>	345
<i>Market Analysis</i>	347
<i>Marketing Decision Making</i>	348

Local Marketing in Newly Democratized Countries 350

International Support 351

Political and Legal Factors 352

Market Analysis 353

Product and Price 354

Marketing Infrastructure 356

The Marketer as Teacher 356

Communication Strategy 359

Two Special Cases: Marketing in China and India 360

Marketing in China 361

China's Market Potential 361

Entry Barriers 361

Hong Kong's Role 362

Joint Ventures 363

The Chinese Customer 365

Continuous Change 367

Marketing in India 368

Market Potential 368

The Socialist Era 368

Free Markets 369

The New Market 370

Domestic Resurgence 373

Summary 373

CASE 1: Warner Cosmetics: Ralph Lauren in Saudi Arabia? 377

CASE 2: Daloon A/S (C): Marketing Organization in Germany 382

CASE 3: IKEA's Unlikely Expansion (B): In the U.S. Market 382

CASE 4: Ocean Spray (A): The Scandanavian Market Entry 384

CASE 5: Ocean Spray (B): The Focus Groups Research 387

CASE 6: White Dove Shampoo (A): Marketing in the Philippines 390

CASE 7: White Dove Shampoo (B): New Products 395

P

art Four

Global Management

11 Globalizing Marketing 398

Introduction 400

The Pros and Cons of Standardization 400

The Advantages of Standardization 401

The Drawbacks of Standardization 402

Multidomestic Versus Global Markets 404

Consumer Differences 404

Multidomestic Markets 404

Global Markets 405

Global Customer Analysis 407

Growing Homogeneity 407

Business Markets 408

Preference Convergence 410

Global Competitive Analysis 412

Competitive Strength 412

Competitive Repertoire 413

Marketing Actions 413

The Limits to Globalized Marketing 415

When Not to Use Global Marketing 415

Differentiated Globalization 416

Some Pitfalls of Global Marketing 417

Global Localization 419

Special Case: Pan-European Marketing 420

Background 421

Organizational Response 422

Strategic Response 425

Tactical Response 427

The Future 430

12	Global Products and Services	434
	Introduction	436
	Preliminary Distinctions	436
	Localization versus Adaptation	438
	<i>Basic Requirements</i>	436
	<i>Compatibility Requirements</i>	439
	<i>Multisystem Compatibility</i>	439
	Global Product Positioning	440
	<i>No Change in Perceptions</i>	441
	<i>When Perceptions Change</i>	446
	<i>Changing Preferences</i>	447
	<i>Embryonic Markets</i>	448
	<i>Growth Markets</i>	449
	<i>First-Mover or Follower?</i>	450
	<i>The Success of Global Products</i>	450
	Counterfeit Products	451
	<i>Extent of Problem</i>	452
	<i>Actions Against Counterfeits</i>	453
	Global Services	454
	<i>A Marketing Equivalence</i>	456
	<i>Service Quality</i>	457
	Service Globalization Potential	460
	<i>Life Cycle</i>	460
	<i>Infrastructure</i>	460
	<i>Localization</i>	460
	Two Special Cases	462
	<i>Fast-Food Franchising</i>	462
	<i>Professional Services</i>	463
	Local Products and Services	464

13 Global Pricing 470

Introduction	472
Institutional Limits	473
Pricing Basics	474
<i>The Role of Costs</i>	474
<i>Experience Curve Pricing</i>	475

<i>Competition</i>	475
<i>Demand</i>	476
Price Escalation	476
Financial Issues	478
<i>Price Quotes</i>	478
<i>Trade Credit</i>	479
<i>Exchange Rates</i>	480
<i>Hedging</i>	483
<i>Government Intervention</i>	483
Transfer Pricing	484
<i>Definition</i>	484
<i>Arm's-Length Price</i>	485
<i>Shifting Resources</i>	486
Dumping	487
Systems Pricing	488
The Final Price	491
<i>Price-Quality Relationships</i>	491
<i>The PLC Impact</i>	492
Global Coordination	493
<i>Pricing Actions against Gray Trade</i>	495
<i>Polycentric Pricing</i>	498
<i>Geocentric Pricing</i>	498
<i>Ethnocentric Pricing</i>	500
<i>Choosing the Approach</i>	501

14 Global Distribution 506

Introduction	508
Rationalizing Local Channels	509
<i>Changing Distributors</i>	509
<i>Wholesaling</i>	510
<i>Vertical Integration</i>	511
<i>Types of Wholesalers</i>	513
<i>Retailing</i>	515
<i>Retailing and Life-Styles</i>	515
<i>Creating New Channels</i>	517
<i>Global Retailing</i>	518
Global Logistics	520
<i>Competition and Technology</i>	521