

Global Marketing Strategies Third Edition

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HOUGHTON MIFFLIN COMPANY Boston Toronto Geneva, Illinois Palo Alto Princeton, New Jersey

To our students and the many executives who helped light the way

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Printed in the U.S.A.

Library of Congress Catalog Card Number: 94-76515

ISBN: 0-395-71045-6

Global Marketing Strategies

Preface

Since the publication of our second edition in 1992, the world of global marketing has changed substantially and in ways previously unimaginable. Whereas our second edition concentrated considerably on the events leading up to the European integration and Europe 1992, this third edition has been shaped by events elsewhere. The privatization wave going through most of Eastern Europe as a result of the tremendous political changes there have opened entire regions for global marketers. The same holds true for the changes taking place in Asia and Latin America. The exponential growth experienced by many economies in Asia increases the possibility that the Asian economies—China and India in particular—will be among the largest economic powers in the not-too-distant future. These substantial changes in the global marketing environment have shaped our new and third edition, which consequently has a much greater emphasis on the merging markets of Eastern Europe, Asia, and Latin America.

Major Features Retained

We retained a number of major features from our previous editions. Global Marketing Strategies continues to be aimed at the new breed of global marketing manager, regardless of nationality, industry, or company location. Our approach remains largely managerial: We look at the global marketing task through the eyes of the marketing manager. We continue to emphasize aspects of global and international marketing. As in previous editions, we maintain our strategic focus throughout. We believe that success in global marketing today is not only a function of broad cultural understanding but also modern global strategic thinking. Finally, we retain our emphasis on the practical aspects of global marketing by including numerous recent examples from well-known companies as well as full-length cases that probe international and global marketing issues in depth.

Major Changes in the Third Edition

As in our previous revision, we have made major changes in our third edition that significantly strengthen the book. We have changed the structure of the chapters and added an entirely new chapter. All the material and examples have been updated, and new cases have been added.

The text has seen major changes through combining the previous edition's Chapters 5 (International Markets) and 6 (International Buyers) into one chapter—Chapter 5, Global Markets and Buyers. The condensation of this material into one chapter allowed us to add an entire new chapter. We developed our new Chapter 7, Developing a Global Mindset, as part of our research efforts at Babson, IMD, and Ashridge into the issue of global mindset and global perspective. In this chapter, we summarize the key elements that a marketer must develop to be able to approach the global marketing challenges with a new, global mindset. The nucleus of this new chapter came from part of Chapter 8 from the previous edition, combined with material new to the field. As such, it represents another unique feature of this book and may be of interest to students and practitioners alike from not only marketing, but other business functions as well.

Several other chapters were conceptually improved to reflect new thoughts in global marketing. Chapter 8 contains several new concepts on global marketing strategies and a better structure around the notion of generic global marketing strategies. We added new art and tables, so the concepts in the chapter are now easier to grasp. Other major conceptual additions were made to Chapter 9 (Global Market Entry Strategies), where we included the most recent experience of firms in entering or reentering previously closed markets.

All chapters have received extensive updating in both examples, tables, data, and reference readings. Throughout the book, we have included the most recent examples available to us from publications all over the world. In particular, we have aimed at a full coverage of issues surrounding Eastern Europe and the tremendous changes that have taken place there since our previous edition. In several chapters we have added separate sections on Eastern Europe, and in others we have integrated discussions of Eastern Europe into the regular body of the text. The book also reflects the full political changes that took place in that region and their impact on international firms.

Another major feature of our third edition is its increased information on Asia. Although our previous editions were well documented on Japan, we have now made a special effort to include more material from the emerging economies of China, India, Korea, Taiwan, and Thailand. In some chapters, we have added specific subsections on China. We have diversified our literature search and have included periodicals from those regions to give a better balance in the examples cited in the text.

Throughout the text, we have included the expected developments coming from the adaptation of NAFTA and the most recent developments surrounding Europe, the European Union (EU), and GATT. In all of those areas, we have attempted to include the most recent examples—although we all recognize that the world is changing. To provide readers with a framework for dealing with these changes, we have included some conceptual material in Chapter 4 on new issues such as privatizations, deregulations, and liberalizations, which explains developments to date.

We have also substantially changed our selection of cases. We updated the World Paint Industry case with a more recent version (1992) and redid ICI Paints (A). Entirely new are ICI Paints (B) and a new series on the robot industry. The Worldwide Robotics Industry and ASEA Robotics AB (A) and (B) are part of a new series of cases developed at IMD that focus on global strategies for business units.

Complete Teaching Package

The teaching package for the third edition includes the *Instructor's Resource Manual with Test Bank*, a computerized test bank, and a videotape. The instructor's resource manual contains suggestions on how to design a global marketing course, student projects, answers to text questions, complete case teaching notes, and transparency masters. The test bank has been completely rewritten for this edition. In addition to true-false and multiple-choice questions, it now includes essay questions for every chapter. New to this edition is a computerized version of the test bank that allows instructors to generate and change tests easily. The videotape consists of several segments highlighting examples of global marketing that can be used to stimulate class discussion.

Acknowledgments

To write a new edition of a textbook on global marketing is a major undertaking that could not have been completed without the active support and help of a great many people. This process was especially difficult because both authors spent most of the time working on this revision during extended overseas projects. However, we hope that this has added to the global content of the material.

We are indebted to our home institution, Babson College, for generously supporting us in the manuscript stage and allowing us the flexibility to spend time overseas to develop the material for this book. To International Management Development Institute (IMD), we are indebted for their support of our case research and for allowing us to publish IMD cases in the text. To Ashridge Management College we are thankful for providing access to its extensive data base, which proved helpful in updating this new edition. And finally, we would like to express our gratitude to our colleagues at Babson, IMD, and Ashridge for their support and willingness to discuss global marketing issues, which has helped us clarify many of our concepts.

The content of the cases would not have been possible without the generous participation of a number of companies and executives: Ernst Thomke and Franz Sprecher from SMH (Swatch and Tissot cases); Ian Souter at Nestlé; Mr. Nakamoto of American Hospital Supply—Japan; John Sweeney at Puritan-Bennett; Harold Todd, Masahiro Horita, and Brian Taylor at Nippon Vicks K.K.; Herman Scopes and John Thompson at ICI Paints; and Stelio Demark and Nick Rizvi at ABB Robotics. These executives and others who prefer to remain anonymous gave generously of their time so that other practicing as well as future managers could learn from their own experiences. We would also like to thank Silvia Farmanfarma, case librarian at IMD, who has provided us crucial support in guiding our cases through the approval, release, and copyright process.

To turn the collected material and data into readable form we could always count on a number of students, graduate assistants, and research associates. Babson College students Peter Mark, John Bleh, and Sameer Kaji wrote parts of the cases used in this text. Lisa Gibbs and Chris Murphy helped locate new resources and update tables for this edition. Susan Nye served both as graduate assistant at Babson and as research associate at IMD. Barbara Priovolos and Robert Howard wrote several of the cases at IMD. Faith Towle provided helpful editorial assistance on our new cases.

Throughout the development of this edition, as well as the previous edition, a number of reviewers have made important contributions. These reviews were extremely important in the revision and improvement of the text. We especially thank the following people:

B. G. Bizzell

Stephen F. Austin University

Jean Boddewyn

CUNY-Bernard M. Baruch College

Sharon Browning

Northwest Missouri State University

Roger J. Calantone

Michigan State University

Alex Christofides

Ohio State University

John Chyzyk

Brandon University

William Cunningham

Southwest Missouri State

Charles P. de Mortanges University of Limburg

Dharma deSilva

Wichita State University

Susan P. Douglas New York University

Adel I. El-Ansary

The George Washington University

Jeffrey A. Fadiman

San Jose State University

Kate Gillespie

University of Texas at Austin

John L. Hazard

Michigan State University

Joby John

Bentley College

H. Ralph Jones

Miami University

A. H. Kizilbash

Northern Illinois University

Saul Klein

Northeastern University

G.P. Lauter

The George Washington University

Sarah Maddock

University of Birmingham

Joseph L. Massie

University of Kentucky

James McCullough

The University of Arizona

Taylor W. Meloan

University of Southern California

Aubrey Mendelow Duquesne University

Joseph Miller

Indiana University at Bloomington

Thomas Ponzurick

West Virginia University

Zahir A. Quraeshi

Western Michigan University

Samuel Rabino

Northeastern University

Pradeep Rau

University of Delaware

F. J. Sarknas

University of Pittsburgh

Chris Simango

University of Northumbria

J. Steenkamp

University of Leuven

Michael Steiner

University of Wisconsin-Eau Claire

Gordon P. Stiegler

University of Southern California

Ruth Lesher Taylor

Southwest Texas State University

L. Trankiem

California State University at Los Angeles

Phillip D. White

University of Colorado at Boulder

Van R. Wood

Texas Tech University

Attila Yaprak

Wayne State University

Poh-Lin Yeoh

University of South Carolina, Columbia

We are grateful to our publisher, Houghton Mifflin Company. Over time we have had the pleasure of working with a number of their editors who have seen this project through to its completion. We thank them for their patience, their encouragement, and their professionalism in supporting our writing efforts. Houghton Mifflin has also provided us with a first-class staff in turning the manuscript into its final form. The marketing, production, art, editorial, permissions, and manufacturing staffs have substantially added to the quality of this finished book.

Finally, we extend our greatest gratitude to our students at Babson College, at International Management Development Institute, and at Ashridge Management College for their constant help and inspiration. Their interest in global marketing issues inspired us to undertake and complete this project. Therefore, we are happy to dedicate this book to our students.

J.-P.J. H.D.H.

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