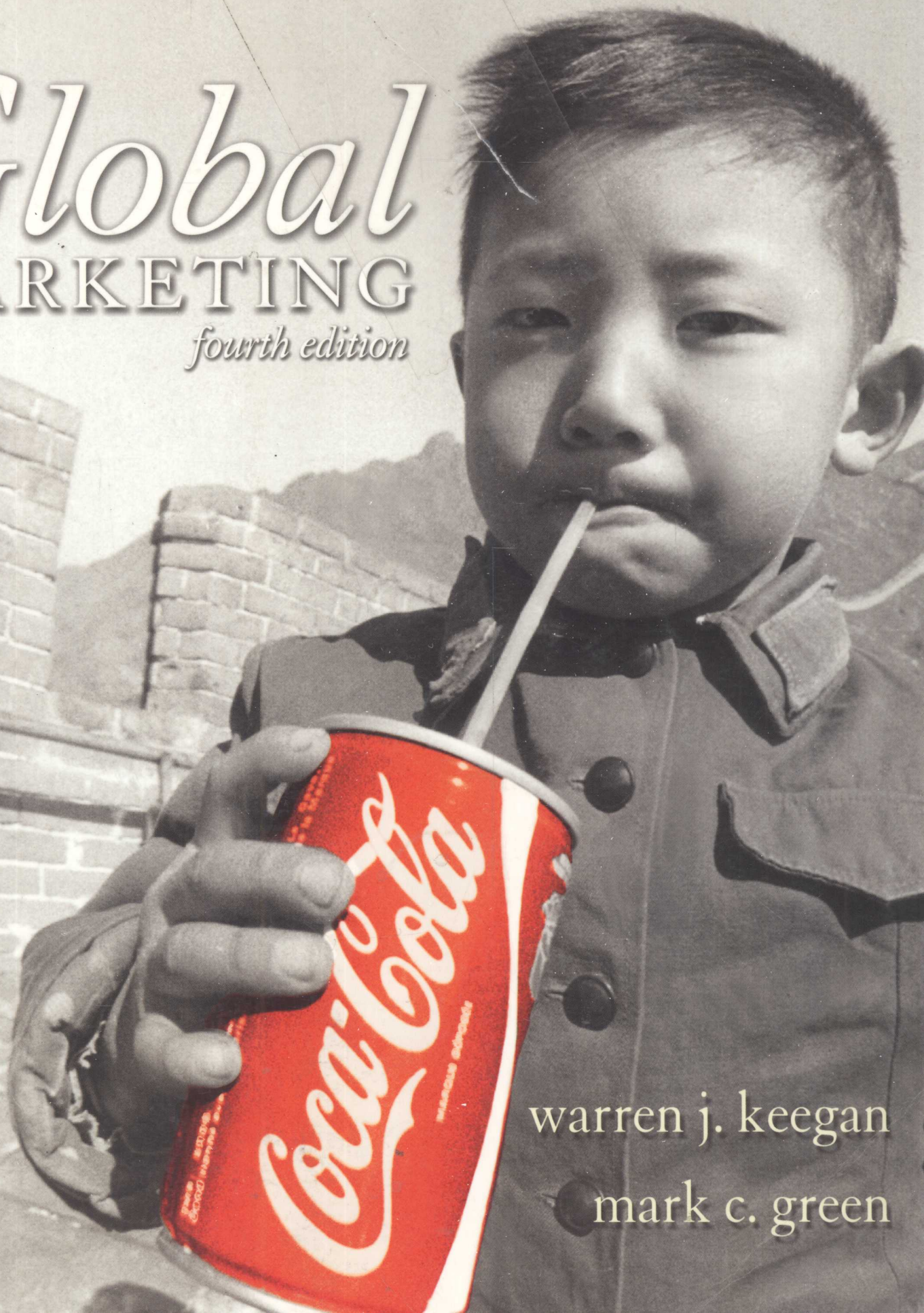


Global MARKETING

fourth edition



warren j. keegan
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Global Marketing

FOURTH EDITION

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To Cynthia
WJK

Ad memoriam: George W. Smalley, Professor Emeritus, Lawrence University
MCG

PREFACE

Global Marketing, Fourth Edition, builds on the worldwide success of *Principles of Global Marketing* and *Global Marketing*, Second Edition and Third Edition. Those books took an environmental and strategic approach by outlining the major dimensions of the global business environment. The authors also provided a set of conceptual and analytical tools that would prepare students to successfully apply the 4Ps to global marketing. The authors have approached all four editions with the same goal: to write a book that is authoritative in content, yet relaxed and assured in style and tone. The following student comments suggest that we accomplished our goal: “the textbook is very clear and easy to understand”; “an excellent textbook with many real-life examples”; “the authors use simple language and clearly state the important points”; “this is the best textbook that I am using this term”; “the authors have done an excellent job of writing a text than can be read easily.” *Principles of Global Marketing* was the first textbook on the subject to be published in a full four-color format. In addition, when it appeared in fall 1996, the first edition invited students to “look ahead” to such developments as the ending of America’s trade embargo with Vietnam, Europe’s new currency, Daimler-Benz’s Smart car project, and the controversy concerning Benetton’s advertising. Those topics represented “big stories” in the global marketing arena and continue to receive press coverage on a regular basis.

As was the case with the first three editions, we approached *Global Marketing*, Fourth Edition, with today’s students and instructors in mind. Guided by our experience using the text in undergraduate and graduate classrooms and in corporate training seminars, we have revised, updated, and expanded *Global Marketing*, Third Edition. We have benefited tremendously from adopter feedback and input; we also continue to draw on our direct experience in the Americas, Asia, Europe, Africa, and the Middle East. The result is a text that addresses the needs of students and instructors in every part of the world. The English-language edition of *Global Marketing* has been used in many countries, including Australia, Canada, China, Ireland, Japan, Malaysia, and Sri Lanka; the text is also available in Spanish, Portuguese, and Chinese editions.

WHAT’S NEW

The fourth edition includes new material on newsworthy and relevant topics such as the expanded European Union, China’s growing importance as an export powerhouse and a giant consumer market, the impact of religion on global marketing activities, and the global music industry’s ongoing efforts to combat music piracy. Current research findings have been incorporated into each of the chapters. For example, Shaoming Zou and S. Tamer Cavusgil’s work on global marketing strategy (from *Journal of Marketing*, October 2002) is an important addition to Chapter 1 “Introduction to Global Marketing.” Similarly, our thinking about global market segmentation and targeting has been influenced by David Arnold’s recent book, *The Mirage of Global Markets*. We have added scores of current examples of global marketing practices as well as quotations from global marketing practitioners and industry experts. New to the fourth edition is Chapter 17, “The Digital Revolution and Global Electronic Marketplace.”

Adopters of earlier editions will note that the chapter on strategy and competitive advantage has been moved to Part V; it now is Chapter 15. This change means that the global marketing mix chapters now appear earlier in the book. Throughout the text, organizational Web sites are referenced for further student study and exploration. A Companion Web site (www.prenhall.com/keegan) is integrated with the text as well.

Each chapter contains several illustrations that bring global marketing to life. Chapter opening vignettes introduce a company, country, product, or global marketing issue that directly relates to chapter themes and content. Half the opening vignettes in the fourth edition are new, including: "Furniture Exports from China" (Chapter 8); "LCD TV" (Chapter 10); and "Xbox" (Chapter 14). In addition, every chapter contains one or more sidebars on various themes including global marketing in action, risks and gambles, a look behind the scenes of global marketing, issues that are "open to discussion," and the cultural differences that challenge the global marketer. A new sidebar, "Global Marketing Q&A," features interview excerpts with top executives of well-known global companies.

CASES

The case set in *Global Marketing*, Fourth Edition, strikes a 50/50 balance between revisions of earlier cases (e.g., Case 1-1 McDonald's Expands Globally While Adjusting Its Local Recipe and Case 17-1 Napster and the Global Music Industry) and entirely new cases (e.g., Case 3-1 Ecuador Adopts the Dollar, Case 4-1 Fair Trade Coffee: Ethics, Religion, and Sustainable Production, and Case 7-1 Nokia Segments the Global Cell Phone Market). The cases vary in length from a few hundred words to more than 2,600 words, yet they are all short enough to be covered in an efficient manner. The cases were written with the same objectives in mind: to raise issues that will encourage student interest and learning, to stimulate class discussion, and to enhance the classroom experience for students and instructors alike. Every chapter and case has been classroom tested.

SUPPLEMENTS

All teaching supplements have been revised! We're pleased to offer an instructor's resource manual, video segments, PowerPoint slides, online study guide, and a test bank prepared by the authors. Special consideration was given to the test bank, with considerable effort devoted to minimizing the number of simplistic, superficial multiple-choice questions with "all of the above"-type answers.

All teaching supplements, except the video segments, are delivered on a CD-ROM and can be downloaded from Prentice Hall's password-protected Instructor Resource Center.

- **Instructor's Resource Center (IRC) on CD-ROM:** ISBN 0-13-146922-3
- **Instructor's Resource Center (IRC) Online:** www.prenhall.com/keegan
- **Video Segments on VHS:** ISBN 0-13-146920-7

One of the constant challenges to authors of books about global marketing is the rate of change in the global business environment. Yesterday's impossibility becomes today's reality. Books are quickly outdated by events. Even so, we believe that adopters will find *Global Marketing*, Fourth Edition, to be as up-to-date, relevant, and useful to today's students of global marketing as any comparable text on the market, perhaps even more so.

ACKNOWLEDGMENTS

We are grateful to the reviewers of this book for their many insights and helpful suggestions.

Inigo Arroniz, *University of Central Florida*
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This book reflects the contributions, labor, and insights of many persons.

I would like to thank my students, colleagues, associates, and clients, for their many insights and contributions. It is impossible to single out all of the people who have contributed to this edition, but I would especially like to thank:

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Whitney Blake, our editor at Prentice Hall, was quick to endorse and support this text as was Ashley Santora, our new project manager. We are grateful for the continuity of the support at Prentice Hall.

Warren J. Keegan

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Mark C. Green

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Dr. Keegan is the author of many books. His text, *Global Marketing Management*, Seventh Edition (2002, Prentice Hall, Inc.) is recognized as the leading Global Marketing text for M.B.A. courses around the world. His other books include *Offensive Marketing* (2004), *Global Marketing*, Third Edition (2003, Prentice Hall), *Marketing Plans That Work*, Second Edition (2002, Butterworth-Heinemann), *Marketing*, Second Edition (1995, Prentice Hall), *Marketing Sans Frontières* (1994, InterEditions), *Advertising Worldwide* (1991, Prentice Hall), and *Judgments, Choices and Decisions* (1984, Wiley). He has published in leading business journals including the *Harvard Business Review*, *Journal of Marketing*, *Journal of International Business Studies*, *Administrative Science Quarterly*, and the *Columbia Journal of World Business*.

He is a former MIT Fellow in Africa where he served as Assistant Secretary, Ministry of Development Planning and Secretary of the Economic Development Commission for the Government of Tanzania. He was a consultant with Boston Consulting Group and Arthur D. Little, and Chairman of Douglas A. Edwards, a New York corporate real estate firm.

Dr. Keegan holds an M.B.A. and doctorate from the Harvard Business School. He has been a visiting professor at New York University, INSEAD (France), IMD (Switzerland), The Stockholm School of Economics, Emmanuel College of Cambridge University, and at the University of Hawaii. He is a former faculty member of Columbia Business School, Baruch College, and The School of Government and Business Administration of The George Washington University.

He is a Lifetime Fellow of the Academy of International Business, Individual Eminent Person (IEP) Appointed by Asian Global Business Leaders Society (other awardees include: Noel Tichy, Rosabeth Moss Kanter, and Gary Wendt). His biography is listed in *Marquis Who's Who in America*. He is a member of the International Advisory Board of École des Hautes Études Commerciales (HEC), Montreal; the Editorial Advisory Board, Cranfield School of Management; and Financial Times Management Monograph Series and is a current or former director of The S.M. Stoller Company, Inc., The Cooper Companies, Inc. (NYSE), Inter-Ad, Inc., American Thermal Corporation, Inc., Halfway Houses of Westchester, Inc., Wainwright House, and The Rye Arts Center.

Dr. Mark C. Green

Dr. Green is Professor of Management and Marketing at Simpson College in Indianola, Iowa, where he teaches courses in management, marketing, advertising, international marketing, innovation, and Russian language. He earned his B.A. degree in Russian

literature from Lawrence University, M.A. and Ph.D. degrees in Russian linguistics from Cornell University and an M.B.A. degree in marketing management from Syracuse University.

In addition to co-authoring *Global Marketing*, Fourth Edition with Warren Keegan, Dr. Green has also contributed case studies and chapter materials to several other textbooks published by Prentice Hall. These include: *Advertising Principles and Practices*, Fourth Edition, by William Wells, John Burnett, and Sandra Moriarty (1997); *Behavior in Organizations*, Sixth Edition, by Jerald Greenberg and Robert Baron (1996); *Business*, Fourth Edition, by Ricky Griffin and Ronald Ebert (1995); and *Principles of Marketing* by Warren Keegan, Sandra Moriarty, and Thomas Duncan (1992). Dr. Green has also written essays on technology and global business that have appeared in the *Des Moines Register* and other newspapers.

Dr. Green has traveled to the former Soviet Union on numerous occasions. In 1995 and 1996, he participated in a grant project funded by the U.S. Agency for International Development (USAID) and presented marketing seminars to audiences in Nizhny Novgorod. In addition, Dr. Green has served as a consultant to several Iowa organizations that have business and cultural ties with Russia and other former Soviet republics. Dr. Green has lectured in Russia and Ukraine on topics relating to emerging market economies. His 1992 monograph, *Developing the Russian Market in the 1990s*, received an award from the Iowa-based International Network on Trade.

In 1997, Dr. Green was the recipient of Simpson College's Distinguished Research and Writing Award. Dr. Green also received the 1995 Distinguished Teaching Award for senior faculty. In 1990, he was the recipient of Simpson's Excellence in Teaching Award for junior faculty. He also received the 1988 Outstanding Faculty of the Year awarded by the Alpha Sigma Lambda adult student honorary at Simpson College.

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