

SAK ONKVISIT AND JOHN J. SHAW

# International Marketing

Analysis and strategy



Fourth Edition



# **International Marketing**

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Fourth edition

**Sak Onkvisit and John J. Shaw**

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# Preface

## **UNIVERSITIES IN THE NEW MILLENNIUM AND INTERNATIONAL EDUCATION**

Policy makers (executives and government leaders), educators, and students alike have a basic obligation to take advantage of the opportunities to learn and transmit the knowledge of the world. International experiences are not luxuries. Without the comprehension of global issues, education is not complete.

International marketing is not a subset or special case of domestic marketing. While a person should benefit from an observation of marketing in another culture, the greater benefit is derived from one's better understanding of oneself in the process.

To both the universities and students, global – not national – orientation is essential. Universities in this millennium should strive to offer international education, and to differentiate between business techniques that are universal and those that are unique to a particular country or region.

## **UNIVERSALITY OF MARKETING: INTERNATIONAL OR PAROCHIAL?**

Marketing, just like medicine and engineering, is a universal discipline of study. As such, the marketing discipline provides insights for the understanding of the business process anywhere – irrespective of national borders. Ideally, due to its universal nature, that is how marketing should be taught.

In a perfect world, there should be nothing international or domestic about the discipline of marketing, since all international and domestic activities are supposed to be naturally and seamlessly integrated. Any marketing concepts and theories should thus be covered as global activities that are applicable everywhere regardless of the national context. As an example, the essence of the concept of market segmentation may be first described in a universal way and then applied in the context of, say, Japan or Spain – with any countries being interchangeable. As a consequence, such courses as consumer behavior, marketing research, and advertising should be taught as discipline-based courses by having the international nature fully woven or incorporated into all courses. If that were the case, international courses and international textbooks would be redundant and unnecessary.

Unfortunately, because of the dominance of American textbooks (and European textbooks to a lesser extent), marketing has always been taught from either the US or European perspective. In response, the AACSB International and the efmd have urged the business schools to incorporate the international dimension into the curriculum.

A conventional approach employed by business schools all over the world is to offer a few international courses (e.g., international business, international marketing, international finance). This approach splits international marketing from domestic marketing and implies that the international aspect of marketing is



distinct and different from the national (usually American or European) dimension of marketing activities. This artificial dichotomy may do more harm than good.

The blunt truth is that, unless and until business schools are willing to truly reorient their academic approaches and strategies by teaching marketing as a universal discipline, scholars, practitioners, and students will need to adopt the second best approach by offering a course of “international” marketing. Toward this end, it is critical that a textbook covers international marketing in the most rigorous way.

## THE MOST AUTHORITATIVE TEXTBOOK

Marketing, as a discipline of study as well as in practice, is dynamic, exciting, rigorous, and challenging. Our approach in this text reflects this belief. The fourth edition of *International Marketing: Analysis and Strategy* has been written for the purpose of educating future executives to meet international challenges. Designed for marketing majors and MBA students, it provides solid foundations that are useful for explanation, prediction, and control of international business activities. Due to its depth and breadth, the text is suitable for any international marketing (and perhaps international business) courses at both undergraduate and graduate levels. We are hopeful that you will find this textbook to be one of the most, if not *the* most, authoritative in a number of ways – international perspective, comprehensiveness, substance, and rigor.

### Global perspective

Our attempt is to present the concepts and practices of international marketing in the most universal and authoritative way. Certainly, this text recognizes the economic and political significance of the USA, the European Union, and Japan. As a result, there is a significant and appropriate coverage of the triad. On the other hand, the textbook also pays attention to the importance of the emerging markets.

Unlike some standard (i.e., national) marketing textbooks that merely insert foreign examples, this textbook aims to be internationally relevant by using the global perspective. All regions of the world are covered, and their cultural and business practices are considered. There is a serious attempt to make the treatment of the subjects as international as possible.

In terms of international adoption, this textbook is one of the most successful ever. We sincerely appreciate the confidence of the instructors and students from all parts of the world. The textbook has been adopted in the USA, the UK, Australia, India, and so on, thus confirming the international focus of the text.

### Rigor

One misconception often held by casual observers is that international business is not a rigorous field of study. Perhaps the most significant contributing factor to this unkind assessment is the failure of most textbooks to adequately provide scholarly substance. Many well-known texts provide only a “soft” coverage of international marketing by basically reporting *anecdotes* rather than scientific facts. From the academic standpoint, anecdotes are never adequate to prove the validity of a proposition. To compound the problem, such textbooks employ a simplistic approach that focuses mainly on cultural differences rather than on decision making.

In reality, international marketing is a solid discipline that is just as rigorous as such courses as consumer behavior, marketing research, and marketing management. Reflecting the reality, this text has made a serious attempt to use the theoretical and empirical evidence to offer marketing insights as related to actual

applications. It should appeal to the instructor or student who wants *substance* and is tired of the simplistic and repetitive approach employed by most other texts. The text is for the reader who prefers a *rigorous* treatment of the subject as well as an integration of theories, applications, and managerial implications. The approach is analytical and managerial rather than merely descriptive.

Because of the textbook's rigor and sophistication, coupled with its strong application focus, the text has been used at all education levels – undergraduate, MBA, and Ph.D.

### **Comprehensiveness: breadth and depth**

The fourth edition provides solid foundations – strategically and theoretically. In terms of breadth and depth of coverage, this text is the most complete and authoritative one. This text is more comprehensive than the others in treating in depth a number of relevant and significant topics. There are chapters on marketing barriers, financing, foreign exchange, consumer behavior, branding and packaging, and physical distribution. There are two chapters for each of the four Ps of marketing. Discussed in detail are financial strategies, analysis and management of political risks, bribery, jurisdiction, counterfeiting, gray marketing, subcultures, services, foreign trade zones, representation agreements, dumping, and countertrade.

An examination of the index should quickly reveal that the coverage of the text is far superior to that of the other standard texts. The *company and trademark index* shows that the text is highly applications-oriented and that it extensively covers real-world practices. The *country index*, in contrast, clearly demonstrates the global perspective of the text. The *subject index*, on the other hand, lists all the critical topics, including the latest developments. Finally, the *name index* and *end notes* leave no doubt as to the inadequacy of the other popular texts in terms of theoretical and empirical substance.

A high degree of teaching/learning flexibility is possible because the materials found in the text stress decision making. As such, they are thought-provoking and may be used for a variety of assignments, classroom discussions, term papers, and exams.

### **The best conceptual framework and theoretical coverage**

Most well-known texts use a descriptive approach which merely reports isolated incidents based more on casual and personal observation than on rigorous investigation. Naturally, the descriptive materials can become obsolete very quickly. This simplistic approach does not serve the instructor and students well. A competent textbook should not be basically a compilation of anecdotes (i.e., newspaper and magazine examples). Clearly, there must be a conceptual/theoretical framework to understand international marketing problems and guide marketing decisions.

The first edition of *International Marketing: Analysis and Strategy* broke new ground by providing fundamental principles and a theoretical framework to understand international activities and/or pursue a managerial career in international marketing. The approach has been very well received and widely praised because it fulfills a real need. The fourth edition continues this leading edge.

The text is highly distinctive in that it is essentially the only text that seriously uses scholarly sources to provide theoretical explanation and empirical evidence to support the actual practices. The leading international journals (i.e., *Journal of International Business Studies* and *Journal of World Business*) are the major sources of information. At the same time, we also rely on several other well-known international marketing journals (e.g., *International Marketing Review*, *European Journal of Marketing*).

To have a complete understanding, we have considered other marketing sources as well. In particular, we rely on the two most influential sources: *Journal of Marketing* and *Journal of Marketing Research*. In addi-

tion, the two major advertising journals (i.e., *Journal of Advertising Research* and *Journal of Advertising*) provide information on international advertising practices.

There is no other international marketing book which comes close to the fourth edition of *International Marketing: Analysis and Strategy* in terms of scholarly substance. Unlike other texts which still discuss the traditional concepts in a static manner, this text offers the latest findings which show the advancement of those concepts. Students will greatly benefit from this higher level of sophistication.

### Strong application

In spite of its strong theoretical foundations, this text does not describe international marketing concepts only in abstract terms. Actually, the text is highly applications-oriented. A great deal of effort has been spent on meaningfully integrating the theoretical foundations, empirical evidence, and actual business practices.

The fourth edition of *International Marketing: Analysis and Strategy* is superior to other texts in terms of application. Like others, we rely heavily on such leading business publications as *BusinessWeek*, the *Wall Street Journal*, the *Asian Wall Street Journal*, and the *Financial Times*. This coverage is very extensive and second to none.

Unlike others, we also rely on the most authoritative US government publications such as *Export America*. At the international level, readers will benefit from the publications of the International Monetary Fund – *IMF Survey* and *Finance & Development*.

In addition, industry-specific publications such as *PROMO* are used to report the stories about international promotional activities and foreign exchange activities.

The fourth edition is very user-friendly. First, the “marketing illustration” section begins each chapter. Second, its unique feature is a collection of interesting advertisements to illustrate international marketing activities. Third, the text includes discussion assignments and minicases to stimulate discussion.

To further emphasize the real-world applications, the fourth edition includes another innovative feature. There are boxes of marketing illustrations included in each chapter. These boxes contain the “Marketing strategy,” “It’s the law,” “Marketing ethics,” and “Cultural dimension” illustrations. These real-world examples illustrate the effects of the legal, ethical, and cultural dimensions on the one hand and the good and poor strategies of business firms on the other.

In sum, the fourth edition employs a pragmatic approach by emphasizing actual applications in the real-world marketplace. It uses numerous leading business publications extensively for pragmatism.

### Revision

We do not believe that the revision of any textbook should merely update the business examples or that it should list only new references for decorative reasons. Unlike consumer behavior texts which report the latest theoretical developments and empirical findings, international marketing texts have a tendency to report the latest anecdotes. Most international marketing texts contain references or footnotes that are mainly magazine and newspaper articles. When theoretical and empirical sources are used at all, they are not really part of the text discussion. A brief sentence in the text portion is not going to describe the content of a reference, thus doing students a great disservice.

Unlike other books, this text incorporates the latest scholarly works into the text materials so as to reflect the latest progress of academic works. At the same time, it reports the latest practice in the real

world. The references used are the latest available, with about 50 percent of the sources of information being from the 2000s.

### LEARNING AIDS

The fourth edition gives the instructor a great deal of flexibility. Each chapter includes discussion assignments, minicases, and cases. As a result, the instructor and students are not restricted to only review questions. They can select from numerous assignments for active classroom discussion and class projects. The fourth edition has added several new cases and minicases. In addition, there is an abundance of chapter-opening vignettes, advertisements, exhibits, tables, and other illustrations that highlight the discussion and show how the business concepts are used in practice.

Each chapter includes a number of pedagogical aids. The questions at the end of each chapter ask students to review or explain the concepts. In addition, discussion assignments and minicases require students to apply what they have learned in actual situations. In order to further stimulate ideas and debate so that students can become actively involved in applying the concepts, there are cases of varying length for each chapter. These cases were written specifically to address concepts and issues introduced in the chapter.

A unique feature of the book is the inclusion of two simulation games: one involving culture and another focusing on foreign exchange. These games are easy to follow; they do not require the use of a computer. They teach students about common international marketing problems. Although the games can begin at almost any point during the first half of the semester, they should be started early enough in order to maximize the potential benefits. Students should find them interesting and challenging.

In terms of research opportunities, the text suggests research topics and avenues. This will greatly aid the reader who wants to pursue research on a particular topic. Students and instructors can expect up-to-date and extensive coverage of the literature which may be useful for research purposes.

Because the instructor's manual is an important teaching tool, the task of writing it was not relegated to an outside party. Instead, the manual accompanying the text was completely written by us to ensure the quality and relevance of the materials. The instructor is encouraged to contact us for any additional teaching materials which we may have available.

### READER RESOURCES

In addition to the learning tools included in this textbook, there is a website which provides additional material for readers of this book (<http://www.Routledge.com/textbooks/0415311330>). Designed for both lecturers and students, this additional learning resource includes extra material for study, as well as downloadable presentation visuals and extra teaching materials not contained in the student text version.

### ACKNOWLEDGMENTS

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Writing a textbook is a major undertaking. The reward is not monetary. The true reward is the kind comments received from the students and adopters of the book. We sincerely hope that this textbook has played a meaningful role in advancing this important discipline of study.

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