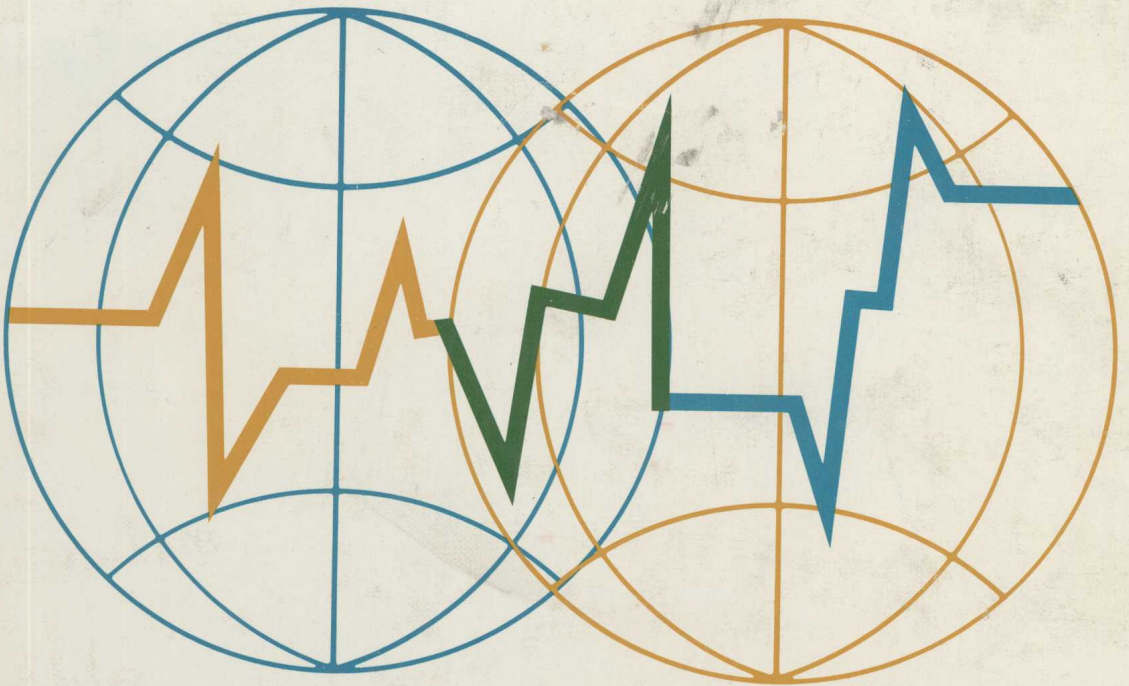


Warren J. Keegan

MULTINATIONAL MARKETING MANAGEMENT



Second Edition



second edition

MULTINATIONAL MARKETING MANAGEMENT

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PRENTICE-HALL, INC., *Englewood Cliffs, New Jersey 07632*

Library of Congress Cataloging in Publication Data
Keegan, Warren J

Multinational marketing management.

Bibliography: p.

Includes index.

1. Export marketing. 2. Marketing management.

I. Title.

HF1009.5.K39 1980 658.8'09'382 79-22948

ISBN 0-13-605055-7

Editorial production/supervision and
interior design by Sonia Meyer

Cover design by Maureen Olsen

Manufacturing buyer: John Hall

© 1980, 1974 by Prentice-Hall, Inc.,
Englewood Cliffs, N.J. 07632

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Printed in the United States of America

10 9 8 7 6 5 4 3 2

Prentice-Hall International, Inc., *London*
Prentice-Hall of Australia Pty. Limited, *Sydney*
Prentice-Hall of Canada, Ltd., *Toronto*
Prentice-Hall of India Private Limited, *New Delhi*
Prentice-Hall of Japan, Inc., *Tokyo*
Prentice-Hall of Southeast Asia Pte. Ltd., *Singapore*
Whitehall Books Limited, *Wellington, New Zealand*

preface

This book introduces the student and the practitioner of international marketing to a systematic treatment of marketing on a global scale. In both teaching and practice, marketing has increasingly evolved from application in single domestic market environments to application on a global scale. In practice, this development has resulted in the exploitation of major opportunities which has yielded increasingly significant rewards for venturesome firms, and at the same time it has exposed companies to risks and problems that have resulted in an appalling number of failures and blunders. A recent study of international business blunders reveals that 53 percent were associated with marketing, 35 percent with management, and only 12 percent with legal, production, and finance functions.¹ It is hoped that this book will provide multinational marketing managers with the conceptual and analytic tools as well as a solid data base of understanding that will enable them to better exploit opportunities and better avoid the pitfalls of multinational marketing.

This second edition has been written with four objectives:

1. To update each section of the book. Since the first edition was published, there have been major changes in the world market environment, including the collapse of the old fixed exchange rate system, the devaluation of the U.S. dollar, persistent and high worldwide inflation, and an increase in the price of commodities, particularly oil, with the resulting shift in global income to producing countries. In addition, the field of international marketing has developed considerably, allowing a much deeper discussion of

¹J.S. Arpan, D.A. Ricks, and D.J. Patton, "The Meaning of Miscues Made by Multinationals," *Management International Review*, Volume 14, 1974, p. 6.

the process of identification of global opportunities and threats, the formulation of multinational marketing programs, and of multinational planning, organization, and control.

2. To add material not developed in the first edition on economic theory as it applies to international marketing, the international financial framework, and the financing of multinational marketing programs, political risk, and legal aspects of multinational marketing.
3. To shorten the text so that it can be used with maximum effectiveness in a one-semester course.
4. To completely revise and update the case selection with cases of proven classroom effectiveness that provide an opportunity to apply concepts, tools, and knowledge of the world market environment to a cross section of actual multinational marketing situations.

Part I of the book introduces the reader to the world market environment. Part II describes the major characteristics of this environment—its complexity and diversity, and at the same time the many unifying factors and characteristics that reward integration of multinational marketing programs.

To operate effectively in the global market, methods of identifying opportunity are required. A systematic way of accomplishing this is developed in Part III of this book. Tapping opportunity with effective multinational marketing programs requires the development of specific elements of a total program involving product decisions, pricing decisions, channel decisions, and communications decisions. Each of these decision areas and the special case of export marketing are developed in Part IV. The overall process of planning, organizing, and controlling a multinational marketing program is examined in Part V. Part VI discusses the future of multinational marketing.

The book develops three basic dimensions, each of which is fundamental to the successful practice of multinational marketing. The first is the traditional consideration of the dimensions of foreign market environments. I have taken a market development approach as well as a regional approach to develop a perspective on the types of market environments that exist and are evolving in the world. A second dimension of multinational marketing is the crossing of national boundaries with elements of marketing programs, in particular with goods in export marketing, but also with other aspects of a marketing program, such as communications appeals and pricing strategies. A third dimension of the text, a new direction in the field of international marketing and a particular thrust of this book, is a consideration of multinational marketing management or the management of marketing programs being conducted simultaneously in two or more national marketing environments. The simultaneous management of marketing programs presents major opportunities for leverage or advantage and is the basis for much of the success and advantage of the multinational company. This book identifies the basic requirements and the kinds of opportunities that exist to develop leverage in marketing programs that are managed simultaneously in different national marketing environments.

ACKNOWLEDGMENTS

A textbook author can only touch the tip of the iceberg in adequately acknowledging his debt to others. My present and former colleagues at The George Washington University, School of Government and Business Administration, Bernard M. Baruch College of the City University of New York, and Columbia Business School have constantly stimulated my own interest and understanding of the field of multinational marketing. Although many colleagues have contributed, I especially want to thank Adel El-Ansary, Jean Boddewyn, William Brandt, Sal Divita, Phil Grub, Peter Lauter, Nathaniel Leff, Norma Maine Loeser, William Newman, Stefan Robock, Charles Stewart, James A. F. Stoner, David Zenoff, and Jack Zwick.

I am indebted to colleagues at other universities who have reviewed or commented on this or the first edition of this book and who have provided valuable and insightful suggestions: J. Scott Armstrong (University of Pennsylvania), James C. Baker (Kent State University), David W. Blakeslee (Rutgers University), Richard M. Clewett (Northwestern University), John S. Ewing (University of Santa Clara), John Fayerweather (New York University), Donald W. Hackett (Wichita State University), Donald Henley (Michigan State University), Richard H. Holton (University of California, Berkeley), Christopher Korth (University of Michigan), Ken Simmonds (London Business School), Ralph Sorenson (President, Babson College) and Ulrich Weichmann (Harvard Business School).

My faculty assistants, Carol Mozak, Steven C. Lowe, and Ernest M. Troth at the School of Government and Business Administration, The George Washington University, and Martin Topel at Baruch College, provided research assistance above and beyond the call of duty in the preparation of this edition. Alison Ruml, in addition to invaluable editorial and research assistance, prepared the first draft of Chapter 6 and completed a major revision of the Appendixes. I am especially grateful for her energy, enthusiasm, and talent, which spurred me to finally meet revision deadlines. Elizabeth McAleer and Pam Britnell provided indefatigable secretarial assistance.

My sincere appreciation goes to the supervisors and authors of cases included in this edition. Robert D. Buzzell for Polaroid France; Ram Charan and Lawrence D. Chrzanowski for Bancil Corporation; Donald S. Henley for Global Fasteners; Jean-Louis Lecocq for Polaroid France, S.A.; Gordon E. Miracle for Quaker Oats (A) and (B); Howard V. Perlmutter for permission to adapt his article "The Tortuous Evolution of the Multinational Corporation" into the case "Which Company Is Truly Multinational?"; Ralph Z. Sorenson for Choufont-Salva, Inc., and Mallory Batteries Limited; Hugo Uyterhoeven for Mallory Batteries Limited; and Harold Burson for Marsteller International.

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Polaroid France S.A. case was written with the cooperation of Polaroid Corporation and Polaroid France S.A. by Professor Robert D. Buzzell of Harvard Business School with the assistance of M. Jean-Louis Lecocq of the Institut Europeen d'Administration des Affaires (INSEAD). © 1968 jointly by the President and Fellows of Harvard College and the Institut Europeen d'Administration des Affaires (INSEAD). Reprinted by permission.

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