

# Preface

The increase in world trade, an increasing integration of world's major economies, and the onward march on globalization, will mean that the global marketing strategy of the firm will continue to be an important issue. Within a relatively short time span, globalization and global marketing has emerged as a research discipline and it has enabled international marketing practitioners and academics to live up to the claim of the ancient Greek philosopher Socrates, who stated, 'I am a citizen, not of Athens of Greece, but of the world.'

The primary argument of the proponents of globalization rests on the assumption of a homogenization of demand worldwide. This homogenization of demand expresses itself in a worldwide consumer demand for high quality and low costs due to the impact of technology. In addition, Levitt (1983)\* argued that firms could take advantage of technology by adopting a standardized approach that will result in products of high quality and low costs for the world market. Other researchers have pointed out that the international markets continue to be different in spite of the forces of globalization. They argue that the evidence for standardization is weak and that standardization of the strategy is not a must to compete in global markets. Even in markets or countries that are apparently culturally similar such as the European Union, differences in customer needs continue to persist. We also still see differences in the criteria that consumers used to make decisions. In addition, there are too many differences between countries and too many constraints in different markets for a standardized approach to be feasible.

The task of global marketing management is complex enough when the company operates in one foreign national market. It is much more complex when the company starts operations in several countries. Marketing programmes must, in these situations, adapt to the needs and preferences of customers that have different levels of purchasing power as well as different climates, languages and cultures. Moreover, patterns of competition and methods of doing business differ between nations and sometimes also within regions of the same nation. In spite of the many differences, however, it is important to hold on to similarities across borders. Some coordination of international activities will be required, but at the same time the company will gain synergy across borders, in the way that experience and learning acquired in one country can be transferred to another.

## Objectives

This book's value chain offers the reader an analytic decision-oriented framework for the development and implementation of global marketing programmes. Consequently, the reader should be able to analyse, select and evaluate the appropriate conceptual frameworks for approaching the five main management decisions connected with the global marketing process.

Having studied this book, the reader should be better equipped to understand how the firm can achieve global competitiveness through the design and implementation of market-responsive programmes.

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\* Levitt, T. (1983) 'The Globalization of Markets', *Harvard Business Review*, May–June, pp. 92–102.

## Target audience

This book is written for people who want to develop effective and decision-oriented global marketing programmes. It can be used as a textbook for undergraduate or graduate courses in global/international marketing. A second audience is the large group of people joining 'global marketing' or 'export' courses on non-university programmes. Finally, this book is of special interest to the manager who wishes to keep abreast of the most recent developments in the global marketing field.

## Prerequisites

An introductory course in marketing.

## Special features

This book has been written from the perspective of the firm competing in international markets, irrespective of its country of origin. It has the following key features:

- aims to be a 'true' global marketing book, with cases and exhibits from all parts of the world, including Europe, the Middle East, Africa, the Far East, and North and South America;
- many new up-to-date exhibits and cases illustrate the theory by showing practical applications. (Examples of the practice of global marketing by actual companies are used throughout the book, in the form of exhibits. Furthermore, each chapter and part end with cases, which include questions for students.)
- a focus on SMEs as global marketing players;
- a decision/'action'-oriented approach;
- a value chain approach (both the traditional product value chain and the service value chain);
- coverage of global buyer–seller relationships;
- extensive coverage of born globals and global account management (GAM), as an extension of the traditional key account management (KAM);
- presents new interesting theories in marketing, for example, service value chain, value innovation, blue ocean strategy, social marketing, global account management, viral branding, and sensory and celebrity branding;
- provides a complete and concentrated overview of the total international marketing planning process.

## Pedagogical/learning aids

One of the strengths of *Essentials of Global Marketing* is its strong pedagogical features.

- Chapter objectives tell the reader what they should be able to do after completing each chapter.
- Real-world examples and exhibits enliven the text and enable the reader to relate to marketing models.
- End-of-chapter summaries recap the main concepts.
- Each chapter ends with a case study, which helps the student relate the models presented in the chapter to a specific business situation.
- Questions for discussion allow students to probe further into important topics.
- Each part is introduced by a Video Case Study, where the students are encouraged to watch the video before answering the questions.

- Part cases studies – for each part there are two comprehensive end-of-part case studies covering the themes met in the part. To reinforce learning, all case studies are accompanied by questions. Case studies are based on real-life companies. Further information about these companies can be found on the Internet. Company cases are derived from many different countries representing all parts of the world. Tables 1 and 2 present the chapter and part case studies.
- Multiple choice questions.
- Video library, including questions.

**Table 1** Chapter case studies: overview

Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
<b>Chapter 1</b> <b>Global marketing in the firm</b>	Case study 1.1 <b>Bubba Gump Shrimp Co.</b> A US-based restaurant chain is going international? www.bubbagump.com	USA	USA, World	✓	✓
<b>Chapter 2</b> <b>Initiation of internationalization</b>	Case study 2.1 <b>Elvis Presley Enterprises Inc. (EPE)</b> Internationalization of a 'cult' icon www.elvis.com	USA	World		✓
<b>Chapter 3</b> <b>Internationalization theories</b>	Case study 3.1 <b>Entertainment Rights</b> The internationalization of 'Postman Pat' www.entertainmentrights.com	UK	World		✓
<b>Chapter 4</b> <b>Development of the firm's international competitiveness</b>	Case study 4.1 <b>Wii</b> Nintendo's Wii takes first place on the world market – can it last? www.nintendo.co.jp	Japan	World		✓
<b>Chapter 5</b> <b>The political and economic environment</b>	Case study 5.1 <b>Sauer-Danfoss</b> Which political/economic factor would affect a manufacturer of hydraulic components? www.sauer-danfoss.com	Germany, Denmark, USA	World	✓	
<b>Chapter 6</b> <b>The sociocultural environment</b>	Case study 6.1 <b>IKEA Catalogue</b> Are there any cultural differences? www.ikea.com	Sweden, Holland	World		✓
<b>Chapter 7</b> <b>The international market selection process</b>	Case study 7.1 <b>Philips Lighting</b> Screening markets in the Middle East www.philips.com	Holland	World		✓
<b>Chapter 8</b> <b>Some approaches to the choice of entry mode</b>	Case study 8.1 <b>Ansell condoms</b> Is acquisition the right way for gaining market shares in the European market? www.anselleurope.com	Australia	Europe, World		✓
<b>Chapter 9</b> <b>Export, intermediate and hierarchical modes</b>	Case study 9.1 <b>Lysholm Linie Aquavit</b> International marketing of the Norwegian Aquavit brand www.linie-aquavit.com	Norway	Germany, the rest of the World	✓	✓

**Table 1** continued

Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
<b>Chapter 10</b> <b>International buyer-seller relationships</b>	Case study 10.1 <b>YouTube</b> Can YouTube get too many marketing partners? www.youtube.com	USA	World China	✓	
<b>Chapter 11</b> <b>Product and pricing decisions</b>	Case study 11.1 <b>Zippo Manufacturing Company</b> Has product diversification beyond the lighter gone too far? www.zippo.com	USA	World		✓
<b>Chapter 12</b> <b>Distribution and communication decisions</b>	Case study 12.1 <b>De Beers</b> Forward integration into the diamond industry value chain www.debeers.com	South Africa, UK	Europe, World	✓	✓
<b>Chapter 13</b> <b>Cross-cultural sales negotiations</b>	Case study 13.1 <b>Mecca Cola</b> Marketing of a Muslim cola to the European market www.mecca-cola.com	United Arab Emirates (UAE)	Europe	✓	✓
<b>Chapter 14</b> <b>Organization and control of the global marketing programme</b>	Case study 14.1 <b>iPhone</b> Apple's entry into the global mobile phone business www.apple.com/iphone	USA	World	✓	✓

**Table 2** Part case studies: overview(The video case studies can be downloaded at [www.pearsoned.co.uk/hollensen](http://www.pearsoned.co.uk/hollensen))

Part	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
<b>Part I</b> <b>The decision to internationalize</b>	Part I Video case study <b>Acme Whistles Ltd.</b> A SME is globalizing its whistles sales www.acmewhistles.co.uk	UK	World	✓	✓
	Case study I.1 <b>Manchester United</b> Still trying to establish a global brand www.manutd.com	UK	World, USA		✓
	Case study I.2 <b>Cereal Partners Worldwide (CPW)</b> The No. 2 world player is challenging the No. 1 – Kellogg www.cerealpartners.co.uk	Switzerland, USA	World		✓
<b>Part II</b> <b>Deciding which markets to enter</b>	Part II Video case study <b>Land Rover</b> Which markets should be selected for the new Freelander 2 www.landrover.com	UK/USA	World		✓
	Case study II.1 <b>Red Bull</b> The global market leader in energy drinks is considering further market expansion www.redbull.com	Austria	World	✓	✓

Table 2 continued

Part	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
	Case study II.2 <b>Skagen Designs</b> Becoming an international player in designed watches www.skagendesigns.com	USA (Denmark)	World	✓	✓
<b>Part III Market entry strategies</b>	Part III Video case study <b>Tata</b> Which entry modes should be used for Tata Nano – the World's cheapest car www.tata.com	India	World		✓
	Case study III.1 <b>IKEA</b> Expanding through franchising to the South American market? www.ikea.com	Sweden, Holland	South America (Brazil)		✓
	Case study III.2 <b>Autoliv Air Bags</b> Transforming Autoliv into a global company www.autoliv.com	Sweden	World	✓	
<b>Part IV Designing the global marketing programme</b>	Part IV Video case study <b>Electrolux</b> Trying to establish a global brand identity www.electrolux.com	Sweden	World	✓	✓
	Case study IV.1 <b>Guinness</b> How can the Irish iconic beer brand compensate for the declining sales in the home market? www.diageo.com	UK, Ireland	World	✓	✓
	Case study IV.2 <b>Dyson Vacuum Cleaner</b> Shifting from domestic to international marketing with the famous bagless vacuum cleaner www.dyson.co.uk	UK	USA, the rest of the World	✓	✓
<b>Part V Implementing and coordinating the global marketing programme</b>	Part V Video case study <b>Royal Enfield</b> Trying to establish an international brand identity www.royalensfield.com	India/UK	Europe USA		✓
	Case study V.1 <b>Sony BMG</b> New worldwide organizational structure and the marketing planning and budgeting of Dido's new album www.sonybmg.com	Germany, USA	World, UK		✓
	Case study V.2 <b>Philips Shavers</b> Maintaining shaving leadership in the world market www.philips.com	Holland	World	✓	✓