Brief Contents

Preface iv
Acknowledgments ix
About the Authors xii

Part 1

The International Marketing Environment

Chapter 1
Appendix A
Appendix B
Chapter 2
Chapter 3
Chapter 4
Chapter 5
Cases 1

The Global Marketing Imperative 3
Basics of Marketing 18
Geographical Perspectives on International Marketing 22
The Economic Environment 29
Trade Policy and Institutions 69
The Cultural Environment 91
The Legal and Political Environment 125
China: Forging a Global Reputation 156
The Catfish Dispute 159
IKEA 162
Car Financing in China 166
Should Dubai Take Over U.S. Ports? 172
Closing the MG Rover Plants: The Aftereffects 178

Part 2

International Market Entry and Development

Chapter 6
Chapter 7
Chapter 8
Appendix A
Appendix B
Chapter 9
Cases 2

Strategic Planning 183
Marketing Organization, Implementation, and Control 209
Research 239
Information Sources for Marketing Issues 267
The Structure of a Country Commercial Guide 272
Market Entry and Expansion 277
Starting an Import/Export Business 302
Water from Iceland 306
Damar International 312

Part 3

Export Marketing Mix

Chapter 10
Chapter 11
Chapter 12
Chapter 13

Product Adaptation 317
Export Pricing 343
Marketing Communication 375
Distribution Management 399
Brief Contents

Cases 3  Honeyland Manuka Honey from New Zealand:  An International New Venture 433  Davila-Bond and the Latin American  Sweater Market 437  Dr. Eris: Cosmetics from Poland 446  Imaginarium 451  Joemarin Oy 456

PART 4
THE GLOBAL MARKETING MIX


VIDEO CASES


Notes 667  Glossary 689  Name Index I-1  Company Index I-4  Subject Index I-10
Preface iv
Acknowledgments ix
About the Authors xii

PART 1
THE INTERNATIONAL MARKETING ENVIRONMENT

Chapter 1  The Global Marketing Imperative  3
The International Marketplace 1.1  3
What International Marketing Is  4
The International Marketplace 1.2  5
The Importance of World Trade  7
Global Linkages  8
The International Marketplace 1.3  8
Domestic Policy Repercussions  10
Opportunities and Challenges in International Marketing  12
The International Marketplace 1.4  13
The Goals of This Book  13
Summary  16
Key Terms  17
Questions for Discussion  17
Internet Exercises  17
Recommended Readings  17

Appendix A: Basics of Marketing  18
Strategic Marketing  19
Target Market Selection  19
Marketing Management  20
The Marketing Process  20
Key Terms  21

Appendix B: Geographical Perspectives on International Marketing  22
Location  22
Place  23
Natural Features  23
Human Features  24
Interaction  24
Movement  26
Region  27
Key Terms  28

Chapter 2  The Economic Environment  29
The International Marketplace 2.1  29
Market Characteristics  34
Population  34
Infrastructure  40
The International Marketplace 2.2  44
Impact of the Economic Environment on Social Development  45
Regional Economic Integration 45
  Levels of Economic Integration 46
The International Marketplace 2.3 54
  Other Economic Alliances 56
  Economic Integration and the International Marketer 58
Emerging Markets 61
  Adjust Entry Strategy 63
The International Marketplace 2.4 64
  Manage Affordability 64
  Invest in Distribution 65
Developing Markets 65
  Research 65
  Creating Buying Power 66
  Tailoring Local Solutions 66
  Improving Access 66
  Shaping Aspirations 66
  Summary 67
  Key Terms 67
  Questions for Discussion 68
  Internet Exercises 68
  Recommended Readings 68

Chapter 3  Trade Policy and Institutions 69

The International Marketplace 3.1 69
The Historical Dimension 70
The International Marketplace 3.2 71
  Global Division 72
Transnational Institutions Affecting World Trade 73
  World Trade Organization (WTO) (http://www.wto.org) 73
The International Marketplace 3.3 74
  International Monetary Fund (IMF) (http://www.imf.org) 75
  World Bank (http://www.worldbank.org) 76
  Regional Institutions 76
Trade Positions Compared 77
  A Diagnosis of the U.S. Trade Position 78
The Impact of Trade and Investment 80
  The Effect of Trade 80
  The Effect of International Investment 80
Policy Responses to Trade Problems 81
  Restrictions of Imports 81
  Export Promotion Efforts 86
A Strategic Outlook for Trade and Investment Policies 87
  A U.S. Perspective 87
  An International Perspective 88
The International Marketplace 3.4 89
  Summary 89
  Key Terms 90
  Questions for Discussion 90
  Internet Exercises 90
  Recommended Readings 90

Chapter 4  The Cultural Environment 91

The International Marketplace 4.1 91
Culture Defined 93
The International Marketplace 4.2 95
Chapter 5  The Legal and Political Environment  125

The International Marketplace 5.1  125
Home Country Legal and Political Environment 127
   Embargoes and Sanctions  128
   Export Controls  130
   A New Environment for Export Controls  131
   Import Controls  133
   Regulation of International Business Behavior  133
Host Country Legal and Political Environment 134
   Political Action and Risk  134
The International Marketplace 5.2  136
   Legal Differences and Restraints  139
The International Marketplace 5.3  140
   Influencing Politics and Laws  141
The International Environment  143
   International Politics  143
   International Law  143
   International Terrorism and Marketing  144
Ethical Issues  148
   Corporate Governance and Responsibility  148
The International Marketplace 5.4  150
   Intellectual Property  150
   Bribery and Corruption  151
   Summary  154
   Key Terms  154
   Questions for Discussion  154
   Internet Exercises  155
   Recommended Readings  155
Cases 1
China: Forging a Global Reputation 156
The Catfish Dispute 159
IKEA 162
Car Financing in China 166
Should Dubai Take Over U.S. Ports? 172
Closing the MG Rover Plants: The Aftereffects 178

PART 2
INTERNATIONAL MARKET ENTRY AND DEVELOPMENT

Chapter 6  Strategic Planning 183
The International Marketplace 6.1 183
   Global Marketing 184
   Globalization Drivers 186
The International Marketplace 6.2 188
The Strategic Planning Process 190
   Market and Competitive Analysis 191
   Formulating Global Marketing Strategy 193
The International Marketplace 6.3 198
   Global Marketing Program Development 199
   Competitive Moves 200
   Implementing Global Marketing 201
The International Marketplace 6.4 202
The Local Company in the Global Environment 204
   Summary 206
   Key Terms 207
   Questions for Discussion 207
   Internet Exercises 207
   Recommended Readings 207

Chapter 7  Marketing Organization, Implementation, and Control 209
The International Marketplace 7.1 209
Organizational Structure 211
   Organizational Designs 211
   Evolution of Organizational Structures 219
The International Marketplace 7.2 220
Implementation 221
   Locus of Decision Making 221
   Factors Affecting Structure and Decision Making 223
   The Networked Global Organization 223
   Promoting Internal Cooperation 225
   The Role of Country Organizations 226
The International Marketplace 7.3 227
Chapter 8  Research  239

The International Marketplace 8.1  239
Defining the Issue  240
International and Domestic Research  240
   New Parameters  241
   New Environments  241
   Number of Factors Involved  241
   Broader Definition of Competition  241
Recognizing the Need for Research  241
The Benefits of Research  242
Determining Research Objectives  243
   Going International: Exporting  243
   Going International: Importing  244
   Market Expansion  245
Determining Secondary Information Requirements  245
   Sources of Data  245
The International Marketplace 8.2  246
   Evaluating Data  248
      Analyzing and Interpreting Secondary Data  248
The Primary Research Process  249
   Determining Information Requirements  250
   Industrial versus Consumer Research  250
   Determining Research Administration  250
   Determining the Research Technique  252
The International Marketplace 8.3  255
   Designing the Survey Questionnaire  258
The International Marketplace 8.4  259
   Developing the Sampling Plan  260
      Data Collection  260
      Analyzing and Interpreting Primary Data  260
      Presenting Research Results  260
      Follow-Up and Review  261
      Research on the Web  261
The International Information System  262
   Environmental Scanning  263
      Delphi Studies  264
      Scenario Building  265
   Summary  265
   Key Terms  266
   Questions for Discussion  266
   Internet Exercises  266
   Recommended Readings  266
Chapter 9  Market Entry and Expansion  277

The International Marketplace 9.1  277
Stimuli to Internationalize  278
Proactive Stimuli  279
Reactive Stimuli  280
Change Agents  281
Internal Change Agents  282
External Change Agents  282
Going International  283
Export  283
Export Management Companies  284
Trading Companies  285
E-Commerce  286
Licensing and Franchising  287
Licensing  287
The International Marketplace 9.2  288
Franchising  289
Foreign Direct Investment  291
Major Foreign Investors  292
Reasons for Foreign Direct Investment  292
A Perspective on Foreign Direct Investors  295
Types of Ownership  296
The International Marketplace 9.3  296
Summary  300
Key Terms  300
Questions for Discussion  301
Internet Exercises  301
Recommended Readings  301

Cases 2  Starting an Import/Export Business  302
Water from Iceland  306
Damar International  312
PART 3
EXPORT MARKETING MIX

Chapter 10  Product Adaptation  317
The International Marketplace 10.1  317
Product Variables  318
  Standardization versus Adaptation  319
  Factors Affecting Adaptation  322
The Market Environment  323
  Government Regulations  323
  Nontariff Barriers  324
  Customer Characteristics, Expectations, and Preferences  325
  Economic Development  328
The International Marketplace 10.2  328
  Competitive Offerings  329
  Climate and Geography  329
Product Characteristics  330
  Product Constituents and Content  330
  Branding  330
  packaging  331
The International Marketplace 10.3  332
The International Marketplace 10.4  334
  Appearance  334
  Method of Operation or Usage  335
  Quality  335
  Service  336
  Country-of-Origin Effects  336
Company Considerations  337
Product Counterfeiting  338
  Summary  340
  Key Terms  341
  Questions for Discussions  341
  Internet Exercises  341
  Recommended Readings  341

Chapter 11  Export Pricing  343
The International Marketplace 11.1  343
Price Dynamics  344
The Setting of Export Prices  346
  Export Pricing Strategy  347
  Export-Related Costs  349
Terms of Sale  351
Terms of Payment  353
The International Marketplace 11.2  354
Getting Paid for Exports  359
Managing Foreign Exchange Risk  362
The International Marketplace 11.3  363
Sources of Export Financing  366
  Commercial Banks  366
  Forfaiting and Factoring  367
  Official Trade Finance  367
The International Marketplace 11.4  369
Price Negotiations 370
Leasing 370
Dumping 371

Summary 371
Key Terms 373
Questions for Discussion 373
Internet Exercises 373
Recommended Readings 373

Chapter 12 Marketing Communication 375

The International Marketplace 12.1 375
The Marketing Communications Process 376
International Negotiations 378
Stages of the Negotiation Process 379
How to Negotiate in Other Countries 380
Marketing Communications Strategy 382
The International Marketplace 12.2 383
Communications Tools 386
Business/Trade Journals and Directories 386
Direct Marketing 388
Internet 390
Trade Shows and Missions 391
The International Marketplace 12.3 393
Personal Selling 394
Summary 397
Key Terms 397
Questions for Discussion 397
Internet Exercises 398
Recommended Readings 398

Chapter 13 Distribution Management 399

The International Marketplace 13.1 399
Channel Structure 400
Channel Design 402
Customer Characteristics 402
Culture 403
The International Marketplace 13.2 403
Competition 406
Company Objectives 407
Character 408
Capital 408
Cost 409
Coverage 409
Control 410
Continuity 411
Communication 411
Selection of Intermediaries 412
Types of Intermediaries 412
Sources for Finding Intermediaries 413
Screening Intermediaries 414
The Distributor Agreement 419
Channel Management 421
Factors in Channel Management 421
Gray Markets 423
The International Marketplace 13.3 425
Termination of the Channel Relationship 427

E-Commerce 428
Summary 431
Key Terms 431
Questions for Discussion 431
Internet Exercises 432
Recommended Readings 432

Cases 3
Honeyland Manuka Honey from New Zealand: An International New Venture 433
Davila-Bond and the Latin American Sweater Market 437
Dr. Eris: Cosmetics from Poland 446
Imaginarium 451
Joemarin Oy 456

PART 4
THE GLOBAL MARKETING MIX

Chapter 14 Global Product Management and Branding 463
The International Marketplace 14.1 463
Global Product Development 465
The Product Development Process 466
The International Marketplace 14.2 469
The Location of R&D Activities 470
The International Marketplace 14.3 471
The Organization of Global Product Development 472
The Testing of New Product Concepts 473
The Global Product Launch 474
Management of the Product and Brand Portfolio 475
Analyzing the Product Portfolio 475
The International Marketplace 14.4 476
Managing the Brand Portfolio 479
Brand Strategy Decisions 481
Private Brand Policies 484
Summary 486
Key Terms 486
Questions for Discussion 486
Internet Exercises 487
Recommended Readings 487

Chapter 15 Global Services 489
The International Marketplace 15.1 489
Differences between Services and Goods 490
Linkage between Services and Goods 490
Stand-Alone Services 493
Chapter 16  Global Logistics and Materials Management  515

The International Marketplace 16.1  515
A Definition of International Logistics  516
Supply Chain Management  517
The International Marketplace 16.2  518
The Impact of International Logistics  518
   The New Dimensions of International Logistics  519
International Transportation Issues  520
   Transportation Infrastructure  520
   Availability of Modes  520
The International Marketplace 16.3  521
   Choice of Transport Modes  523
The International Shipment  526
   Documentation  526
   Assistance with International Shipments  527
International Inventory Issues  528
   Order Cycle Time  528
   Customer Service Levels  528
   Inventory as a Strategic Tool  529
International Storage Issues  529
   Storage Facilities  529
   Outsourcing  530
   Foreign Trade Zones  530
International Packaging Issues  531
Management of International Logistics  533
   Centralized Logistics Management  533
   Decentralized Logistics Management  533
   Contract Logistics  534
The Supply Chain and the Internet  534
Logistics and Security  535
Recycling and Reverse Logistics  536
   Summary  538
   Key Terms  538
   Questions for Discussion  538
Chapter 17  Global Pricing  541
The International Marketplace 17.1  541
Transfer Pricing  542
   Use of Transfer Prices to Achieve Corporate Objectives  543
   Transfer Pricing Challenges  544
Pricing within Individual Markets  547
   Corporate Objectives  547
   Costs  549
   Demand and Market Factors  550
   Market Structure and Competition  550
   Environmental Constraints  551
Dealing with Financial Crises  552
   Causes of the Crises  552
   Effects of the Crises  552
   Consumer and Marketer Responses  553
The International Marketplace 17.2  554
Pricing Coordination  555
The Euro and Marketing Strategy  555
Countertrade  556
The International Marketplace 17.3  557
   Why Countertrade?  557
Types of Countertrade  558
Preparing for Countertrade  560
   Summary  562
   Key Terms  562
   Questions for Discussion  562
   Internet Exercises  563
   Recommended Reading  563

Chapter 18  Global Promotional Strategies  565
The International Marketplace 18.1  565
Planning Promotional Campaigns  567
   The Target Audience  567
   Campaign Objectives  569
   The Budget  569
   Media Strategy  570
   Audience Characteristics  573
   Global Media  574
The International Marketplace 18.2  575
   The Promotional Message  577
The International Marketplace 18.3  580
   The Campaign Approach  581
   Measurement of Advertising Effectiveness  584
Other Promotional Elements  586
   Personal Selling  586
   Sales Promotion  587
   Public Relations  589
   Sponsorship Marketing  592
Chapter 19  International Marketing and the Future  595

The International Marketplace 19.1  595
International Drivers—A Marketer’s External Environment  597
  Demographic 597
  Technological Development 597
  Culture 600
  Economic Development 601
  Natural Resources 601
  Political and Legal 602
The International Marketplace 19.2  603
The Marketer of the Future—Strategic Efforts  604
  The Balance between Global and Local 604
  Innovation 604
  Collaborative Partnerships 606
The International Marketplace 19.3  607
  Connecting with the World’s Customers 608
  Technology-Based Marketing Research 608
  Summary 610
  Key Terms 610
  Questions for Discussion 610
  Internet Exercises 610
  Recommended Readings 610

Appendix: Careers in International Marketing  611
Further Training  611
Employment with a Large Firm  611
Employment with a Small or Medium-Sized Firm  614
Opportunities for Women in Global Firms  615
Self-Employment  615
  Recommended Readings 617

Cases 4

Polar-adidas  618
LPP-Reserved: Growth of a Fashion Retailer in Central and Eastern Europe  624
International Marketing and the NBA  629
Blood Free Diamonds  632
Nova Scotia  635
The F-18 Hornet Offset  639
VIDEO CASES

Part 1  Equal Exchange Strives for Equality through Fair Trade  645
Lonely Planet Provides Guidance to Global Explorers  647

Part 2  Green Mountain Coffee Roasters  648
Doc Martens Makes Strides Around the World  650

Part 3  Goya Helps Latinos Maintain Mealtime Traditions  652
Global Marketing at Evo  653

Part 4  Whirlpool and the Global Appliance Industry  654
ESPN’s Worldwide Reach  657
BP: Beyond Petroleum  659

Notes 661
Glossary 683
Name Index I-1
Company Index I-4
Subject Index I-10