**National Research University Higher School of Economics**

**Nizhny Novgorod**

Faculty of Management

**Course Syllabus**

**“International Marketing”**

080200.68 – Management

Master Program in Marketing

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Confirmed by Marketing Department «\_\_\_»\_\_\_\_\_\_\_\_\_\_\_\_ 2014г.

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Recommended by Faculty of Management «\_\_\_»\_\_\_\_\_\_\_\_\_\_\_\_\_ 2014г.

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Approvedby UMS NRU HSE – Nizhny Novgorod «22» September 2014г.

Chairman Prof. Petruhin Nicolaj \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Niznny Novgorod, 2014

1. **Course Description**

Products and services around the world are transcending national and political boundaries at incredible pace. Due to technological advances, particularly the diffusion of digital technologies and communication devices, the landscape of business has changed drastically creating a plethora of opportunities and challenges at the same time. Companies are now confronted by the rapid globalization of markets and competition that could favor the company to get benefits from unique worldwide brand identity and economies of scale in R&D, marketing, and manufacturing. However all these changes could bring down responsiveness to local markets, slow down most marketing decisions and make worldwide brands more vulnerable.

The environment that managers face is one that is filled with complexity and contradictions. This requires global managers and especially marketers to possess a global perspective. A global manager needs to develop special set of knowledge, skills, and competencies allowing them to meet the changing, emerging, and increasingly complex conditions associated with globalization and intricately bound local markets. Apart from a common set of traits, global marketer requires a set of specialized skills, capabilities, and competencies. It includes sensitivity to cultural diversity, ability to use technology, information systems, and telecommunications effectively to collect and integrate market information all around the world, understanding of cross-cultural issues that impact marketing activities, ability to scan of competitors on a global basis and so forth.

To master those skills, capabilities, and competencies the course is based more on student-centered learning methods, with less use of direct instruction (chalk and talk). Classroom discussions (student with student and instructor with student), games, cooperative learning, guest lectures are the main teaching methods for the course. On guest lectures, students will learn contemporary knowledge and tools from prominent industry experts on such topics as global product management, global advertising and global marketing research. Among guest lecturers are top managers from Acronis, P&G, Intel and Unilever.

This course provides students with all rigor academic frameworks and models whose application in real world is shown through cases, projects, and outside speakers’ experience.

The main deliverables of the course are tasks from guest speakers, country snapshot presentation, and final project on developing marketing plan for product launch in foreign markets.

1. **Student Outcomes and Competencies**

At the completion of the course requirements, the student will be able to:

* Recognize cross-cultural differences and their impact on marketing activities. Analyze those differences in terms of market opportunities and risks.
* Understand issues in international marketing and avoid major mistakes in implementing marketing activities on international basis.
* Estimate economic, political, cultural, financial and legal environment of countries for adjusting marketing strategy in accordance with local opportunities and threats.
* Recognize the type of international environment.
* Understand the self-reference criterion, state the precise definition of global research problem, and apply correct marketing research methods to collect information for making strategic and tactical marketing decision in international context.
* Develop research design for global market study. Collect the data (secondary and primary) for international market research purposes. Fulfill translation and scalar equivalence criteria.
* Understand cultural sensitivity in designing and running focus groups in international marketing setting. Apply survey methods for cross-cultural marketing research.
* Employ different methods to assess the size of the foreign market for any given product.
* Do a preliminary screening of countries before identifying attractive market opportunities.
* Understand the roles that product designers, engineers, production managers, and purchasing managers play in global marketing decision making, and contribute to global new product development;
* Apply different international market segmentation approaches.
* Develop uniform positioning strategy.
* Report and present the findings of the global marketing study.
* Develop market entry strategies and plans for a company, quantify opportunity, and justify the revenue.
* Develop globally integrated marketing communications.
* Apply tools, frameworks and techniques to conduct opportunity assessments, identify high potential markets, and develop channel and pricing strategy.

At the completion of the course requirements, the student will have the following competences

| Competence | Type of competence | Descriptors | Teaching methods to develop competences |
| --- | --- | --- | --- |
| Способен принимать управленческие решения, оценивать их возможные последствия и нести за них ответственность | СК-5 | Know characteristics of global environment and their influence on marketing decisions. Able to apply relevant frameworks, models, and techniques to make sound decisions concerning global product management, international marketing communications strategies and tactics, distribution, and market entry. | Enquiry-based learning; Cooperative learning; Direct instruction; Project-based learning;  Role playing; Case studies; Texts; Research projects; Critical Thinking Exercises; Guest lectures |
| Способен анализировать, верифицировать информацию, оценивать ее в ходе профессиональной деятельности, при необходимости восполнять и синтезировать недостающую информацию и работать в условиях неопределенности | СК-6 | Able to examine marketing data in terms of accuracy, age, reliability, and comparability. Able to integrate those data into decision-making process about different aspects of global marketing. | Research projects; Project-based learning; Direct instruction; Texts; Enquiry-based learning. |
| Способен организовать многостороннюю (в том числе, межкультурную) коммуникацию и управлять ею. | СК-7 | Know the main vocabulary of international marketing and able to use it in negotiations. Able to define goals of international marketing and run negotiations in accordance with them. Recognize cross-cultural differences and their impact on communication and negotiation. | Cooperative learning; Role playing; |
| Способен вести профессиональную, в том числе, научно-исследовательскую деятельность в международной среде | СК-8 | Understand cross-cultural differences and their impact on marketing activities. Analyze those differences in terms of market opportunities and risks. | Research projects; Project-based learning; Texts; Guest lectures; Case studies; Direct instruction |
| Способен использовать социальные и межкультурные различия для решения проблем в профессиональной и социальной деятельности | ПК-2 | Understand issues in international marketing and avoid major mistakes in implementing marketing activities on international basis. Understand cultural sensitivity in designing and running focus groups in international marketing setting. Apply survey methods for cross-cultural marketing research.  Estimate, political, cultural, and legal environment of countries for adjusting marketing strategy in accordance with local opportunities and threats. | Case studies; Texts; Research projects; Critical Thinking Exercises |
| Способен порождать принципиально новые идеи и продукты, обладает креативностью, инициативностью | ПК-8 | Understand the roles that product designers, engineers, production managers, and purchasing managers play in global marketing decision making, and contribute to global new product development. Develop globally integrated marketing communications | Project-based learning; Cooperative learning; Critical Thinking Exercises |
| Способен решать задачи управления деловыми организациями, связанные с операциями на мировых рынках в условиях глобализации | ПК-20 | Know characteristics of global environment and their influence on marketing decisions and able to apply relevant frameworks, models, and techniques to make sound decisions concerning global product management, international marketing communications strategies and tactics, distribution, and market entry. | Texts; Enquiry-based learning; Guest lectures; Project-based learning;  Case studies |
| Способен разрабатывать корпоративную стратегию, стратегию бизнеса и функциональные стратегии организации | ПК-21 | Develop market entry strategies and plans for a company, quantify opportunity, and justify the revenue. Develop uniform positioning strategy. develop channel and pricing strategy | Direct instruction; Project-based learning; Case studies; Texts |
| Способен планировать и осуществлять проекты и мероприятия, направленные на реализацию стратегий организации | ПК-22 | Able to keep track of the global marketing strategy execution. Transform marketing strategy into tactical marketing in global context. | Cooperative learning; Project-based learning; |
| Способен находить и оценивать новые рыночные возможности, формировать и оценивать бизнес-идеи, разрабатывать бизнес-планы создания нового бизнеса | ПК-25 | Do a preliminary screening of countries before identifying attractive market opportunities. Apply tools, frameworks and techniques to conduct opportunity assessments, identify high potential markets, and develop channel and pricing strategy. | Texts; Enquiry-based learning; Research projects; Project-based learning; |
| Способен выявлять данные, необходимые для решения поставленных управленческих и предпринимательских задач; осуществлять сбор данных и их обработку | ПК-26 | Develop research design for global market study. Collect the data (secondary and primary) for international market research purposes.  Able to obtain data from companies’ databanks on their operations, government publications, government sponsored commercial delegations, syndicated datasets.  Fulfill translation and scalar equivalence criteria. | Research projects; Enquiry-based learning; Project-based learning; Direct instruction; |
| Способен выбирать и обосновывать инструментальные средства, современные информационные технологии для обработки информации в соответствии с поставленной задачей в сфере управления, анализировать результаты расчетов и обосновывать управленческие рекомендации | ПК-27 | Employ different methods to assess the size of the foreign market for any given product. Able to analyze point-of-sale (POS) store scanner data, consumer panel data, and single-source data for making sound marketing decisions. Able to use SPSS tools to analyze global marketing data. | Research projects; Critical Thinking Exercises; Case studies; Project-based learning; |
| Способен представлять результаты проведенного исследования в виде отчета по консультационному проекту в сфере менеджмента | ПК-29 | Report and present the findings of the global marketing study. | Research projects; Project-based learning; Direct instruction |

1. **Course Outline**

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| --- | --- | --- | --- | --- | --- |
| № | Topic | Sum | Duration (hours) | | Unassisted preparation for classes (independent study) |
| Lectures | Practical training and workshops |
| 1 | Course Introduction  Syllabus Overview | 10 | 1 | 1 | 8 |
| 2 | Globalization | 10 | 1 | 2 | 7 |
| 3 | Global environment | 15 | 2 | 3 | 10 |
| 4 | Global marketing research  (Guest speaker from P&G) | 15 | 2 | 4 | 9 |
| 5 | Global Segmentation and Positioning | 15 | 2 | 3 | 10 |
| 6 | Global Marketing Strategies | 15 | 2 | 3 | 10 |
| 7 | Global Market Entry  Strategies | 15 | 2 | 2 | 11 |
| 8 | Developing New Products for Global Market  (Guest speaker from Acronis) | 15 | 2 | 2 | 11 |
| 9 | Marketing Products and Services | 10 | 2 | 2 | 6 |
| 10 | Global Pricing | 10 | 1 | 2 | 7 |
| 11 | Global Advertising | 10 | 1 | 2 | 7 |
| 12 | Global Distribution | 10 | 1 | 2 | 7 |
| 13 | Marketing Strategies for Emerging Markets | 12 | 1 | 1 | 8 |
|  |  | 162 | 20 | 29 | 113 |

1. **Outline of Lectures and Readings**

Course Introduction. Syllabus Overview

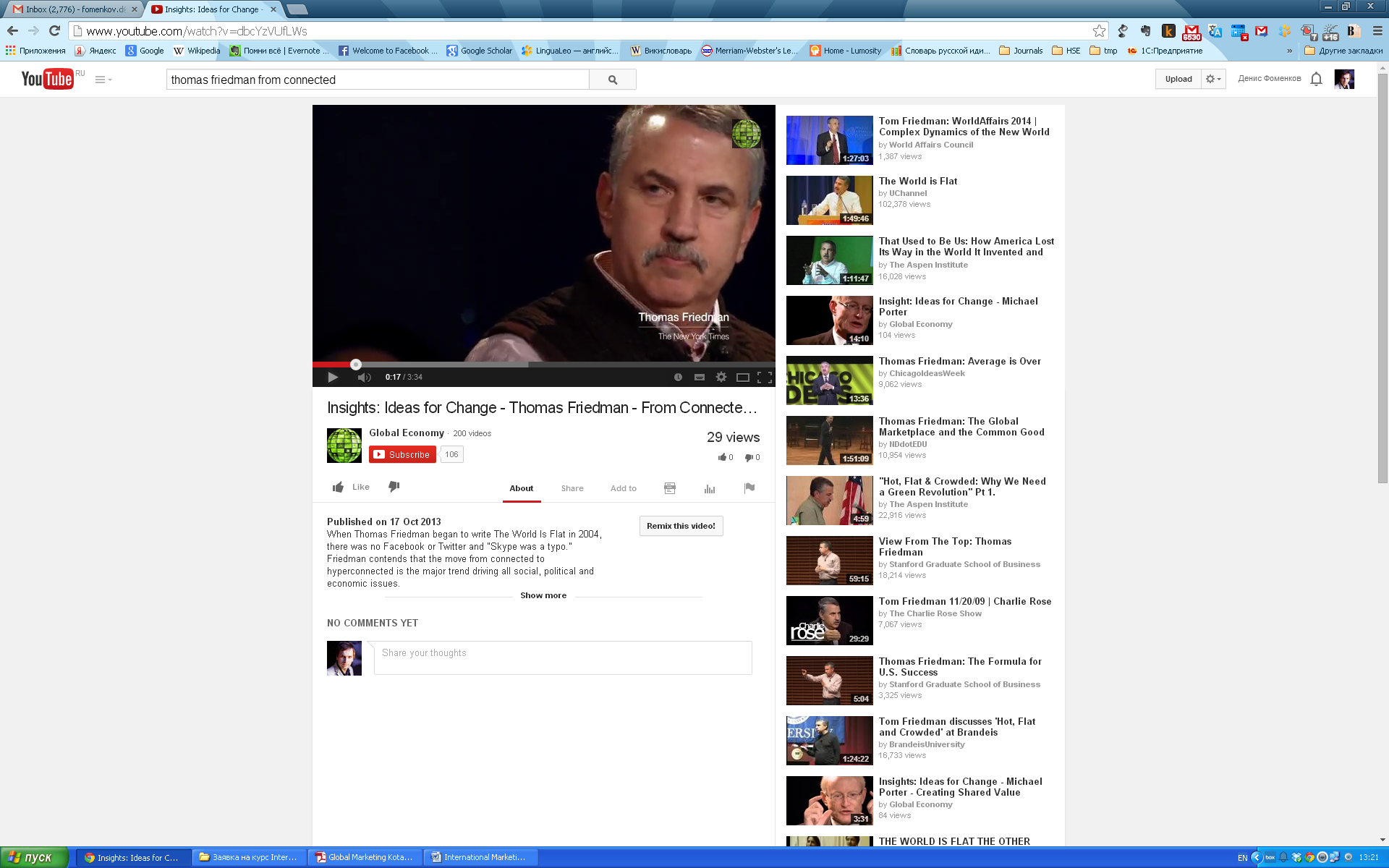
1. Globalization

*Key Issues*

* Why to study international marketing;
* Global Perspective and Global Mindset. Global Managers;
* Saturation of Domestic Markets. Emerging Markets. Global Competition. Global Cooperation. Internet Revolution;
* Globalization of Markets: Convergence and Divergence. Impact of Globalization. "Flattening" Of the World. From Connected To Hyper-Connected World. Benefits and Drawbacks of Marketing Globalization.
* Evolution of Global Marketing. Domestic Marketing. Export Marketing. International Marketing. Multinational Marketing. Global Marketing.
* Ethnocentric. Polycentric. Regiocentric. Geocentric.
* Issues in Global Marketing.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (*Chapter 1 Globalization Imperative*)
2. Kotler, Philip; Armstrong, Gary (2014 [i.e. 2013): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Part1.The Changing Marketing Landscape*)
3. Friedman, Thomas Source: CIO Insight. Mar2005, Issue 51, p42-50. 6p.
4. Kedia B, Mukherji A. Global Managers: Developing A Mindset For Global Competitiveness. Journal Of World Business. Fall99 1999;34(3):230-251. Available from: Business Source Premier, Ipswich, MA. Accessed June 11, 2014.
5. Douglas, S. & Wind, Y., 1987. The Myth of Globalization.Columbia Journal of World Business, 22(4), pp.19–29.
6. Friedman, T.L., 2005. The World Is Flat: A Brief History of the Twenty-first Century 1st edition., New York: Farrar, Straus and Giroux.
7. Anon, 2001. Globalisation and its critics. *The Economist*. Available at:<http://www.economist.com/node/795995>.
8. Hollis, Nigel. “Rethinking Globalization.” Marketing Research 21, no. 1 (Spring 2009): 12–18.
9. Insights: Ideas for Change - Thomas Friedman - From Connected to Hyperconnected <http://www.youtube.com/watch?v=dbcYzVUfLWs>



1. Global Environment

*Key Issues*

* Economic Environment. Country Competitiveness. Emerging Economies. Evolution of Cooperative Global Trade Agreements. Global E-Commerce.
* Financial Environment.
* Global Cultural Environment and Buying Behavior. Elements of Culture. Cross-Cultural Comparisons. Adapting To Cultures. Culture and the Marketing Mix. Global Customer Relationship Management (CRM).
* Political and Legal Environment. International Agreements. Social Pressures and Political Risk. Marketing Barriers in International Trade. Regulations on E-Commerce.

Readings

1. “The Global Competitiveness Index 2013-2014 - World Economic Forum.” <http://www.weforum.org/reports/global-competitiveness-report-2013-2014>
2. Arouri, Mohamed El Hedi; Boubaker, Sabri; Nguyen, Duc Khuong (2014): Emerging markets and the global economy. Online-Ausg. Oxford: Elsevier.
3. Kotler, Philip; Armstrong, Gary (2014 [i.e. 2013): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson (Chapter 19. The Global Marketplace)
4. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 2 Economic Environment)
5. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 3 Financial Environment)
6. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 4 Global Cultural Environment and Buying Behavior)
7. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 5 Political and Legal Environment)
8. Gupta, V., Hanges, P.J. & Dorfman, P., 2002. Cultural clusters: methodology and findings. *Journal of World Business*, 37(1), pp.11–15.
9. The WTO... ... In brief <http://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr00_e.htm>
10. Briley, Donnel A.; Aaker, Jennifer L. (2006): Bridging the Culture Chasm: Ensuring That Consumers Are Healthy, Wealthy, and Wise. In Journal of Public Policy & Marketing 25 (1), pp. 53–66. DOI: 10.1509/jppm.25.1.53.
11. Arnould, Eric J.; Thompson, Craig J. (2005): Consumer Culture Theory (CCT): Twenty Years of Research. In J CONSUM RES 31 (4), pp. 868–882. DOI: 10.1086/426626.
12. Ghoshal, S., & Nohria, N. (1993). Horses for courses: organizational forms for multinational corporations. Sloan Management Review, 34(2)
13. Global marketing research

*Key Issues*

* Research Problem Formulation
* Secondary Global Marketing Research
* Primary Global Marketing Research. Focus Groups. Survey Methods for Cross-Cultural Marketing Research. Observational Research.
* National Culture In International Marketing Research
* Internet for Global Market Research Studies.
* Market Size Assessment.
* New Market Information Technologies.
* Managing Global Marketing Research. Selecting a Research Agency. Coordination of Multicounty Research.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 6 Global Marketing Research)
2. Steenkamp, Jan-Benedict E. M. (2001): The role of national culture in international marketing research. In International Marketing Review 18 (1), pp. 30–44. DOI: 10.1108/02651330110381970.
3. Malhotra, N. K.; Peterson, M.; Kleiser, S. B. (1999): Marketing Research: A State-of-the-Art Review and Directions for the Twenty-First Century. In Journal of the Academy of Marketing Science 27 (2), pp. 160–183. DOI: 10.1177/0092070399272004.
4. Woodruff, R. B. (1997). Customer Value: The Next Source for Competitive Advantage. Journal Of the Academy Of Marketing Science, 25(2), 139.
5. Anon, 2012. Professor Naresh Malhotra. Senior Fellow, Nanyang Business School, Nanyang Technological University, Singapore.International Journal of Market Research, 54(3), pp.432–434. Available at:<https://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=75655123>[Accessed June 26, 2014].
6. Hocus-pocus (2008). Available online at http://www.economist.com/node/11546117, updated on 7/3/2014
7. Woodruff, Robert B. (1997): Customer value: The next source for competitive advantage. In J. of the Acad. Mark. Sci. 25 (2), pp. 139–153. DOI: 10.1007/BF02894350.
8. Zaltman, Gerald (1997): Rethinking Market Research: Putting People Back In. In Journal of Marketing Research 34 (4), p. 424. DOI: 10.2307/3151962.
9. Global Segmentation and Positioning

*Key Issues*

* Reasons for International Market Segmentation. Country Screening. Global Marketing Research. Entry Decisions. Positioning Strategy.
* International Market Segmentation Approaches. Segmentation Scenarios.
* Bases for International Market Segmentation.
* International Positioning Strategies. Uniform versus Localized Positioning Strategies. Universal Positioning Appeals.
* Global, Foreign, And Local Consumer Culture Positioning

Readings

1. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Part 3: Designing a Customer-Driven Strategy and Mix*)

Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (*Chapter 7. Global Segmentation and Positioning*)

Alden, D. L., Steenkamp, J.-B. E. M., & Batra, R. (2006). Consumer attitudes toward marketplace globalization: Structure, antecedents and consequences. *International Journal of Research in Marketing*, *23*(3), 227–239. doi:[10.1016/j.ijresmar.2006.01.010](http://dx.doi.org/10.1016/j.ijresmar.2006.01.010)

Alden, D. L., Steenkamp, J.-B. E. M., & Batra, R. (1999). Brand Positioning Through Advertising in Asia, North America, and Europe: The Role of Global Consumer Culture. *Journal of Marketing*, *63*(1), 75–87. doi:[10.2307/1252002](http://dx.doi.org/10.2307/1252002)

Hassan, S. S., & Katsanis, L. P. (1991). Identification of Global Consumer Segments:Journal of International Consumer Marketing, 3(2), 11–28. doi:[10.1300/J046v03n02\_03](http://dx.doi.org/10.1300/J046v03n02_03)

Steenkamp, J.-B. E. M., & Ter Hofstede, F. (2002). International market segmentation: issues and perspectives. International Journal of Research in Marketing, 19(3), 185–213. doi:[10.1016/S0167-8116(02)00076-9](http://dx.doi.org/10.1016/S0167-8116(02)00076-9)

1. Global Marketing Strategies

*Key Issues*

* Information Technology and Global Competition.
* Global Strategy. Global Industry. Competitive Industry Structure. Competitive Advantage. Hypercompetition. Interdependency.
* Global Marketing Strategy. Benefits of Global Marketing. Limits to Global Marketing.
* R&D, Operations, and Marketing Interfaces. R&D/Operations Interface. Operations/Marketing Interface. Marketing/R&D Interface.
* Regionalization of Global Marketing Strategy. Cross-Subsidization of Markets. Identification of Weak Market Segments. ‘‘Lead Market’’ Concept.
* Marketing Strategies for Emerging Markets.
* Competitive Analysis.

Reading

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (*Chapter 8. Global Marketing Strategies*)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Part 4. Extending Marketing*)
3. Hill, T., & Westbrook, R. (1997). SWOT analysis: It’s time for a product recall. *Long Range Planning*, *30*(1), 46–52. doi:[10.1016/S0024-6301(96)00095-7](http://dx.doi.org/10.1016/S0024-6301(96)00095-7)
4. N, D., & T, F. (1998). Competing with giants. Survival strategies for local companies in emerging markets. Harvard business review, 77(2), 119–29, 187. Retrieved from http://europepmc.org/abstract/MED/10387768
5. Grund, Michael, Oliver Heil, and Mark Elsner, ‘‘Global Competitive Marketing Strategy,’’ in Masaaki Kotabe and Kristiaan Helsen ed., The SAGE Handbook of International Marketing, London: Sage Publications, 2009, pp. 263–87.
6. Johnson, J., & Tellis, G. J. (2008). Drivers of Success for Market Entry into China and India. *Journal of Marketing*, *72*(3), 1–13. doi:[10.1509/jmkg.72.3.1](http://dx.doi.org/10.1509/jmkg.72.3.1)
7. Powers, T. L., & Loyka, J. J. (2010). Adaptation of Marketing Mix Elements in International Markets. Journal of Global Marketing, 23(1), 65–79. doi:10.1080/08911760903442176

6. Global Market Entry Strategies

*Key Issues*

* Target Market Selection.
* Choosing the Mode of Entry. Decision Criteria for Mode of Entry. Mode-Of-Entry Choice—Two Opposing Paradigms: A Transaction-Costs Versus Resource-Based View.
* Exporting. Licensing. Franchising. Contract Manufacturing (Outsourcing). Joint Ventures. Wholly Owned Subsidiaries. Strategic Alliances.
* Timing of Entry.
* Exit Strategies.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 9. Global Market Entry Strategies)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (Chapter 19. Deciding How to Enter the Market)
3. Buckley, P. J., & Casson, M. C. (1998). Analyzing Foreign Market Entry Strategies: Extending the Internalization Approach. *Journal of International Business Studies*, *29*(3), 539–561. Retrieved from <http://www.jstor.org/stable/155524>
4. Lasserre, P. (1995). Corporate strategies for the Asia Pacific region. Long Range Planning, 28(1), 13–30. doi:10.1016/0024-6301(94)00067-F
5. Zhao, H., Luo, Y., & Suh, T. (2004). Transaction cost determinants and ownership-based entry mode choice: a meta-analytical review.*Journal of International Business Studies*, *35*(6), 524–544. doi:[10.1057/palgrave.jibs.8400106](http://dx.doi.org/10.1057/palgrave.jibs.8400106)
6. Zahra, S. A.; Ireland, R. D.; Hitt, M. A. (2000): International Expansion by New Venture Firms: International Diversity, Mode of Market Entry, Technological Learning, And Performance. In Academy of Management Journal 43 (5), pp. 925–950. DOI: 10.2307/1556420.
7. Agarwal, S., & Ramaswami, S. N. (1992). Choice of Foreign Market Entry Mode: Impact of Ownership, Location and Internalization Factors. Journal of International Business Studies, 23(1), 1–27. Retrieved from http://www.jstor.org/stable/154882
8. Zahra, S. A., Ireland, R. D., & Hitt, M. A. (2000). International Expansion by New Venture Firms: International Diversity, Mode of Market Entry, Technological Learning, and Performance. Academy of Management Journal, 43(5), 925–950. doi:[10.2307/1556420](http://dx.doi.org/10.2307/1556420)
9. Burgel, O., & Murray, G. C. (2000). The International Market Entry Choices of Start-Up Companies in High-Technology Industries. Journal of International Marketing, 8(2), 33–62. doi:[10.1509/jimk.8.2.33.19624](http://dx.doi.org/10.1509/jimk.8.2.33.19624)
10. Lee, G. K., & Lieberman, M. B. (2010). Acquisition vs. internal development as modes of market entry.Strategic Management Journal, 31(2), 140–158. doi:[10.1002/smj.804](http://dx.doi.org/10.1002/smj.804)

7. Developing New Products for Global Markets

*Key Issues*

* Global Product Strategies. Product and Communication Extension—Dual Extension. Product Extension—Communications Adaptation. Product Adaptation—Communications Extension. Product and Communications Adaptation—Dual Adaptation. Product Invention.
* Standardization versus Customization. Drivers toward Standardization. Modular and Core Product Approach. Incremental Break-Even Analysis (Ibea).
* Multinational Diffusion.
* Developing New Products for Global Markets. Timing of Entry: Waterfall versus Sprinkler Strategies.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 10. Global Product Policy Decisions I: Developing New Products for Global Markets)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Chapter 9. New-Product Development and Product Life-Cycle Strategies*)
3. Keegan, W. J. (1969). Multinational Product Planning: Strategic Alternatives. *Journal of Marketing*, *33*(1), 58–62. doi:[10.2307/1248747](http://dx.doi.org/10.2307/1248747)
4. PeterG. P.Walters and Brian Toyne, 1989. Product modification and standardization in international markets: strategic options and facilitating policies. Columbia Journal of World Business, 24, pp. 37–44.
5. Griffin, A. (1997). PDMA Research on New Product Development Practices: Updating Trends and Benchmarking Best Practices. *Journal of Product Innovation Management*, *14*(6), 429–458. doi:[10.1111/1540-5885.1460429](http://dx.doi.org/10.1111/1540-5885.1460429)
6. Song, X. M., & Parry, M. E. (1997). A Cross-National Comparative Study of New Product Development Processes: Japan and the United States. *Journal of Marketing*, *61*(2), 1–18. doi:[10.2307/1251827](http://dx.doi.org/10.2307/1251827)
7. McDonough, E. F., Kahnb, K. B., & Barczaka, G. (2001). An investigation of the use of global, virtual, and colocated new product development teams.*Journal of Product Innovation Management*,*18*(2), 110–120. doi:[10.1111/1540-](http://dx.doi.org/10.1111/1540-5885.1820110)
8. Wren, B. M., Souder, W. E., & Berkowitz, D. (2000). Market Orientation and New Product Development in Global Industrial Firms.*Industrial Marketing Management*, *29*(6), 601–611. doi:[10.1016/S0019-8501(00)00120-6](http://dx.doi.org/10.1016/S0019-8501(00)00120-6)
9. Eppinger, S. D., & Chitkara, A. R. (2006). The New Practice of Global Product Development. MIT Sloan Management Review. Retrieved from <http://dspace.mit.edu/handle/1721.1/87030>
10. Kleinschmidt, E. J., De Brentani, U., & Salomo, S. (2007). Performance of Global New Product Development Programs: A Resource-Based View.*Journal of Product Innovation Management*,*24*(5), 419–441. doi:[10.1111/j.1540-5885.2007.00261.x](http://dx.doi.org/10.1111/j.1540-5885.2007.00261.x)
11. Huston, L., & Sakkab, N. (2006). CONNECT AND DEVELOP. (cover story). *Harvard Business Review*, *84*(3), 58–66.

8. Marketing Products and Services

*Key Issues*

* Global Branding Strategies. Global Branding. Local Branding. Global or Local
* Branding? Brand-Name Changeover Strategies
* Management of Multinational Product Lines.
* Product Piracy. Strategic Options against Product Piracy.
* Country-Of-Origin (Coo) Effects. Strategies to Cope With Coo Stereotypes.
* Global marketing of Services. Challenges in Marketing Services Internationally. Global Service Marketing Strategies.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 11. Global Product Policy Decisions II: Developing New Products for Global Markets)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Chapter 8. Products, Services, and Brands Building Customer Value*)
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9. Global Pricing.

*Key Issues*

* Drivers of Foreign market Pricing.
* Managing Price Escalation.
* Pricing In Inflationary Environments.
* Global Pricing and Currency Fluctuations.
* Transfer Pricing.
* Global Pricing and antidumping Regulation.
* Price Coordination
* Countertrade.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (*Chapter 12. Global Pricing*)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Chapter 10. Pricing Understanding and Capturing Customer Value*)
3. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (*Chapter 11. Pricing Strategies Additional Considerations*)
4. Cavusgil, S. T. (1996). Pricing for global markets. *The Columbia Journal of World Business*, *31*(4), 66–78. doi:[10.1016/S0022-5428(96)90033-2](http://dx.doi.org/10.1016/S0022-5428(96)90033-2)
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10. Global Advertising

*Key Issues*

* Global Advertising and Culture. Language Barriers. Cultural Barriers.
* Setting The Global advertising Budget.
* Creative Strategy. Benefits of Standardization. Barriers to Standardization. Approaches to Creating Advertising Copy.
* Global Media Decisions. Media Infrastructure. Trends in the Global Media Landscape.
* Advertising Regulations.
* Choosing an advertising Agency.
* Globally Integrated Marketing Communications

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 13. Communicating with the World Consumer)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (Chapter 14. Communicating Customer Value. Integrated Marketing Communications Strategy)
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11. Global Distribution

*Key Issues*

* International Distribution Channel. Channel Configurations. Channel Management.
* International Retailing. Retailing Differences across the World.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 15. Global Logistics and Distribution)
2. Kotler, Philip; Armstrong, Gary (2014): Principles of marketing. 15th ed., global ed. Harlow [etc.]: Pearson. (Chapter 12. Marketing Channels Delivering Customer Value)
3. Creazza, A., Dallari, F., & Melacini, M. (2010). Evaluating logistics network configurations for a global supply chain. *Supply Chain Management: An International Journal*, *15*(2), 154–164. doi:[10.1108/13598541011028750](http://dx.doi.org/10.1108/13598541011028750)
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6. McGurr, P. T. (2002). The largest retail firms: a comparison of Asia-, Europe- and US-based retailers. *International Journal of Retail & Distribution Management*, *30*(3), 145–150.
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9. Pellegrini, L., & Reddy, S. K. (2012b). Retail and Marketing Channels (RLE Retailing and Distribution). Routledge.

12. Marketing Strategies for Emerging Markets

*Key Issues*

* Emerging Markets. Characteristics of Emerging Markets.
* Targeting/Positioning Strategies in Emerging Markets.
* Entry Strategies for Emerging Markets.
* Product Policy.
* Pricing Strategy.
* The Distribution Challenge.
* Communication Strategies for Emerging Markets.

Readings

1. Kotabe, M. & Helsen, K., 2010. Global marketing management, Hoboken, NJ: Wiley. (Chapter 18. Marketing Strategies for Emerging Markets)
2. Sheth, J. N. (2011). Impact of Emerging Markets on Marketing: Rethinking Existing Perspectives and Practices. *Journal of Marketing*, *75*(4), 166–182. doi:[10.1509/jmkg.75.4.166](http://dx.doi.org/10.1509/jmkg.75.4.166)
3. Khanna, T., & Palepu, K. (1997). Why Focused Strategies May Be Wrong for Emerging Markets. Harvard Business Review, 75(4), 41-51.
4. Khanna, Tarun; Palepu, Krishna G.; Bullock, Richard J.(2013): Winning in emerging markets. A road map for strategy and execution.
5. Arouri, Mohamed El Hedi; Boubaker, Sabri; Nguyen, Duc Khuong (2014): Emerging markets and the global economy. Online-Ausg. Oxford: Elsevier.
6. Cavusgil, S. T., Ghauri, P. N., & Akcal, A. A. (2012). *Doing Business in Emerging Markets*. SAGE.
7. Dawar, N., & Frost, T. (1999). Competing with giants. Survival strategies for local companies in emerging markets. *Harvard business review*,*77*(2), 119–129, 187.
8. Gaurav, S., Cole, S., & Tobacman, J. (2011). Marketing Complex Financial Products in Emerging Markets: Evidence from Rainfall Insurance in India.*Journal of Marketing Research*, *48*(SPL), S150–S162. doi:[10.1509/jmkr.48.SPL.S150](http://dx.doi.org/10.1509/jmkr.48.SPL.S150)
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12. Johnson, B. (2011). The CEO of Heinz on Powering Growth in Emerging Markets. *Harvard Business Review*, *89*(10), 47–50.
13. Sharma, P. (2011). Country of origin effects in developed and emerging markets: Exploring the contrasting roles of materialism and value consciousness. *Journal of International Business Studies*, *42*(2), 285–306. doi:[10.1057/jibs.2010.16](http://dx.doi.org/10.1057/jibs.2010.16)
14. Arnold, D. J., & Quelch, J. A. (1998). New Strategies in Emerging Markets.Sloan Management Review, 40(1), 7–20.
15. **Overview – assignments**

Individual Assignments (in LMS)

1. Critical evaluation of international marketing strategy of a company
2. Environmental analysis

Group Assignments

1. Assignment from Acronis on global product management
2. Terms of reference for global marketing research
3. Case study (“Procter & Gamble India gap in the product portfolio”)
4. Project\_1 Market entry strategy development
5. Project\_2 Marketing strategy for emerging market

# Types of control

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Control | Type of control | 1 year | | | | Description |
| 1 | 2 | 3 | 4 |
| Continuous assessment | Test |  |  |  |  | Test, 25 questions (multiple choice, true or false and open questions). |
| Homework (2) |  |  |  |  | 1. Critical evaluation of international marketing strategy of a company (5-8 pages, 12 Times New Roman).  2. Environmental analysis (10 -15 pages, 12 Times New Roman) |
| Final | Exam |  |  |  |  | 3 open questions (verbal) |

1. **Teaching Strategy**

There will be different interactive teaching methods during the course. Project-based learning, case studies, research projects, enquiry-based learning, role playing cooperative learning, critical thinking exercises, and guest lectures are the most frequently used among them.

Class participation is an important part of the course as direct instruction is only 10% of all lecture time. Students are expected to read prepared texts carefully before class in order to be ready to discuss topics in question. Given the importance of class participation, it contributes 40 percent of individual grade.

To see the real application of concepts, frameworks, and models is one of the main objectives of the course. Guest speakers are invited to show the real world practice of global marketing. Each speaker provides small task at the end of the workshop coming from his practice. Students are supposed to solve those tasks in small groups and send them to guest lecturer for evaluation.

Students will apply marketing frameworks, models, and tools while working on team assignments, which are significant part of cooperative and project-based learning.

1. **Grading**

APPENDIX A

TEST EXAMPLE

1. All of the following are market entry strategies except (3 points)

1. Licensing
2. Standardization
3. Franchising
4. Adaptation
5. Export management company
6. Customization
7. PEST
8. Joint venture

2. Polycentric company (3 points)

1. is focused on its domestic market
2. operates on the assumption that home country methods, approaches, and values are superior to those found elsewhere in the word.
3. adapts marketing to the unique and different aspect of each national market
4. develops strategy that recognizes similarities, which transcend national differences while adapting to local differences as well

3. Scientific measuring instruments fall into (3 points)

1. multi-domestic environment
2. global environment
3. transnational environment
4. placid environment

4. Multi-domestic organization views exporting as opportunistic activity (2 points)

1. False
2. True

5. How does international marketing differ from domestic marketing? (6 points)

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6. Write down the arguments that it is better to segment markets on a global market segment basis than a country-by-country basis. (8 points)

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9. Rank the market entry strategies based on the level of marketing involvement (1- lowest involvement, 6 – highest involvement) (3 points)

\_\_\_\_ Export management company

\_\_\_\_ International trading companies

\_\_\_\_ Local representatives

\_\_\_\_ Fully owned commercial subsidiary

\_\_\_\_ Contract manufacturing

\_\_\_\_ Joint ventures

10. Put the names of international environments and 2-3 examples of industries for each type. (8 points)

|  |  |  |
| --- | --- | --- |
| Strong  **Forces for global** | * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **standardization**  Weak | * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ * \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | Weak    **Forces for local** | Strong  **responsiveness** |

11. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - no current demand exists but condition and trend suggests future latent demand. (3 points)

1. Existing markets
2. Incipient markets
3. Latent markets

12. Multiple factor indices is based on (3 points)

1. linking the ratio of an economic indicator to a product demand
2. assumption is that countries at different stages of development have different levels of demand and consumption. A comparison is made with another country with similar demand patterns on product release.
3. using of multiple factors in the equation to forecast product demand
4. assumption that the demand for one product is correlated with another

13. Why do customers pick global brands (principal factors from the research)? (5 points)

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14. What segmentation criteria might be used for international market selection? (7 points)

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15. To enter overseas market Acronis so far has been using (4 points)

1. International trading companies
2. Export management companies
3. Independent local distributors
4. International sales representatives
5. Licensing

16. What does “Applicability” mean in Heiz’s long-term emerging market strategy? What factors make Heinz include “Applicability” into strategy? (6 points)

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| --- |
|  |

17. (6 points)

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| --- | --- |
| Found in BILLA (Linz). Cappy is now owned by The Coca-Cola Company. | Found in Russia (“My family”). Manufactured by “Nidan Soki” (in 2010 was acquired by The Coca-Cola Company) |

Why does The Coca-Cola Company use similar positioning and almost same packaging but different brand names?

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18. In Sweden and Norway advertising to children under the age of 12 is illegal. It refers to (3 points)

1. Economic factors
2. Competitive development
3. Media environment
4. Cultural differences
5. Communication syntax
6. Advertising regulations
7. Category development
8. Experience with the brand

19. What strategic challenges does P&G India face in 2011? (8 points)

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20. Assess P&G India’s product line policy. (12 points)

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21. What recommendations will you make to the P&G India team to help them achieve the targets set forth in Project 2-3-4? (14 points)

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|  |

22. What international strategy[[1]](#footnote-1) is more applicable for the following products? Explain. (12 points)

|  |  |  |
| --- | --- | --- |
| Product | Strategy | Arguments (why) |
| **Google Glasses** is a wearable computer with an optical head-mounted display. Google Glass displays information in a smartphone-like hands-free format, that can communicate with the Internet via natural language voice commands |  |  |
| Johnson Farm Fresh Foods DeliveryJohnson Farm Fresh Foods Delivery. Deliver farm fresh foods from the ground direct to home. |  |  |
| **http://s3.amazonaws.com/crunchbase_prod_assets/assets/images/original/0027/5496/275496v2.jpgInstacart** is an Internet based grocery delivery service. Customers can choose from a variety of local stores including Safeway, Trader Joe’s, Whole Foods and Costco, and can mix items from multiple stores into one order. The company launched its service in San Francisco, Mountain View and Palo Alto. It is mainly served through an app, available on iOS and Android platforms, apart from its website. It charges a flat rate anywhere between $3.99 for three hour delivery and $14.99 for one hour delivery.  The company makes its money on a cut in the service charge. |  |  |
| **http://cdn.abclocal.go.com/images/kgo/cms_exf_2007/news/local/peninsula/8996097_600x338.jpgFlightCar** lets people parking at the airport rent their vehicles out to other travelers. Every rental is insured up to $1 million, and every renter is pre-screened. Depending on the type and model year of the vehicle, you can also make up to 20¢/mile in cash. We'll pick you up and drop you off curbside and give you a free car wash. If you rent with us, we'll throw in a free GPS and free insurance. To get free parking or to rent for less. |  |  |
| Uniqlo is a Japanese casual wear designer, manufacturer and retailer.  In addition to Japan, the company operates in Australia (Spring 2014), Bangladesh, China, France, Hong Kong, Indonesia, Macau, Malaysia, the Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, the United Kingdom, and the United States.  http://www.wired.com/images_blogs/business/2012/08/08292012-UNIQLO-054edit.jpg |  |  |
| The Tesla Model S is a full-sized electric five-door hatchback produced by Tesla Motors. First shown to the public at the 2009 Frankfurt Motor Show as a prototype, retail deliveries started in the United States in June 2012. The Model S is offered with two battery packs: a base model with a 60 kW·h battery expected to deliver 230 miles (370 km) and an 85 kW·h battery expected to deliver, according to Consumer Reports, 320 miles (510 km).  Tesla Model S Indoors trimmed.jpg |  |  |

APPENDIX B

TEAM ASSIGNMENT EXAMPLE

The main objective of the case is to deliver compelling advertising campaign of Master program “Global Business” based on understanding international environment, consumer behavior, and competitors. Please, try to uncover consumer insight that will help you develop right advertising message and find appropriate channels. You can find consumer insight through conducting marketing research. Primary market research is welcomed but not required. You can get and prove you findings using only secondary data.

You will find supplementary reading enclosed herein that may help you.

In addition, please find a link to a book about integrated marketing communications:

…

Please try to adhere to the following structure:

1. **Trends**. What are the trends? What are the major innovations in the sector? What is the level of total advertising intensity? What are the most popular advertising media?
2. **Analysis of international environment.** How does globalization influence the market? Type of international environment (Goshal and Nohria). Choose and explain International strategy (Keegan). Apply EPG Model (Howard V. Perlmutter).
3. **Segmentation analysis.** Select particular segment to target (prove segmentation criteria). Is it the same in all three countries?
4. **Customer behavior analysis.** What is decision process adopted by the customer (use FCB grid). What are the main motivations of the buying decision? What are the benefits sought by the buyer? To which marketing factors are customers most responsive?
5. **Competition analysis.** What is the market’s competitive structure? What are the strengths and weaknesses of competitors? What are the product’s characteristics that distinguish it from competing products?
6. **Marketing communication mix.** Examine current communication of the program ( I handed out marketing collateral of the program during one of our classes. If you don’t have the one, please ask other groups. If you can’t get brochure of the program, you may kindly ask Dipl.Kult. Mag. Julia Reschauer Programmmanagerin JMGB). What communication tools are the most effective for promoting the program? Develop the creative idea for advertising based on your findings (idea should be original, eye catching, and memorable, try to think out of the box). Think of consumer benefits. Give the reason why the consumer has to believe the benefit is offered. What is style/brand character? How to deliver advertising message? What are required resources to implement your advertising strategy?

**Requirements:**

Paper: length of 10 pages excluding pictures, references, and appendix, Times New Roman size 12

Power point presentation: number of slides is not defined (maximum time for giving presentation 15 minutes)

Deadline: February 18

APPENDIX C

GUEST SPEAKER TASK AND FEEDBACK EXAMPLE

Acronis Task 1

How to manage the meeting among members of the product management team that lives in different countries (USA, Germany, Australia, and Japan); at what time the meeting should be arrange?

**Feedback from Guest Lecturer (Director Product Management, Acronis USA):**

There is no” right” answer to the question. The most important are factors  
that every team identified and analyzed. The solution should:

1.       Propose and compare several options – 1 point max  
  
This way you can be sure that you really selected the best possible option.  
Otherwise, when you propose a specific solution and make arguments  
supporting it, there is a chance that your solution “just works fine”, but  
is not the best possible solution.  
  
  
  
2.       Do not discriminate – 2 points max  
  
For a global company it’s very important that employees feel they are  
equal, and saying something like “they are Japanese – they will work late  
hours” would make people feel discriminated.  
  
  
The business practices of a global  company are always respectful to a  
culture of every nation, and judging by nationality is never appropriate.  
For example, the fact that someone is not American should not imply that  
this person does not want to work outside business hours (even though it  
might be likely true).  
  
  
The feeling that everyone is equal, with identical rules and attitude is  
essential for an efficient team.  
  
  
DON’T CONFUSE with particularities of different markets – specific people  
(members of your team) are not markets.  
  
  
3.       Avoids perceived un-fairness – 2 points max  
  
If someone feels that the decision is not fair – it will demotivate and  
negatively affect the team’s spirit.  The solution should propose how to  
ensure that no one feels offended – for example by alternating the meeting  
time, asking the team to choose the best time themselves  or asking for a  
volunteer hero.  
  
  
4.       Communicate and explain the decision to the team – 2 point max  
  
Ensuring that no one is confused, is able to plan properly and not  
emotionally hurt. For example, most people are not able to convert from UTC  
to their local time on a spot, and there are calendar tools (such as Outlook  
scheduler) that perform this conversion automatically.  
  
  
5.       Have correct time calculations – 0.5 point max  
  
Surprisingly, it’s not that easy  
  
  
6.       … including possible difference in day of week – 0.5 point max  
  
For example in winter Friday 4.00PM in NYC is Saturday 6.00AM in Japan.  
  
  
7.       … including effects of daylight saving time – 0.5 point max  
  
For example, the US will set clock 1 hour forward on March 9, while  
Australia will set clock 1 hour backwards on April 6 (the Earth is round -  
they have summer now)  
  
  
8.       Choose “humane” solution – 1 point max  
  
Asking someone to have a business call at 2AM every week is not humane.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Team A – 3.5 points** | **Team B – 2 points** | **Team E – 0.3 points** | **Team D – 5.8 points** | **Team C – 2,5 points** |
| Propose and compare several options  0.5 out of 1 (proposed but not compared)   Do not discriminate  0 out of 2   Avoids perceived un-fairness  2 out of 2 (good suggestion to alternate meeting time)   Communicate and explain the decision to the team  0 out of 2   Have correct time calculations  0.5 out of 0.5   … including possible difference in day of week  0 out of 0.5   … including effects of daylight saving time  0 out of 0.5   Choose “humane” solution  0.5 out of 1 (6.00AM Saturday is not humane) | Propose and compare several options  0 out of 1   Do not discriminate  0 out of 2   Avoids perceived un-fairness  0 out of 2   Communicate and explain the decision to the team  0 out of 2   Have correct time calculations  0.5 out of 0.5   … including possible difference in day of week  0.5 out of 0.5   … including effects of daylight saving time  0 out of 0.5   Choose “humane” solution  1 out of 1 | Propose and compare several options  0 out of 1    Do not discriminate  0 out of 2   Avoids perceived un-fairness  0 out of 2   Communicate and explain the decision to the team  0 out of 2   Have correct time calculations  0.3 out of 0.5 (“8- 9 a. m. in the USA” – the US has 3 time zones)   … including possible difference in day of week  0 out of 0.5 (Friday 2PM in Berlin is already Saturday in Sydney)   … including effects of daylight saving time  0 out of 0.5   Choose “humane” solution  0 out of 1 (1AM every week for Sydney is not humane) | Propose and compare several options  0 out of 1   Do not discriminate  0 out of 2   Avoids perceived un-fairness  2 out of 2  (good suggestion to alternate meeting time and to have discussion within the team)   Communicate and explain the decision to the team  1.8 out of 2 (UTC is confusing for most)   Have correct time calculations  0.5 out of 0.5   … including possible difference in day of week  0.5 out of 0.5   … including effects of daylight saving time  0 out of 0.5   Choose “humane” solution  1 out of 1 | Propose and compare several options  0,5 out of 1    Do not discriminate  0 out of 2   Avoids perceived un-fairness  1 out of 2  (rotate  the time schedule between day-night)   Communicate and explain the decision to the team  0 out of 2   Have correct time calculations  0.5 out of 0.5   … including possible difference in day of week  0 out of 0.5   … including effects of daylight saving time  0 out of 0.5   Choose “humane” solution  0,5 out of 1 |

Acronis Task 2

In Singapore, Acronis products are sold through two different channels at the same price: online and through partners. Acronis receives complaints from partners about the fact that customers prefer to buy the products online, and not through the traditional channel, because the online channel is not subjected to taxes (10%). Find a solution.

**Feedback from Guest Lecturer (Director Product Management, Acronis USA):**

The complete solution should demonstrate:

**1.       Understanding of the problem**

It looks like every team understood what the problem is – **1 point** to everyone.

**2.       Research**

Find some supporting facts – such as buying habits, online/offline sales statistics, local trends, etc.

It might even happen, for example, that in fact no one really buys online, and resellers just use the price difference as negotiating point (of course they always want more).  Also important is a real street price. Resellers are free to give discounts from their margin, and the actual price the customer can negotiate might be well below MSRP. Example – car sales in the US. Take a look at [edmunds.com](http://edmunds.com/).

Group A – no research

Group B – **3 points** for quite impressive research quoting survey data

Group E – **3 points** as well, plus **1 point** for understanding that consumer and business products are not the same

Group D – no research

Group C - no research

**3.       Proposed solutions (many)**

As always, there are many possible solutions. The more potential viable solutions are considered – the better.

 Some of potential solutions:

**Cut the channel at all**. Viability of this option very much depends on a specific company and a product, but worth considering.

**1 point** to **groups A**, **B**.

**Cut the online at all.** Also might be an option to cut off online sales in specific geography completely.

**1 point** to **no one**

**Increasing reseller margin**. To motivate resellers. The increased margin would allow resellers to offer higher discounts effectively reducing the street price.

**3 points** to **group A, B, E, C.**  Plus **1 point** to **group B** for suggesting implementing it by changing partner levels thresholds.

**Increase product value**. By including better support terms, additional features or services. Very good solution. The main risk is that customers might happen not to really value those extras, i.e. not ready to pay for them and still preferring a cheaper price online.

**2 points** to **all groups.**

**Discriminating between online and offline**. For example by offering offline-only promos.

**2 points** to **group A**

**Deal registration**. As noted by several groups, resellers help customers to buy the product. This is the basic fact (not a solution). The problem is that customer can ask reseller for a help, and then go and buy online. This can be solved by allowing resellers to register the opportunity and get their margin independently on how customer bough the product.

**3 points to group C**

**Loyalty program.** It usually works very well for returning customers. And having such a program optimizes channel work – they will have more larger customers,  while smaller customers who buy just 1 copy will prefer to buy online. Usually, small customers only make partners lose money because the time they invest in relationship might not be covered by a margin from a couple of copies they sell.

**3 points** to **group E and D**

**Advertising**. This is someone close to increasing perceived value, but in terms of service or help that the reseller can offer.

**1 point** to **groups A and D**

**Share online revenue with local partners**. Makes a lot of sense because local partners influence online demand a lot (for example, hey may run campaigns or participate in shows, so customers will learn about Acronis buy online). However it’s not possible to fairly divide revenue by multiple partners in Singapore – some of them might be doing a lot, and others – do nothing and just get money.

**1 point** to **group D, C**

**4.       Analysis of an impact**

Understand potential effects – both positive **and** negative, including risks. There are always some negative effects in every solution – even airbags, that save lives, sometimes kill kids if not user properly. There are many formal models for this – using such would be a plus. Ideally for every risk there should be a mitigation plan as well.

Group A – **2 points** for mentioning both negative and positive consequences

Group B – **2 points** for thoughtfully analyzing consequences

Group C – **0 points.** No analysis.

Group E – **3 points** for thoughtfully analyzing consequences, including numeric impact on revenue

Group D – no analysis

**5.       Decision**

Based on the analysis, weighted decision to choose one solution or combination of solutions.

Group A – no comparison or selection

Group B – **1 point** for rejecting one of the options, but not comparing or selecting from remaining options.

Group C – **1 point** for superficial

Group E – **2 points** for offering the final solution

Group D – **2 points** for offering a combination

Several generic recommendations:

-          Don’t talk about “sacrifices”. This is called “cost”, or even better – “investment”. When you propose the solution – it should sound positive. No one wants sacrifices, but people usually don’t mind investing.

-          Try to present options in a easy-to-understand format (like group C did). Text-based information is not always consumed well, especially by decision makers who are always pressed in time

-          Always recommend what option or combination of options to select (with reasoning). A decision maker usually has much less understanding then you have – and without such proposal the selection might be nearly random.

1. 1. One product, one message globally
   2. Product extension, promotion adaptation
   3. Product adaptation, promotion extension
   4. Dual adaptation
   5. Product invention

   [↑](#footnote-ref-1)