Global Marketing

Douglas Lamont

MARKETING

04.02

- Fast track route to mastering all aspects of global marketing
- Covers all the key techniques for successful global marketing, from creating global brands to building an international culture, and from selecting international executives to delivering innovation globally
- Examples and lessons from some of the world's most successful businesses, including McDonalds, Unilever and Nokia, and ideas from the smartest thinkers, including Philip Kotler and Michael Czinkota
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Introduction

Why global marketing is important and why it will be even more important in the global and electronic economy.

Why is global marketing important today? Why will it be important tomorrow? Here are eight reasons why global marketing is crucial to the world's prosperity:

» It gives a better economic life by improving standards of living, enhancing life-styles, and providing wider consumer choice among the peoples of the world.
» It offers world-class, standardized products, such as fast foods and computer software, except when cultural values or language require modest adaptations.
» It provides similar market segments across national frontiers for the sale, for instance, of McDonald's hamburgers, Microsoft's Windows, and other global brands.
» It targets teenagers, Gen-Y young adults (20–29 years old), and Gen-X slightly older adults (30–39 years old) in all developed and emerging countries for fast food, computer software, and wireless telephones.
» It pushes national governments to join free trade initiatives so everyone has the lowest costs possible for the world's products.
» It helps the poorer people of the world gain access to the riches of the world economy.
» It encourages governments and elite groups to give up power and control over local citizens so the poor can become middle class, and the latter can gain greater wealth.
» It reacts to the current global slowdown in export sales and profit remittances through the third quarter of 2001 by investing additional money into global brands.

KEY LESSONS

Distilled wisdom

Let's begin with how McDonald's uses global marketing to leverage the growth of its brand name worldwide. Here are five crucial points about the McDonald's case.

First, McDonald's offers other multinationals a road map for building up and sustaining global brands. That is, dominate the home market, pursue international diversification, standardize products with few minor local adaptations, and give the public a single, consistent message about price, quality, and value.

Second, McDonald's Big Mac represents the world's fast food culture that also includes hot dogs, pizza, tacos, baked potatoes, French fries, gyros, dim sum, sushi, ice cream, chocolate, cola, muffins, bagels, and many other food items. Create the image of a global, largely American, life-style.

Third, McDonald's drive ''thru'' (or walk ''thru'') retail stores train local people as managers, employees, brand developers, advertising executives, and logistics managers. Build up loyalty to the brand in families, age groups, and all nationalities.

Fourth, McDonald's suffers from the global slowdown, but in an unusual way: its sales and profits are down in Europe by one-third because of mad cow disease (BSE); however, its sales and profits are up in the United States as consumers look for cheaper ways to feed their families. Use any slowdown to build up assets.

Finally, McDonald's offers improvements in its use of global technology as it seeks better and faster ways to prepare and sell hamburgers, French fries, and Coke. Show innovation in flavor, packaging, merchandising, and supply channels.

LOW-CONTEXT CULTURE

The following case shows how corporate culture within an American-owned multinational firm affects decisions about foreign direct investments, sales and marketing opportunities, and demonstrates the financial risk of overvalued and undervalued currencies in the developed countries and emerging economies of the world. McDonald's has global glitz and an extensive network of suppliers, distributors and middlemen, and customers. McDonald's owns one of the top 10 global brands. Its professional managers are global marketers. Therefore, McDonald's is a good example of global marketing.

Professional managers carry out country risk analysis with an emphasis on whether local people are willing to add the cultural values of the global economy to their life-styles. These executives look for synergy among countries within free trade areas and customs unions. They make marketing plans about choosing local partners, opening one or more local stores, selecting global and local menu items for each country, and pricing the Big Mac to fit within disposable personal income. Their focus is on purchasing power parity (or PPP).

These professional managers are rational decision makers who are used to making business decisions under uncertainty. McDonald's and other multinational firms prefer political stability, economic surpluses, more global and fewer local values, and the rule of law. They live within a low-context culture that is common in the United States, Canada, Europe, Japan, and Australia.

CASE: MCDONALD'S

Global marketing

The world of the twenty-first century depends on global marketing. Its practice by worldly business marketers helps raise standards of living and enhances life-styles with fast food and speedy Internet connections. They create brands, such as the Big Mac and Windows, that are easily recognizable among customers in market, transitional, and emerging or less developed economies.

Some say global marketing leads to a homogenization or uniformity in tastes, habits, and values worldwide. Some truth exists in that statement because the preferred fast food includes a double (or quarter pounder) burger, French fries, and Coke, followed by some form of pizza and Pepsi Lite, and other finger food, such as beef or chicken tacos and sushi. Surely, the need for fast food in the United States reflects American preference for dashboard dining in one's sports utility vehicle, van, or car. In France, the need for fast food builds on decisions by French business executives to spend less time eating and more time working so they can compete more effectively with Americans and Germans. Russian parents go to McDonald's because their children demand the food, the fun, and the presents. Thai teenagers prefer McDonald's because they can meet their friends for an hour or two without the supervision of their parents and family.

The taste of the hamburger, French fries, and cola drink is similar throughout the world. When McDonald's buys range-fed beef and beet-based ketchup from Australia the hamburger tastes slightly different. Americans might notice the slight difference in tastes. The Thais don't. Anyway, who cares? Teenagers in South East Asia do not come to McDonald's for the food *per se*, but to socialize with their friends. Their routine social practices are different than those of American teenagers. Londoners eat a quick curry sandwich in the Victoria train station because they are on the run between houses in the country, offices in the City, and the theater in the East End. Their work habits have changed as the world has speeded up and long, sit-down meals are relegated to the weekends and vacations.

Does all of this mean that people's basic cultural values have changed? No. Americans believe their freedom is a gift from God and their tremendous number of fast food choices fits in with their belief that all religions have a place at the American table. The French still believe in good food prepared as it used to be in rural France by the best five-star chefs, but few can afford seven courses and three wines, and fewer still have the time for a two- or three-hour lunch during the work week. The Russians still eat their souvlaki soup and dark bread, or blinis (crêpes) with fruit jam, but they do go to the Starlite Café in Moscow for American-style chicken pot pie, hamburgers, banana splits, milk shakes, and American coffee. And the Thais get pineapple pie rather than apple pie for dessert at McDonald's after their fried rice and local foods at nearby restaurants.

Instead, choice has been enhanced for local people. They can be pretend Americans one day, pretend Japanese another day, and pretend something else a third day. The value of global marketing to local people is to give them more choices for their hard-earned money.

Big Mac currencies

Here is the marketing data from Japan. In 2000, McDonald's sold 10 hamburgers for every Japanese citizen, not as much as in the United States and Britain, but far ahead of other places in East Asia. The burger has become a familiar feature of the Japanese diet. This worries the Japanese government. It issued a white paper decrying the loss of tactile ability with chopsticks by teenagers and young adults, and recommending they take special classes to improve their ability to use traditional Japanese utensils.

Throughout the world McDonald's is a metaphor for globalization. The leading brand consultant Interbreed ranks McDonald's as the ninth most valuable brand in the world after such luminaries as Coca-Cola, Microsoft, IBM, GE, Nikon, Intel, Disney, and Ford. In April 2001 *The Economist* used the local price of a Big Mac hamburger in Japan versus that in the Unites States to show that the Japanese currency is 6% undervalued *vis-à-vis* the US dollar – not as much as other currencies, but enough to suggest the US dollar is overvalued in terms of virtually all world currencies.

Global marketing's Big Mac standard gives marketers plenty of food for thought to manage the transition of poor people in emerging economies to richer people in developed markets.

SIMILAR MARKET SEGMENTS

Across the world people must eat. This is a basic need along with clothes and shelter. What they eat depends on their age. Older age groups tend to prefer the foods they had as children and young adults; for example, they might want the pasta and tomato sauce that their mothers made or the special sausages and bratwursts their fathers bought from the butcher for Sunday meals. Or if they are in the middle age groups, they might want something with less time at the table so they can go play golf or tennis or watch the soccer match on the TV on their days off. And if they are younger, they want the food quickly so they can be off to do important things: visit friends, listen to music, go dancing, etc.

These patterns of life for age groups form similar market segments across the globe. The fast food industry caters to one market segment wherever it may be in the world: that is, those people who want fast food for whatever reason. The food is invariably similar with one or two items that are different. The reasons for going to a fast food restaurant are usually different because local cultural values have been imputed into the food and its surroundings. And this is OK. This is what makes global marketing successful today.

SIMILAR TARGET GROUPS

Within age groups, especially teenagers and young adults, some segments divide into smaller groups based on computer skills and ability to gain access to the Internet. In the United States, virtually everyone who works in an up-to-date modern office has access to the Internet and about 50 percent have access to the Internet at home, too. However, some people in the world cannot afford the cost of

Internet-ready computers or the fees for wiring their offices and houses with fast telephone connections. Moreover, the government-run telephone company might take two years to wire one's home and the government itself may be very slow in providing speedy telephone lines, switching services, and all the required routers for the Internet.

Therefore, an alternative marketing service has sprung up throughout the world. This is the Internet café. Local people and expatriates alike frequent the café to use its speedy connections to do their e-mail, check news from home, and get their stock quotes from New York, London, and Tokyo.

Global marketing demands instant access for everyone to all information. The Internet café offers this to anyone for a very small charge. Moreover, the café provides fast food, such as coffee or tea, pastries, and sandwiches. The young and young adults are always there because they belong to those target market groups that demand immediate access to the Internet's killer application – that is, e-mail.

IMPORTANCE OF GLOBAL MARKETING

The signs of success of global marketing are all around us in the developed market economies of the world. For example, in North America and northern Europe local people have access to the foods, clothes, and products of the world; they receive and send e-mail to anyone, anywhere all over the world; no new music sensation from the four corners of the earth escapes their attention.

However, in the emerging economies of Asia, Latin America, and Africa local people have less access to the world's storehouse of goods and services because either the products are not available or they are not available at a reasonable price. Global marketing offers them hope for a better future. They will be able to raise their standards of living, enjoy the life-styles they see from afar on their TVs, and become more similar to their counterparts in the developed market economies.

Finally, in the transitional economies of eastern Europe, Russia, and Central Asia local people are still trying to work out their formula for success in the future. Do they want to compete American-style in a free-for-all free enterprise economy? Probably not. Do they want to compete European-style in a social market economy? Probably yes. Global marketing takes no position as to which is preferable.

Rather, global marketing helps each and every one achieve what is possible for them within the legal, social, and cultural framework set up by governments, the nation's history, and goals for the future.

FREE TRADE INITIATIVES

Some governments have curtailed their country's sovereignty by joining free trade agreements, customs unions, and common markets. Global marketing encourages governments to reduce trade barriers.

The North American Free Trade Agreement (NAFTA) is a great success for the United States, Canada, and Mexico. Goods cross their borders with no tariffs and with few non-tariff restrictions; services encounter few restrictions; and investments are made with guidance from all three countries. The Mexican north has prospered greatly from its intimate ties to the American southwest and south, and the Canadian province of Ontario is the United States' second largest trading partner after Canada itself and is ahead of Mexico.

The European Union has done equally well. Besides free trade in goods, services, and investments, the EU has free mobility of labor. Europeans can work anywhere within the 15-nation common market. Teenagers and young adults feel more European and less French or German; hence, they have adopted fast food and the Internet café as their signature contributions to enhancing local life-styles.

Other examples of free trade initiatives exist: Mercosur for southern South America; Andean Pact; Central American Common Market; Caribbean Basin Initiative; European Free Trade Agreement; ASEAN;. Asia-Pacific Consensus Group; Southern Africa Development Group; and many others. All of them seek to promote freer trade by opening up local economies to the possibilities of global marketing.

POORER PEOPLE GET RICHER

Global marketing permits people all over the world to gain access to up-to-date technology, the most productive business practices, and the best goods and services available from the world economy. Many people today gain from global marketing's thirst for rapid change in knowledge, and its quest for more and varied product output. Of course, the transfer of marketing knowledge is so much easier than it's ever been as free trade gets rid of vested interests.

This is the rich and varied story of global marketing. Globalization exists because of global marketing.

GLOBALIZATION

The term globalization took center stage only in the 1990s. A decade ago globalization meant that national governments limited their policy options so that capital markets in New York and London gave them sovereign loans, long-term bonds, foreign direct investments, and operating funds. Together these formed a golden straitjacket in which governments in Mexico and Argentina, Poland and Hungary, and Singapore and Thailand dismantled economic controls, deregulated industries, liberalized their economies, and joined free trade initiatives. During the 1990s national governments thought they had little control over their own destinies except to pay 200 basis points over the London Interbank Rate (Libor).

Ten years later globalization means that national governments can reform their economies but keep their welfare states. Also some EU governments, such as those of Britain and Denmark, can opt out of the Single European Currency, the euro. The long bond markets offer them more capital rather than less at reasonable Libor rates.

Therefore, political risk or the political dimension is back in the calculus of globalization. For example, if and when 22 additional countries in central, eastern, and southern Europe are admitted to the EU, how will their transitional or emerging status affect the euro's value *vis-à-vis* the US dollar? Also, as Mexico is more closely integrated into NAFTA and North America, how will the population explosion in Mexico affect free trade in services (Mexican truck safety throughout the United States), free trade in labor (Mexican legal and illegal immigration into the United States), and Mexico's leading role among other Latin American countries? Moreover, if South East Asia falls again five years after its 1997 crash, how will the newly impoverished, formerly middle-class people live their lives under more open or less open national economies? Lastly, will the International Monetary Fund, the World Bank, and other international agencies bail out Turkey, Colombia, and Cambodia once again, or will their collapse force their neighbors to go under, too, with unknown repercussions on the EU, NAFTA, and other free trade initiatives?

For many countries in Sub-Saharan Africa, Central Asia, and South Asia, globalization in the 2000s is not an opportunity but a threat to governments in power. Even though globalization means fantastic new technologies, falling costs, fewer borders, easy communications, and more and better products, fewer leaders in emerging economies today are willing to take the risks they took just 10 years ago. Marketers must include political risk in their country risk calculation. Also marketers must pay more attention to the current global slowdown in the United States and the world economy. Moreover, marketers must find ways to transfer new ideas, knowledge, and technology from developed to emerging economies. This is the world as it is today.

GLOBAL SLOWDOWN

The year 2001 is the year of a slowdown in the world economy. The United States hit the brick wall of slowing economic growth in March 2000 when the dot.com sector went down. Then information technology and telecommunications collapsed in 2000–1, especially, the lack of customer revenue to pay the telecom firms for the shift from 2G (second generation) to 3G (third generation) in wireless. As dot.com, telecom, and wireless stocks fell, consumer wealth disappeared among the Silicon Valley rich, their investment managers and stockbrokers, and get-rich-quick, freshly minted MBAs.

Surprisingly, personal savings remain high if we include unreported capital gains, and personal consumption remains higher than expected if we recognize the shift from very expensive to modestly priced goods. In short, within the United States the stockmarket seems to be driving the economy rather than the other way around.

Technically, the United States has not had two quarters of negative economic growth, and, hence, the US economy is not in a recession. Instead, the rate of economic growth has slowed from 3% annually to about 0.7 to 1.7% annually. Inventories have been reduced to modest levels. New hires have not been added to the workforce and the rate of unemployment has jumped to a non-inflationary, modest level of 4%. The major problem facing US global marketers is the high value of the US dollar *vis-à-vis* other foreign currencies. The Big Mac index shows the US dollar overvalued in 29 of the 30 national currencies listed in the McDonald's 2001 list. The US dollar is undervalued only in terms of the Swiss franc.

Since the United States is the engine for economic growth throughout the world, its slow rate of economic growth affects everyone else. For example, Germany cuts its forecast of growth from 2.5% to 2% for 2001. Britain is showing a slowdown in economic growth, too. Essentially, the collapse in US demand for European goods has coincided with weakness in domestic demand in Europe. Today, Europe follows the United States in economic decline within three or four months and not the year or more it took in the past.

In Japan, industrial output and prices are falling rapidly and its 10-year economic malaise may be deepening again. Also, the United States and other developed countries are importing far fewer goods in 2001 than they did in 2000; for example, Chile, Argentina, Brazil, and China are exporting less because the United States is importing less. Moreover, Mexico has slipped into negative economic growth because of the manufacturing slowdown there and the decline in demand for imports in the United States.

The US capital-spending bust has caused a recession in Singapore, where plunging electronics exports have now produced two consecutive quarters of declining output. Two-fifths of Asia's total GDP growth in 2000 came from exports of information technology to the United States. Hence, Taiwan's unemployment rate has hit record highs. Japan and South Korea also are most dependent on capital-goods exports and thus most affected by the US investment bust. Multinational firms are responding to weak US sales by chopping investments throughout East Asia, in Latin America, the Middle East, and in Europe, too. Of course, as these economies go down jobs are lost in the United States, and the recession contagion could hit the United States along with the other countries.

Not only is trade down, but financial markets are giving investors wake-up calls about Argentina, Turkey, Brazil, Indonesia, Thailand, and many other emerging countries. Could there be another meltdown in Latin America as in 1982 or 1995? In South East Asia in 1997? And in Russia in 1998? The answer for global marketers is as follows: it depends on the United States. If the United States begins to rebound by the end of 2001 or early 2002, then it will begin importing a bit more and those countries that export to it will begin to see positive economic growth once again.

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Definition of Terms

» What is global marketing and how is it different from domestic and export marketing?
» How do corporate views on and government attitudes toward free trade affect global marketing?

What is global marketing? What terms, interpretations, observations, and frameworks in use today describe global marketing? Which authors give the most important key lessons and case analyses for global marketing? Here are four action items for export, international, and global marketing:

» **Corporate culture**. Decide whether marketers should export, undertake international sales and marketing, or create new global marketing opportunities.
» **Country risk**. Judge the willingness of local customers to tolerate changes in values and life-styles, and the willingness of business people to accept international trade obligations in the wake of the emergence of the global economy.
» **Economic development**. Rank order ''hot'' sales and marketing opportunities in the developed and emerging countries, and end dreams of great success in the high-debt, poor countries of the world.
» **Free trade**. Be sure sufficient inter-regional trade exists before jumping on the bandwagon of free trade and common markets.

KEY LESSONS

Practical advice

Let's continue with how goods are sold at home and overseas and within similar market segments across national frontiers. Here is important advice about domestic, export, international, and global marketing.

First, domestic marketing is selling goods to those who have the disposable personal income to buy locally manufactured goods. Offer local people goods that match national values and life-styles. Employ domestic marketing techniques from very small firms to sell products, grow the business at home, and help local people gain some psychic value from a better assortment of merchandise.

Second, export marketing is selling goods to those who have some close personal ties to the country of origin. Offer good value to those looking for a tie to their ethnic, language, or religious homeland. Employ export marketing techniques from medium-size firms that have been selling abroad for many years, grow the business outside the home country, and help home and host-country people prepare for changes in their lives from country risk, currency debacles, and free trade mistakes.

Third, international marketing is more responsive to the needs of emerging economies. Find significant market gaps in service to target groups. Employ international marketing techniques from smaller firms to sell products, improve cash flow, and help local people improve their economic lot.

Finally, free trade, customs unions, and common markets are not necessary to make money in domestic, export, international, and global marketing. Create a large amount of inter-regional trade between neighboring countries. Employ all types of selling and marketing techniques to build up inter-regional trade within the bounds of international corporate culture, country risk, levels of economic development, and free trade initiatives.

HIGH-CONTEXT CULTURE

The three following cases show how corporate culture among Turkish-owned firms affects exports, imports, international sales, and foreign direct investments in Russia, the Balkans, and Central Asia. These three firms do not have the global glitz of McDonald's. They do not have an extensive network of suppliers, distributors and middlemen, and customers. These three Turkish firms do not own global brands. Their owner–managers are not global marketers. Therefore, this is not global marketing as discussed in the previous section.

Instead, these Turkish owner–managers are into domestic marketing, export marketing, and international marketing. They sell their products in Turkey and outside their home market the old-fashioned way. These Turkish owners entertain clients every night until the deal is closed, do not discuss price until the end of the discussions, make only one-time short-term deals, avoid all bank debt, shun payment in local currencies, ship goods only after receiving cash, avoid paying local taxes, and put cash float into money market funds. These Turkish-owned firms live within a high-context culture that is common in Turkey and Russia, the Balkans (Greece, Bulgaria, and Romania), Azerbaijan, and the Turkic-speaking parts of oil-rich Central Asia.

CASE: YATAS IN TURKEY

Domestic marketing

See the following section for the transformation of domestic marketing (distribution economics; wholesale and retail institutions; 4 Ps of product, price, promotion, and place or distribution channels; and marketing strategy) into export, international, and global marketing. Although these changes have been going on for over 100 years in the United States and Europe, for 50 years in Japan, and for several decades in neighboring countries, many places in the world still have a domestic marketing environment only tangentially touched by global marketing.

The Crimean Tatar woman who is married to a Turk and who is the owner–manager of Yatas, the Turkish bed and home furnishings manufacturer, believes that middle-age Turkish women may not be able to change their appearance, but they can modernize their homes. Their cultural values and life-styles reflect how women age in Turkey after many years of bearing and raising children, and what they can do with their families' disposable personal income within the context of Turkey's high inflation, depreciating currency, stagnant national economy, and high levels of unemployment.

Yatas's customers come from different target groups within Turkey; some are from the shanty town dwellers who mostly buy Yatas softbeds to the urban rich who buy beds and mattresses, and purchase towels and matching sheets. Only 12% of Turkey's population is middle class, and most of them cannot afford imported beds and home furnishings. Thus they choose to buy good products made locally that are priced low enough for those with some money to purchase them. If Yatas does well domestically in Turkey, the firm could export some of its beds and home furnishings to other places where Turkic-speaking people live in the Balkans, Ukraine's Crimea, Russia's Tatarstan, and the newly independent republics of Central Asia.

CASE: EKMASAN GROUP IN THE BALKANS AND CENTRAL ASIA

Export marketing

Although the transformation of foreign trade into export marketing, then into international marketing, and today into global marketing began taking place in the 1950s, some 50 years ago, it did not become self-evident until much later as the United States became a large-scale exporter, then an international sales and marketing powerhouse, and today a global marketing powerhouse. The European countries always exported goods to one another, to North America, and to their far-flung former colonies in the Americas, Africa, Asia, and Australia, because their home markets were too small to gain scale economies domestically. Japan always exported goods to the United States and other parts of the Asia–Pacific region because it needed to pay for the imports of oil, copper, and other raw materials. Other countries exported because the number of local buyers was too small at home and sales were readily available in neighboring countries. Only the United States held back on exporting on a grand scale until the need became self-evident, too, in the 1990s.

Before Turkey joined the General Agreement on Tariffs and Trade and its successor organization, the World Trade Organization (WTO), and before the country was subject to protections of intellectual property under TRIPS, the Turkish owner–manager of the Ekmasan Group began copying German ovens and patenting the technology in Turkey and nearby countries. He exports baker's ovens and sells them to ethnic Turks in the Balkans, around the Black Sea, and in Central Asia. He lives in a high-context business culture in which he entertains nightly, does not discuss price until the end of the discussions, does not borrow money from the banks or other money lenders, and does not ship his ovens until US dollars or Swiss francs are deposited into his bank accounts.

The Ekmasan Group is a typical exporter to its ethnic brothers in the Balkans. This business arrangement can be found among Korean firms who export to Koreans living in the United States and Canada, Taiwan and mainland Chinese firms who export to Chinese living throughout South East Asia and Australia, and Syrians and Lebanese, or ''Turcos,'' who export to the Arabs living in West Africa and the Pacific Coast of southern South America. All of these are personal relationships that have blossomed within families and among extended families of cousins, godparents, and long-time friends.

CASE: RAMSTORE IN MOSCOW

International marketing

Two large Turkish-owned companies, Koc and Enka, together with Ramenka, a local joint venture partner, opened up Ramstore in Moscow, Russia's first western-style hypermarket. Ramstore sells everything from pomegranate juice to flat-screen TV sets. Russian-made goods account for 60% of the sales at Ramstore. Red hair dye is popular. Turkish-made washing machines that are compact for the cramped Russian apartments are sold, too. Ramstore sells these products at prices lower than at the kiosks and other locations of street-sellers. These stores are only in the densely populated sections of high-rise apartments that ring Moscow. Also the retail stores are only in Moscow, the capital city of 9 million, because its people enjoy average per capita income four times higher than any other urban area in Russia.

The corporate culture of the two Turkish companies is to sell their domestic manufacturing, merchandising, and retail skills in other countries. Although the Turkish and Russian languages, religions, and family practices are widely different, the Turkish and Russian companies share one important corporate cultural value – that is, they seek out local markets and target groups that are not served by European- and American-owned multinational firms. The two Turkish firms go where country (especially financial, economic, and political) risk is high enough to scare away global marketers from Europe, North America, and Japan. They enter markets that are emerging, especially from Communism, and are at low levels of economic development. These Turkish and Russian firms hope to establish themselves so well that when a take-off in economic growth does occur they will be the first to take advantage of the change in national economic conditions.

INTERNATIONAL CORPORATE CULTURE

Exporting

When goods produced in one country go to another country this is an export by the sending country and an import by the receiving country. Since these goods cross national frontiers, exporters (or their freight forwardes) fill out customs documents, arrange for air freight or ocean shipping, purchase insurance free of particular average, obtain non-recourse letters of credit, and even factor receivables. In the receiving country, importers hire brokers to get goods through customs and speed them on their way by using local inland freight to their final destination. When export sales are over 5% of total sales, firms tend to create an export department that houses a team of professional managers in charge of selling goods between home and overseas markets. Usually, the team sells goods in neighboring markets (such as Canada for the United States) and develops limited expertise in using the metric system for weights and measures and labeling products in the two official languages of Canada, English and French. As the team gains more experience in export sales, it may try its hand at exporting products to other English-speaking countries, such as Britain.

International marketing

When export sales reach about 20% of total sales, firms tend to reorganize their international operations to focus either on geographic locations (such as Mexico and Latin America, England and the EU, etc.) or on product lines (such as cars, trucks, windshields, brakes, gaskets, fasteners, etc.). A vice-president of international marketing heads up this business and, together with his or her team, studies country risk, researches foreign markets, searches for export sales opportunities, puts together a chain of overseas distributors, purchases competitive logistics services, and works with others to minimize the costs of currency fluctuations. Usually, the team sells goods in both neighboring and distant markets. Also, the international marketing team begins serious discussions about manufacturing outside the home country because of special host country incentives (for example, Mexico's border industry or *maquiladora* program; Poland's incentives for investment in Poland-B, the eastern part of Poland near Lithuania, Belarus, and Ukraine; or mainland China's efforts to bring more industry to southern and coastal China, to name just a few). International marketers export to and import from foreign countries, buy and sell goods in home and host-country markets, and make the first serious inroads to invest more and export less as a key decision of the firm. Although international marketers are experts on country risk analysis, they tend to shy away from the difficult markets of the emerging and very poor, high-debt nations. They prefer safer markets in North

America, Europe, and East Asia to the more difficult markets of Latin America, Sub-Saharan Africa, Central Asia, South Asia, and the Middle East. International marketers gain stature and reputation from growing sales in a few select countries rather than trying to cover most countries of the world.

Global marketing

When international sales reach about 50% of total sales, firms tend to think of themselves as multinational companies with global marketing capabilities at home and abroad. At home, executive vice-presidents challenge vice-presidents of marketing to find new markets, segments, and target groups among the developed, emerging, and poorer countries of the world. The latter must find the next ''hot'' country, ready for a marketing explosion in sales of global brands. Their task is to organize the marketing effort worldwide; no country is too small for at least one McDonald's retail shop, the sale of Windows, the distribution of Coke, or any other global brand. Marketing vice-presidents purchase supplies from a worldwide network wherever the price–quality–value relationship is the best for multinational firms. Then they set out to find the best set of customers with the income to pay for the goods and services produced by multinational firms.

COUNTRY RISK

Today, country risk has four (sometimes) five sub-headings.

Political risk

The first and most common is *political* risk. Here global marketers want to know about the stability of governments. Current questions include the following: Will French-speaking Quebec separate itself from English-speaking Canada? Will the economic turmoil in Argentina and Brazil lead to the return of military rule? Will the EU resolve its disputes over nation-state responsibilities? Will eastern Europe, Russia, and Central Asia stay free from a return to Communist rule? Will mainland China get into the World Trade Organization without substantial difficulties for the central government in Beijing and the Taipei Chinese in Taiwan? Will Indonesia resolve the political disputes among the president, parliament, military, and militants? Will Sri Lanka, Pakistan, Israel, and the Arab Middle East lower the level of terrorist attacks on civilian populations? Will the governments of Sub-Saharan Africa withstand the turmoil from sharing oil revenue in Nigeria, civil or regional conflicts in Central Africa, new elections in East Africa, and the multiple health crises (for example, cholera and AIDS) in southern Africa?

Economic risk

The second term is *economic* risk. Here global marketers want to know about the health of national and regional economies. Current questions include the following: Will Mexico shift from negative to positive economic growth once the US economy begins to grow again in 2002? Will the support provided by the International Monetary Fund stabilize the economies of Argentina and Brazil? Will the EU increase levels of productivity and output equal to or better than the United States? Will central and eastern Europe gain admission to the EU on terms favorable to the economic growth of these former Communist nations? Has Russia finally bottomed out and will it begin growing a middle class nationwide based on high world oil prices? Can China sustain its rapid economic growth in southern and coastal China and translate this to the hinterland? Will South East Asia weather the decline in the US export market? Will India continue with its market-opening measures? Can Israel, Jordan, and Egypt grow somewhat, even with the violence on the West Bank and in the Gaza Strip of Palestine and in Israel proper? Will Sub-Saharan Africa ever turn its attention from oil, palm oil, and tapioca production to manufacturing higher-valued products for export to the EU and the United States?

Cultural risk

The third term is *cultural* risk. Here global marketers want to know the strength of local values, languages, habits, cultures, and life-styles versus the intrusion of the global, largely American life-style. Current questions include the following: Will the Canadian national culture of English-speaking Canadians (or Anglophones) survive the onslaught of McDonald's, the National Football League, Budweiser, and other American-owned brand names? Will the fast food culture of the United States sweep away traditional late-night dining in Mexico, the political discussions in the coffee houses of Argentina, the cultural habits of eating sweets and drinking coffee in the cafés of France, Italy, Spain, and Austria, tea time in Britain, and the use of chopsticks in eating food in Japan, China, and South East Asia? Will the open economic markets and free-wheeling political discussions of the United States challenge the rule of local governments and powerful elite groups? Will more folks from overseas want to be pretend Americans and become similar to Ronald McDonald, the Disney cartoon characters, the Marlboro Man, and other superheroes from the myth factories of Hollywood and Madison Avenue?

Business risk

The fourth term is *business* risk. Here global marketers want to know which legal systems are in place in local countries, for example Anglo-American Common Law or the code-based Civil Law, how well the law is enforced in terms of contracts between nationals and foreigners, and whether local governments enforce their international obligations under the WTO, EU, NAFTA, and other international treaties and agreements? Here global marketers want to know the status of and the movement towards resolution of the following disputes: shakes and shingles (lumber for roofing and housing) between Canada and the United States; truck safety between Mexico and the United States; hoof-and-mouth (foot-and-mouth) disease from Brazil, Argentina, and Europe; Caribbean and Central American bananas between the EU and the United States; steel prices (or dumping) between Russia and the United States; intellectual rights and responsibilities (or TRIPS) between mainland China and the United States; tax rules for energy plants between India and the United States; rules-of-origin labels for Jewish products manufactured in the non-Israeli territory of the West Bank and Gaza Strip for export to the United States and the EU; accumulation of value among Sub-Saharan countries between the EU and West Africa; export of wine with French place names, such as South African Bordeaux.

Financial risk

Sometimes, a fifth term, *financial* risk, is used. Here global marketers want to know whether the US dollar is overvalued or undervalued in terms of national currencies. Some marketing managers look at the forward exchange rates of foreign currencies. Others prefer the proxy list of Big Mac currencies that is printed by *The Economist* each April. In April 2001, and as mentioned in Chapter 1, the magazine published the following. The local price of McDonald's Big Mac hamburger in Japan versus that in the United States shows that the Japanese currency is 6% undervalued *vis-à-vis* the US dollar; not as much as other currencies, but enough to suggest the US dollar is overvalued in terms of virtually all world currencies. This Big Mac standard of financial risk is based on one of the oldest concepts in international economics. This is the theory of purchasing power parity (PPP) or what one dollar should buy in local currencies everywhere in the world.

Let's rank order the risks in terms of importance for decisions about global marketing by global marketers:

1 Cultural risk.
2 Business risk.
3 Economic risk.
4 Financial risk.
5 Political risk.

These five risk elements are crucial to country risk analysis.

LEVELS OF ECONOMIC DEVELOPMENT

Developed economies

The United States and Canada, the 15 nation-states of the EU, Japan, Australia, and New Zealand have high levels of disposable personal income (DPI). They have a wide range of industry from light to heavy manufacturing. Their scientists create new technology routinely that feeds quickly into new products and services. Developed economies force multinational firms to accept change rapidly and encourage consumers to accept the rapid diffusion of new marketing ideas. Developed economies are an ideal place to teach consumers about new products and services, and to implement the *new* marketing concept.

Emerging countries

Mexico, many potential new members of the EU from central and eastern Europe, and countries in South East Asia, South Asia, the

Middle East, and southern Africa have lower levels of DPI. They have a narrow range of industry, more light than heavy manufacturing except when the government has induced steel or auto production through subsidization of land, labor, and capital inputs. Emerging countries are dependent on the technology created in the developed economies; hence, they usually lag behind one or two generations in the technology currently being introduced in the developed economies. Unless the governments of the emerging countries are able to induce new foreign direct investment from multinational firms, local firms do not accept change easily, and consumers are stuck with older, less competitive products and services. Emerging economies are stuck in a time warp in which the diffusion of new technology, ideas, and products takes a long time to occur, if at all.

High-debt, poor countries

Bolivia, Guyana, Tanzania, Mozambique, Congo, Central African Republic, Pakistan, Burma, Laos, and many other poor countries cannot pay back their debt to the International Monetary Fund, the World Bank, the United States, the EU, and other multilateral lending agencies. These countries are so poor that every child born owes the world community at least US $300. Most of their debts will have to be forgiven because nothing is on the horizon that will create new jobs, increase productivity, raise DPI, and turn the very poor into emerging countries. No one in their right mind would invest in them unless oil is found somewhere in their national territory. With oil the debts can be paid off and incentives can be given for new foreign direct investment in oil derricks, drilling equipment, VCRs and tapes, fancy Texas-style and Louisiana-style restaurants, and other creature comforts from the developed and emerging countries. Without oil the desert will overtake them in West Africa, the population will outpace new jobs in Central and East Africa, and mini wars and oppressive regimes will stymie economic growth in South and South East Asia.

''Hot'' countries

Let's rank order where global marketers should look for domestic and foreign sales and marketing opportunities:

1 The NAFTA countries, especially Mexico for small cars and auto parts.
2 The EU countries of northern Europe, especially Finland and Sweden for wireless telecoms, and Britain, Germany, and France as engines of economic growth for western Europe.
3 The APEC countries of Asia and the Pacific, especially South Korea, mainland China, Taiwan, Hong Kong, and Singapore that have the best shot of outlasting the current economic downturn in the United States.
4 India, especially information technology from Bangalore in the south, and Israel, especially investments in faster chips and security systems.

Let's rank order where global marketers should pause in their quest for more sales and marketing opportunities:

5 Argentina and Brazil need to get their budget and financial houses in order.
6 Central and eastern European countries need to wait for their admission to the EU.
7 Russia is showing some signs of life in the consumer goods sector, but it's too early to make major investments in the industrial goods sector.

Let's list those areas of the world that have no chance of being ''hot'' in the foreseeable future: Sub-Saharan Africa, Iran, the Arab Middle East, most of Central Asia, the Caribbean countries, and the Andean countries of Latin America.

FREE TRADE INITIATIVES

EU

The EU includes 15 nation-states of Europe. It started out as the European Coal and Steel Community in the early 1950s. It became the European Common Market in the late 1950s and the European Community in the 1980s. Along the way its members grew from 6 to 15, and the number of its members will grow once again during the next 10 years as nation-states from central, eastern and southern Europe are admitted to the EU.

The EU offers its members free trade in goods, capital, services, and labor. The EU maintains a common external tariff against all non-EU products, but does make exceptions to products from Switzerland, Norway, and other members of the European Free Trade Agreement. The rules on value added and substantial transformation are the equivalent with NAFTA. Today, Germany is Britain's and France's best trading partner as more inter-regional trade crosses virtually non-existent national frontiers. In January 2001, 12 of the 15 member nation-states will have a supranational currency called the euro that is managed by the European Central Bank.

The EU has several supranational institutions that limit the freedom of action of nation-states. These include the European Parliament, which must approve the budget and admit new EU members, the European High Court, which rules on trade and competition matters, and a Council of Ministers, which acts like an executive in issuing rulings and decrees that affect firms and average citizens. Today, citizens of the 15 members carry an EU passport that gives them the right to work and live wherever they wish in Europe.

NAFTA

NAFTA includes three countries: the United States, Canada, and Mexico. The first two countries are developed industrialized countries, and the third is an emerging or less developed country. NAFTA offers its three member-countries complete free trade in goods and capital, partial free trade in services, and no free trade in labor. The three countries do not maintain a common external tariff so outsiders must contend with three different tariff systems when they import products into one or more of the three NAFTA countries. If the product is imported into one of the NAFTA countries (such as Mexico) and is destined to be sold in another NAFTA country (such as the United States), two things must occur before the product can be sold without additional tariff or duty in the second NATA country. First, 50% value must be added in terms of manufacturing and labor costs. Second, the physical character of the product must be changed; this is called substantial transformation – hence the location of new foreign direct investment by Japanese, Koreans, mainland Chinese, Indians, and other Asians on the Mexican side of the US–Mexico border for the purpose of adding value and changing the product so it conforms to both US tariff law and the terms of NAFTA. Today, Canada and Mexico are the first and second trading partners respectively of the United States.

Other agreements

Mercosur in southern South America seeks to reduce tariffs among member-states and erect a common external tariff. It has been successful in doing the former, but not successful in doing the latter.

ASEAN in South East Asia seeks to reduce tariffs among member-states. It has had limited success.

Asia-Pacific Economic Consensus Group includes almost all nations on both side of the Pacific Ocean. It talks about reducing tariffs among the countries involved in the APEC discussions. It has had limited success.

The other agreements, such as the Central American Common Market, the Caribbean Common Market, and the Andean Pact have had little impact on global marketing. Most foreign trade flows between member-countries and the United States, Europe or Japan.

Free trade, customs unions, and common markets are not a panacea. If they are going to be successful, there must be a substantial amount of inter-regional trade in existence already, such as between France and Germany, and the United States and Canada.

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Evolution

» Traces the development of global marketing from its beginnings within economics and other social sciences up to the present emphasis on managerial decision making under uncertainty.
» Examines experience in the United States, Britain, Europe, Japan, Russia, and Turkey.

Where did global marketing come from? How did global marketing reach the point where it became a crucial activity of multinational firms? Here are the significant milestones in the history of global marketing.

» **1900–29** Economists who study distribution state categorically that when more money is spent on advertising a product the demand for the product grows. Even today economists argue over the benefits of advertising, and whether increasing the supply of advertising translates one-for-one in increased demand for goods and services. Most marketers today do not make this claim because they cannot prove with standard statistical measures the effectiveness of advertising.
» **1930–49** Economists who study market institutions (now known as wholesalers, retailers, transportation agents, and channel members) count the number of middlemen and compare that figure to their volume of business. Even today a few economists argue over the costs of market institutions and how to reorganize channels of distribution around inventory and minimum order quantities, breaking bulk, and assortment selection. Most marketers today compare and contrast independently owned wholesalers against distribution centers owned by manufacturers, and others owned by retailers.
» **1950–69** Marketing becomes a separate discipline with sets of disciples and practitioners. Most marketers pick up the habit of calling everything done in marketing's name the 4 Ps (product, price, promotion, and place) of marketing – that is, except foreign trade which remains stubbornly attached to export and import institutions, such as freight forwarders, NVOCC (non-vessel ocean-going common carriers), ETC (export trading companies), etc.
» **1970–89** Marketing picks the brains of other social scientists, such as sociologists and psychologists, about aging and life-cycles, values and life-styles, and a hierarchy of needs, wants, and desires. Marketers convert these into demographic forecasting, self-reference criteria (SRC), and segments, target groups, and positioning products (or STP). By judiciously using these social science research techniques, international marketers make comparisons across national frontiers. They find similarities and differences between Americans and English-speaking Canadians, French and Germans, Taipei and mainland Chinese, and other target market groups. As a consequence,

marketers raise up cultural risk as the most important part of country risk analysis.

» **1990 to the present** Marketing adds decision making under uncertainty to its quiver of important activities, and calls it marketing strategy. Marketers decide where to invest, how to invest, how much to invest, what market share is appropriate, and when to divest from markets. They compare and contrast markets at home and abroad because most of these markets now play a major role in the global, largely American, market economy. Today, marketers are adding learning theory to their arsenal of rules for making good business decisions. Under learning theory rules, marketers must teach customers how to use new products to improve their life-styles, for example VCRs, e-mail, the Internet, and cell phones. Among marketing people this approach is called the *new* marketing concept.

KEY LESSONS ABOUT INTERNATIONAL MARKETING STRATEGY

Here are the key lessons about marketing strategy from the cases discussed in the previous two chapters of the book.

First, strategy has an impact on domestic marketing as Yatas targets married Turkish women, and positions bed and home furnishings for sale in the homes of Anatolia, Turkey. Yatas employs the selling concept of marketing and uses print advertising to make customers aware of its products.

Second, strategy shapes export marketing as Ekmasan sells baker's ovens to its neighbors in the Balkans, along the Black Sea, in southern Russia, and in the Turkic-speaking areas of Central Asia. Here too Ekmasan employs the selling concept of marketing, and uses personal selling and referrals to convince customers to buy from a manufacturer in an emerging country.

Third, strategy directs international marketing as two Turkish-owned firms, Koc and Enka, set up hypermarkets in Moscow's more affluent neighborhoods. In this case, Koc and Enka employ the older concept of marketing, and use demographic research, comparative price shopping, local manufacturing, and point-of-sale ads to convince customers not to wait for the big French-owned hypermarkets to open up shop in Moscow.

Finally, strategy dominates global marketing as McDonald's decides to invest in Kazan, Russia, to take on as a partner folks linked closely tied to the local Tatarstan government, to invest US dollars over Russian roubles, to add a ''walk thru'' to the retail store, and to close some underperforming retail stores in Russia. In this first global marketing case, McDonald's employs the *new* marketing concept, and educates local Russians and Tatars in Kazan that a Big Mac, French fries, and a Coke are a sufficient meal for lunch or dinner or both. Of course, McDonald's has been training Mexicans, Argentines, Japanese, Chinese, Russians in Moscow, the French, and others about the fast food culture now dominant in the United States, Canada, and Britain.

All four cases come from high-context cultures, Turkey, the Balkans, and Russia. Local government officials are brought into the deal. Owner–managers entertain nightly. A discussion of price only comes up at the end. Cash is deposited into bank accounts before goods are shipped. Taxes are to be avoided. Long-term personal relationships are more important than contracts. Let's turn our attention to global marketing cases in the low-context cultures of the United States, Europe, and Japan.

KEY LESSONS ABOUT GLOBAL MARKETING STRATEGY

Here are the crucial lessons from the cases to follow under global product policy and global promotion and advertising.

First, successful global product policy depends on new technology, and positioning products to match the values and life-styles of target market groups. Japanese truck firms took two attempts to offer American customers the types of trucks and sports utility vehicles the latter preferred. The Japanese had to learn about their cultural biases; then they had to set them aside; and finally, they had to internalize American cultural biases about truck performance. Once they got into the customers' beliefs, habits, and values, the Japanese carried out a successful targeting strategy in the sale of trucks in the United States.

Second, successful global product policy depends on training people in how to use new products. All wireless manufacturers and service providers must get into the minds of customers and show them the value of cellular service. Wireless is the most successful case of applying the *new* marketing concept worldwide.

Third, successful global product policy depends on convincing people that new technology is a must in their lives. All telematics products are at the beginning of the expansion phase of their product life-cycle. Will they grow very fast (the so-called concave curve) or will they grow at a slower rate (the so-called S curve)? The answer is unknown at this time because both the time and country effects of new product diffusion still need to kick in. By the end of 2002, marketers should have the answer and be ready with the most appropriate global marketing strategy.

Finally, successful global product policy depends on choices made by marketers about promotion and advertising. Some products need worldwide global themes; others need more local themes; and some need both. No correct answers exist for all products. Marketers must make choices. This is the most crucial lesson of global marketing.

GLOBAL PRODUCT AND TECHNOLOGY CULTURE

Similar market segments

Food products with low value-added technology are positioned in similar market segments across national frontiers. For example, in the United States, Americans with a wide range of job skills do dashboard dining – that is, they eat McDonald's lunch and even dinner in their cars, sports utility vehicles (SUVs), and trucks. Discussion is limited to getting to and from soccer games, baseball practice, or other after-school events.

In Europe, French middle managers take lunch at fast food restaurants, such as McDonald's. However, they might eat dinner at home or in restaurants where three generations and parts of the extended family could be sitting around the dinner table. Discussion reviews national politics, recent economic casualties, or the latest award-winning books. Sometimes, the family goes to one of the 4000 movie theaters for a first-run feature, or back home to watch TV, make travel plans over Minitel, or search the Internet for information about new products.

In Japan, married salarymen (that is, lower-level sales personnel) take lunch in company cafeterias. After work they go out drinking with their colleagues. Their late night dinner is fast food bought at Seven–Eleven convenience shops by their wives (such as buckwheat noodles, pancakes, or French fries), prepared in microwave ovens, and eaten late at night at home. Given the long hours during the day, the late hours arriving at home, and the need to get some sleep before the work day begins the next day, husband and wife are too tired to discuss the day's events. On Sunday the men play golf, the women take the children to the park. If the family has adopted an American approach toward family life, both father and mother go to the park with their children. The kids demand western-style fast foods, such as the Big Mac or Kentucky Fried Chicken, as family dining on the weekends.

Similar target groups

Computer products with higher value-added technology are positioned in similar cross-border target groups. For example, in the United States, young adults with higher levels of DPI possess desktop PCs, laptops, and wireless cell phones. On the other hand, those without sufficient DPI to buy their own high-tech products go to the Internet café to keep connected via e-mail or search the Web for job information. All these high-tech products are global products.

International corporate culture

Home furnishings, baker's ovens, and fast food hamburgers within emerging countries are all existing products. Marketers have a thorough understanding of applying traditional product marketing techniques to these products. What follows is a review of current product marketing techniques to both existing (trucks) and new products (wireless and telematics) in which the *new* marketing concept plays an important role in the development of global marketing strategy.

Marketing has evolved from institutions, the 4 Ps, values and life-styles, and strategy (1930–90) to a dependence on learning theory (1990 to the present). Today, in most parts of the world, global marketing takes in domestic, export, and international marketing as part of the fabric of how consumers acquire and use new products. Let's take a look at why trucks are modified to suit American life-styles, how truckers become a part of the wireless generation, and what it means to truckers when wireless is built into the dashboards of their trucks, or telematics.

SEGMENTATION CASE: TOYOTA AND HONDA

The world of the twenty-first century depends on segmenting similar markets across national frontiers, in this case Japanese and American truckers. Originally, Japanese trucks and SUVs lacked sufficient interior space, enough horsepower, and American styling cues. They were designed for the Japanese market. Japanese people are smaller in size and girth. If they travel long distances, they go by bullet train. And when they are in their pickup trucks they don't have a need for a gun rack up front over the front passengers inside the truck because most Japanese don't own shotguns or rifles.

The task of business marketers is to make those Japanese trucks that are produced and sold in the United States more ''American.'' These marketing managers must create a genuinely American full-size truck that is powered by a V-8 engine, has enough headroom in the cabin for a person wearing a 10-gallon cowboy hat, is large enough for Americans to eat and sleep in the truck, and has a third row for the dogs Americans love to bring with them in rides to rodeos and the kids' soccer games. Examples are Toyota's redesigned Tundra pickup truck, Mitsubishi's Montero Sport SUV, or Honda's Acura MDX. All are manufactured specifically for the US market – that is, they are targeted to the needs of American consumers – because the US market for pickup trucks and SUVs is so large compared to Japan and Europe.

Also American marketing executives who work for Japanese auto firms in the United States seek to evoke emotion with a typically American exhaust sound – more rather than less noise. Japanese executives both in Japan and the United States thought that a luxury car, such as Honda's Acura CL Type S sport coupé, should be quiet; they said noise from the exhaust was tasteless because it reflected poorly on the quality of the Honda car. These Japanese marketing executives had a cultural bias against exhaust noise which the American marketers who worked for the same Japanese firms did not have. After a great deal of discussion, the American marketers won the battle and these Honda cars have an American sound from the exhaust system.

The Japanese marketers in the United States made a series of crucial cultural mistakes. First, they did not know their own cultural biases. Second, they were unable to set these biases aside and take on the clothes of their American marketing executives. During the years when these Japanese marketers could not see the value of the third row for dogs and the American exhaust sound, their firms lost valuable sales to American-owned competitors – hence the need for global marketers to do a good job at global segmentation.

TARGETING CASE: INTELLIGENT HANDHELD WIRELESS DEVICES

The world of the twenty-first century depends on the targeting of global products worldwide. Nokia, Ericsson, and Motorola manufacture wireless cell phones that permit truckers and other customers to talk, send short text messages, transmit data, and do transactions. Talk and short messaging services are available on 2G (or second-generation) digital cell phones whether they operate on the packet switching technology of the CDMA Protocol in the United States or on the WAP Protocol in both Europe and the United States. Both protocols are moving as fast as they can to CDMA 2000 and WAP 2000 so truckers can use new digital wireless phones with 2.5 GPRS (or general packet switching technology). Between 2003 and 2005 Nokia and the others will have to manufacture 3G (third-generation) digital cell phones so the Europeans and Americans can catch up to the Japanese who will have their 3G system in place by the end of 2001 with NTT DoCoMo. Of course, this Japanese firm might just push ahead more quickly in the United States with its 19% share of AT&T Wireless and in Europe with its partnership with KPN Wireless, a Dutch-owned firm.

The task of business marketers is to teach American and European customers that 3G is here to stay, and show them how to use Finland's Nokia phones, Sweden's Ericsson phones, America's Motorola phones, and several Japanese intelligent handheld devices. Wireless cell phones are one of the best examples of how marketers use learning theory to employ the *new* marketing concept for training auto drivers, truckers, and other customers in how to use new products.

In this case, most marketers still do not know enough about potential customers to help the former prepare an effective global marketing strategy. New products such as intelligent cell phones take time to become a part of the life-style of their future customers. This is the time effect of diffusion. Also cell phones have a hard time breaking into some countries, such as the United States, because virtually everyone has landline connections at home, in school, and at the office. This is the country effect of diffusion. Where landlines are scarce and where people are willing to try new technology, as is the case in Japan, then it takes little time for new products and new technology to enter into the mainstream of local values and life-styles. Today, NTT DoCoMo provides ''always on'' cell phone digital service to over 25 million Japanese.

POSITIONING CASE: TELEMATICS

The world of the twenty-first century depends on the positioning of global products in the most appropriate segments and target groups in global and local markets. About 95% of the population of Finland and Sweden, about 70% of the population of Germany, Britain, and Ireland, and 60% of the population of France, Spain, and Italy own wireless phones. They talk, send text-based short messaging services (or SMS), transmit data, and do limited transactions over their handheld devices. Those with very high levels of DPI want a hands-free, voice recognition wireless service in their cars, trucks, and SUVs. This is telematics.

In 2001, about 1 million voice recognition wireless services were fitted in Mercedes vehicles. They are connected to global positioning systems (GPS) through which drivers get road directions, restaurant locations, real-time stock quotes, news, and entertainment information. These telematics systems are built into dashboards and the information is displayed on the windshields of the Mercedes. In 2002, about 14 million telematics services will be fitted in expensive Mercedes, and mid-price range Ford and GM cars and trucks. Soon Japanese cars and trucks, such as those from Toyota, Honda, and Nissan, will include telematics services, too. Since people with high and mid-DPI want voice recognition cell phones in their cars, these high-value-added products will be fitted in cars, SUVs, and trucks, and these wireless telephones will be portable with one telephone number for cars and trucks, homes, and offices.

SEGMENTATION, TARGETING, AND POSITIONING (STP)

These three cases reflect the wide range of global products and technology now available in the crossover between autos and telephones. This merger has enormous implications for global marketing strategy, because it suggests marketers are on the cusp of a breakthrough in new products in telecoms, nano (or small-scale) technology, and bioengineered drugs and medical devices. Although many of the traditional items in the quiver of marketers are appropriate for these new products, new ideas will have to be used to train customers in the use of new products. Therefore, learning theory and the *new* marketing concept are the most important new arguments for building up applied marketing theory in the segmentation of similar markets, the targeting of specialized target groups, and the positioning of new and existing products in global markets worldwide.

GLOBAL PROMOTION AND ADVERTISING CULTURE

Global, yet local, promotion case: Coca-Cola

Between 1970 and 1990, Coca-Cola (Coke) expanded globally into 200 countries. The physical product was the same, and the promotional themes used to promote the product were the same, too. Coke diversified itself internationally while increasing centralized control at the expense of insights from its local bottling partners about conditions in local markets. By the beginning of the twenty-first century, Coke was operating as a big, slow, insulated, sometimes even insensitive, global company, and it was doing its business in a new era where nimbleness, speed, transparency, and local sensitivity were absolutely essential to success – hence Coke's conversion to a global, yet local, marketing campaign for its promotion and advertising worldwide.

Similar to many multinational firms, Coke's old mantra of ''Think global, act global'' was out of date. In its place, Coke and other international firms put in place a new mantra ''Think local, act local.''

Coke asked its marketing executives to find out their self-reference criteria (SRC) or cultural biases. Then it demanded they learn the SRC or cultural values, habits, and life-styles of its local customers. This was followed by the command to forget one's own biases and use only the SRC of local customers when preparing promotion and advertising campaigns. Coke's marketers are required to understand and appeal to local differences.

For example, Coke's 2001 universal brand message is ''Life Tastes Good.'' Coke tries to create warm, memorable moments in people's lives. In France, the tagline reads ''Smile at Life'' and the ad shows friends sitting at a café tapping into French culture through French Internet domains.

In Britain, Coke's ad shows a young man visiting his grandfather. They struggle to make conversation. Then the grandfather tells his grandson ''jokingly'' that grandmother ran off with another man from the bridge club. This is the story of life.

Coke's newest ad in Italy has exuberant youths running around stark naked on a beach before taking a midnight dip in a gleaming sea. The ad was created in Sydney and is also running in Australia. This is not the same old Coke because its ads cater to local tastes about what is and is not offensive to the cola-drinking public. The ad will not run in the United States where people tend to be a bit more prudish about naked men and women.

Global, yet local, merchandise assortments case: Ikea

Ikea is a Swedish-owned, global furniture chain. In global marketing terms, Ikea has a consistent offering – that is, low prices, self-assembly, self-service, high-design merchandise, long checkout lines, and poor-to-surly service. Ikea stocks 7500 discrete items. It targets first-time homeowners with Scandinavian-designed, flat-packed, affordable home furnishings. It has less than a 5% market share in Germany and Britain, and it is growing faster in the United States.

Ikea's European problem is that its Website is not transactional. The site shows brochures. Customers must visit the store to buy the items. Although Ikea has a well-recognized brand name, it currently lacks the e-dimension show necessary for success in European marketing today. Nevertheless, it is a great hit in Moscow because it offers the Russians everything they want – low prices and a wide array of furniture. Moreover, the checkout lines don't bother them because in the post-Soviet era the products will be available once they get to the head of the line.

Global, largely American image-building cases: Warner Brothers and Six Flags

Hamburgers, hot dogs, Hollywood-born stars, free-fall towers, roving Looney Tunes characters, looping roller coasters, splashy flame rides: all are American. Europeans find them at Disneyland Paris, Legoland in Denmark and Germany, Six Flags in Belgium and The Netherlands, Universal Studios in Barcelona, Spain, and Warner Brothers in Germany and Madrid, Spain. As marketing changed the United States, global marketing is changing Europe. Similar to Americans, Europeans are becoming more hedonistic and seekers of pleasure. Also similar to Americans, Europeans are beginning to give up their single, long, August vacation in favor of multiple, shorter breaks throughout the year. Moreover, these US theme parks are targeted at European kids who like the American way of life and push their parents to go several times a year.

PROMOTING AND ADVERTISING BRANDS

Let's summarize. First, global marketers created products with universal appeal. Second, these marketing executives promoted them heavily through print and media advertising, point-of-sale displays, and other forms of integrated marketing communications. Third, these marketing managers gave them brand names that are easy to pronounce and are recognizable worldwide. Fourth, global marketers built up their product's image with stories about America's Old West and Hollywood so all could become pretend Americans for a day or several times a year.

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The E-Dimension

» Examines the importance of turbocharging new product design via the Web, and gives hints and pointers on how to make online information work for you in global logistics, retailing, and in advertising and promotion.
» Considers the vital role that global marketing plays in bringing together the old and new economy into something vastly different in the future.

Does global marketing need e-commerce? Here are the best practices of how multinational firms from the old economy and attracted by the new economy responded to the e-dimension of their businesses. Let's label it the old versus the new way, and apply the methodology to telematics.

» **Old way**. Mercedes burns a CD with a drawing of a new dashboard; sends it to parts suppliers; waits a week for them to get the CD and another week for them to review the drawing. **New way**. Mercedes posts the drawing on the Web; demands instant feedback from parts suppliers.
» **Old way**. Johnson Controls cannot meet specs; makes changes; sends new CD to Mercedes; another week goes by. **New way**. Johnson Controls makes design changes instantly on the Web; Mercedes gets instant feedback.
» **Old way**. Mercedes works the changes into a new drawing; sends the new design to parts suppliers; waits another couple of weeks for them to get the new CD, to review the new drawing, and to send the changes back. **New way**. Mercedes puts all the changes into a master Web file; makes adjustments instantly.
» **Old way**. Johnson Controls makes the tools to produce the parts; if the tools fail to meet the specs, starts over; burns another CD, sends it to Mercedes, and waits another few weeks. **New way**. Johnson Controls uses the Web files and laser tools to make the tools right the first time; project completed in days rather than weeks.

Talk to the dashboard. The phone dials itself. ''Give me my stock portfolio.'' Look at your list of stocks on the windshield. ''Buy more Johnson Controls!'' It takes hundreds of parts to make a telematics-ready dashboard. That's why Mercedes is using the Internet to cut the time it takes to get new dashboards and windshields into the factory from two years to one year – fast by any standards current in the auto industry.

KEY LESSONS ABOUT THE E-DIMENSION

Here are the key lessons about putting the new economy of the Internet, Web files, and online ordering into old economy businesses, such as adding telematics into the assembly of cars and trucks.

First, turbocharge new product design. More products reach the market faster. This boosts sales. Better communication with suppliers means more rapid deployment of ideas among suppliers, and between them and manufacturers. Hire software developers for in-house work on Web design. Outsource online design rooms that allow suppliers and customers to mix and match handheld devices.

Second, create an effective Net strategy. Focus on the bottom line. And ask the crucial question: How strategic is the Web to the core business? Permit suppliers to check the status of orders online. Use e-mail, not faxes to do most of the business. Shave the costs of raw materials and work-in-progress inventory.

Third, cut out the fat. Speed products through the assembly process. Reduce inventory. Free up cash for new investment. Take time out of the supply chain process. Wire wholesalers and convert them to Web users, too. Grow the number and volume of online orders. End the blockages in the pipelines between old economy businesses, and their suppliers, wholesalers, and customers.

Fourth, set realistic goals. Build up sales in the new economy, but when it slows expect to transfer business to the old economy. Don't backdate contracts to boost non-existent revenues. Take your lumps with Wall Street, the board of directors, and shareholders, or be part of the new economy meltdown. Insist the board be hands-on traditional executives and venture capitalists from both the old economy and the new economy who ask tough questions.

Finally, get hip with the old economy. Three-quarters of business in the United States and nine-tenths of marketing worldwide are done the old way. Learn why the online grocer Webvan Group's computer-based warehouse failed, and the traditional grocer Tesco succeeded with a small online business tied directly to the firm's retail stores and distribution centers. Dress conservatively again so potential investors in Toyota's new plant in Mexico will work with you in designing tools for a tri-lingual telematics dashboard (and do cut off your beard). Use your Gold Dunhill pen with the logo of an old economy icon, such as Honda, welded onto the clip, to build up personal relationships (but don't call it CRM or customer relationships management). Go to the nightly receptions, meals, boat rides, and bonfires to get in touch with your old economy self (but don't call this networking).

Do the old economy deals of domestic, export, and international marketing before you leap into a few new economy deals of global marketing.

INTERNATIONAL INTERNET MARKETING CULTURE

None of the old economy giants, such as McDonald's, Toyota and Honda, Coke, Warner Brothers and Six Flags, and Mercedes were toppled by the Internet. However, these multinational firms were affected by this new technology. Everyone from the chief executive officer on down to the factory worker had to learn about Web design, banner ads, online sales, logistics, and fulfillment (that is, putting purchased products into the hands of customers).

All global marketers are learning about the Internet as they are trying to do Web sales. Also this is the *new* marketing concept at work among global marketers. Moreover, their slowness in adopting this new technology is the work of the time effect of diffusion, an old marketing idea now present in the new world of marketing worldwide. Finally, these global marketers get incremental payoffs without substantially altering the core businesses of fast food, auto assembly, cola distribution, and entertainment.

For Toyota, Honda, Mercedes, and other manufacturing businesses, Web-enabled supply chains lower the costs of communication, improve the flow of information, and permit old economy firms to get closer to their customers. These are incremental changes. They are not the revolutionary changes promised by the Internet. In short, auto assemblers and other manufacturers live or die on the quality of their cars and trucks, and other goods.

For McDonald's, Coke, Tesco, and other supply businesses, Web supply chains that used numerically controlled machines to move cargo along automated conveyor belts in spotlessly clean warehouses were non-starters. Perhaps they lowered the costs of communication, improved the flow of information, and permitted the old economy firms to get closer to their customers. But these were not enough. These old economy firms had to have the best logistics so that customers got what they wanted at a time, place, and price of their own choosing. Fulfillment in the retail stores or on the loading docks was the key to success for Tesco and Home Depot. These are not the revolutionary changes promised by the Internet. In short, fast food outlets and supermarkets live or die on the quality of their service, the cleanliness of the stores, and the assortment of their merchandise.

In manufacturing, physical factors, such as assembly lines and parts, overpower virtual factors, for example the Internet and the Web. Bricks and mortar are simply more important to consumers than dot.coms. No massive shift to buying cars or food online has occurred. Also, since retail tends to be a brutal, low-margin business, profits made by e-tailers are short-lived as competition on the Web (especially through e-Bay) and in retail stores drives down prices as expected Internet profits turn into real losses. Retailers have found out that logistics still wins the day, not glitzy Websites.

For the financial services industry, especially Citigroup and its 2.2 million Gen-X and Gen-Y Internet customers in the United States, and its 100,000 retired seniors in Japan, the potential for handling financial services electronically is enormous. Notwithstanding the potential for e-financial projects, computer legacy systems abound in banks, and the latter are slow in putting in place the appropriate middleware to bring all the banks' records together. Also banks and billers cannot agree on how bills should appear online so the benefits of paying bills on the Net – that is, the killer application that would drive Internet traffic for the banks – remains out of reach for the foreseeable future. Moreover, until broadband is widely available to the home, something no one expects until 2005 in the United States, not much will happen among the banks, billers, and customers.

Let's not be too pessimistic. In those industries which are communications intensive, such as news, stocks, travel, and entertainment, the e-dimension of the Internet will have an enormous impact on global marketing. This could happen in 2001 in Japan, by 2003 in France and most parts of Europe, and by 2005 in the United States. Non-US users will be driving the Net to its next stage of development as it migrates to mobile phones and other wireless handheld devices. Here Japan, China, and the rest of East Asia, and France and the rest of western Europe, will dominate over the United States. Look for more advertising and a lot more customer profiling, not less, as the United States and others work through the current economic slowdown. Innovation in the e-dimension of global marketing is just beginning, but it's 5 to 10 years away from emerging as the crucial player in making the new economy drive the old economy.

KEY LESSONS ABOUT THE IMPACT OF THE E-DIMENSION ON GLOBAL MARKETING

Here are the key lessons from the following product, promotion, and logistics marketing cases.

First, let's ask the most important question about the longevity of once new technology and new products when something newer, perhaps better, comes along. Will France's Minitel, a video text service over telephone landlines, survive? If its technology is upgraded, it has a good chance of keeping its elderly and middle-age French female customers. Minitel is considered a safe channel in France because grandmothers and mothers pay Minitel (that is, France Telecom) for their purchases of goods and services. Minitel reimburses the companies. Also it charges by the minutes used rather than through a monthly fee. Finally, if speed is increased by Minitel, then payments can be made as fast as with a smart card inserted in mobile cell phones. Within five years, Minitel will become another fast Internet and mobile phone connection, or it will disappear. Today, it has a global imaging problem because the Internet, which uses the English language for three-quarters of its Web-based communications, has the glitz, even in France.

Second, Manchester United plays soccer matches, sells merchandise at retail locations and on the Web, and promotes its team via print, point-of-sales, TV, and the Internet. Man United practices integrated marketing communications. As the e-dimension grows in global marketing, more money will be spent by the team on the Internet over the next 5 to 10 years. Manchester United knows its Web-based cost structure and it anticipates its long-term revenue to be greater than its expenses.

The logistics cases underscore the expansion of the e-dimension in the physical distribution part of global marketing. Here is where the e-dimension has been most successful for global marketing strategy.

Third, Tesco offers these key lessons: don't get too far ahead of how customers prefer to shop for food; do things incrementally on the Web;

know your cost structure before investing in elaborate new Internet technologies; and expect a delay in revenues because of the time effect of diffusion.

Fourth, Seven–Eleven and Costco are examples of how American concepts about low retail prices, in this case the convenience store and the discount supermarket, have made it in Japan, been transformed by Japanese marketers, and now reflect new life-styles among the Japanese. Global marketers must pay attention to price marketing, too.

Finally, tuna and sushi together are a good example of how the real and online marketing communities work to distribute a product worldwide. Japanese tuna buyers have not gotten too far ahead of how American tuna fishermen prefer to catch and land tuna. The former do things incrementally on the Web. Quality, the size of the catch, arrival times in Tokyo, and sushi delivery in New York are known to tuna buyers and tuna fishermen. Japanese tuna buyers know their cost structure in the United States, and they can anticipate their revenues because tuna for everyone and sushi for some is no longer affected by both the time and country effects of diffusion.

GLOBAL PRODUCT MARKETING

Online information cases: Minitel and the Internet

Demographic forecasting is alive and well in France. Grandmothers (70 years old) use Minitel, a centralized video text system delivered over phone lines, to find phone numbers, book trips, search for movies, and make restaurant reservations. Mothers (50 years old) own Minitel, but also surf the Web for the same information. Daughters (30 years old) don't own Minitel and only use the Internet.

Grandmothers speak, read, and write primarily in French. Minitel is only available in the French language and it is available only in France, not in the other EU countries. Grandmothers use it as a way of protecting French culture from American Internet products with mainly English content. Up until 2000 most French people used Minitel over the Internet; however, the tide has turned with Internet usage now surpassing Minitel. Global marketing is alive and well in France, too.

Minitel is old technology with an 8-inch (20cm) screen, but no sound and no pictures; it has a slow 9600-baud rate that gives users no access to the Internet. It is an example of the dangers of being a pioneer in technology, especially when a better, more sophisticated technology comes along to sweep the field clean.

Mothers are a bit more comfortable in other European languages, especially English, the primary language of the Web. They know that the Internet is a global information service. They are less inclined to practice French cultural protectionism because they want to be sure their families, whether they live in Paris or elsewhere in France, are able to compete with the English and the Americans. Global targeting is alive and well in France, too.

Daughters use English as a second language. They want the lively, colorful sound and pictures only available on the Internet. Daughters want the high speeds of the Internet, and its vast array of Websites and uses. In 2000, more than 57,000 Internet domains ended in ''fr'' (for France) as the French government pushed Internet use in schools and businesses. Also daughters (or 30-year-old women) are close to their pre-teen children who are pushing their families to get with the world and become Internet ready in all aspects of life. Global promotion and advertising are alive and well in France, too.

Luca S. Paderni, an analyst at Forrester Research in Paris, suggests that, as French users of the Internet have grown among Gen-X (30–39), Gen-Y (20–29), and teenagers, about 25% of them use primarily American content in English and the rest use multi-channels in English and French.

Today, trendy Websites in France have a black background, while bright colors and geometrical layout give a site a German feel. The Dutch prefer video downloads, and Scandinavians like images of nature. In Europe, the Internet is fast becoming a battleground between ''Americanization'' or world homogenization of all European national cultures versus keeping Europe's vast cultural diversity of music, languages, history, values, and life-styles. For example, in Spain, Madrid goes for rock music with guitars whereas Barcelona prefers German techno music. French digital culture uses the music and style of F Communications, or what has become known as ''French touch.'' Today, everyone in Europe has the same problem: how to differentiate themselves from American digital culture.

GLOBAL PROMOTION MARKETING

Real and online case: Manchester United

Soccer is a success almost everywhere in the world except the United States. Americans prefer their own sports, such as American football, basketball, and baseball. In sports marketing, the Americans are as protective of their culture as are the French in protecting their language, food and family traditions, and ‘‘fr’’ Internet domains. In government polity, the British prefer the supremacy of their Westminster Parliament over the Crown, Whitehall, and the Law Lords to the divided, branch theory of government enshrined in the US Constitution. Both the French and other Europeans toasted their national football associations and World Cup teams as Zidane, France’s Algerian-Frenchman, scored two of the three goals to beat Brazil in the 1998 World Cup.

The English soccer team, Manchester United, is the most successful sports marketing organization in the world. For example, middle-class Scots take a two-hour train trip to Manchester so they can spend the equivalent of US $1000 in United’s megastore. Their purchases include about $400 in merchandise (that is, branded towels, boxer shorts, T-shirts, posters, and replica red, white, and black kits for the kids), and another $500 on a United-theme motel and food. Manchester United has sell-out crowds at its Old Trafford stadium.

Also Manchester United is mining new sources of revenue from TV rights to Asia and the Middle East, about $143 million a year or three times more than its nearest rival, Barcelona from Spain. Moreover, Manchester United has franchise deals in Singapore, Dubai, Bangkok, and Kuala Lumpur. in which retail outlets sell team-branded merchandise, gain access to the team’s Website, and, of course, watch the games on TV.

The team tours Australia. It also visits China where it has 20 million TV followers and high net worth backers, the Shanghai Supporters Club. The team sells 20,000 copies of its magazine to the Thais in the Thai language. Today, Manchester United is trying to put a club shirt on the back of every soccer-mad kid in China. It has a mythic hold on soccer football fans worldwide because it has become a sports legend. Manchester United is the world’s richest club.

GLOBAL LOGISTICS MARKETING

Real and online case: Tesco

Knowledge of the routine social practices (RSP) of customers and the costs of servicing them are the best gamble in the war to bring the Internet into the food business. Webvan poured $1.2 billion into revolutionizing the mundane chore of grocery shopping with a high-tech approach relying on expensive centralized warehouses. Webvan's mantra was ''We're going to get the revenue first and work out the cost structure later.'' This was a strange, and fatal, marketing decision.

Tesco of Britain neither put up a glitzy Website nor did it spend millions on the latest distribution facilities. Instead, Tesco added a modest online delivery service to its traditional supermarket operation. Today, Tesco is ahead of Sainsbury's as Britain's leading supermarket chain, and the former is coming to the United States by helping Safeway compete against Publix Supermarkets and Ahold's Peapod, another failed Internet-only food business.

Real and online cases: Seven–Eleven and Costco

Here are several examples of how American concepts about low retail prices, in this case the convenience store and the discount supermarket, have made it in Japan, been transformed by Japanese marketers, and now reflect new life-styles among the Japanese.

The first is Seven–Eleven. Originally, it was owned by the American firm Southland. Then its Japanese operations were sold to the Japanese who now own the brand name and the retail stores worldwide. In Japan today, Seven–Eleven has over 8500 outlets in Japan. Its Internet start up, www.7dream.com, provides Internet shopping at home or on in-store terminals. If customers come to the store, Seven–Eleven offers airline tickets, books, pop music downloaded from MP3 files, payment of utility bills, and some of the newest online banking services (such as personal loans, car loans, and mortgages). Most Japanese pay their bills in cash and Seven–Eleven is transforming its outlets into community banks. Japan now has an Internet payments-acceptance service in which shoppers generate a bar-coded payment slip, print it out, and take it to a local shop to complete the transaction. Japanese shoppers can withdraw their cash from ATM machines or with debit cards. Seven–Eleven now accepts deposits for its store-sponsored bank accounts, and offers shoppers loyalty points for using cash. It does not offer high-interest savings accounts and insurance.

Japanese usually go once a day to their local convenience store, either Seven–Eleven or Lawson, to buy bottled tea or juice. Sales at Seven–Eleven are larger than those at Daiei, the largest supermarket group. This increase in sales at Seven–Eleven reflects a far-reaching change in life-styles. Daiei caters to housewives and families who shop for the week's groceries and household supplies; however, Seven–Eleven satisfies an immediate need for consumers with hectic lives. Convenience shops are open late and provide food, household supplies, and banking services. Such connectedness is the sort of thing most retailers can only dream of, even with the Internet around to reduce the cost and the complexity. Seven–Eleven stores use satellite dishes as well as two sets of telephone lines.

Seven–Eleven's success comes from a deft use of electronics. The firm developed a proprietary technology that is not based on the open structure of the Internet. Seven–Eleven got an easy-to-use multimedia system with pictures and sound that could be repaired quickly. All the firm's suppliers were linked in a network to speed up the transmission of orders, ideas, and feedback.

Here are the benefits. First, Seven–Eleven monitors customer needs. Second, the firm uses sales data and software to improve quality control, pricing, and product development. Third, it can predict daily trends. Finally, it has improved the efficiency of its supply chain. Since this is a proprietary system, the next step for Seven–Eleven is to link it to the Internet without increasing costs and not become another technologically obsolete system, such as Minitel.

The second is Costco. It asks Japanese customers to think big – that is, buy 2 kilograms when 200 grams will do – and think cheap because prices are far lower than in any other store in Japan. Packaging is unimportant to the Japanese who shop at Costco. All they want is low prices either from Costco or its competitors, Carrefour, the French retail chain, or Wal-Mart, the American retail chain.

Japanese buying habits still retain the desire for geisha-level service at heavily staffed department stores, where clerks address customers with a level of formality usually reserved for royalty. And buyers get envious stares when they carry their exquisitely wrapped packages home in tiny, richly lacquered shopping bags displaying some luxury brand. Gucci, Louis Vuitton, Prada, and other European luxury brands now depend on Japan for a significant portion of their sales. If the Japanese buy these brands in Paris or Milan, they get bragging rights among their peers back home in Tokyo.

Costco serves one Japanese target group. Those who consume in volumes and who need low prices are usually Japanese families. Due to the 10-year-long recession in Japan, cheap chic has become a persistent theme among Japanese of many age groups. Uniglo, a Gap-like clothing store, offers low prices on colorful goods imported from China. And major cities now have 100-yen shops where every item sells for less than a dollar. Costco has helped Japanese consumers determine they are paying too much for everyday goods.

Real and online case: tuna and sushi

Off the coast of New England local fishermen catch 500-pound (1100kg) tuna. Japanese buyers buy the tuna when landed in Bath, Maine, pack it in ice, send it in ''tuna coffins'' by truck to New York, and then air freight it to Tokyo. There local experts turn it into sushi. Then the sushi is shipped to New York or Hong Kong for sale in expensive sushi bars.

Before the 1970s Americans never ate raw fish. No mention of raw fish was made in magazines and books before the *Holiday* and *Sunset* magazines of the 1960s; their articles on fish dealt with cooked shrimp on rye bread. In 1972 the first sushi bars appeared in New York, and it was a sign of class and educational standing to eat raw fish in these sushi bars.

Sushi represents a far-reaching change in the life-styles of Americans. In the 1970s they began to reject red meat in favor of rice, fish, and vegetables. And sushi fitted the bill. Together, the Americans and the Japanese got to use the intimate connections between tuna, sushi, and culture, and they concluded that their values and life-styles were similar when it came to healthy food for active lives.

Today, Atlantic Bluefin Tuna are raised on tuna farms off the coast of Spain. Here they are harvested off season from Maine and New England, and shipped by air to Japan. Japanese trading companies finance the

Spanish operation. Japanese vessels tend the nets. Japanese buy the feeding supplements from European pharmacies. Japanese computer models provide feeding schedules, weight gains, and target market prices.

Each year the US government issues 1000 special work visas for sushi chefs, tuna buyers, and other workers in the global sushi business. Also ''Tuna Tech'' personnel from Japan instruct New England and Canadian fishermen on the proper techniques for catching, handling, and packing tuna for export. Special paper is sent from Japan to wrap the tuna as it is shipped to Tokyo. About 85% of the tuna catch is exported to Japan. The rest shows up in local sushi bars where Americans cannot tell the difference between sushi prepared by the Japanese or by the Americans, but they are willing to pay a high price anyway in the hope they are getting the best sushi. All Americans know that they must have tuna and sushi as part of their up-to-date life-style.

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The Global Dimension

- Global marketing succeeds through the sale of standardized products that are adapted to suit the needs and tastes of national and local cultures.
- Examines the impact of global brands on the process of globalization in Britain, Germany, and Singapore.
- Considers the difficulties of managing a global sales culture within the regulations of the EU, the laws of member-states, and local preferences of important regions within European countries.

Do global product marketing, global promotion and advertising, and global logistics create and sustain a global sales and marketing culture in the world economy? Here's how biotechnology, life sciences, and ethical drug firms as well as pharmacies and retail chains concentrate on a small number of key capabilities. Let's label these customer relationship management (CRM), and apply this best-practices methodology to both new and old economy firms:

» Obtain information about the needs of the customers, especially important target market groups.
» Tell them that standardized global products (or product mix) that are modestly adapted for local markets provide more consumer choice, enhanced life-styles, and improved standards of living.
» Develop good relationships with the customers of the customer, especially through value creation and delivery, outsourcing, and excellence in standards of service.
» Improve CRM by linking sales performance to financial and non-monetary rewards for sales and marketing personnel.
» Offer a good mix of products, promote them in all possible markets, and deliver on commitments to fill orders promptly.
» Invest in sales and marketing operations at home and abroad.

Sales and marketing are the keys to success. According to a study by Accenture, a management consulting firm, sales and marketing account for 70% of the difference in the return on sales among European-owned pharmaceutical companies. Therefore, if companies concentrate on a smaller number of key capabilities, they massively enhance performance.

The report goes on to say that information on the needs of customers (such as target market groups of medical doctors) is the most important, because good information accounts for about one-half of the increase in operating revenues of these large-size European-owned drug firms. In the United States, where the advertising of drugs is permitted, ads that target doctors and patients make sales and promotion more important than other aspects of marketing.

KEY LESSONS ABOUT THE GLOBAL DIMENSION

First, Singapore's Biotech Ventures Investment shows that globalization processes, such as good science, research and development, venture capital investments, target market groups, patents and other intellectual property, and marketing generic products, are universal concepts. Some countries and regions of the world, especially in Asia, trail the United States and Europe in life sciences, biotechnology, and ethical drug manufacturing. However, native-born, far-sighted entrepreneurs and business executives see their national marketing efforts as an important part of their global business and the road toward faster economic growth for their emerging countries. The biotech group of companies is a good example of gathering and using information about the needs of customers in local and regional markets.

Second, Russia's pharmacy chain 36.6 shows how globalization processes, such as entrepreneurial risk taking, venture capital investments, retail merchandising, sales training, and bonuses for good work, are universal concepts. Some countries and regions of the world, especially in eastern Europe and Russia, trail the United States and Europe in retail merchandising. However, native-born, far-sighted business persons see their local marketing efforts as an important part of getting the best advice possible from global markets and pushing the transformation of social services in important national markets. Pharmacy 36.6 is a good example of value creation and value delivery, CRM, and outsourcing at their best in Moscow.

Third, retail marketing metrics for Moscow and Russia show that globalization processes, such as retail chains for food, clothing, household goods, and furniture, are universal concepts. The Russian merchants capture income from people who do not show up in government statistics. The standard of living of Russian consumers is increased. They have an enhanced life-style. And these Russians have more choice in products and the product mix of offerings from both Russian- and foreign-owned retail chain stores. Vremya, Kopeika, and Perekryostok are good examples of how investments in retail merchandising put new and better products at affordable prices in the hands of local customers.

Fourth, Japan's Fast Retailing takes the Uniglo brand to British shoppers. The firm shows globalization processes, such as product marketing of casual clothes at affordable prices, standardization of goods with modest adaptations for body size of customers, and retail chain merchandising, are universal concepts. This Japanese retail clothing store has had great success at home selling its line of clothes; it has made these clothes the national uniform of Japan. Here then is the problem for Fast Retailing. Does the socio-cultural of habit of casual clothes transfer easily from Japan to Britain? Levi jeans left the United States and made it around the world. Fast Retailing is a good example of why firms must take risks so they can grow sales and expand revenues. Fast Retailing could be everything or it could be nothing. The investment in Britain has yet to prove itself.

Finally, Yamaha's programmable ringing-sound chips for wireless phones show that globalization processes, such as brand marketing of musical instruments and international product marketing diversification, are universal concepts. Yamaha has weathered the storms of the Japanese economy during the 1990s and the major demographic changes that have occurred in Japan among the young and the old. Yamaha obtains good information about its customers and then offers a good mix of products both at home and abroad.

These five key lessons show how business firms thrive during difficult days of recession and market creation, and in good days of prosperity and market transformation. They build on the six best practices listed above. As always, only the best deals get funded with venture capital, foreign direct investments, and other sources of capital. Globalization depends on this link between the global sales and marketing culture, and the global financial culture. Together, they give the world economy a more uniform pattern of global consumption among Chinese, South East Asians, Russians, Japanese, Europeans, and Americans.

The global dimension means that more people throughout the world consume similar products, buy similar brands, and live similar life-styles. None of these are quite the same all over the world. However, they do have enough similarities to talk about similar market segments and similar target groups throughout the developed and emerging world. Therein lies the richness of global marketing.

VENTURE CAPITAL CULTURE

A bit of history follows. Throughout the mid to late 1990s venture capital firms from Silicon Valley in California, in Munich, Germany, and elsewhere in the United States and Europe pursued a dream: offer angel financing; prepare a term sheet; provide startup capital; acquire ''friends and family stock,'' get revenues in and worry about costs later; accept burn rates of cash for two or more years and postpone positive cash flow into the indefinite future. Of course, go to market with an IPO (initial public offering), and make tons of money. Netscape was the primary example of a success. Amazon.com has yet to make any money. Most startups failed.

Then came March 2000 when the dot.com market collapsed. This was followed by the decline of information technology in October 2000, the fall of telecommunications in January 2001, and the failure of the European spectrum auctions to elicit new business for third-generation (3G) wireless. Suddenly, venture capital dried up. No good deals could be found. Those that were still around (for example, in telematics, and Wi-Fi or 802.11b and 802.11a) had burn rates of cash of no more than nine months, positive cash flow within a year, and returns on investments of no more than 18 months. The hurdle rates had been raised so high so fast that few dot.com, IT, and telecom deals were good enough to meet the ''solid gold Cadillac'' standard recently established by venture capital firms in the United States and Europe. Today, manufacturing firms are not investing more company money into dot.coms operations, IT, and telecom connections. Hence, venture capital firms refuse to invest in these projects, too.

Now there is biotechnology and a quirk in patent laws in some Asian and other emerging countries. Governments want affordable drugs for cancer, AIDS, and other chronic illnesses. China, Singapore, Brazil, South Africa, and others assist locally owned drug companies to produce generic copies of the most expensive drugs, strip them of their patent protection from the developed world, and sell them at a lower price in local markets. Thus venture capital firms are investing in biotechnology, life sciences, and ethical drugs as well as in pharmacies and retail chains throughout the world.

Although the venture capital business had been first an American and then a European phenomenon, today it is in Asia and Russia, too.

This means that all industries carry with them the seeds of globalization and these can be planted in most parts of the world.

CASE: SINGAPORE'S BIOTECH VENTURES INVESTMENT

Here's how it all began. Kim Tan, who was born in Seremban, Malaysia, and who became a biochemist entrepreneur in London, England, set up Genemedix, a London- and Singapore-listed biotechnology firm that manufactures a copy of GM-CSF (a drug patented and produced by US-based pharmaceutical company Schering-Plough which counters the potentially fatal side-effects of chemotherapy) in Shanghai. China took away the US firm's patent and converted the drug into a national good, open for copying by generic drug manufacturers.

Tan also owns British-based KS Biomedix and US-based TranXenoGen. The former is developing human monoclonal antibodies in genetically engineered sheep for new, targeted cancer treatments. It will produce these antibody drugs in Singapore. The latter is using genetic engineering to develop essential human-body regulators, such as hormones. The resulting drugs will be used to treat diabetes and arthritis within the next five years. Finally, Tan owns a majority interest in a new cancer research hospital in Malaysia, the Nilai Cancer Research Institute.

Kim Tan is taking the profits from all his biotech businesses and putting them into his US $50 million venture capital fund in Singapore, Biotech Ventures Investment. Similar to computer software companies, biotech firms have access to highly skilled local mainland Chinese scientists who earn 10% of what they would earn in Europe or the United States. Also his Nilai Hospital gives priority access to the required clinical trials for his cancer drugs; these include monoclonal-antibody products aimed at colorectal, neck, and lung cancer, and non-antibody drugs for brain cancer and arthritis. Moreover, by manufacturing his ethical drugs in Malaysia, Singapore, and Shanghai, Tan gets first access to target market groups in China, South East Asia, and in the Islamic countries. Kim Tan says: "I really view the whole thing globally . . . and I want to participate in these increasingly, sophisticated new markets in Asia."

Genemedix paid US $7 million for Shanghai Dongxin Biotechnology's factory in the city's Pudong district. China's state-owned

Shanghai Institute of Biotechnology owns a part of Genemedix – hence Genemedix's quick approval from the Chinese government to produce a generic copy of GM-CSF without agreement from its patent holder in the United States and Europe. Genemedix will be producing other standard medicines that are still protected by patents, but are too costly for use in the hospitals of China, South East Asia, and the Islamic world. Tan believes that biotech will be a growth industry for countries now suffering through a lack of export sales to the United States.

Of course, Tan is a different breed of venture capitalist. Since he is concentrating his investments in biotechnology, he is accepting that profits and returns on investments will be 5 to 10 years in the future. His initial British venture capital investments were listed on London's Alternative Investment Market (AIM) in 1995. Today, his investments are listed in Singapore, too. So much for the rules about capital burn rates and positive cash flow from the venture capital firms of the United States and Europe. Asia is a different place with different rules about globalization.

CASE: RUSSIA'S PHARMACY CHAIN 36.6

Since 1998, pharmacy 36.6 has opened 25 outlets in Moscow with total sales of US $52 million per year. What do they offer? Modern shop design; products you can pick up to examine; and reasonably helpful shop assistants.

These are breakthroughs in Moscow's dilapidated retail sector. Usually, customers get three lines to finally purchase the goods, a demand to produce exact change, no bags to carry out the purchased goods, and surly clerks. Also they had to bend down to speak through a tiny window through which they received orders on which drugs to buy. So the reaction of customers to the new ways of selling ethical drugs was hostile and negative at first, then incredulous, and finally accepting of the new western ways of retailing.

Artem Bektemirov, the general director and founder of Vremya, a Moscow-based company, who made his initial fortune in the early 1990s selling computers to hospitals, bought several medical factories, and began producing sticking plasters. He created a Russian brand name – Veropharm – and outsourced the manufacturing to India. Its products were ethical drugs on which the patent had just expired, which had high margins, and which had almost no domestic competition. Vremya also purchased a chain of traditional pharmacies to sell its India-sourced products.

Then Vremya studied pharmacy marketing at Boots and Superdrug, two retail chains in Britain. Russian brand marketing consultants came up with the name 36.6 – that is, the temperature in centigrade of the healthy body. The first pharmacy 36.6 was opened just three months after Russia plunged into its financial crisis of August 17, 1998. Its credit lines at Inkombank did not materialize because the bank itself defaulted on its debts. Still 36.6 began operations with venture capital from Moscow, within Russia, and from the west. Since the Moscow city administration wanted to improve the provision of social service to the population, 36.6 was given every assistance possible in finding suitable real estate even though Moscow still does not have an organized commercial real-estate market. Usually, 36.6 had to buy the entire building and resell all floors but the ground floor it needed for the pharmacy. Shop assistants had to get used to walking around the store to assist customers and the latter had to get used to friendly help from shop assistants. Both had to go through an important cultural revolution before they could be considered on a par with shop assistants and customers in the west.

Shop assistants at 36.6 go through two weeks of training. Russian law requires all shop assistants in 36.6 stores to be qualified pharmacists. They are educated and more willing than most to accept sales training and change in merchandising aspirin, mouthwash, Band-Aids, and ethical drugs. These vendors can earn a bonus of 20%; this is linked not only to the volume of sales, but also to the quality of sales – that is, repeat purchases, shop cleanliness, smiles by staff, and how long the lines are to pay for goods.

RETAIL MARKETING METRICS

Why Moscow for 36.6 (Russian), Ramstore (Turkish), Ikea (Swedish), AVA (Germany), Metro Cash and Carry (Germany), Auchan (France), Kesko (Finland), Spar (The Netherlands), and Kopeika (Russian)? The Russian market is empty of merchandising by retail chains. Moscow is ground zero for this retail invasion because so much of Russia's population and wealth is concentrated in the Moscow region. In fact, more people live in Moscow than in all of Belgium. They have about US $10 billion a year to spend on shopping for food and home furnishings. This is one-third of the total Russian national market. Demand is strong, and Muscovites want to spend their money on everything possible in these new retail stores. They value the selection of goods and improved service they never had before.

Today, the number of supermarkets doubles every 18 months while outdoor markets continue to decline by 20% each year. The city administration of Moscow is now designing 20 sites just outside the city's beltway for new shopping malls. Yet not everything is rosy. Getting local suppliers to produce and deliver on time is difficult. Prices change without notice, and deliveries are irregular at best. Theft is a constant problem with about 3.5% of the merchandise disappearing each year.

Kopeika copies Wal-Mart's retail merchandising concepts. Household goods and clothes are emphasized because the store can earn higher markups. Food is not emphasized but customers can buy a selected range of food items at Kopeika. Perekryostok, with 32 supermarkets in Moscow, plans to open stores in European Russia as far east as Kazan on the Volga River.

In summary, Muscovites and other elite Russians have more money to spend than is shown in government statistics. According to Ikea, Muscovites buy the same things as do customers back home in Sweden or in the United States. What is surprising about the retail business in Russia is that there really are no surprises when it comes to the willingness to purchase goods at attractive prices. Service in Moscow and elsewhere in Russia becomes the all-important competitive advantage for both Russian- and foreign-owned retail stores.

CASE: JAPAN'S FAST RETAILING TAKES UNIGLO BRAND TO BRITISH SHOPPERS

Fast Retailing has over 500 stores across Japan. Its Uniglo brand of casual clothes offers basic clothes at competitive prices. These are not goods based on fashion whimsy; rather Uniglo's T-shirts and fleece jumpers are simply Japan's national uniform. They are sourced in China, and Fast Retailing maintains tight control from product design to production and distribution. The domestic Japanese market is almost saturated with casual clothes, and doubling sales again will not be possible in the future. Hence, Fast Retailing cannot grow as fast in the future as it did in the past – that is, unless it pursues international diversification.

Hence, it is opening five Uniglo stores in Britain in 2001. Here are the problems facing Fast Retailing there. Retailing is a mature market. Also extensive price deflation has taken place while fixed costs, especially property costs, have risen. Moreover, Uniglo is pitched at one of the most competitive sectors – the middle ground of casual retailing in Britain with its strong competitor from the United States, Gap. Although Uniglo has everything going for it in its expansion into Britain, marketers there wonder whether Japanese-style casual clothes – even in the larger sizes required for British customers – will capture the imagination of the English, the Scots, the Welsh, and the Irish.

CASE: YAMAHA PROGRAMMABLE RINGING-SOUND CHIPS FOR WIRELESS PHONES

Programmable ringing-sound chips in millions of wireless phones and the ringing tones for the phones over the Internet are highly popular in Japan. NTT DoCoMo subscribers download them weekly or even daily as a way to differentiate and personalize their wireless phones. Japan accounts for 50% of Yamaha's total annual sales.

In the United States, Yamaha is a leading maker of amplifiers used in home theater equipment and computerized programmable player pianos. The United States accounts for nearly 20% of Yamaha's total yearly sales.

Yamaha grew its sales and profits even in the face of Japan's decade-long economic slump, a dwindling young population in Japan, and the collapse of the popularity of studying piano in both Japan and the United States. Today, Yamaha is trying to cultivate new customers among the young who can access the firm's Website, Music Front, to have their music evaluated for its commercial potential, and among the elderly who want to return to school to learn more about music, play musical instruments, and study music appreciation. Yamaha is deepening its brand marketing with new music ventures that are suited to the needs of customers in the first decade of the twenty-first century.

GLOBAL SALES CULTURE

The EU is on a journey from fully sovereign nation-states to less sovereign nation-states. Some of the 15 nations have climbed some new ladders and others have slid downwards. The bigger ones use power-play games to push the smaller ones down, but the latter use information smarts to keep the former at bay. Nevertheless, these 15 countries in their supranational organization called the EU, gain oomph in the world economy.

True, the 15 nation-states (and sometimes their regions) are still the primary units of social organization rather than the EU itself. True, the EU gives out passports, has a supranational currency, and issues compelling, European-wide directives. Between the nation-states and the EU the former still retain the loyalty of most people. National flags and national anthems are really very important when it comes to celebrating national days or at sporting events. Moreover, a higher purpose in life is ascribed to national loyalty, pride of place, and friends and family.

Therefore, any effort to create a global sales and marketing culture must deal with a rampantly home country culture in venture capital, biotechnology, retail merchandising, casual clothes, and programmable ringing-sound chips. To diversify internationally means to break free of some of the national constraints on business practice and performance. Although global ambition is good, global reality is better. Language, cultural heritage, public morality, and self-reference criteria can be rocks upon which a firm's international ship founders, or building blocks for successful performance overseas. All people have a collective memory of why they wanted to be part of the Levi's jeans generation and why they might reject Uniglo's T-shirts and fleece jumpers. Both Levi and Fast Retailing must create their own global sales and marketing culture for both their home and overseas markets.

EU's Third Life Directive

Dublin, Ireland, underwrites more life insurance policies for the Italian market than do Milan- and Rome-based insurance subsidiaries of Italy's 10 biggest banks. Sanpaolo Life underwrites these policies from Dublin's financial services center. It can do this because the EU's Third Life Directive allows firms domiciled in one member-state to sell policies in all member-countries.

This global sales culture developed in Ireland because of the collapse of Italian bond markets in the mid to late 1990s as Italian interest rates converged before the launch of the euro, Europe's single currency. Yields on Italian government bonds fell by 50%, and this caused a flight from bonds to mutual funds and other forms of equity investments. Suddenly, the guaranteed minimum return which is based on Italian bond rates was less attractive.

Therefore, the Italian insurance subsidiaries of Italian banks looked for ways to develop equity-based products, but they had little experience in selling these types of investments. Ireland, on the other hand, had 40 years of experience in selling unit-linked life products that let the policy holder invest in stocks and bonds through an in-house fund of the life insurance company. Thus in Ireland, Sanpaolo Life underwrites the business, processes it, issues the policy, and does it all electronically in Dublin for sale in Italy. Five out of ten employees at Sanpaolo Life in Dublin are Italians and they cater to the propensity of Italians to save their money almost at the same level as the Japanese.

The EU Third Life Directive gave life to this new global insurance sales culture. This is another way in which the EU is slowly gaining adherents to its cause as an emerging social organization for all Europeans whether they live in the north or south of Europe.

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The State of the Art

» Global marketing improves standards of living, enhances life-styles, and provides wider consumer choice.
» Global marketing promotes freer trade among neighboring nations.
» Global marketing encourages technological and social change.
» Two eras of global marketing.
» Marketing new products worldwide, such as wireless modems for respectable high-loiter areas (or Starbucks), and wireless telecommunications in autos (or telematics).

Let's review the current debate over global marketing. The following are the most important questions that are being debated about global marketing:

» Why is global marketing important?
» Who wants to keep global marketing in check?
» How do the two eras of global marketing compare?
» What is the role of nation-states in global marketing?
» What is the future of global marketing?

The answers to these five questions explain a great deal about where global marketing has been and where it is going in the future. Current debate among international marketers shows six reasons why global marketing is important to the world economy. Some thoughtful protesters do not agree that all six are true benefits to the world's citizens. In the future, their concerns about the hegemony of the American culture over the world's economy and the place of global brand marketing within national economies need to be carefully considered by the political leadership of the developed nations and the marketing leadership of the multinational firms. The future of global marketing is most likely to see a stronger influence of important nation-states and their supranational organizations (that is, the EU, NAFTA, and others). These sovereign countries will be working overtime to maintain themselves as the means for social organization in the wake of tremendous technological change from multinational firms in the twenty-first century.

KEY LESSON: THE IMPORTANCE OF GLOBAL MARKETING

First, global marketing is crucial to the world economy. Global marketing improves standards of living; enhances life-styles; provides wider consumer choice; offers world-class, standardized products adapted to local cultures; pushes nation-states to join free trade agreements; and invests in global brands.

Second, global marketing is important to international marketers. Global marketing offers four key building blocks: corporate culture, country risk analysis, stages of economic development, and free trade initiatives. All four determine whether buy–sell transactions are for the domestic or export market or both, whether some of these international marketing transactions occur within the same corporate family across national frontiers, or what combination of each takes place within multinational firms. Together, the four building blocks determine sales opportunities and revenue growth, and pinpoint the success or failure of firms in the world economy.

Third, global marketing uses sociology, psychology, and other social science disciplines to explain segmentation, targeting, and positioning. Global marketing gathers these data and information together into the 4Ps marketing strategy. Sometimes global marketing uses learning theory to train customers about new technologies, products, and services. Global marketing is about making decisions under uncertainty about selling goods in China, South East Asia, Russia, Japan, the EU, the United States, Latin America, and the rest of the world.

Fourth, global marketing is 90% about the old economy and 10% about the new economy. Today, global marketing needs traditional supply channels of distribution, wholesalers and break-bulk distributors, and retail chains to get the goods to mass market customers. Tomorrow, global marketing will depend a bit more on the Internet, the Web, e-commerce, and even m-commerce for matching supply with demand, offering standardized products adapted to local cultures, and fulfilling unique orders for individual customers.

Fifth, global product marketing, global promotion and advertising, and global logistics create and sustain a global sales and marketing culture in the world economy. Today, global marketing is going through an epic change in which its competitive culture is very different from the way it was in the 1990s. Global marketing sees the power of the big global brands waning along with the price premium they used to command. This is true for Coca-Cola, Procter & Gamble, Schering-Plough, Nokia, Dell, Amazon.com, and many other multinational firms. Although they still have the most valuable brands in the world, the valuation of these brands in the markets of the world has fallen by more than 5% during 2000 to 2001.

Finally, global brands are no longer seen as the fast track to rapid earnings growth. Rather, local marketers view national brands as excellent vehicles for turning ideas into cash flow. For example, the top 10 advertised brands in China are all local brands. Also, global brands are under attack from improved technologies, new products, and private-label brands. Mass marketing is out and one-on-one marketing is in. Global marketing must become even more cultural-savvy about the changes occurring in the world economy, and it must grasp that the world's marketers and customers have moved from global branded goods to national or local brands.

Global marketing is important and crucial to the world economy. Global marketing will strengthen its position if and when its practitioners, international marketers, employ countermeasures against the ''No Logo'' campaign of protesters in Seattle, Washington, and Genoa, and the former recognize that some global brands are in retreat because some customers prefer local brands. This is the debate raging among people who care for and work in the field of global marketing.

KEY LESSON: THE DOWNSIDE OF GLOBAL MARKETING

Seattle, Washington, Prague, Genoa. Each time the leaders of the WTO, World Bank, International Monetary Fund (IMF), and the G8 summit (the seven major industrial powers plus Russia) meet, pickets march, store windows are kicked in, petrol bombs are thrown, police react, protesters are arrested, and sometimes violence leads to death. When world leaders meet to discuss world affairs the citizens want to be there too, if for no other reason than to share more of the fruits of globalization.

Yet many peaceful protesters have a profound mistrust of globalization. The French see globalization as unrestrained free markets, or American hegemony, that the former must resist with all their power. A few French protesters have vandalized a McDonald's restaurant or torn up genetically modified crops. About 75% of the French want less American influence on globalization; less English-language dominance over commercial transactions, the Internet, the cinema, the EU, every other nook and cranny of the world economy, and more regulation to protect French culture, history, values, and life-styles. To the French, globalization means more rules from the EU and from the French government about what American-owned firms can and cannot do in Europe, France, and the French-speaking parts of North America, Africa, and Indo-China. For them globalization gives new legitimacy to modern nation-states and their supranational customs unions.

Also, some thoughtful protesters worry that, when one or more poor countries collapse (such as those in Central Africa, in the Andean highlands of Latin America, and in Central Asia), development retreats, investment disappears, and capital flees. Only the oil companies stand their ground and wait for a better day in the future. As President Chirac of France says: ''Our democracies, clearly, cannot be mere spectators of globalization. They must tame it, accompany it, humanize it, civilize it.'' Thoughtful and peaceful protesters from non-governmental organizations (NGOs), such as trade unions, citizens groups, etc., took this statement to mean they will be heard on how to divide up the fruits of globalization and how to make American influence less apparent over global marketing.

KEY LESSON: COMPARISON OF TWO ERAS OF GLOBAL MARKETING

Many economists look at the era before World War I as the earlier golden era of globalization. Of course, they do not refer to global marketing as a term of reference because it did not appear in the literature until much later, in the 1980s. Jeffrey Williamson, a professor of economics at Harvard University, finds that the volume of trade, measured as a share of income and gross domestic product, ''was comparable to what one observes now . . . The barriers to trade were much lower than they were until very recently.'' Michael Bordo, an economist at Rutgers University, says that before 1914 foreign assets accounted for fully 20% of the collective gross domestic product of the world; this level was reached once again in 1985; today foreign assets are at 57% of the collective GDP. Of course, before 1914 passports were not used and immigration from one place to the next was free for all to go to the United States, Brazil, and Argentina. Williamson and Kevin O'Rourke write in their book, *Globalization and History*, that globalization can plant the seeds of its own destruction with high tariffs, barriers to trade, and an end to free mobility of labor.

Both eras of global marketing started with technological breakthroughs. In the pre-World War I era, the costs of transportation were lowered across the great oceans of the world. Capital flowed from

Europe to the Americas, but it was in the form of bonds for which the carrying costs (or interest) were lower. The world had a high degree of economic integration, and a few very powerful nation-states. Great Britain was the hegemonic power in most areas of the world, and it retained its rights to rule until the costs of World War I ruined its ability to pay its debts to the United States and other allies.

Today, the costs of communications have been lowered as well. Capital flows from the United States, Europe, and Japan to most parts of the world, but it is in the form of stock equity (or dividends) which is a higher cost of capital. Moreover, currency devaluations for the purpose of increasing exports also devalue foreign direct investments. Again, the world has a high degree of economic integration, many more powerful nation-states and supranational unions, and an up-and-coming mass citizens' movement to challenge everything multinational firms and the industrialized countries do in the name of globalization. The United States is the hegemonic power in most areas of the world, and its military and culture rule even as it buys more from abroad than it sells. Its balance of payments deficit (in the trade account) spells future trouble for the value of the US dollar *vis-à-vis* the euro and other strong currencies.

In summary, today global marketing is built on American strengths in Hollywood culture, military might, economic performance, and the 4Ps of marketing strategy for McDonald's, Coca-Cola, Levi, Microsoft, Wal-Mart, and other global brands. Should any or all of these begin to falter, then the United States might be faced with the same troubles that Great Britain went through between 1918 and the present. Of course, global marketing will survive because international marketers will look for a new champion. The EU? Japan? South East Asia? China? This is one of the unknowns about the future.

KEY LESSON: IMPORTANCE OF NATION-STATES TO GLOBAL MARKETING

Ever since Atlantic Europe's discovery of Africa, Asia, and the Americas in the fifteenth century, the Protestant Reformation in northern Europe of the sixteenth century, European settlement in the new overseas colonies in the seventeenth century, the end of kings as the sole source of power in the eighteenth century, the Industrial Revolution of the nineteenth century, and the globalization of the world's economy in the latter half of the twentieth century, nation-states have played a paramount role in the social organization of their people for overseas conquest, foreign trade, wealth creation, and the spread of the national culture. First Portugal and Spain, then the Netherlands, later England and France, and still later Belgium, Russia, Germany, the United States, and Japan all sought new territories, linked neighboring countries by trade in goods, tried to hoard gold, minerals, and markets, and pushed French and later English as the lingua franca of diplomacy, commerce and trade, and cultural good works.

Today, the 15 nations of western Europe seek greater cohesion and social co-operation through their supranational organization, the EU. They are on a mission to deliver democracy to all European peoples through open borders and the free exchange of goods, services, capital, and labor. Their mantra is no more war on the European continent.

Although NAFTA has propelled Mexico into the crucial center of trade and investment for US-, European-, Japanese-, and other foreign-owned multinationals, Mexico and Canada remain reluctant to give up more sovereignty over trade, currency management, and labor–management relations because their partner, the United States, is so much stronger in terms of nation-state power. The mantra of the three NAFTA countries is more trilateral (or bilateral) co-operation, but no significant supranational organization.

Throughout the world, pockets of multilateral co-operation exist among the southern South American countries, the Andean countries of Latin America, the Caribbean countries, the ASEAN countries of South East Asia and Indo-China, among the members of the Asia-Pacific Economic Consensus group (or APEC), and the Southern Africa Development Bank. None of these countries (including the NAFTA members) seeks to reduce national sovereignty over decisions about tariffs and non-tariff barriers, the foreign exchange value of the national currency, and everything else that makes one nation-state uniquely different than all other nation-states.

Therefore, multinational firms that fail to pay attention to the real concerns of nation-states fumble and lose their way in the great game of global marketing. Successful multinational firms are multi-local – that is, one company serving distinct local markets. The top leadership of the executive suite tends to be global in outlook. The very senior managers hold MBAs from important universities in the United States and Europe or, in the case of Japan, they descend from the heaven of the Ministry of International Trade and Industry (MITI) into top corporate jobs. Most of the senior, middle, and junior management, and almost everyone else, remain wedded to their national identities as Americans, French, Italians, Israelis, Chinese, Japanese, etc. None of the multinational firms, perhaps with the exception of Switzerland's Nestlé, wants to or can break free from its national moorings.

If nation-states are successful societies, then their derivative multi-local firms could be too. Both nation and firm might share a common language, heritage, and cultural habits, but the firm must do the work of staying in sync with its home and host countries. Global marketing provides the ties that bind across national frontiers if and when international marketers are willing to do the hard work of getting beyond the adversarial relationships between government and business so evident under the American model of market competition. Global marketing brings to the attention of American executives the possibilities of European and Japanese models of market competition and co-operation. Their inclusion within American corporate practices remains global marketing's work for the future.

KEY LESSON: GLOBAL MARKETING'S FUTURE

In *Jihad versus McWorld*, the author, Paul Sigmund, a professor of politics at Princeton University, jars us into the reality of what global marketing is and will be in the future. He juxtaposes two countervailing tendencies. These are the particular face of competitive religions, tribal groups, and ethnic hatreds, and the universal face of global capitalism.

Communism as a religion joins the pantheon of pagan religions that preceded the monotheistic religions of the Middle East, North Africa, and Europe. Many in Russia still worship the flags and pennants of the past, and some still vote for those who call themselves Communists. China now includes capitalists in its ruling Communist Party. Except for Cuba the rest of the former Communist bloc of countries have joined the rush to gain sales and cash flow from global marketing.

Elsewhere Catholics and mainline Protestants, except for small pockets in Northern Ireland, and new strife between Catholics and

Evangelical Protestants in Latin America, are at peace with one another. Catholics and Eastern Orthodox Christians are arguing over church property, and the rights and responsibilities of their respective Pope and patriarchs. Islam penetrates south central Europe and the Balkans with more children per family than either the Catholics or the Orthodox Christians, and dominates most places in the Middle East, and countries from Turkey in the west to Indonesia in the east. India remains primarily Hindu while Thailand and Japan practice different forms of Buddhism. China, Korea, and elsewhere in the region have large minorities of Christians and smaller minorities of Moslems.

Religion defines most people and ties them to their social communities. Only in western Europe has the secular society so taken hold that Europeans are pulling away from Americans as the latter continue to number themselves among the believers in one or more of the monotheistic religions.

Tribal groups separate French from British Canadians, the Basques and the Catalans from the dominant Spanish in Spain, the Ukrainians from the Russians, the Kurds from the Turks, the Tamils from the Sri Lankans, the Malays from the Chinese in Singapore, the Javanese from the rest of the Indonesians, and the European settlers in Paraguay, Bolivia, and Peru from the indigenous native Indian peoples. Sometimes one group wars on the other as in the former Yugoslavia, with Serb against Croat, and both against the Bosnian and Albanian Moslems. In this case, competitive religions, tribal groups, and ethnic hatred took hold of the people and all suffered until outside NATO forces came in to separate the foes and cool tempers down in the hope of finding peaceful solutions to centuries-old problems.

Will McWorld suppress jihad? Sigmund thinks it will. Global marketing can do many things, but it is not government, a nation-state, or a supranational organization. Global marketing aims to sell goods and services in peaceful surroundings when the tensions of religion, tribal groups, and ethnic problems are subsumed under the quest for raising standards of living. For the moment, the Communist religion is quiet as Ramstore, 36.6, and the retail chains improve the social welfare of Muscovites. However, should the market fail to produce a dominant middle class, the old religion will make a pitch to raise its hammer and sickle red flag once again over the Kremlin in Moscow. Then all bets are off as to whether McWorld will suppress jihad in the Russian heartland.

If local people want technological and social change, then the less militant form of the old religions will guide people in their social organizations and suggest appropriate ties to global marketing. If the more militant forms of the old regions suppress change, such as in Iran and Afghanistan, then global marketing has no current role to play in these societies. International marketers must be realistic about the future of global marketing in traditional societies. Since these business executives have a limited amount of time and capital to spend on creating an international sales and marketing culture in a multi-local setting, they will spend their time and energy in societies and nation-states open to new technology and new ways to solve market problems.

This is the future of global marketing. Some countries will be targets for the goods and services of the world economy because their people, government, and leaders are willing to open themselves to change. Other countries will be left to their own devices until such momentous events as reformation, industrialization, and democracy come to sweep out traditional ways. Once a people decide to join the world economy, global marketing makes them feel comfortable in their homes. Global marketing offers them sales opportunities, and cash rewards for their continued success in the market economy. In fact, global marketing becomes the religion of those who want to succeed in the modern world.

GLOBAL TECHNOLOGY CULTURE

Global marketing's continued long-term success depends on new technologies and product innovation. According to Gary Hamel, marketers must generate thousands of unconventional strategic ideas, then take the best of these and turn them into low-cost, low-risk experiments. Only a few market-worthy ideas will emerge from these experiments. These ideas should be pursued with reckless abandon. This means everyone in the firm should work on new channels, new prices, new promotion themes, and new products rather than putting innovation in the straitjacket of incubators, new-venture divisions, and venture capital funds. Innovation must occur in the core business rather than in some ''bank of the future,'' ''airline of the future,'' or ''the store of the future.''

Here are just a few new market-worthy ideas that will find their way into global marketing.

First, new wireless technology will find its way into cars (telematics), into homes (Wi Fi or 802.11b), and into offices (Wi Fi or 802.11a). If the new technology is rolled out with the customer in mind, these wireless phones will be portable for use in cars or trucks, homes, and offices. The forecast is for 14 million middle- and higher-priced cars to be equipped with portable telematics equipment, and trucks alone will generate US $4.2 billion in new revenues for auto and truck suppliers of sophisticated auto parts.

Second, in ''chips of the future,'' flavor makers say bolder tastes are in fashion. Frito-Lay, a snack-food maker, launched a line of ''gourmet'' crisps for the target market group called discerning customers. The company generated 300 flavors including Thai curry, blue cheese, lemongrass, and tandoori chicken. Eight of these flavors made it into the final round; 400 customers sampled them. Frito-Lay decided to mass-produce only four: cheddar and jalapeno; garlic and herb; barbecue; and something referred to as ''classic.'' These four seem to please the American taste buds. Of course, these will be sold all over the world, too.

Finally, there are so many new things to be tried out, for example video-on-demand, nanotechnology, gene sequencing, smart roads, shrink-wrapped cells, paper batteries, surround sound, extreme lithography, and gastrobots. Developing new ideas is the easy part. The hard part is turning these new ideas into salable products. Thus social scientists (including marketers) are joining with engineers to speed bringing innovations to the market. Here is the future of global marketing for those societies willing to accept change at the fast pace in demand for the twenty-first century.

This is where we international marketers are today. Today's global marketing will be very different five years from now and still even more different a decade from now. This book is a snapshot of what is today called global marketing and what we foresee tomorrow for global marketing.

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In Practice

Wide selection of cases about global, multinational, multi-local, and export-oriented domestic firms from Switzerland, Britain, France, Japan, and the United States, each with its key learning points.

Global marketing is important to all types of firms. They could be global, multinational, multi-local, or even export-oriented domestic firms. All of them are successful in their own way. Here's how a wide range of Swiss, Dutch, British, American, Swedish, Japanese, Turkish, Russian, Singaporean, and French firms apply ideas about global marketing to their businesses.

» **Global firms**. Home and host country differences are not important to the big ''Fortune 100'' Swiss and Dutch firms. However, both sets of traditions when combined together in a skillful manner are crucial to performance throughout the developed and emerging countries of the world. Examples: Nestlé, Philips, and Royal Dutch Shell.
» **Multinational firms**. Home and host country differences are important to the big ''Fortune 100'' American, Swedish, and Japanese firms. However, home country traditions are crucial to performance in the world economy. Examples: Unilever, Procter & Gamble, Colgate, IBM, Coca-Cola, GM, McDonald's, Gillette, ABB, Siemens, Mercedes, Toyota, Nissan, Honda, and Vivendi.
» **Multi-local firms**. Home country values, habits, and life-styles are crucial guides to performance overseas by the ''Fortune 500'' firms from Europe, North America, and East Asia. Examples: Ikea, Sanpaolo Life, Tesco, Seven–Eleven, Warner Brothers, and Sanyo.
» **Export- or import-oriented domestic firms**. Home country business practices are the crucial guides to success for Turkish and Singaporean firms in neighboring export markets, and for Turkish and American firms in domestic import markets. Examples of export-oriented companies: Ekmassan, Ramstone, Biotech Ventures Investment, and Fast Retailing. Examples of import-oriented companies: Yatas, 36.6, and AT&T Broadband.

KEY LESSONS ABOUT GLOBAL FIRMS

Select managers with a global perspective who speak several languages. Sell global brands that do not impose the cultural traditions of the home country. Deliver a value proposition of price–quality–service free from the global, largely American, life-style. Give foreign-based subsidiaries virtual independence in the quest for increased sales, improved margins, and higher rates of return on invested capital.

KEY LESSONS ABOUT MULTINATIONAL FIRMS

Select managers with an international perspective who speak a few foreign languages. Sell global brands that reflect the cultural traditions of the home country, but that are adapted to fit into the national cultures in which they are sold. Deliver a value proposition of price–quality–service with a weak connection to the global, largely American, life-style. Do not give foreign-based subsidiaries independence, but insist they conform to the hurdle rates set by the parent headquarters for all dependent companies.

KEY LESSONS ABOUT MULTI-LOCAL FIRMS

Select managers with a British, French, Japanese, Chinese, or some other perspective who speak the local language. Sell global brands that reflect some combination of the cultural traditions of the home and host countries. Deliver a value proposition of price–quality–service with a strong connection to the global, largely American, life-style. Insist foreign-owned subsidiaries look for strategic alliances among local firms to reduce the cash drain on parent firms.

KEY LESSONS ABOUT EXPORT- OR IMPORT-ORIENTED DOMESTIC FIRMS

Export products, import new ideas, and sell a broader product mix at home. Pay attention to the home country's export culture (that is, the need for foreign exchange and the negative impact of a small domestic market). Select managers who have a talent for export deals. Sell goods rather than brands. Trade on long-term social relationships, do extensive entertainment, and insist on cash in hard currency.

TYPES OF GLOBAL MARKETING FIRMS

Let's look at the four types of global marketing firms and show how their business performance has universal content in today's world economy.

Global firms

Companies such as Nestlé, a firm with its headquarters in Switzerland, uses German, French, and, increasingly, English as the languages of communication among its Swiss, European, American, and worldwide groups of top, senior, and middle-level executives. Little about the company reminds outsiders that it is Swiss. Most Europeans, Americans, South East Asians, and others drink Nescafé coffee or eat Nestlé candy bars without noticing who owns the firm, who sits on its board of directors, from where it draws its management, and the location of its corporate offices. If you go to its headquarters outside Switzerland's main cities, you might be treated to local Swiss specialties, such as a cooked wheel of cheese.

Nestlé goes back to the first era of globalization when it first made its mark in coffee and chocolate. It grew and declined as the world's economy prospered, slowed, went into depression, went to war, prospered, went into recession, and prospered once again. So did Philips. It is a firm with its headquarters in the Netherlands and which uses English, Dutch, French, and German as the languages of communication among its Dutch, British, European, American, and worldwide groups of top, senior, and middle-level executives. Little reminds outsiders that it is Dutch. Most people use its consumer electronic products without noticing who owns the firm, who sits on its board of directors, from where it draws its management, and the location of its corporate office. If you go to its headquarters outside of the Netherlands's main cities, you might be treated to several Indonesian specialties to remind you the Dutch once ruled the East Indies.

As World War II engulfed Europe, both Nestlé and Philips gave their US subsidiaries complete freedom to make global marketing decisions without clearing them with their Swiss or Dutch headquarters. This independent international corporate culture continues to this day and it affects which products are offered in specific national markets. The same war forced the Anglo-Dutch petroleum firm, Royal Dutch Shell, to pull back its top and senior management from the Netherlands to England so they would be out of harm's way. This 60% British corporate culture and 40% Dutch corporate culture continues to make joint global marketing decisions to this day, especially where and by how much the oil firm should invest in the countries of the former Soviet Union in Central Asia, Nigeria, mainland China, and elsewhere in the world.

Global firms are few in number: Swiss-owned Nestlé; Dutch-owned Philips; and Anglo-Dutch owned Royal Dutch Shell. It is a short list. No

American or Japanese firms are on this list. Swiss, Dutch, and British companies do global marketing well. They have survived all the ups and downs of the world's political order, including two eras of globalization; a strong, weak, and strong US dollar; currency devaluations in Britain, Mexico, and in many countries of the world. Their choice is to produce products that sell everywhere, in all cultures, with one or two global or local brand names. Their top and senior management have a strong corporate preference for a global marketing strategy.

Multinational firms

Unilever was and continues to be British owned. In the first era of globalization, Lever went out to all the colonies of Great Britain, to China, and to large swatches of the world, and sold its soap and household products. Wherever the firm could it hid behind Imperial Preference – that is, no tariffs for British-origin goods – and successfully kept out two American-owned firms, Procter & Gamble and Colgate, from Canada, Australia, New Zealand, South Africa, Ghana, Nigeria, Singapore, Malaysia, and many others areas of the world where the Union flag once flew over government and corporate buildings. Notwithstanding Lever's British origin, and the ups and downs of political order in mainland China, the firm's Lux soap is the most widely used foreign soap product in mainland China. During the second era of global marketing, Unilever began acquiring US-owned firms. Even though it has gone through periods of cutting back the number of products it sells all over the world, it still dominates global marketing in Great Britain's former colonies, remains a distinct number three in the US market after Procter & Gamble and Colgate, and competes equally in Japan, Latin America, and many other parts of the world.

Most US-owned firms, such as Procter & Gamble and Colgate, Coca-Cola, McDonald's, Gillette, GM, IBM, and others, made some overseas investments in the 20-year interwar period (1918–38), but they did not become multinational until the 1950s and 1960s. Their European counterparts, such as Mercedes, Siemens, ABB, and others, became more multinational in the 1960s and 1970s. And their Japanese counterparts, such as Toyota, Nissan, Honda, Sony, and others, became multinational in the 1970s and 1980s.

What does it mean to be multinational? Firms are known as American, German, Swedish, and Japanese because their top, senior, and junior management and factory workers are drawn from home country nationals. Their basic products and marketing management practices have a home country flavor. The firms prefer a global marketing strategy:

- Products are developed for countries on both sides of the North Atlantic, such as Gillette's Sensor razor, and these brands spill over into the countries of Latin America, East Asia, and Africa, or for both sides of the North Pacific, such as Yamaha's programmable ringing-sound chips for wireless phones.
- Promotion strategies are made more or less local with complete or partial nudity, or fully clothed models, such as Coke's Italian, Australian, and US ads, and Fast Retailing's ads about T-shirts and fleece jumpers in Japan and Britain.

Multi-local firms

What does it mean to be a multi-local firm? Again, it means firms are known as Swedish, Irish-Italian, and Russian because their top, senior, and junior management and factory workers are drawn from home country nationals. Their basic products and marketing management practices have a home country flavor. The firms prefer a distinct international marketing strategy that is adapted and tailored to local national cultures:

- Prices are raised or lowered based on the economic condition of local markets and its impact on the foreign exchange value of national currencies, such as Ikea's entry into the United States and Russia.
- Place strategies reflect choices where to underwrite insurance products within the EU for sale in one or more of the 15 member nation-states, such as Sanpaolo Life's Dublin sales of equity-based, unit-linked sales of insurance contracts in Italy; and the merchandise assortment of over-the-counter and ethical drugs at pharmacy 36.6 in Moscow.
- A variety of sales and marketing strategies prevail at Britain's Tesco supermarkets, Japan's Seven–Eleven convenience shops, and the United States' Warner Brothers.

Export-oriented domestic firms

These firms prefer to sell goods in overseas markets through one or more channels of distribution. Some sell Turkish-made baker's ovens, such as Ekmassan, directly to foreign users for cash in the Turkic-speaking areas of the Balkans and Central Asia. Others import a variety of Turkish-made products and sell them in their joint venture retail stores, such as Ramstore in Moscow, or import a new set of retail merchandising practices, such as pharmacy 36.6 in Moscow. Still others import beds and home furnishing ideas and products, from the west, such as Yatas, and sell them locally in Turkey, or the western-oriented, Russian and foreign-owned supermarket chains in Russia.

THREE WIRELESS WEB SALES AND MARKETING CASES

All three cases here deal with multinational, multi-local, and export- or import-oriented firms that sell new media content to wired and wireless subscribers. They show management making decisions under uncertainty about putting music, movies, games, education, and sport on TV screens, Internet-ready desktop computers, and wireless handheld cell phones.

- Vivendi has a lot to lose. It incurred a large amount of debt to acquire Seagram Distillers and its subsidiary, Universal Studios, in Hollywood, California; unfortunately, Vivendi has no American subscribers for content as of late 2001.
- Sanyo has a captive Japanese audience for its music offerings on cell phones. It too, has no European and American subscribers for content.
- AT&T Broadband is in play with AOL Time Warner, Viacom, Disney, Cox, News Corporation, Microsoft, and even Vivendi as potential buyers. The sale of AT&T Broadband will reduce the number of buyers for content and, hence, raise prices to subscribers of cable TV, fixed wired telephones, and wireless web services.

These cases are a representative sample of the problems and concerns facing global marketing in the wireless Web industry during the early years of the twenty-first century.

EUROPEAN CASE: VIVENDI

Vivendi is a French-owned multinational company that seeks to provide European and American music, movies, games, education, and sport content to its subscribers. Vivendi's home market is important, because many of its wired telephone subscribers are French and most of its TV subscribers are European. Some of the movies come from Vivendi's ownership of Universal Studios in Hollywood while others come from the *film noir* cinema tradition in Paris. Although Vivendi has no subscribers for any media service in the United States, it is the fourth-largest media conglomerate in the world with total revenues of US $17.7 billion. AOL Time Warner, Disney, and Viacom are larger, and Bertelsmann, News Corporation, and Sony are smaller.

Customer relationship management (CRM)

According to Jean-Marie Messier, the chairman of Vivendi, his media firm and AOL are building direct relationships with customers. Through subscriptions these firms ''can identify what the customer is really doing and not doing, loving and not loving. That you can define his profile . . . The overall vision is . . . be the media group and the content group which gets the best usage of direct customer relationships on a global . . . basis.''

Wireless technology culture

Vivendi is writing a new technological and cultural story at its free cybercafé in Paris. Through its acquisition of Seagram and the latter's Universal Studios, and combining these with the French media concern, Havas, the European pay-television operation Canal+, and the French telecommunications carrier, Cegetel, and its wireless subsidiary, SFR, Vivendi seeks to accelerate the delivery of all sorts of media and information to wireless telephone. It wants to deliver a personal music library to wireless handheld devices.

Marketing strategy

And here's the key issue for Vivendi. Are the assets that the company controls aligned to realize its wireless CRM marketing strategy? Vivendi wants to be the market leader in five fields of content: music, movies, games, education, and sport. In music, it owns the Interscope, Decca, Def Jam, and Motown labels, and through these record labels controls 27% of the US wholesale music market. In movies, its Universal Studios is first in the United States and Canada in 2001 with about US $680 million in revenues from such hits as *The Mummy Returns*. In games, Sony's PlayStation is the world's leader in the game hardware market, but Vivendi is the second-biggest publisher of computer games and software after Electronic Arts. Vivendi's Blizzard game operations is a world leader on the strength of games in its ''Diablo'' series. In education, with the acquisition of Houghton Mifflin, Vivendi is the second-biggest educational publisher, behind Pearson. In sport, through the portal, Vizzavi, which is jointly owned with Vodafone, Vivendi expects to provide information about sport in competition with ESPN, Vahoo, and other portals. As of late 2001, Vizzavi is an ''also ran'' in its competition with the other sources of sport information.

So far almost all of Vivendi's direct customer relationships are with its 10 million European subscribers to Canal+ and the 12 million customers of Cegetel in France. Vizzavi is also accessible to all of Vodafone's European subscribers. Vivendi's lack of international diversification across the North Atlantic could hurt the French firm's desire to deliver technology and content to all customers worldwide. Today, Vivendi is unknown to US media, and this is a big gap in its global marketing strategy.

In summary, Vivendi is selling a global brand that reflects the cultural traditions of France, but that is adapted to fit into other national cultures of Europe as well. The firm's value proposition of price–quality–service is to provide a strong connection to the global, largely European, life-style for *film noir*, and a weaker connection to the global, largely American, life-style for Hollywood movies. Since the former are now filming in the English language so that French movie producers can sell their films in Britain, the United States, and everywhere English is spoken, the possibility exists for both life-styles to be on a par with one another in the quest for more revenue from subscribers of music, movies, games, education, and sport media. In this way, Vivendi Universal sees itself as a truly North Atlantic company of the future.

JAPANESE CASE: SANYO

Sanyo is a Japanese-owned multi-local firm. Its home country values, habits, and life-styles let Japanese subscribers download, for a fee, songs directly into their handsets equipped with headphones. The service is called Keital de Music (or Music by Mobile Phone), and it is run by Japan's second-largest cellular provider, KDDI, with help from Sanyo, Hitachi, Fujitsu, and German chip maker Infineon Technologies. NTT DoCoMo has a competing services called M-stage. Japanese users pay 200 yen (or a little less than US $2.00) for mobile music convenience.

Product marketing

The sound is good, and this combination of the Walkman and the cell phone is easy to use. Even in a 10-year-long recession the Japanese preference for new gadgets that work to enhance their life-styles means more sales for the mobile-music business. After all, the cell phone is an audio machine. It has a headphone, a microphone, and selection buttons. The interface does not have to change to make it a music player. Also the music is crisp and lacks the tinny sound that MP3 players have. Moreover, the new devices have English-language instructions so they can be sold in the United States whenever 3G wireless becomes available in North America.

International diversification

In Europe and the United States, text-based services and ''ring-tone'' music features are just catching on in cell phones. For these markets Sony sells a phone with a removable memory card to store music downloaded from a PC or from a CD player. The music does not arrive wirelessly. Sony wants to get its customers used to cell phones as music players. When Europe goes 3G in 2003 Europeans will be able to download music along with lyrics and an image of the album cover on the screen of handheld phones.

Today, Sanyo, Sharp, and Matsushita Electric Industrial are selling the early music-capable phones, with flash memory cards for storing music and earphones for listening to it. The phones are light. They have color screens and buttons for scrolling through software menus.

In summary, Sanyo is selling a Japanese brand that reflects some combination of the cultural traditions of Japan and what the firm expects to deal with in host countries. The firm's value proposition of price–quality–service is to provide a strong connection to the global, largely Japanese, life-style for gadgets, and to the global, largely American, life-style for music. In this way, Sanyo will get the best of both worlds.

AMERICAN CASE: AT&T BROADBAND

AT&T Broadband is an American-owned domestic firm. It buys and imports content, and sells it to its own subscribers, and to other cable TV companies and their subscribers in the United States. The company must deal with the customers of its customer, or the subscribers to cable TV, Webcasting, and the wireless Web. Some think the number of subscribers is the king in the broadband business, but, in reality, content is the killer application. AT&T Broadband managers must have a talent for accumulating partners and subscribers, and picking the right combination of content to deliver to subscribers.

Target market groups

Except for a very few content providers, such as ESPN for the sports-mad public, most middle- and upper-class subscribers choose to view specific news, entertainment, music, and educational shows rather than make a decision for or against content providers. Hollywood directs American subscribers to California and New York content, and away from the content from other English-speaking countries. The BBC is an exception, but its content caters to high-income and high social status target groups in the United States. Occasionally, Irish, German, Korean, and other foreign content shows up in local TV cable markets and on the Internet; here too these forms of narrowcasting cater to small numbers of people in the United States. AT&T Broadband and its competitors seek the largest number of subscribers for content that caters to the largest possible audience in the United States – for example, target market groups that want American football, basketball, and world-class soccer sports on ESPN, hard rock and rap music on MTV, New York Stock Exchange and Nasdaq stock prices on CNBC, "Sex in the City" or "The Sopranos" on HBO, black-and-white movies on Turner Classics, and many others.

Price marketing

Today, the hurdle rate for good financial performance above the break-even point is 20 million subscribers. Cable TV firms keep raising prices for basic, expanded basic, movie, sports, digital radio, and other services, but not fast enough to drive customers to satellite TV or to the Web. Nevertheless, satellite TV provider DirecTV is fast becoming a strong competitor in several key markets within the United States. Also Web-casting is so feared because of what it could do to the number of cable TV broadband subscribers that ICTV Inc., a Silicon Valley company which is backed by local venture capitalists, provides cable TV operators with a technology that limits cable customers' access to Web content.

Unfortunately, AT&T Broadband struggles with one of the narrowest profit margins in the cable-TV industry – that is, 18% in 2000. Compare this to Cox Communications that keeps its profit margins high, at about 39%. Both transmit telephone calls over cable TV lines, namely cable telephony, but Cox makes twice as much as AT&T from its subscribers. Hence, AT&T Broadband is in play for being acquired by other, better managed cable firms.

In summary, AT&T Broadband wants subscribers and is willing to pay for them with commodity offerings from content providers. Also, it and others use new technology to fence in its customers from using other services. Regretfully, AT&T Broadband, and its broad- and narrowcasting competitors, have failed to learn the lesson offered by NTT DoCoMo's I-Mode. Content drives broadband, narrowcasting, the Internet, and the wireless Web.

Content marketing

Let's list the ways that content on NTT DoCoMo's I-Mode phones drives the wireless Web for Japanese subscribers:

- Teenagers buy cute cartoon figures.
- Housewives check the waves at the Sea of Japan.
- Monks read Haiku poems.
- Salarymen check the latest baseball scores.
- Business executives try their luck at a virtual fishing game.

The package of content on these wireless cell phones is the killer application for DoCoMo. No doubt this content is culturally specific. Marketers in Europe and the United States will have to produce content that is specific to the cultures of the British, French, Germans, Americans, Canadians, etc. So far culturally specific content is lacking from Vivendi's TV and wired telephone programs, and AT&T Broadband's cable TV offerings. Only Sanyo did it right, but only with music, so far.

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Key Concepts and Thinkers

Entries of approximately 1500 words on major related concepts and thinkers.

Global marketing contributes the following to the world economy:

- It offers the crucial commercial ingredient for globalization. Example: McDonald's shows how to be a successful multinational firm in both low-context and high-context cultures, in developed and emerging economies, and within or without free trade areas, customs unions, and common markets.
- It shapes (and is shaped by) the country risk of nation-states and the corporate culture of firms. Examples: Yatas reflects the realities of domestic marketing within Turkey. Ekmassan mirrors the tensions between the home country (Turkey) and host countries (in the Balkans and Central Asia). Ramstore offers export possibilities for Turkish-origin goods in Russia.
- It builds on the traditions, practices, and performance of marketing and other social science disciplines. Examples: Toyota and Honda segment markets; wireless handheld cell phones target specific customer groups; and telematics positions voice recognition wireless devices in cars and trucks. Coke, Ikea, and Warner Brothers shape the global product and technology, and the promotion cultures found throughout the world.
- It expands commercial sales through e-commerce, the Internet, and the Web. Examples: Minitel, Manchester United, Tesco, Seven–Eleven, Costco, and others shape retail sales, logistics, and fulfillment in major markets of Britain, France, Japan, and the United States.
- It delivers a global sales culture to all willing customers. Examples: pharmacy 36.6 in Moscow; Fast Retailing's Japanese casual clothing sold in British shops; Yamaha's programmable ringing-tone chips for I-Mode DoCoMo phones; and Italian insurance underwritten in Ireland and sold in Italy.
- It fosters a global technology culture in flavored potato chips, telecommunications, and biotechnology. Examples: Frito Lay, Nokia, Singapore's Biotech Investment Ventures.
- It sets up the means to compare and contrast global, multinational, multi-local, and export-oriented domestic firms. Examples: Vivendi pushes CRM and marketing strategy; Sanyo supports product marketing and international diversification; and AT&T Broadband

seeks distinctive content that can be priced to raise margins and returns on investment.

All of the following key concepts and thinkers enrich the discussion on global marketing.

A

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Acquisitions. Purchase of existing plant and equipment.

Adaptation. Differentiation. Change one or more of the 4Ps (product, price, promotion, or place) from country to country.

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AES. Automated export system. File export information over the Internet.

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Arm's-length price. Two independent firms do a deal.

ASEAN. Free trade agreement among the countries of South East Asia and Indo-China: Thailand, Malaysia, Singapore, The Philippines. Indonesia, Brunei, Myanmar (Burma), Vietnam, Cambodia, Laos.

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Bartlett, Christopher A. and Ghosal Sumantra. *Managing Across Borders: The Transnational Solution.*

Bauer, Peter T. *West Africa Trade.*

BEMs. Big emerging markets. Chinese Commonwealth of mainland China, Hong Kong, and Taiwan; India; South Korea; Mexico; Brazil; Argentina; South Africa; Poland; Turkey; ASEAN countries.

Blattberg, R.C. and Glazer, R.C. *The Marketing Information Revolution*.

Buckley, P.J. *Cooperative Forms of Transnational Corporation Activity.*

C

Cabotage rules. Right of a trucker to be able to carry goods in an assigned territory.

Caribbean Basin Initiative (CBI). Free trade agreement between the countries of the Caribbean and Central America, and the United States, Jamaica, Dominican Republic, Barbados, Guatemala, Honduras, Nicaragua, Costa Rica, and others.

Cavusgil, S. Tamer. *Advances in International Marketing.*

Chen, Min. *Asian Management Systems: Chinese, Japanese and Korean Styles of Business*.

COCOM. The Co-ordinating Committee for Multilateral Controls.

Code law. Little interpretation of written law by courts. Napoleonic civil and commercial codes.

Comity. Unofficial agreements among nations to exchange information, persons, and assets.

Common law. Interpretation of written law by courts. Anglo-American law.

Content marketing. Content is the killer application.

Contract manufacturing. Firm contracts with other firms to make parts or entire product.

Contractor, F.J. and Lorange, P. *Cooperative Strategies in International Business.*

Copyright. Protects original works. The Berne Convention.

Corporate culture. Attitudes, habits, and practices of managers within firms.

Countertrade. Barter.

Country of origin. Name of country in which goods are manufactured.

Country risk. Political, economic, cultural, business, and financial risks.

Cronin, Mary J. *Global Advantage on the Internet. From Corporate Connectivity to International Competitiveness*.

CRM. Customer relationship management.

Czinkota, Michael R. and Kotabe Masaaki. *Japanese Distribution Strategy*.

D

Davidson, William H. *Experience Effects in International Investment and Technology Transfer*.

Developed economies. Industrialized countries with high levels of disposable personal income.

Diffusion. Country effect and time effect on the adoption of new products.

Distribution. Benefits from advertising translate into increased demand.

Domestic marketing. Sale of locally manufactured goods within same country.

Doremus, Paul N., Keller, William W., Pauly, Louis W., and Reich, Simon. *The Myth of the Global Corporation*.

Douglas, Susan P. *International Marketing Research*.

Duina, Francesco G. *Harmonizing Europe: Nation-States within the Common Market*.

Dunning, John. *Economic Analysis and the Multinational Enterprise*.

E

e-commerce. Electronic business between firms and with customers.

Economic development. Stages of economic growth of countries.

EMC. Export management companies. Enter and service markets for other firms.

Emerging countries. Partially industrialized countries with lower levels of disposable personal income.

Enghold, Christopher. *Doing Business in Asia's Booming "China Triangle."*

Entry decisions. First-mover advantage.

ETC. Export trading companies. Export, countertrade, import, and invest overseas on their own account or for other firms.

Ethnocentrism. Preference for one's home country.

European Union (EU). Customs union of 15 European countries: France, Germany, Italy, the Netherlands, Belgium, Luxembourg, Britain, Ireland, Denmark, Greece, Spain, Portugal, Austria, Sweden, Finland.

Export marketing. Sale of locally manufactured goods overseas.

Export – import bank. Provides credit for exporters.

Exports. The sale of goods outside the home country.

Expropriation. Government takeover of company assets with compensation at less than fair value.

F

Fast food culture. Quick dining in restaurants or in cars.

Fayerweather, John. *International Business Management: Conceptual Framework*.

Fisher, R. and Ury, W. *Getting to Yes: Negotiation Agreement Without Giving In*.

Foreign Corrupt Practices Act. US anti-bribery law.

Foreign direct investment. Direct investment overseas.

4Ps. Product, price, promotion, place.

Franchising. Service firms contract for use of assets by other firms.

Free trade. No tariff barriers and few non-tariff barriers in the exchange of goods across national frontiers.

Freight forwarders. Agents who facilitate transportation, but do not take title.

FTZ. Free trade zone. Tariff-free zone within a country.

G

G7. Group of seven industrial nations: United States, Japan, Germany, Britain, France, Italy, Canada.

G8. Group of seven industrial nations plus Russia.

Garten, Jeffrey E. *The Big Ten*.

GDP. Gross domestic product.

Gerlach, Michael L. *Alliance Capitalism: The Social Organization of Japanese Business*.
Gen-X. 30–39 years old.
Gen-Y. 20–29 years old.
Global brands. Names of products recognized by many people in the world.
Global firms. No emotional tie to home country.
Global marketing. Buy and sell transactions across national frontiers.
Global place policy. Sell products in locations accessible to customers.
Global price policy. Sell products at higher margins.
Global product policy. Create products for world markets.
Global promotion policy. Create print and TV advertising for world markets.
Global slowdown. Two quarters of reduced economic growth in terms of GDP.
Global sourcing. Firms provide standardized parts and products to final manufacturers of goods in markets.
Global technology policy. Create new ideas and new products for world markets.
Globalization. From the 1980s to the present in which products and services and customers are more similar today than they were 40 years ago.
Gray market. Parallel imports of different prices. Goods are the same.
Greenfield investments. Completely new investments in plant and equipment.
Guile, Bruce R. and Brooks, Harvey. *Technology and Global Industry: Companies and Nations in the World Economy*.

H

High-context culture. Verbal assurances are preferred during contract negotiations.
High-debt poor countries. Non-industrialized countries with low levels of disposable personal income.
Hofstede, Geert. *Cultures and Organizations: Software of the Mind*.
Home country. Country in which the parent firm is based.
Host country. Country in which the parent firm is allowed to do business under local laws.

I

Imports. Purchase of foreign goods for sale in the home country.

Intellectual property. Patents, trademarks, copyrights.

International diversification. Sell products and investing in overseas markets.

International law. The law of nations based on customs, treaties, court decisions.

International marketing. Sale of locally manufactured goods and investments overseas.

Internet marketing culture. Banner ads, Web business, and fulfillment.

Intra-firm trade. Exports or imports across national frontiers, but within one firm.

ISO 9000. Technical standards for quality assurance and quality management.

ISO 14000. Market-driven standards for environmental control and protection.

ITA. International Trade Administration.

J

Jacquemin, Alexis and Pench, Lucio R. *Europe Competing in the Global Economy*.

Johansson, Johny and Nonaka Ikujiro. *Relentless, The Japanese Way of Marketing*.

Joint ventures. 50–50 equity partnership, or non-equity co-operative alliance.

Journals. *Administrative Science Quarterly. Akron Business and Economic Review. American Economic Review. Applied Marketing and Social Research. Business Horizons. California Management Review. Columbia Journal of World Business. Decision Sciences. European Journal of Marketing. European Management Journal. Harvard Business Review. Human Resource Management. International Journal of Advertising. International Journal of Bank Marketing. International Journal of Research in Marketing. International Journal of Retail and Distribution Management. International Marketing Review. Journal of Business Research. Journal of Business Strategy. Journal of Canadian Studies. Journal of*

Commerce. Journal of Consumer Research. Journal of Economics & Management Strategy. Journal of European Business. Journal of International Consumer Marketing. Journal of Global Marketing. Journal of International Business Studies. Journal of International Marketing. Journal of Law, Economics, and Organization. Journal of Marketing. Journal of Marketing Communications. Journal of Market Research Society. Long Range Planning. Management Review. Management Accounting. Marketing and Research Today. Marketing News. Marketing Science. McKinsey Quarterly. Multinational Business Review. Sloan Management Review. Strategic Management Journal.

K

Kaynak, Erdener. *Marketing in the Third World. The Global Business: Four Key Marketing Strategies*.

Kennedy, G. *Negotiate Anywhere!*

Kotabe, Masaaki. *Global Sourcing Strategy: R&D, Manufacturing and Marketing Interfaces*.

Kotabe, Masaaki and Wheiler, Kent W. *Anticompetitive Practices in Japan: Their Impact on the Performance of Foreign Firms*.

Kotler, Philip. *Marketing Management*.

Kotler, Philip, Jatusripitak, Somkid and Maesincee, Suvit. *The Marketing of Nations: A Strategic Approach*.

L

Lamont, Douglas. *Conquering the Wireless World: The Age of M-Commerce. Global Marketing. Salmon Day: The End of the Beginning for Global Business. Winning Worldwide: Strategies for Dominating Global Business*.

Language. Verbal and silent languages.

Learning theory. Teach customers how to use products.

Licensing. Contract transaction to provide assets to other firms.

Low-context culture. Written contracts are required.

Lowell, Bryan. *Race for the World: Strategies to Build a Great Global Firm*.

M

Magazines. *Advertising Age. Advertising Age International. American Demographics. Business America. Business Tokyo. Business Week. Computerworld. The Economist. Far Eastern Economic Review. Forbes. Fortune. Industrial Marketing Digest. Telecommunications. World Trade*.

Mansfield, Edward D. *Power, Trade, and War*.

Maquiladora. Free trade zone on Mexican side of US–Mexico border.

Market institutions. Wholesalers, retailers, transportation agents, middlemen.

Market segments. National populations that are divided into demographic groups based on income, education, marital status, and life-styles.

Merchandise assortments. Products arrayed in aisles in retail stores.

Mercosur. Free trade agreement for southern South American countries: Brazil, Argentina, Paraguay, Uruguay.

MFN. Most favored nation.

Minitel. French online video text information system.

de Mooij, Marieke. *Advertising Worldwide*. *Marketing and Advertising: Understanding Cultural Paradoxes.*

Moran, Theodore H. *International Political Risk Assessment: The State of the Art, Landegger Papers in International Business and Public Policy*.

Multi-local firms. Committed to and reflect home country.

Multinational firms. Emotional connection to home country.

N

NAFTA. Free trade agreement for the three North American countries: Canada, United States, Mexico.

Nationalization. Government takeover of assets to turn firm into a government-run industry.

Nation-states. Politically independent countries.

New economy. E-commerce and m-commerce business.

New marketing concept. Use learning theory to train customers to use products.

Newspapers. *China Daily Business Weekly. Financial Times. The New York Times. International Herald Tribune. The Asian Wall Street Journal. The Wall Street Journal.*

NPD. New product development. Feedback, product churning, modular approach.

NTBs. Non-tariff barriers: product standards, packaging, labeling and marking, product testing, product specifications, quotas, voluntary export restraint, exchange control, prior import deposits, credit restrictions, profit remittance restrictions, market reserve policy, performance requirements.

NVOCC. Non-vessel ocean-going common carriers.

O

Ohmae, Kenichi. *The Borderless World. The End of the Nation State: The Rise of Regional Economies. Triad Power*.

Old economy. Traditional channels of distribution and retail sales.

Outsourcing. Use outsiders to manufacture parts.

P

Patent. First-to-file vs. first-to-invent (only the United States and The Philippines).

Phase out. Company gradually turning over assets to local firms.

Porter, Michael. *The Competitive Advantage of Nations. Competition in Global Industries*.

Positioning. Match products produced with the needs of target market groups.

PPP. Purchasing power parity. Money in local currency to maintain a standard of living.

Prahalad, C.K. and Doz, Yves L. *The Multinational Mission*.

Prestowitz, Clyde V. *Trading Places: How We are Giving Our Future to Japan and How to Reclaim It*.

Product adaptation. Goods are not the same from one country to the next.

Product standardization. Goods are similar across national frontiers.

R

Reich, Robert. *The Next American Frontier*.
Rein, Rijkens, *European Advertising Strategies*.
Ricks, David A. *Blunders in International Business*.
Robinson, Richard D. *Direct Foreign Investment: Costs and Benefits*.
Root, Franklin R. *Entry Strategies for International Markets*.
Rostow, W.W. *The Stages of Economic Growth*.
RSP. Routine social practices.
Rugman, Alan M. *New Theories of the Multinational Enterprise*.
Rugman, Alan M., Kirton, John and Soloway, Julie. *Environmental Regulations and Corporate Strategy: A NAFTA Perspective*.

S

Schmitt, Bernd and Simonson, Alex. *Marketing Aesthetics: The Strategic Management of Brands, Identity, and Image*.
Segmentation. Divide populations into groups of like-minded customers.
Selling concept. Personal selling and relationship marketing.
Social community. Living arrangements of people.
Sogoshosha. General trading company.
Sood, Sanjay. *Brand Equity and the Marketing Mix: Creating Customer Value*.
Soros, George. *The Costs of Global Capitalism*.
Southern Africa Development Group. Free trade agreement among countries in southern Africa: South Africa, Namibia, Botswana, and others.
SRC. Self-reference criteria. Social values, life-styles, cultural traditions.
Standardization. One or more of the 4Ps (product, price, promotion, or place) remain the same from country to country.
Starr, Martin K. *Global Competitiveness*.
Stopford, John M. and Wells, Louis T. Jr. *Managing the Multinational Enterprise: Organization of the Firm and Ownership of the Subsidiary*.
STP. Segmentation, targeting, positioning.
Strategic alliances. Partnerships, non-equity, and equity joint ventures.

T

Targeting. Divide market segments into groups of like-minded paying customers.

Target market groups. Divide national market segments into customer groups, such as teenagers, open to and ready to buy products.

Tariffs. Tax on exports. *Ad valorem* duties, excise taxes, government procurement, documentation, license, inspection.

Telematics. Voice recognition wireless equipment in cars and trucks.

Terpstra, Vern and David, Kenneth. *The Cultural Environment of International Business*.

Third Life Directive. EU ruling to sell life insurance in all 15 countries.

Trademarks. Protects brand names. Paris Convention.

Transaction-cost analysis. Make-or-buy decisions. Internal organization or external agents do work.

TRIPs. Trade-related aspects of intellectual property.

V

Value chain. Accumulation of value and increasing margin through the primary activities of sourcing, logistics, manufacturing, marketing, and service.

Venture capital. High-risk capital for new technology and new products.

Vernon, Ray. *Sovereignty at Bay*.

W

Weiss, Linda. *The Myth of the Powerless State*.

Wi Fi. 802.11b wireless standard with 30-foot (9m) radiance.

Wood, Donald F. *International Logistics*.

Y

Yi, Xu Bai. *Marketing to China: One Billion New Customers*.

Yip, George S. *Total Global Strategy*.

Yoshino, Michael A. and Rangan, U. Srinivasa. *Strategic Alliances: An Entrepreneurial Approach to Globalization*.

This list shows the richness of global marketing.

Resources

» Easy reference to everything covered in the book.
» Suggestions for further reading.
» Useful Websites.

Here is a library of important sources for implementing a global marketing strategy:

» Seminal articles give details about important themes.
» Thoughtful books shape the big picture.
» Useful Websites help practitioners and researchers find the latest information.

At the end are recent articles. They have not yet been judged as seminal by practitioners and researchers, but they help shape how marketers carry out their global marketing strategy in today's world economy.

SEMINAL ARTICLES

In the Asia–Pacific region, aesthetic expressions are driven by complexity and decoration (multiple shapes and colors), harmony, and nature displays (mountains and trees). Bernd Schmitt and Yigang Pan, ''Managing corporate and brand identities in the Asia-Pacific region,'' *California Management Review*, **38** (Summer 1994): 32–48.

Balance standardization and adaptation of products because overstandardization stifles experimentation and overcustomization minimizes real differences of foreign brands. Kamran Kashani, ''Beware the pitfalls of global marketing,'' *Harvard Business Review*, September–October (1989).

Changes in global marketing in the twenty-first century. William Lazer and Eric H. Shaw, ''Executive insights: Global marketing management: at the dawn of the new millennium,'' *Journal of International Marketing*, **8**, 1 (2000): 65–77.

Chinese culture values relationships (known as *guanxi*) and therefore relies more heavily on trust and verbal contracts than does US culture. Steve Lovett, Lee C. Simmons, and Raja Kali, ''Guanxi versus the market: ethics and efficiency,'' *Journal of International Business Studies*, **30** (Second Quarter 1999): 231–48.

A common practice to minimize country-of-origin effects is to select a brand name that disguises the country of origin, for example Italian-sounding names (Giordano) by local apparel retailers in Hong

Kong. Franc Leclerc, Bernd H. Schmitt, and Laurette Dubé, ''Foreign branding and its effects on product perceptions and attitudes,'' *Journal of Marketing Research*, **31** (May 1994): 263–70.

Consumption processes, such as access, buying behavior, consumption characteristics, and disposal, exist in all nation-states and are heavily influenced by local culture. P.S. Raju, ''Consumer behavior in global markets: the A-B-C-D paradigm and its application to Eastern Europe and the Third World,'' *Journal of Consumer Marketing*, **12**, 5 (1995): 37–56.

Cultural blunders are costly for multinational firms, such as lost customers, missed opportunities, tarnished reputation, damage control, and legal consequences. Tevik Dalgic and Ruud Heijblom, ''International blunders revisited – some lessons for managers,'' *Journal of International Marketing,* **4**, 1 (1996): 81–91.

Six stages in the evolution of marketing across national frontiers: domestic marketing, export marketing, international marketing, multidomestic (a.k.a. multi-local) marketing, multinational marketing, and global marketing. Susan P. Douglas and C. Samuel Craig, ''Evolution of global marketing strategy: scale, scope and synergy,'' *Columbia Journal of World Business,* **24** (Fall 1989): 47–59.

Global marketing strategy exists within a framework of cross-subsidization of markets, identification of weak market segments, and the lead market concept. Gary Hamel and C.K. Prahalad, ''Do you really have a global strategy?'' *Harvard Business Review,* July–August (1985): 139–48.

Honda broke away from the existing paradigms about motorcycles and successfully differentiated itself by covering niches that did not exist before. Richard P. Rumelt, ''The many faces of Honda,'' *California Management Review,* **38** (Summer 1996): 112–17.

Internalization or transaction-cost theory explains the make-or-buy decisions of firms. Oliver E. Williamson, ''The economics of organization: the transaction cost approach,'' *American Journal of Sociology,* **87** (1981): 548–77.

The international product life cycle spells out the rationale for intra-industry competition and how it evolves over time. Raymond Vernon, ''International investment and international trade in the product cycle,'' *Quarterly Journal of Economics,* **80** (May 1966): 190–207.

Late movers from developing countries can compete against first movers from developed countries. Christopher A. Bartlett and Sumantra Ghosal, ''Going global: lessons from late movers,'' *Harvard Business Review,* March–April (2000): 132–41.

Market research in the area of new product development is less ''scientific'' in Japan because of the indifference of respondents, absence of responsibility, conservative attitudes, vanity, and insufficient information. Michael R. Czinkota and Masaaki Kotabe, ''Product development the Japanese way,'' *Journal of Business Strategy*, **11** (November–December 1990): 31–6.

Market segmentation is the logical outgrowth of the marketing concept. Yoram Wind and Susan P. Douglas, ''International market segmentation,'' *European Journal of Marketing,* **61,**1 (1972): 17–25.

Marketers are cultural mediators between consumers and the global, largely American, life-style of the world economy. Lisa Penaloza and Mary Gilly, ''Marketer acculturation: the changer and the changed,'' *Journal of Marketing*, **63**, 3 (July 1999): 84–104.

Methods for grouping consumers in terms of their buying power. Chip Walker, ''The global middle class,'' *American Demographics*, September (1995): 40–6.

Modify products to succeed in foreign markets. S. Tamer Cavusgil and Shaoming Zou, ''Marketing strategy-performance relationship: an investigation of the empirical link in export market ventures,'' *Journal of Marketing*, **58** (January 1994): 1–21.

The most ardent proponent of globalization argues that global marketing reduces cost inefficiencies, offers opportunities for the transfer of products, brands, and other ideas across subsidiaries, pushes the emergence of global customers, and improves linkages among national marketing infrastructures. Theodore Levitt, ''The globalization of markets,'' *Harvard Business Review,* **61** (May–June 1983): 92–102.

Multiple tariff and non-tariff barriers exist in international trade. Sak Onkvist and John J. Shaw, ''Marketing barriers in international trade,'' *Business Horizons*, **31** (May–June 1988): 66.

Research indicates a faster rate of adoption of new products in high-context cultures than in low-context cultures. Hirokazu Takada and Dipak Jain, ''Cross-national analysis of diffusion of consumer durable goods in Pacific Rim countries,'' *Journal of Marketing*, **55** (April 1991): 48–54.

Today, approximately 16% of the total value of US exports and imports of services is across national frontiers on an intra-firm basis. Masaaki Kotabe, Janet Y. Murray, and Rajshekhar G. Javalgi, ''Global sourcing of services and market performance: an empirical investigation,'' *Journal of International Marketing,* **6**, 4 (1998): 10–21.

The world's largest export countries are the United States ($700 billion), Germany ($560 billion), Japan ($390 billion), France ($320 billion), and Britain ($260 billion), and collectively account for 42% of global trade. ''A Survey of World Trade,'' *The Economist*, October 3, 1998: 1–38.

THOUGHTFUL BOOKS

Consumer needs are equally important as a determinant of industry location as are natural and human resources. Michael E. Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990).

The fact of being global adds to the image of the brand. David A. Aaker, *Building Strong Brands* (New York: Free Press, 1996).

Income-based schema lists five stages of economic development. W.W. Rostow, *The Stages of Economic Growth* (London: Cambridge University Press, 1960).

International marketing strategies applied to the wireless cell phone market. Douglas Lamont, *Conquering the Wireless World* (Oxford: Capstone, 2001).

The international penetration of US and other companies is referred to as global reach. Richard J. Barnet and R. E. Muller, *Global Reach: The Power of the Multinational Corporations* (New York: Simon and Schuster, 1974).

Key textbook on global marketing. Douglas Lamont, *Global Marketing* (Cambridge, MA: Blackwell, 1996).

Most important textbook on marketing management. Philip Kotler, *Marketing Management*, Millennium edn. (Upper Saddle River, NJ: Prentice Hall, 2000).

Ten crucial strategies for dominating global markets. Douglas Lamont, *Winning Worldwide*, 2nd edn. (Oxford: Capstone, 1997).

Threat to the sovereignty of nation-states may not assume the proportions alluded to by some authors, such as Raymond Vernon, *Sovereignty At Bay* (New York: Basic Books, 1971).

USEFUL WEBSITES

Circle International of Canada provides all logistical services. http://www.circleintl.com/index.htm.

Design a version of your car. http://mitglied,tripod.de/-smartinfo/new2.htm.

Export subsidies. http://wblnoo18.world-bank.org/Research/workpapers.nsf/WPInternationalEconomics/OpenView&count-=500000&Topic=International+Economics.

Foreign direct investment flows overall reached $400 billion, and to developing countries $149 billion or 37% of the total, in 1997. *World Investment Report 1998* (Geneva: UCTAD, 1999). http://www/un.org/publications.

Global marketing stories. http://interactive.wsj.com.

Internet world and cultural and human aspects of global marketing. Frank Cutitta, GINLIST@LIST.MSU.EDU

Lecture notes on international marketing for students. http://www.depaul.ed/~dlamont. Download IBA 550 and MKT 360.

Links arranged by region or individual nation-states. Called virtual international business and economic sources (VIBES). http://libweb.uncc.edu/ref-bus/vibehome.htm.

Local assembly of computers in Latin America. http://latinnews@mailer.latpro.com.

Marketing virtual library. http://www/knowthis.com.

Marriage of export incentives and income tax. http://papers.nbr.org/papers/W8009.

Portal offers connections to international business professionals worldwide. http://globaledge.msu.edu.

Total world trade volume in goods and services. http://www.wto.org/wto/intltrad/internat.htm.

US customs data. http://www.customs.ustreas.gov/impoexpo/auto_exp.htm.

Web must speak language of users. http://www.internetindicators.com/global.html.

RECENT PUBLICATIONS

Back-office jobs that benefit Africa. Thomas L. Friedman, ''It takes a satellite,'' *The New York Times*, May 8, 2001, p. A31.

Europe still plans to move from 2G to 2.5GPRS to 3G in wireless telephony by 2003. Yet there will be many slips ''between cup and lip.'' ''Understanding 3G: the mobile evolution,'' http://www.ft.com/understanding3g.

If the United States goes into recession, will other G7 nations follow? Probably yes. ''A global game of dominoes,'' *The Economist*, August 25, 2001, pp. 22–4.

Indian entrepreneur who owns foreign steel mills in several parts of the world bought a giant aging steel mill in Kazakhstan and put it into his Ispat family of companies. Douglas Frantz, ''Steel company buys a mill, gets a Kazakh town,'' *The New York Times*, August 1, 2001, p. A4.

Regional trade agreements improve the position of nation-states *vis-à-vis* markets and firms. Big states get bigger by joining the EU and NAFTA. Robert Gilpin, *Global Political Economy* (Princeton, NJ: Princeton University Press, 2001).

Russia has some highly skilled scientists who do well in selected markets. Guy Chazan, ''Now available from Russia: software programming,'' *The Wall Street Journal*, August 6, 2001, pp. B1, B4.

Some new products from the new economy will not make it because their new technology (for example, scrolling rather than flipping pages back and forth) lacks cultural acceptance among target market groups. David D. Kirkpatrick, ''Forecasts of an e-book era were, it seems, premature,'' *The New York Times*, August 26, 2001, pp. A1, C2.

Two-fifths of the exports from South East Asia are in IT to the United States; therefore, Singapore, Malaysia, Thailand, and Taiwan will go deeper into recession during 2001 and 2002. John Thornhill and John Burton, ''Asia falling,'' *Financial Times*, August 10, 2001, p. 12.

Read these materials to get a more complete picture of global marketing.

Ten Steps to Making it Work

» Distilled wisdom of case studies.
» Practical advice on how to make global marketing work, and how to have realistic expectations of what you can anticipate from global marketing.

Global marketing puts it all together for marketers. Their short-term success depends on new products and services, improved packaging and labeling, great brand names, the right price, ads that catch attention, and a team effort in sales and marketing. Their long-term success depends on accumulating customers, markets, revenues, profits, and free cash. Here are the 10 steps toward global marketing success:

» Dominate the home market first.
» Create a brand image.
» Build up customer loyalty.
» Deliver innovation in new product design.
» Fine tune information about the needs of the market.
» Build an international corporate culture.
» Recognize differences in national cultures.
» Take countermeasures against the ''No Logo'' campaigns.
» Select executives with international experience.
» Build sales, margins, and returns on invested capital.

1. MCDONALD'S DOMINATES ITS HOME MARKET

Firms should dominate their home markets first, grow the business at home and abroad, and promote the right assortment of merchandise in all national and local cultures. For instance, after the United States, McDonald's took its franchising business to Canada, Mexico, Europe, Japan, and elsewhere overseas. In the United States, Canada, and Singapore it offers breakfast, lunch and dinner while in Russia it offers only lunch and dinner. McDonald's in North America offers apple pie for dessert while in South East Asia it offers pineapple pie for dessert. Today, McDonald's has more stores overseas than it has in the United States. When Europe stopped eating hamburgers because of mad cow disease and hoof-and-mouth disease, McDonald's profits dropped by 20% worldwide.

2. CEMEX CREATES A BRAND IMAGE

Firms should create a brand image, offer exceptional value, and prepare customers for positive changes in quality–price–service. For example, the Mexican firm Cemex had to create an image of success and take this value proposition to Europe, East Asia, South America, Egypt, and even the United States with its purchase of Southdown, the country's second-largest cement manufacturer, for about US $2.8 billion. To do this correctly, Cemex sent its post-merger integration teams to analyze new acquisitions, cut costs, harmonize technical systems, and make management processes similar between Mexico and its subsidiaries overseas. The Cemex brand offers worldwide customers speedy, on-time delivery of cement.

3. LEVER BUILDS UP LOYALTY

Firms should build up loyalty, find gaps in market segments, target market groups and niches, and try out different marketing campaigns. For example, as a subsidiary of a very large multinational firm, Unilever, Hindustan Lever dominates the soap business in India with over 60% market share. Western-style soap commercials and cents-off coupons aren't the promotional ticket in Mumbai (Bombay). Instead, Lever sticks 4g gold coins (worth US $30 apiece) into an undisclosed number of randomly selected bars of Lux soap, advertises the event on TV, and lets word of mouth take care of the rest. Sales in Calcutta rose by 9% in 2000 as residents soaped themselves into a frenzy in the Ganges River looking for the gold coins. Also, the firm sponsors a 50-hour dance marathon to promote its Axe deodorant, a fashion show to sell its Lakme line of cosmetics, and MTV sports events to launch its Sunsilk shampoo. Using a branded product, such as Lux, Axe, and Lakme, means an Indian has moved up in life. Hence, Indians have an intense loyalty to Lever's products.

4. NOKIA DELIVERS INNOVATION

Firms should deliver innovation, turbocharge product design, offer affordable prices, and educate customers about new products. For instance, the Finnish firm Nokia put its wireless handsets in the hand of Finnish school children aged between 9 and 12. Also, more than one in three of the mobile phones sold in the world are made by Nokia. Moreover, it symbolizes Finland's prowess in the mobile Internet. Finally, Nokia's hopes for the future rest on the coming of 3G for both WAP and W-CDMA, which has been pushed back in Europe until

2003. By that time, the roll-out of Wi Fi or 802.11b might just make 3G unnecessary and too expensive.

5. SONY'S ELECTRONICS DIVISION FINE TUNES INFORMATION

Firms should fine tune information about the needs of the market to create and deliver value, make investments in host country markets, and promote global brand names. Sony's electronics division, for example, generated double-digit sales growth in 2000 from Wega flat-screen TVs, digital cameras, and sleek Vaio laptop computers, the fourth-largest-selling laptop in the United States. Sony anticipates what consumers want before they realize what they want (such as the Walkman), brings to market disruptive technologies (such as multi-image driver picture enhancement), and creates even better products with incremental improvements (such as digital reality TV). Today, Sony is the US market leader in digital still cameras, TVs, projection TVs, and DVDs.

6. RENAULT AND NISSAN BUILD A CORPORATE CULTURE

Firms should build an international corporate culture, carry out country risk analyses, prepare marketing campaigns, and support free trade. In 1999, for example, French-owned Renault took a 37% share in Japan's money-losing Nissan. Renault sent Carlos Ghosn to turn Nissan around. This he did by setting a clear strategy, creating ''cross-functional'' teams to break down barriers between departments, and making Nissan's brand image exciting once again. Ghosn's international corporate culture is to manage the contradiction between synergy and identity for the Renault–Nissan global group with Renault the European core and Nissan the pole for Asia and America. This is the one case in the automotive industry in which a strategic alliance is not sub-optimal but competes favorably with an acquisition, takeover, and foreign direct investment.

7. CITIBANK RECOGNIZES DIFFERENCES IN NATIONAL CULTURES

Firms should recognize differences in national and local cultures, their impact on decisions about standardization and customization, the unifying pull of e-commerce, the Internet, and the Web, and put them all together in a comprehensive sales and marketing campaign. Sandy Weill, the boy from Brooklyn and the chairman of Citigroup, put it this way: ''China is a fantastic market for us.'' China has offered Citibank the strong tug of profit and history, once between 1902 and 1949 (as the National City Bank of New York), and again since 1984, in Shanghai on the city's Bund. In 2002 China will open up the corporate market and in 2005 it will open up the retail market to Citibank and others under WTO rules that no longer protect state-owned banks from drowning under the rising tide of bad loans owed by state-owned enterprises. Citibank has a 10-year plan to cope with the ups and downs faced by China's financial services sector as China's retail customers put US $550 billion into better products from Citibank. Someday, if the marketing campaign goes well, checks issued in Shanghai will be honored in Beijing. Also the validity of the checks will not expire within 10 days of their issuance which is the customary procedure in China today.

8. BIMBO TAKES COUNTERMEASURES AGAINST ''NO LOGOS''

Firms should take countermeasures against ''No Logo'' campaigns from those who want to repeal two eras of globalization, 50 years of promoting global brands, decades of work strengthening global marketing, and the elevation of international firms to important sources of employment, jobs, goods, and prosperity. Just when Grupo Bimbo, Mexico's largest baking company and the third largest in the world, with sales in almost every South American country, and with new investments in Texas and California, is ready to compete on the world stage, along come the anti-Bimbo campaigners. Why? Bimbo is a derivative of Bambi, or the docile deer as a popular American cultural icon, turned predator in the takeover of family-owned bakeries in the United States, such as Mrs. Baird's in Texas and 4S in California. Those protesting against the Bimbo brand name need not worry too much because health-conscious, upper-class American consumers no longer want white bread, but Latino consumers, about 20 million in the United States, do want Bimbo's white bread on their breakfast tables.

9. FIRMS SELECT EXECUTIVES WITH INTERNATIONAL EXPERIENCE

Firms should select executives with international experience, a flair for foreign languages, and the ability to deal with many different cultures. Such executives are as follows: Hank Greenburg (McDonald's), Lorenzo Zambrano (Cemex), M.S. (Vindi) Banga (Hindustan Lever), Jorma Ollila (Nokia), Fujio Nishida (Sony in the United States), Carlos Ghosn (Nissan), Sandy Weill (Citigroup), and Daniel Servitje (Bimbo).

10. FIRMS BUILD SALES

Firms should build sales through partnerships, strategic alliances, joint ventures, and ''greenfield'' investments. Examples are as follows: Ramstore, Toyota, Honda, Coca-Cola, Ikea, Warner Brothers, Manchester United, Tesco, Seven–Eleven, Costco, Biotech Ventures Investment, pharmacy 36.6, Fast Retailing, Sanpaolo Life, Yamaha, Frito Lay, Vivendi, Sanyo, and AT&T Broadband. See Chapters 1–7 in this book.

Keep reading about the key marketing concepts from the most eminent thinkers on global marketing and add to the resources available for marketing plans and projects all over the world. Make these 10 steps your ''To Do'' list for the future.

SOURCES

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Frequently Asked Questions (FAQs)

Chapter 1

- What is global marketing? Why is it important?
- What are Big Mac currencies? Is the dollar overvalued?
- What are similar market segments? Similar target groups? Do they cross national frontiers?
- How does free trade in Europe under the European Union differ from free trade in North American under the North American Free Trade Agreement? Do they help sustain global marketing's impact on the world economy?
- How do the poor get richer under globalization? Will they suffer under the global slowdown, or will global marketing come to the rescue?

See the McDonald's case for the answers.

Chapter 2

- What are the four action items for export, international, and global marketing?

- How does an international corporate culture shape foreign sales performance?
- Which elements of country risk analysis are the most important for global marketers?
- How do global marketers find ''hot'' countries?
- Why is inter-regional trade crucial to the success of free trade, customs unions, and common markets?
- How is business conducted in a high-context culture?

See the three Turkish cases and the subsequent frames of reference for answers.

Chapter 3

- How has global marketing evolved from its past as an offshoot of economics, as a dependent child of sociology, to a discipline in its own right?
- What is global product policy? Why is technology important?
- What is new product diffusion? What are the time and country effects of product diffusion?
- What is the meaning of global, yet local promotion and advertising, brand management, and image building?
- Why should global marketers concentrate on the *new* marketing concept as their mantra for implementing learning theory within global marketing?

See the cases for the answers to these questions.

Chapter 4

- What is the e-dimension of global marketing?
- What is the Internet international marketing culture?
- How have product, promotion, and logistics been changed by the Internet?
- Is revolution the answer to change?
- Which firms tried an incremental approach and won their races?

See the cases for answers.

Chapter 5

» How has venture capital transformed global marketing?
» What are the universal concepts that make the global sales and marketing culture unique in today's world economy?
» How can we use retail marketing metrics to measure the success or failure of merchandising and retail chains?
» What must be done to continue growing sales and increasing profits in the face of market saturation, economic recession, and changing demographics?
» Why is a global sales culture still dependent on the validity of the nation-state and the emergence of acceptable supranational organizations?
» Does the EU provide any lessons for NAFTA and other free trade organizations?

See the cases for answers.

Chapter 6

» Why is global marketing important today? Why will global marketing be even more important tomorrow?
» How important are the peaceful protesters? Will the industrialized nations listen to these new voices in the world economy? Will they slow down the movement towards global marketing across the globe? Or will they get what they want and allow global marketing to move from strength to strength?
» Will the second era of globalization (and global marketing) end similar to the first era with an end to economic growth and the destruction of value? Will a collapse occur in the monetary market or in the tradable goods market? Or is global marketing too well entrenched today that the parallel from the past is just a piece of history?
» Will nation-states and multi-local firms find the means to accommodate themselves to the technological and socio-economic changes coming down the road in the twenty-first century? Which countries will rise and which will fall in importance? Which multi-local firms will dominate their market segments across national frontiers?

» Is the future set now for global marketing? Or do we have to wait a bit until the future for global marketing becomes clearer for customers, marketers, and government leaders?

See the key lessons for answers.

Chapter 7

» What are the similarities and differences among global, multinational, and multi-local firms?
» Why are global firms so few in number?
» Will the number of global firms expand?
» Will the number of multinational firms expand?
» Are multi-local firms the wave of the future?
» Why is content the killer application for network broadcasting, cable TV narrowcasting, the Internet, Webcasting, and the wireless Web?

See the cases and key lessons for answers.

Chapter 8

» What are the ten most important concepts in global marketing?
» Who are the most important thinkers in the field of international marketing?
» How do the concepts and thinkers shape the future of global marketing?

See the list for answers.

Chapter 9

» What do seminal articles tell practitioners on how to do a better job in global, international, multi-local, and domestic marketing?
» What new books and articles should practitioners and scholars be reading today?

See the sources listed.

Chapter 10

» Which global marketing steps come first, second, and third?
» Are all global marketing steps equally important?

» Which up-and-coming firms will join the list of multinational and multi-local firms?
» How do marketers know when new marketing practitioners join the ranks of crucial international marketing executives?

See the 10 steps.