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*Kamran Kashani*

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# MANAGING GLOBAL MARKETING

*Cases and Text*

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## PREFACE

This book responds to two growing concerns in American management education: Insufficient student exposure to the challenges of doing business in markets other than one's own, and the need for more managerial relevance in what is taught and learned. Both of these concerns bear directly on the quality of education the students receive.

Although the perceived need for more international content in business curricula is not new, its actual urgency is. As the list of industries in which U.S. companies have lost their global competitiveness grows, so do the voices of critics who put the blame partly on an inward-looking business education concerned more with the familiar domestic market than with the unfamiliar international markets. From high tech to low tech, from tangible goods to intangible services, companies need to learn new skills to operate in an increasingly global marketplace. The critics charge the business schools with not doing enough to develop these skills. There is more than a grain of truth in what these critics say.

Similarly, managerial relevance in business education has come under increased scrutiny in recent years. The issue centers on the balance between the theory and practice of management in business curricula. A number of recent studies have revealed that emphasis on elegant models of management has come at the expense of useful insights in dealing with the often less than elegant reality of the practitioner.<sup>1</sup> The critics maintain that the pendulum in business education has swung too far from a healthy balance between the science and the art of managing. Once again, there is more than an element of truth in such criticism.

*Managing Global Marketing* introduces the student of management to the reality and the challenges of globalized markets and offers a managerially oriented context in which to learn about global marketing. The book's introductory text is meant to acquaint the student with the issues of strategy making and implementation and is written with many recent examples of successes and failures, good and bad practices, in global marketing. The examples, almost all taken from the author's extensive field-based research project, help to illustrate many of the key

1. See, for example, "Leadership for a Changing World," a study conducted by Graduate Management Admission Council and published in 1990.



points in the text in terms that are easy to understand. In addition, the text is complemented with an extensive list of suggested readings for optional in-depth study of issues.

The main body of this book is devoted to a wide selection of management cases as vehicles to develop insights and skills in problem analysis and decision making in global marketing. The cases put the student at the center of the learning process and provide a chance to encounter the complexity and the thrills of global marketing as experienced by real managers in real companies. The case problems take the student around the world to more than twenty different countries, markets, and cultural environments. The case sites range from North America to Europe and the Far East. A distinguishing feature of these cases is their multicountry, truly *global* coverage; no single nation dominates the cases. The student develops a genuinely global perspective by seeing the world not only through the eyes of U.S. companies but also through those of other nationalities. In this respect, European companies and markets get special attention due to the rising economic convergence on the continent and its growing impact on global trade in the 1990s. Many of the cases examine issues that are the direct result of Europe's continuing progress toward a single, borderless market.

All cases are recently researched and written for easy reading. While the cases present comprehensive background data for analysis and decision making, they are not unduly long or complex. An early chapter in the book is devoted to introducing the student to the art and techniques of analyzing cases.

The book is divided into three main parts and an appendix. *Part One* is an introduction to global marketing. It defines the topic, and its cases give an overview of managerial issues in global marketing.

*Part Two* takes the student deeper into a discussion of global marketing strategy, its analysis and decisions. Part Two's introductory chapter and cases deal with the topics of opportunity analysis in global markets, product policy, marketing communication, distribution channels, pricing, and marketing program formulation—all in a multimarket, global setting.

*Part Three* addresses the important and often ignored subject of global strategy implementation. It introduces the student to the different elements of implementation, from "hard" to "soft," from structure to process, and from cross-cultural to individual managerial skills.

Finally, the *Appendix* consists of twenty country facts sheets that give the student a quick, yet informative, look at the economic, social, and political facts and life-styles of each of the international markets covered in the book. The Appendix helps to add to the student's knowledge of world markets and the depth of analysis of case problems.

*Managing Global Marketing* offers instructors of international marketing maximum flexibility in designing a course of high educational value. The teacher can build a curriculum from introductory chapters, cases, and suggested readings to fit any course requirements or preferred areas of emphasis. The selection and sequence of cases may also be adapted to the teacher's own objectives for the

course. Sufficient diversity in the material allows such “customizing.” It is the author’s own experience that the combination of case discussions, background readings, and instructor’s own complementary lectures makes for a rich and stimulating learning experience for students. This book is designed to facilitate such learning.

## ACKNOWLEDGMENTS

A book in global marketing would not be true to its title if it were the product of a single individual from a single part of the world. *Managing Global Marketing* is true to its title. This publication can claim to be a truly global product thanks to a long list of contributors from different parts of the world who have enriched its content by either contributing their cases or otherwise helping with its realization. My first thanks go to those international colleagues, representing seven nationalities, who have generously allowed me to complement my own cases with theirs. I have worked with all of them at one point or another in my career and have come to respect them as dedicated teachers who care immensely about the quality of their students’ learning. The high caliber of their cases is the best testimony to this fact. Given the special nature of their contribution, I have listed them separately under Contributors.

Many others have been instrumental in helping me to develop the ideas for the book and bring them to life. Because this space is too small to name them all, I will mention only those who have had the most impact, even if indirectly. My gratitude goes to my former dean, Derek Able, who kept nudging me toward developing a field of study in international marketing and provided the means to undertake my initial research in the area. Bob Buzzell, my good friend and former mentor, deserves a special mention for offering me intellectual and physical space at Harvard Business School to think and write during my sabbatical leave. With his critical reviews, he helped greatly with my early writings on global marketing. Norman Govoni of Babson College kindly hosted me in his department during part of my stay in Massachusetts. I am grateful to him and his marketing faculty.

Four colleagues at my school, IMD in Lausanne, Switzerland, deserve special words of thanks for their direct contributions to the book. They include three research associates, James Henderson, Bob Howard, and David Hover, in addition to Faith Towel, our editor. The research associates helped to collect the data for my cases and for the country facts sheets. They have done a fine job. Faith was most helpful with reading and suggesting changes for the first drafts of cases and text.

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## CASE ABSTRACTS

### PART ONE **INTRODUCTION:** *Global Markets and Marketing*

#### 1. **Libby's Beverages**

Libby's Swiss-based parent is pressing its U.S. managers to introduce a new fruit drink highly successful in three different countries in Europe. The American managers are not impressed with this "global" product and argue that the U.S. market and consumers are different. Should management follow the parent's advice and test market the product?

#### 2. **Nokia Data**

A small Finnish computer company plans to grow outside of its Nordic home base to become a major player internationally. Unlike its much larger global competitors, the company's growth strategy calls for a multidomestic approach, whereby many decisions are delegated to local managers and marketing takes on a local flavor. Will the multidomestic approach enable the company to outperform its global competition?

### PART TWO **FORMULATING GLOBAL MARKETING STRATEGY** *Opportunity Analysis*

#### 3. **The Skisailer**

A new product combining windsurfing and skiing runs into trouble in its first year of worldwide sales. A group of MBA students studies the problem and collects market data. The product's inventor is left with the task of taking action to save the invention from imminent disaster. What should he do?

#### 4. **Lestra Design**

A major French producer and exporter of down comforters is finding it difficult to enter the Japanese market, the world's largest. Management's many attempts