

Instructor's Manual

Global Marketing

Sixth edition

Svend Hollensen

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PREFACE

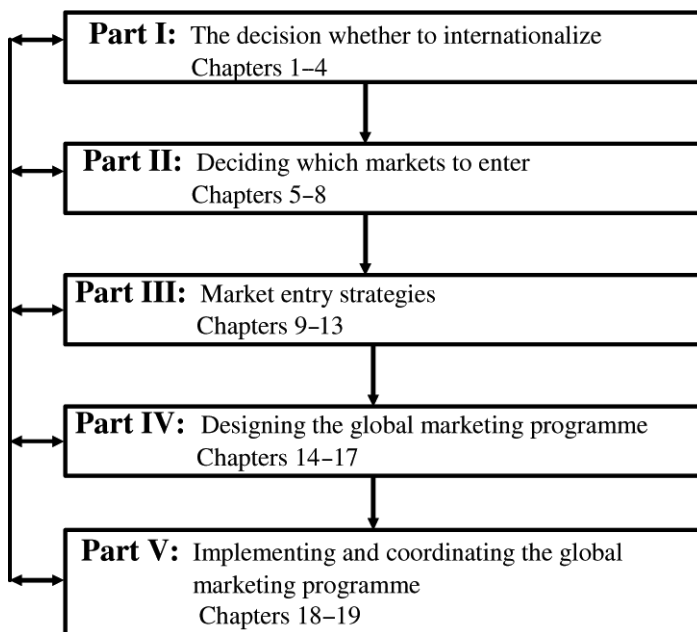
Introductory comments

The textbook *Global Marketing* has been written for instructors teaching courses or executive education programmes in International or Global Marketing.

The book is structured according to five main decision phases that companies face in the global marketing process.

The schematic outline of the book in Figure 1 shows how the different parts fit together.

Figure 1 Structure of the book



This Instructor's Manual (IM) has been especially prepared for adopters of the textbook.

The principal objective of the IM is to help instructors create an exciting, informative and successful classroom experience for their students. The material has been written to allow you the flexibility to design a course tailored to your own objectives, methods and conceptual framework.

This IM helps busy marketing lecturers in their job of teaching the subject. It is not intended to suggest that there is only "one way" of using the textbook, "one way" of analyzing the case studies and discussion questions and "one way" of teaching global marketing. In short, it is intended to supplement your creative skills in teaching marketing. Together with the textbook and the PowerPoint slides (with figures and tables from the textbook) that are provided free of charge if you have adopted the textbook, the IM forms a package of materials designed to facilitate course development and execution.

The IM is divided into five sections:

Section 1: Some teaching guidelines

- Different levels of learning
- Teaching objectives
- Teaching methods
- Case study as teaching/learning method
- Case summaries
- Sample syllabus

Sections 2, 3 and 4: Teaching notes on cases

Teaching notes on the 38 chapter cases (two for each chapter), 20 part cases (four for each part) included in the book and 5 part video case studies. These case notes are not intended to be exhaustive, but are rather starting points for the instructor's own preparation.

Section 5: Brief answers to "Questions for discussion" (end-of-chapter)

Brief guides to answering the "Questions for discussion" at the end of each chapter.

The "Questions for discussion" can be used in a variety of ways. They can be used as essay questions to test students' knowledge and understanding of the subject matter. Some of them may form the focus of a tutorial discussion. Also, you may wish to encourage students to use them as self-administered tests of knowledge and understanding of each chapter as they read the textbook.

I hope that you will find this material helpful, and that it will assist you in developing a course that meets your needs and the objectives of your students.

I look forward to receiving your comments on the textbook itself and also on the Instructor's Manual.

Svend Hollensen

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SECTION 1

Some teaching guidelines

Different levels of learning

Learning concerns change behaviour through a permanent change in knowledge, skills or attitudes. The lecturer in international marketing may have different sets of teaching objectives including the development of:

- **Knowledge:** Understanding the basic material. The lecturer may encourage the understanding of the many, often conflicting, schools of thought and facilitate the gaining of insight into the assumptions, possibilities and limitations of each theory or model.
- **Skills:** A higher level of learning: Learn how to simultaneously perform a number of elements requiring understanding of the entirety rather than the individual component.
- **Attitude:** Ability to:
 - evaluate the usefulness of some specific practice;
 - instill a critical, analytical, flexible and creative mindset.

Hence, a learning situation must encourage students to be critical, challenge them to be analytical, force them to be mentally flexible and demand creativity, and unconventional thinking. In short, students cannot be instructed, but must learn the art of strategy by thinking and acting for themselves. The role of the lecturer is to create the circumstances for this learning. We therefore refer to this type of teaching as facilitative.

Teaching objectives

When translating the teaching objectives, approach and format into a course set-up, the lecturer must consider a large number of “design variables.” In other words, international, global marketing course structures can significantly differ from one another on quite a few dimensions. Some design variables can be determined by the lecturer, while others must be taken as given. Some of the most important ones are:

- *Course scope* – professors/lecturers must decide whether to cover all chapters in the book and whether to skip, or even add, particular articles.
- *Class session sequence* – the order in which topics will be covered must also be determined. Following the chapters in their numerical sequence is a logical choice. So, it is probably ideal for most students to study the text in the order in which it is presented. As a general suggestion, instructors who assign chapters in an order that differs from the text order should consider explaining to students briefly but explicitly the logic for the selected structure. The instructor who sees the “big picture” can have very good reasons for selecting a particular order, but students going through the material for the first time may wonder what the special value of the structure might be.

- *Class session length* – the length of class sessions can vary from 45 minutes to more hours, although this is usually not determined by the lecturer.
- *Class session frequency* – the number of class sessions can vary (typically 10–20 sessions two hours each) but is usually also difficult to influence.
- *Class session density* – class sessions can be clustered into a compact module of 2–5 days (intensive courses for management) or can be spread, so that teaching takes place intermittently – 1–3 times a week – over a longer period of time (typically a semester).
- *Class session preparation* – some lecturers request students to perform activities prior to a class session, for instance to prepare readings, a case and/or an assignment. Other lecturers integrate these activities into the class sessions.
- *Class session structure* – each class session can be a mix of activities ranging from listening and discussions to “role playing” and assignments. All of these activities can be plenary, in small groups or individual. Each can involve different levels of student–lecturer interaction.
- *Course cases* – lecturers also need to determine which specific end of part cases will be used.
- *Course assignments* – besides class session related work, lecturers can also assign other duties, such as the writing of a seminar, desk research on the Internet or field research. These assignments can be carried out in groups or individually.
- *Course examination* – it must also be determined how the students’ progress will be evaluated. Exams can be written or oral, open or closed book, individual or group work and can vary in number, length, weight, and level.

Teaching methods

There are many different teaching methods in use. The most popular are: lecturing, case studies, internet exercises, research projects, and class discussions. Other more specialized approaches, such as “role playing,” are also used. The principal factor on which they differ is the extent to which they allow involvement by the participant. In selecting a teaching method you must attempt to connect the method with the objectives of the course. The selected teaching method must also respect the background (educational, social, and cultural) of the students.

Lecturing, where theories and models are presented, is suitable for large audiences where participation is not possible because of the numbers.

My suggestion for a course design based on the textbook (sample syllabus) is primarily based on a combination of lectures (theory) and case studies. In this connection, there are four types of teaching from which lecturers can choose:

- *Theory only* – a classical university course is one that revolves around the theory, whereby no use is made of cases. It is used if case teaching is too difficult – for example, if one professor must teach a group of more than 100 students.

- *Theory first, then case* – many lecturers prefer to supplement a discussion of the theory with a case analysis. Commonly, they will spend a class session or the beginning of a class session with a presentation and/or class discussion based on the theory. After this initial exploration, the lecturer will turn to the case as an exercise for gaining a deeper understanding. This teaching format is usually employed if professors prefer to have a well-structured, theory-driven case discussion. The key questions are how the theories can be applied and what their limitations are?
- *Case first, then theory* – the opposite teaching format is to start with a practical strategic management issue, in the form of a case or otherwise. The class discussion will then focus on understanding the strategic issue and seeking a course of action. Only after the students have finished the case and have developed a “feel” for the issue does the lecturer place it in a broader theoretical context. In other words, the theoretical discussion is grounded in the class’s practical case analysis. This teaching format is usually employed if lecturers prefer an exploratory, theory-seeking case discussion. The key questions are what can be learnt from this specific situation and can these lessons be generalized and transferred to other situations?
- *Theory and case simultaneously* – finally, some lecturers try to combine the theory-driven and case-driven teaching formats by intertwining the two. They will often start with a short theoretical introduction to the topic and then launch into the case. The case discussion will often require a short theoretical intermezzo for clarification and conclusion, after which the case discussion is resumed. At the end of the case discussion, the theoretical insights are consolidated by means of a final overview. This teaching format is usually employed if lecturers place much emphasis on students’ ability to move skillfully from general principle to practical situations and vice versa.

As stated earlier, there is no best way to teach “marketing management” – no teaching format that is best under all circumstances. The most appropriate format will depend on such variables as the number of students, their level and abilities, the skills of the lecturer and the time available. The most important thing is to make a choice that fits with the circumstances and to follow this choice through, in a consistent manner.

Case study as a teaching/learning method

A case study is normally a description of a situation, which may be factually based or fictional, that the student has to analyze in order to make recommendations and answer some specific questions. The cases in the textbook can vary from a very short and simple case to lengthy and complex ones.

The reasons for including case study material in this text are twofold. I hope that it will help develop analytic “Global Marketing” skills and decision-making and action-learning skills among students while illustrating how marketing models can be applied to “real life” situations. The students also learn to create and defend recommendations for marketing action.

Participants may, however, get the wrong impression of the “real life” situation. They may fail to realize that decisions taken in the classroom are different from those that have to be made in a live situation where the circumstances and the information available are different. What does matter, however, is that students know what they would do if faced with similar circumstances.

Case studies emphasize diagnostic skills and develop confidence in understanding the problems to be solved.

The following case summaries contain weblinks to nearly all the case companies in the book. With these links, the students may be able to go into details about the international marketing function (and other important functions) in a case company. Some of the case companies also provide links to their industry organizations, where students might gain further knowledge about the industry in which the company operates.

The actual organization in the case study part of the course is based on personal experience. I certainly do not intend to suggest a “best” method. From my experience, based on talks with colleagues, four methods of using case studies appear to be common:

1. Students prepare an individual written analysis, which is evaluated by the teacher.
2. Small groups discuss the case situation (with or without set questions).
3. A group of students presents a case analysis and a recommended course of action to the class, and its merits are debated.
4. The tutor leads the discussion from the beginning of the teaching session, perhaps starting by asking one student to give his/her views on a key issue of the case. If the students know beforehand that this will happen, it may give an added spur for them to prepare the case adequately.

I would like to emphasize that these are not the only approaches to organizing a case study session, nor are they necessarily the best; each person should experiment to find out which method works for them in which situation.

It is always a good idea to let a group update the information in the case, by going to the website of the company. In this way, the tutor and the rest of the class can get a clear picture of what happened in the case company, after its case was written.

Students' learning objectives of case studies

- Awareness of/acquaintance with...?
- Knowledge of...? To what depth and breadth?
- Ability to identify and bring together relevant data?
- Judgement skills in the face of inadequate data?
- Ability to analyze that data?
- Competence in the use of specific methods or techniques of analysis?
- Perception and ability to draw inferences?
- Creativity in formulating recommendations for actions?

- Recognition of the problems that might arise in implementing the recommendations?
- Presentation and communication skills?

Seen from the tutor's (lecturer's) perspective, there are the following possible case discussion strategies:

The tasks of the tutor	Possible case discussion strategies
Ask questions	Tutors need to develop their questioning skills so that the session is marked by a high level of student participation Goes into depth (why?) Other aspects (what else?) Limitations (what if?) On facts, values, concepts Committing/non-committing Open ended/narrow Easing/frustrating
Make comments	Subject-oriented/process-oriented
Use chalk-board	Tutor (yes/no) Students (yes/no) Everything/selectively Random/ordered Pre-prepared
Use other teaching aids	Before/during/after (what happened?) Invite managers of case-companies as guest lecturers
Use other techniques	Role-playing, voting
Add resources	Case data, knowledge, concepts New company/industry data from the Internet
Conclude	Yes/No to the main questions Summarizes/Synthesizes

Procedure for case analysis (for students)

The following framework can be used for case analysis.

Step 1: Read the case thoroughly with a view to understanding the key international marketing issue illustrated by the case.

- Discriminate between information which is relevant and that which is superfluous and/or ambiguous.
- Select and apply relevant theoretical marketing models.

Step 2: Define clearly and concisely the basic problems in the case (some of the questions in this textbook's cases are already formulated, but these questions are only guiding and do not necessarily cover all basic problems). Identify main issues, for example, increased international competition, changes in underlying consumer tastes. Do not be confused with "symptoms" – for example, declining market share, lower profitability. Identify the key decision to be made, for example, how to expand internationally, how to position the product, how to increase international competitiveness, etc.

Step 3: Use the information and facts provided in the case to analyze the situation:

- The market, demand (buyer) competition, etc.
- Company strengths and weaknesses, external opportunities, and threats (SWOT-analysis).

Step 4: Based on the analysis in Step 3, identify possible alternative strategy solutions to cope with the problem defined in Step 2. State the assumptions, which are made in order for the strategies to work. Evaluate the pros and cons of each alternative. This should form the main focus of your attention.

Step 5: Recommend a course of action selecting the alternative proposed in Step 3. Which would you consider most appropriate to solve the problem identified in Step 2 taking into consideration the analysis made in Step 3? Include some specifics regarding how the recommendations may be implemented by the marketing team.

Step 6: Edit your recommendations based on the latest web information that you can access by going to the company's website.

If the case study is made as a written report: write clear, well-structured and convincing reports.

Case summaries

Description of Chapter cases and Part cases in “Global Marketing”:

Table 1		Chapter case studies: overview (the video case studies can be viewed at www.pearsoned.co.uk/hollensen)			
Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
Chapter 1 Global marketing in the firm	Case study 1.1 Green Toys, Inc. A manufacturer of eco-friendly toys is going international www.greentoys.com	US	US, World	✓	✓
	Case study 1.2 Hunter Boot Ltd The iconic British brand is moving into exclusive fashion www.hunter-boot.com	UK	World		✓
	Video case study 1.3 Nivea (8.56) www.nivea.com	Germany	World		✓
Chapter 2 Initiation of internationalization	Case study 2.1 LifeStraw Vestergaard-Frandsen transforms dirty water into clean drinking water www.vestergaard-frandsen.com	Switzerland	World (developing countries)	✓	✓
	Case study 2.2 Elvis Presley Enterprises Inc. (EPE) Internationalization of a cult icon www.elvis.com	US	World		✓
	Video case study 2.3 TOMS Shoes www.tomsshoes.com	US	World (developing countries)		✓
Chapter 3 Internationalization theories	Case study 3.1 Zumba A dance phenomenon is going global www.zumba.com	US	World	✓	✓
	Case study 3.2 DreamWorks Classics Internationalization of Postman Pat www.classicmedia.tv	UK	World		✓
	Video case study 3.3 Reebok (9.09) www.reebok.com and www.adidas-group.com	US	World	✓	✓
Chapter 4 Development of the firm's international competitiveness	Case study 4.1 Nintendo Wii Nintendo's Wii took first place in the world market – but it didn't last www.nintendo.com	Japan	World	✓	✓
	Case study 4.2 Microsoft 'Surface' tablet The software producer is moving into the hardware tablet PC market and challenging Apple www.microsoft.com/surface	US	World	✓	✓
	Video case study 4.3 Nike (14.03) www.nike.com	US	World		✓

Table 1		Continued			
Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
Chapter 5 Global marketing research	Case study 5.1 Teepack Spezialmaschinen GmbH Organizing a global survey of customer satisfaction www.teepack.com	Germany	World	✓	
	Case study 5.2 LEGO Friends The world's third largest toy manufacturer is moving into the girl's domain www.lego.com	Denmark	World		✓
	Video case study 5.3 Ziba www.ziba.com	US	US, World	✓	✓
Chapter 6 The political and economic environment	Case study 6.1 G-20 and the economic and financial crises: what on earth is globalization about? Massive protests during a meeting in Mexico City, June 2012 www.g20.org www.londonsummit.gov.uk	US	World	✓	✓
	Case study 6.2 Sauer-Danfoss Which political/economic factors would affect a manufacturer of hydraulic components? www.sauer-danfoss.com	Denmark, US, Germany	World	✓	
	Video case study 6.3 Debate on globalization (15.44) No website available	US	US	✓	✓
Chapter 7 The sociocultural environment	Case study 7.1 Cirque du Soleil Inc. The show that revolutionized the circus arts is expanding its global scope www.cirquedusoleil.com	Canada	World		✓
	Case study 7.2 IKEA catalogue Are there any cultural differences? www.ikea.com	Sweden, Holland	World		✓
	Video case study 7.3 Communicating in the global world No website available			✓	✓
Chapter 8 The international market selection process	Case study 8.1 Tata Nano International market selection with the world's cheapest car	India	World (emerging countries)	✓	✓
	Case study 8.2 Philips Lighting Screening markets in the Middle East www.philips.com	Holland	World		✓

Table 1		Continued			
Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
	Video case study 8.3 Hasbro (9.42) www.hasbro.com	US	World		✓
Chapter 9 Some approaches to the choice of entry mode	Case study 9.1 Jarlsberg The king of Norwegian cheeses is deciding on entry modes into new markets www.jarlsberg.com	Norway	World	✓	✓
	Case study 9.2 Ansell condoms Is acquisition the right way to gain market shares in the European condom market? www.anselleurope.com www.lifestylesplay.com	Australia, Belgium	Europe, World		✓
	Video case study 9.3 Understanding entry modes into the Chinese market (16.33) No website available	World	China	✓	
Chapter 10 Export modes	Case study 10.1 Lysholm Linie Aquavit International marketing of the Norwegian Aquavit brand www.linie-aquavit.com	Norway	Germany, the rest of the world	✓	✓
	Case study 10.2 Parle Products An Indian biscuit manufacturer is seeking agents and cooperation partners in new export markets www.parleproducts.com	India	World	✓	✓
	Video case study 10.3 Honest Tea (8.25) www.honesttea.com	US	World, US		✓
Chapter 11 Intermediate entry modes	Case study 11.1 Hello Kitty Can the cartoon cat survive the buzz across the world? www.sanrio.com	Japan	World	✓	✓
	Case study 11.2 Ka-Boo-Ki Licensing in the LEGO brand www.kabooki.com	Denmark	World	✓	✓
	Video case study 11.3 Marriott (9.36) www.marriott.com	US	World	✓	✓
Chapter 12 Hierarchical modes	Case study 12.1 Polo Ralph Lauren Polo moves distribution for South-east Asia in-house www.ralphlauren.com	US	World, Asia	✓	✓

Table 1		Continued			
Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
	Case study 12.2 Durex condoms SSL will sell Durex condoms in the Japanese market through its own organization www.durex.com	UK	World	✓	✓
	Video case study 12.3 Starbucks (13.04) www.starbucks.com	US	World	✓	✓
Chapter 13 International sourcing decisions and the role of the subsupplier	Case study 13.1 ARM Challenging Intel in the world market of computer chips www.arm.com	UK	World	✓	
	Case study 13.2 Bosch Indego How to build B2B and B2C relationships in a new global product market – robotic lawnmowers www.bosch.com	Germany	World	✓	✓
	Video case study 13.3 Eaton Corporation (9.52) www.eaton.com	US	World	✓	
Chapter 14 Product decisions	Case study 14.1 Danish Klassic Launch of a cream cheese in Saudi Arabia www.arla.com (regarding the Puck brand)	Denmark	Saudi Arabia Middle East	✓	✓
	Case study 14.2 Zippo Manufacturing Company Has product diversification beyond the lighter gone too far? www.zippo.com	US	World	✓	✓
	Video case study 14.3 Swiss Army (9.07) www.swissarmy.com	Switzerland	US, World		✓
Chapter 15 Pricing decisions and terms of doing business	Case study 15.1 Harley-Davidson Does the image justify the price level? www.harley-davidson.com	US	US, Europe		✓
	Case study 15.2 Gillette Co. Is price standardization possible for razor blades? www.gillette.com	US	World	✓	✓
	Video case study 15.3 Vaseline pricing strategy www.vaseline.com	US	US, World		✓
Chapter 16 Distribution decisions	Case study 16.1 De Beers Forward integration into the diamond industry value chain www.debeers.com	South Africa, UK, Luxembourg	Europe, World	✓	✓

Table 1		Continued			
Chapter	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
	Case study 16.2 Tupperware The global direct distribution model is still working www.tupperware.com	US	World	✓	✓
	Video case study 16.3 DHL www.dhl.com	Germany	World	✓	
Chapter 17 Communication decisions	Case study 17.1 Helly Hansen Sponsoring fashion clothes in the US market www.hellyhansen.com	Norway	US	✓	✓
	Case study 17.2 Morgan Motor Company Can the British retro sports car brand still be successful after 100 years? www.morgan-motor.co.uk	UK	World (Europe and US)	✓	✓
	Video case study 17.3 BMW Motorcycles (12.04) www.bmwmotorcycles.com www.bmw.com	Germany	US, World	✓	✓
Chapter 18 Cross-cultural sales negotiations	Case study 18.1 ZamZam Cola Marketing of a 'Muslim' cola from Iran to the European market	Iran	Europe, Middle East	✓	✓
	Case study 18.2 TOTO The Japanese toilet manufacturer seeks export opportunities for its high-tech brands in the US www.toto.jp/en/				
	Video case study 18.3 Dunkin' Donuts (10.30) www.DunkinDonuts.com www.dunkinbrands.com				
Chapter 19 Organization and control of the global marketing programme	Case study 19.1 Mars Inc. Merger of the European food, pet care and confectionery divisions www.mars.com	US	World	✓	✓
	Case study 19.2 Henkel Should Henkel shift to a more customer-centric organization? www.henkel.com	Germany	World	✓	✓
	Video case study 19.3 McDonald's (36.55) www.mcdonalds.com	US	World	✓	

Table 2		Part case studies: overview			
Part	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
Part I The decision whether to internationalize	Part video case study Cisco Systems www.cisco.com	USA	World	✓	
	Case study I.1 Zara The Spanish retailer goes to the top of world fashion www.inditex.com/en	Spain	World	✓	✓
	Case study I.2 Manchester United Still trying to establish a global brand www.manutd.com	UK	World, US	✓	✓
	Case study I.3 Adidas The No. 2 in the global sportswear market is challenging the No. 1, Nike www.adidas.com	Germany	World	✓	✓
	Case study I.4 Cereal Partners Worldwide (CPW) The No. 2 world player is challenging the No. 1, Kellogg www.cerealpartners.com	Switzerland, US	World	✓	
Part II Deciding which markets to enter	Part video case study Embraer Business Jets www.embraer.com	Brazil	World	✓	
	Case study II.1 Bajaj Auto The Indian motorcycle manufacturer internationalizes its business www.bajajauto.com	India	Emerging countries	✓	✓
	Case study II.2 The female Health Company (FHC) The female condom is seeking a foothold in the world market for contraceptive products www.femalehealth.com	US	World (governmental organizations)	✓	✓
	Case study II.3 Gerolsteiner A German bottled water manufacturer is trying to increase its global market share www.gerolsteiner.com	Tyskland	Europe	✓	✓
	Case study II.4 Porsche International market selection (IMS) for the exclusive sports car brand www.porsche.com	US (Denmark)	World	✓	✓
Part III Market entry strategies	Part video case study Müller Yogurts www.muellergroup.com; www.mullerquaker.com	Germany	USA	✓	✓
	Case study III.1 Raleigh bicycles Does the iconic bicycle brand still have a chance on the world market? www.raleigh.co.uk	UK	World	✓	✓
	Case study III.2 IKEA Expanding through franchising to the South American market? www.ikea.com	Sweden, Holland	South America (Brazil)		✓

Table 2		Continued			
Part	Case study title, subtitle and related websites	Country/area of company headquarters	Geographical target area	Target market	
				B2B	B2C
	Case study III.3 Autoliv airbags Transforming Autoliv into a global company www.autoliv.com	Sweden, US	World	✓	
	Case study III.4 IMAX Corporation Globalization of the film business www.imax.com	Canada	World	✓	✓
Part IV Designing the global marketing programme	Part video case study Tequila Avion www.tequilaavion.com	USA	World	✓	
	Case study IV.1 Absolut Vodka Defending and attacking for a better position in the global vodka market www.absolut.com www.pernod.net	France, Sweden	World, Eastern Europe		✓
	Case study IV.2 Guinness How can the iconic Irish beer brand compensate for declining sales in the home market? www.diageo.com www.guinness.com	UK, Ireland	World	✓	✓
	Case study IV.3 Dyson Vacuum Cleaner Shifting from domestic to international marketing with the famous bagless vacuum cleaner www.dyson.co.uk www.dysonairblade.co.uk	UK	US, the rest of the world	✓	✓
	Case study IV.4 Triumph Motorcycles Ltd Rising from the ashes in the international motorcycle business www.triumph.co.uk	UK	World		✓
Part V Implementing and coordinating the global marketing programme	Part video case study Stella & Dot www.stelladot.com	USA	World	✓	✓
	Case study V.1 Sony Music Entertainment New worldwide organizational structure and the marketing, planning and budgeting of Pink's new album www.sonymusic.com	US, Japan	World	✓	✓
	Case study V.2 Red Bull The global market leader in energy drinks is considering further market expansion www.redbull.com	Austria	World	✓	✓
	Case study V.3 Tetra Pak How to create B2B relationships with the food industry on a global level www.tetrapak.com	Holland	World	✓	
	Case study V.4 Polaroid Eyewear Can the iconic brand achieve a comeback in the global sunglasses industry? www.polaroideyewear.com	Switzerland, Italy	World		✓

Possible schedule for a course in International Marketing

(It is possible to download the video cases at www.pearsoned.co.uk/hollensen)

Week (date)	Session topics (Two or three class hours per week session)	Text : S. Hollensen, <i>Global Marketing</i> Class case: Chapter cases in “Global Marketing” to be discussed in class. The tutor leads the discussion. Video case: Show the video in class – afterwards discuss the questions in class. The tutor leads the discussion. Group case: End-of-Part Case study no. in “Global Marketing.” A group (typically 2 persons) makes a 20 minute presentation in class with subsequent discussions in class. The group is more than welcome to update the case through the given weblinks.
1	Introduction <ul style="list-style-type: none"> • Structure of the book • The different meanings of “global marketing” – Globalization • The meaning of the value chain in international marketing 	Text: Preface, especially the section: p. xx: Outline and Chapter 1 Video cases: B2B – Part I video case study: Cisco Systems, B2C – Chapter 1 video case: Nivea (Case 1.3)
2	<ul style="list-style-type: none"> • Motives for firms going international • Triggers of export initiation • Export barriers • Three theories explaining firms’ internationalization process <ul style="list-style-type: none"> • Uppsala model • Transaction cost theory • The network model • “Born Globals” 	Text: Chapter 2 and 3 Class case: Hunter Boot Ltd (Case 1.2) and Elvis Presley Enterprises (Case 2.2) Group case: Zara (Case 1.1) – Group no. 1
3	<ul style="list-style-type: none"> • International competitiveness <ul style="list-style-type: none"> • National competitiveness (the Porter diamond) • Competition in an industry (Porter’s five forces) • Value chain analysis (the competitive triangle, competitive benchmarking) 	Text: Chapter 4 Class case: Nintendo Wii (Case 4.1) Group case: Manchester United (Case 1.2) – Group no. 2

4	<ul style="list-style-type: none"> • Global Marketing Research <ul style="list-style-type: none"> • Relevant data types for assessment of market potential in a country • Secondary research • Primary research 	<p>Text: Chapter 5</p> <p>Class case: Teepack Spezialmaschinen GmbH (Case 5.1)</p> <p>Video case: Ziba (Case 5.3)</p> <p>Group case: Adidas (Case I.3) – Group no. 3</p>
5	<ul style="list-style-type: none"> • Political, economic and socio-cultural environment <ul style="list-style-type: none"> • Political risk analysis • Trade barriers • Major trading blocks • High- and low-context cultures • National cultures (Hofstede) 	<p>Text: Chapter 6 and 7</p> <p>Class case: Sauer-Danfoss (Case 6.2)</p> <p>Video case: Debate on globalization (Case 6.3)</p> <p>Group case: Cereal Partners Worldwide (Case I.4) – Group no. 4</p>
6	<ul style="list-style-type: none"> • International market selection <ul style="list-style-type: none"> • Screening of potential markets • Market expansion strategies • The global product/market portfolio 	<p>Text: Chapter 8</p> <p>Class case: Tata Nano (Case 8.1)</p> <p>Part II video case study: Embraer Business jets.</p> <p>Group case: Bajaj Auto (Case II.1) – Group no. 5</p>
7	<ul style="list-style-type: none"> • Classification of market entry modes • Different approaches to the choice of entry mode • Export modes <ul style="list-style-type: none"> • Indirect exporting • Direct exporting 	<p>Text: Chapter 9 and 10</p> <p>Class case: Jøllsberg (Case 9.1)</p> <p>Video case: Understanding Entry modes in the Chinese market (Case 9.3)</p> <p>Group case: Porsche (Case II.4) – Group no. 6</p>
8	<ul style="list-style-type: none"> • Intermediate entry modes <ul style="list-style-type: none"> • Contract manufacturing • Licensing • Franchising • Joint ventures/strategic alliances • Joint venture formation 	<p>Text: Chapter 11</p> <p>Class case: Ka-Boo-Ki (Case 11.1)</p> <p>Video case: Marriott (Case 11.3)</p> <p>Group case: Raleigh bicycles (Case III.1) – Group no. 7</p>
9	<ul style="list-style-type: none"> • Hierarchical modes <ul style="list-style-type: none"> • Domestic-based sales representatives • Foreign sales subsidiary • Sales and production subsidiary • Region centres • Transnational organization 	<p>Text: Chapter 12 and 13</p> <p>Class case: Polo Ralph Lauren (Case 12.1)</p> <p>Part III video case study: Müller Yogurts</p> <p>Group case: Autoliv airbags (Case III.3) – Group no. 8</p>

	<ul style="list-style-type: none"> • Acquisition or green field <ul style="list-style-type: none"> • Foreign divestment • International Outsourcing • Subcontractor internationalization • Turnkey contracts 	
10	<ul style="list-style-type: none"> • Product decisions <ul style="list-style-type: none"> • Standardization or adaptation of products • International service strategies • PLC and IPLC • Product communication alternatives • Branding alternatives • Environmental strategies • ISO 9000 	<p>Text: Chapter 14</p> <p>Class case: Danish Klassic (Case 14.1) and Zippo Manufacturing Company (Case 14.2)</p> <p>Video case: Swiss Army (Case 14.3)</p> <p>Group case: Absolut Vodka (Case IV.1) – Group no. 9</p>
11	<ul style="list-style-type: none"> • Pricing decisions and terms of doing business <ul style="list-style-type: none"> • Factors influencing international pricing • Price escalation • Experience-curve pricing • Transfer pricing • Price quotations • Terms of payment • Export credit and financing 	<p>Text: Chapter 15</p> <p>Class case: Harley-Davidson (Case 15.1)</p> <p>Video case: Vaseline pricing strategy (Case 15.3)</p> <p>Group case: Guinness (Case IV.2) – Group no. 10</p>
12	<ul style="list-style-type: none"> • Distribution decision <ul style="list-style-type: none"> • Structure of the channel (intensive, selective and exclusive) • Managing and controlling distribution channels • Managing logistics • Most common export documents • Transportation • Internationalization of retailing • Grey markets 	<p>Text: Chapter 16</p> <p>Class case: De Beers LV (Case 16.1), Nokia (Case 16.2)</p> <p>Part IV Video case study: Tequila Avion</p> <p>Group case: Dyson Vacuum Cleaner (Case IV.3) – Group no. 11</p>
13	<ul style="list-style-type: none"> • Communication decisions <ul style="list-style-type: none"> • The communication process • Communication tools <p>Advertising</p> <p>Public relations</p>	<p>Text: Chapter 17</p> <p>Class case: Helly Hansen (Case 17.1), Morgan Motor Company (Case 17.2)</p> <p>Video case: BMW Motorcycles (Case 17.3)</p>

	<p>Sales promotion Direct marketing Personal selling Viral marketing Use of Social Media</p> <ul style="list-style-type: none"> • Standardization versus adaptation strategies (examples) 	<p>Group case (Case IV.4: Triumph Motorcycles Ltd.): – Group no. 12</p>
14	<ul style="list-style-type: none"> • International sales negotiations <ul style="list-style-type: none"> • Cross-cultural negotiations (implications of Hofstede's work) • Intercultural preparation • International business ethics • Transnational bribery • Sales negotiations in China 	<p>Text: Chapter 18 Class case: ZamZam Cola (Case 18.1) and TOTO (Case 18.2) Part V Video case study: Stella and Dot Group case: Sony Music Entertainment (Case V.1) – Group no. 13</p>
15	<ul style="list-style-type: none"> • Organization and control of the global marketing programmes <ul style="list-style-type: none"> • Different organization structures for different international activities • Global Account Management • Controlling the global marketing programme. Design of a control system. Annual plan. 	<p>Text: Chapter 19 Class case: Henkel (Case 19.2) Video case: McDonald's (Case 19.3) Group case: Red Bull (Case V.2) – Group no. 14</p>

If more than 15 sessions are available, Chapter 13 (“International sourcing decisions and the role of the sub-supplier”) could be taken out as separate sessions.

SECTION 2

Teaching notes for chapter cases

PART I

The decision whether to internationalize

Global marketing in the firm

Case 1.1: Green Toys, Inc.: a manufacturer of eco-friendly toys is going international

www.greentoys.com

Questions

1. What are the key success factors in the world toy industry?

The main key success factors include:

- fulfilling the children's desires for entertainment;
- fulfilling the parents' desires for developing the children's educational status;
- durability (lifetime) of the products;
- ability of innovating new products that could be of value for the customers;
- good reputation among customers;
- developing long-lasting relationships.

Special for Green Toys:

- Consumers have preference of buying recycled plastics
- Following new trends of toys for boys.

2. What are Green Toys' key competitive advantages in the international toy market?

The use of recycled milk jugs provided a unique marketing angle. Von Goeben and Hyman recognized that they could educate both children and adults about "closing the loop" and make visible the tangible life cycle benefits of recycling.

Green Toys Inc. avoids additives that can leach out of plastic and harm the users of its products and also avoids painted coatings that may contain toxic chemicals. Thus, Green Toys Inc. products are safe in use.

3. Should Green Toys Inc. consider a higher degree of international expansion of their products?

As 90% of the sales are generated in the US-market, it is relevant to generate further growth abroad.

Green Toys Inc. has created a model of local production, but there is nothing wrong with international expansion of the concept. It requires that they find local sourcing of the recycled plastic. The potential global market for eco-friendly toys is huge, so therefore it makes sense to expand internationally.

4. If yes, which countries/regions should they target and how?

The screening criteria for selecting the most attractive markets (countries) could be:

- GDP (total);
- GDP per cap. (important as the products are a little more expensive than traditionally produced toys);
- percentage of average spending (in average for a family) used for toys per country;
- number of children in the end-user group (e.g., age two to eight years) per country;
- number of decision-makers (primarily females, age 25–40, with kids in the end-user group) per country;
- awareness of eco-friendly toys per country.

Possible target markets based on these criteria include Germany and China.

Case 1.2: Hunter Boot Ltd: the iconic British brand is moving into exclusive fashion

www.hunter-boot.com

Questions

1. **What are the main reasons for the recent international marketing success of the Hunter Boots?**
 - Ability of moving the “wellies” into the fashion world.
 - Collaboration with top designers, such as Jimmy Choo.
 - Their effective marketing campaigns, using celebrity endorsement to make their boots appear to be the must have item.
 - Ability of identifying celebrities wearing Hunter Boots at festivals rock concerts and other events.
2. **Recently Hunter has added outerwear (leather footwear and hand-bags) to their international product range. What are the pros and cons of extending the product range in this way? Should Hunter Boots Ltd include further products like eyewear and watches?**

Difference between “Brand extensions” and “Line Extensions” (see also figure below):

Brand extension is a marketing strategy according to which, a well-known brand uses the same brand name to enter into a totally unrelated product category. It is done primarily to leverage on the existing brand equity. Some marketers argue that since building a brand is costly affair, once you have built a brand you should leverage its value by using the same brand name to other new categories as well. For example, **Virgin**, which was initially a record label, entered into other line of business like aviation, game stores, video stores, telecom, etc.

Line extension is a marketing strategy according to which the scope of the product a brand represents is increased, i.e., when you are adding varieties or variations or flavours of the same branded product, you are basically doing line extension. Like brand extension, line extension is also done to leverage on the brand equity by targeting a bigger chunk of the user base. When **Coke** introduced Diet Coke to target the diet conscious people, they did line extension.

Although there are some benefits to both line and brand extension, marketers today believe that both strategies dilute the brand positioning widening their focus. Experts like Jack Trout and Al Ries have argued against both the strategies saying that in an age when brands are becoming more and more niche and specific it is not a very good idea to dilute the brand by trying to be “something to everyone, instead of being everything to someone.”

A company introduces a *line extension* (also referred to as product line extension) by using an established product's brand name (Hunter) to launch new or slightly different products which may or may not be in the same product category.

As their boots are not only used by practical users they are also seen and worn as a fashion item, this then has given them the option to make “*Brand line extension*” into other luxury fashion clothing products (such as hand-bags) or practical walking items of clothing (such as leather footwear).

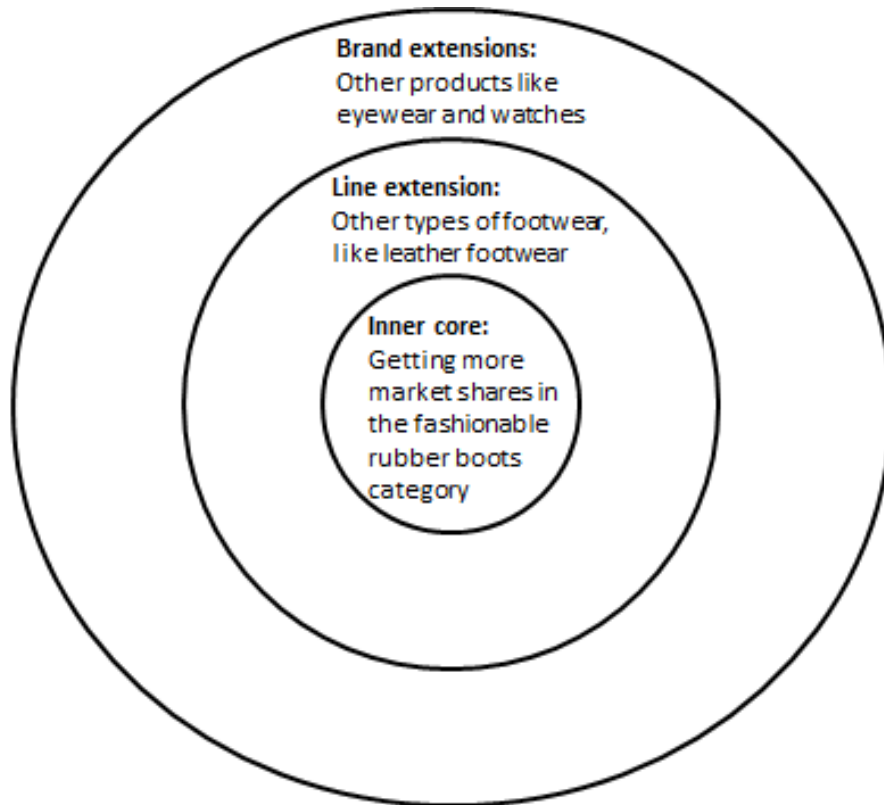
Pros:

- In case of product diversification a strong brand name like “Hunter” can help in leveraging the new products belong to that brand.
- Reducing the financial risk associated with new product development by leveraging the parent brand name (Hunter) to enhance consumers' perception as a result of its core brand equity.
- It can help Hunter in spreading their customer base.
- It also helps in enhancing the product portfolio of Hunter by introducing complimentary products in the market.
- It may expand the Hunter shelf space presence at the retailers.

Cons:

- If the new line extension fails, consumers' attitudes towards the core brand name (Hunter) and the core products (wellies) may be damaged.
- Hunter should make sure that the people at managerial level are well versed in the process to be followed in launching new products under the Hunter brand. The lack of market knowledge about the new brand line extensions could turn against Hunter.

In general, there is a potential for intra-firm competition between the parent product (Hunter) and the line extension or between two or more line extensions. The key to avoiding intra-firm competition is to clearly differentiate between products. Although similar, the products must be different enough that they will not compete with one another as much as they will with the brands of rival companies.



Source: Author's own creation

This issue will not be a danger when Hunter would launch line extensions like eyewear and watches. What may be a concern here is actually the opposite: that products like eyewear and watches are too far away the original product, wellies (see Figure above). It may be too expensive for Hunter to capture market shares in markets for eyewear and watches. Instead they should concentrate on getting more markets shares in already done line extensions, like other types of footwear.

Video case study 1.3: Nivea

Nivea (www.nivea.com) is a brand owned by Beiersdorf AG (www.beiersdorf.com), which majority shareholder is Tchibo (owns 30 per cent of the Beiersdorf shares).

2012 key figures:

Net sales:	€6,040 billion
IBIT:	€700 million
Number of employees:	App. 17,000

In 1911, Nivea launched its first line of body care products, capitalizing on an innovation that created a new type of skin crème. Today the mass-market cosmetics and toiletries brand, Nivea, is Beiersdorf's largest brand in terms of sales, product and geographical reach. It represents over 70 per cent of the company's Consumer division sales. It is present across all cosmetics and toiletries, except oral hygiene, through its different lines: Nivea Visage, Nivea Beauté, Nivea

Hair Care, Nivea Creme, Nivea Soft, Nivea Body, Nivea Sun, Nivea For Men, Nivea Hand, Nivea Deodorant, Nivea Vital, Nivea Bath Care, Nivea Lip Care, Nivea Baby, and Nivea Intimate Care.

Nivea developed from a €545 million brand in 1990 to one with sales of €2.7 billion in 2005. The brand became leader in a number of areas, including skin care and sun care. Beiersdorf often uses the brand to expand into new products or regions. This allows the company to use the brand's global appeal for its new products, while optimizing its investment in brand support.

Nivea's geographical strength is in Western Europe. It is still relatively marginal in the North American cosmetic and toiletries market.

Lately, Beiersdorf launched Nivea Vital, a range of skin care targeted at ageing consumers. This enables the company to benefit from the growth of anti-ageing products, while preserving Nivea Visage's reputation as a caring, purifying brand for younger skins. Nivea Beauté and more recently Nivea Hair were both launched in an attempt to tap into areas different from Nivea's traditional skin care, colour cosmetics and hair care. Whereas Nivea Beauté is still struggling to establish itself in highly competitive colour cosmetics, Nivea Hair's recent performance bodes well for its future.

Questions

1. Which degree of market responsiveness and global coordination/integration does Nivea represent?

Nivea is an example of a glocal company, being global and local at the same time, or with another words: Nivea represents both a high degree of "market responsiveness" and "global coordination/integration".

A range of factors that favour global integration include: universal desire for personal care and beauty; the rise of global fashion; and simple products.

Also, global spanning networks let Nivea centrally manage marketing and provide brand-consistent media for use by local partners, such as ad agencies and retailers.

2. Do you think that the Nivea Vital commercial (shown in the video) is able to cross borders without any adaptation? If not, which elements should be adapted?

For the most part, Nivea uses a standardized marketing mix, also with the international communication. The key advertising messages could remain the same across borders. However, Nivea should modify some elements in the commercial when it crosses borders. In order to adapt to local cultures and preferences Nivea could, for example, use a local actor in the commercial if it enters markets in Asia.

3. Which marketing problems does Nivea anticipate when penetrating the US market?

- Lower brand awareness
- Need for new products more frequently, because of the intensive competition.