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Whether or not a company wants to participate directly in international business, it cannot escape ever-increasing competition from international firms. We are coming to a situation where hardly any company can claim that it is a domestic one. The globalisation of the marketplace is already a reality, but it led us to some misunderstandings. The concept of the global market, or global marketing, thus needs some clarification. Generally, the concept views the world as one market and is based on identifying and targeting cross-cultural similarities. In our opinion, the global marketing concept is based on the premise of cultural differences and is guided by the belief that each foreign market requires its own culturally adapted marketing strategies. Although consumers dining at McDonald's in New Delhi, Moscow and Beijing is a reality, the idea of marketing a standardised product with a uniform marketing plan remains 'purely theoretical'.

The global marketing strategy is thus different from the globalisation of the market. One has to do with efficiency of operations, competitiveness and orientation, the other with homogeneity of demand across cultures. In this book we consider it important to make this distinction and to see how it affects international marketing strategies.

In Europe, where home markets are smaller, companies like Philips, Unilever, Ericsson, Nokia, Akzo Nobel and Carrefour are deriving up to 80 per cent of their revenues from abroad. The companies that succeed in the twenty-first century will be those capable of adapting to constant change and adjusting to new challenges.

The economic, political and social changes that have occurred over the last decade have dramatically altered the landscape of global business. Consider the present and future impact of:

- the emergence of China as a full player in the international market
- the European Union as the biggest single market, with 500 million affluent consumers
- emerging markets in Eastern Europe, Asia and Latin America where, in spite of economic and political crises, more than 75 per cent of the growth in world trade over the next 20 years is expected to occur
- the job shift in services from Western to emerging markets
- the rapid move away from traditional distribution structures in Japan, Europe, the USA and many emerging markets
- the growth of middle-income households the world over
- the creation of the World Trade Organization (WTO) and decreasing restrictions on trade
- the transformation of the Internet from a toy for 'cybernerds' to a major international business tool for research, advertising, communications, exporting and marketing
- the increased awareness of ethical issues and social responsibility.

As global economic growth occurs, understanding marketing in all cultures is increasingly important. This book addresses global issues and describes concepts relevant to all international marketers, regardless of the extent of their international involvement. Emphasis is on the strategic implications of competition in the markets of different countries. An environmental/cultural approach to international marketing permits a truly global orientation. The reader's horizons are not limited to any specific nation or to the particular ways of doing business in a single country. Instead, we provide an approach and framework for identifying and analysing the important cultural and environmental uniqueness of any country or global region.

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The text is designed to stimulate curiosity about the management practices of companies, large and small, seeking market opportunities outside their home country and to raise the reader's consciousness about the importance of viewing international marketing management strategies from a global perspective.

Although this revised edition is infused throughout with a global orientation, export marketing and operations of smaller companies are not overlooked. Issues specific to exporting are discussed where strategies applicable to exporting arise and examples of marketing practices of smaller companies are examined.

new and expanded features in this edition

As a result of extensive review work with the publishers, we evaluated the table of contents and for this new edition have reorganised it so that it better reflects the way topics are taught on most international marketing courses. We have reorganised several chapters, primarily by merging two chapters on the political and legal environment into one chapter, as well as merging the chapters on financial requirements and organising international marketing activities into one chapter.

new content

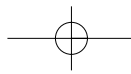
We have expanded the discussions on cultural issues in **Section 2**, and brought these chapters forward on the table of contents to really emphasise the importance of culture when marketing internationally. Two new chapters have been added, one on international entry strategies in **Section 4** and one on ethics and social responsibility in **Section 5**. In addition, the chapter on marketing research has been totally revised to include cross-cultural issues in marketing research.

The new and expanded topics in this edition reflect issues in competition, changing marketing structures, the importance of cultural issues, ethics and social responsibility, and negotiations. The global market is swiftly changing from a seller's market to a buyer's market. This is a period of profound social, economic and political change. To remain competitive globally, companies must be aware of all aspects of the emerging global economic order.

Additionally, the evolution of global communications and its known and unknown impact on how international business is conducted cannot be minimised. In the third millennium, people in the 'global village' will grow closer than ever, and will hear and see each other as a matter of course. An executive in Germany will be able to routinely pick up his or her video-phone to hear and see his or her counterpart in an Australian company or anywhere else in the world. In many respects, distance is becoming irrelevant. Telecommunications, video-phones, the Internet, nanotechnology and satellites are helping companies optimise their planning, production and procurement processes. Information - and, in its wake, the flow of goods - is moving around the globe at lightning speed. Increasingly powerful networks spanning the globe enable the delivery of services that reach far beyond national and continental boundaries, fuelling and fostering international trade. The connections of global communications bring people all around the world together in new and better forms of dialogue and understanding.

This dynamic nature of the international marketplace is reflected in the number of new and expanded topics in this edition, including:

- the importance of ethics and social responsibility in marketing
- the European Union of 25 countries and the impact of the euro
- the Internet and its expanding role in international marketing
- big emerging markets (BEMs), particularly China and India
- evolving global middle-income households
- the World Trade Organization and its impact on increasing international trade



- cross-cultural marketing research
- the importance of marketing research for marketing decision making
- trends in channel structures in Europe, Japan, the United States and developing countries
- enhanced emphasis on cultural issues relevant for international marketing
- an expanded chapter on entry strategies
- financial and organisational issues in international marketing, particularly important for small and medium-sized firms.

new features

More than two-thirds of the boxed **Going International** examples are brand new to this edition. These examples are carefully chosen to illustrate the points made in the text. A number of these examples act as provocative mini-cases that can be used as discussion points - featuring questions aimed to initiate exercises and discussion in the classroom. All tables and figures, and the discussions around them, have been updated and a number of new ones added. These are now renamed **exhibits** to reflect their true nature and make navigation around the text easier and quicker.

Also new to this edition are **key terms**, which have been introduced to help readers identify the most important and frequently used terminology. All key terms are emboldened in the text the first time they are used, and definitions provided in the margin for quick reference. A full **glossary** of key terms is provided in the Online Learning Centre (OLC) and at the back of the book.

At the end of each chapter, you'll find a new **Further Reading** feature, where we present a selection of readings that reflect the most classical, most influential and most recent studies in the area covered by the chapter. This new feature will not only encourage students to go deeper into different topics, but will also help teachers in preparing interesting and enriched lectures.

structure of the text

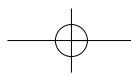
The text is divided into five sections. In **Section 1**, 'An Overview', the two chapters introduce the reader to international marketing and to three international marketing management concepts: the domestic market expansion concept, the multidomestic market concept and the global marketing concept. As companies restructure for the global competitive rigours of the twenty-first century, so too must tomorrow's managers. The successful manager must be globally aware and have a frame of reference that goes beyond a country, or even a region, and encompasses the world. What global awareness means and how it is acquired is discussed early in the text; it is the foundation of global marketing.

Chapter 2 focuses on the dynamic environment of international trade and the competitive challenges and opportunities confronting today's international marketer. The importance of the creation of the World Trade Organization (WTO), as the successor to GATT, is fully explored.

The first three chapters in **Section 2** deal with the impact of culture on international marketing. A global orientation requires the recognition of cultural differences and the critical decision of whether or not it is necessary to accommodate them.

Geography and history (**Chapter 3**) are included as important dimensions in understanding cultural and market differences among countries. Not to be overlooked is concern for the deterioration of the global ecological environment and the multinational company's critical responsibility to protect it.

Chapter 4 presents a broad review of culture and its impact on human behaviour as it relates to international marketing. Specific attention is paid to Geert Hofstede's study of cultural value and behaviour.



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Chapter 5 focuses on business customs and practices. Knowledge of the business culture, management attitudes and business methods existing in a country and a willingness to accommodate the differences are important to success in an international market. The chapter provides several examples to deal with these different business practices and customers.

The political climate in a country is a critical concern for the international marketer. In **Chapter 6**, we take a closer look at the political environment. We discuss the stability of government policies, the political risks confronting a company, and the assessment and reduction of political vulnerability of products. Legal problems common to most international marketing transactions, which must be given special attention when operating abroad, are also discussed in this chapter.

Chapters 7, 8 and 9 in **Section 3** are concerned with assessing global market opportunities. As markets expand, segments grow within markets, and as market segments across country markets evolve, marketers are forced to understand market behaviour within and across different cultural contexts. Multicultural research and qualitative and quantitative research are discussed in **Chapter 7**.

Chapters 8 and 9 explore the impact of the three important trends in global marketing: (1) the growth and expansion of the world's big emerging markets; (2) the rapid growth of middle-income market segments; (3) the steady creation of regional market groups that include the European Union (EU), the North American Free Trade Agreement (NAFTA), the Southern Cone Free Trade Area (Mercosur), the ASEAN Free Trade Area (AFTA) and the Asian-Pacific Economic Cooperation (APEC).

The strategic implications of the shift from socialist-based to market-based economies in Eastern Europe and the returning impact of China on international commerce are examined. Attention is also given to the efforts of the governments of India and many Latin American countries to reduce or eliminate barriers to trade, open their countries to foreign investment and privatise state-owned enterprises.

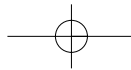
In **Section 4**, 'Developing International Marketing Strategies', planning and organising for international marketing are discussed in **Chapter 10**. Many multinational companies realise that to fully capitalise on the opportunities offered by global markets, they must have strengths that often exceed their capabilities. Here we also deal with positioning and branding as strategic actions. **Chapter 11** has been dedicated to entry strategies. Here we provide a model that can be followed to analyse different markets while making decisions on market selection.

In **Chapter 12**, the special issues involved in moving a product from one country market to another, and the accompanying mechanics of exporting, are addressed. The exporting mechanisms and documentation are explained.

Chapters 13 and 14 focus on product management, reflecting the differences in strategies between consumer and industrial products and the growing importance in world markets for business services. Additionally, the discussion on the development of global products stresses the importance of approaching the adaptation issue from the viewpoint of building a standardised product platform that can be adapted to reflect cultural differences. The competitive importance in today's global market of quality, innovation and technology as the keys to marketing success is explored.

Chapter 15 takes the reader through the distribution process, from home country to the consumer, in the target country market. The structural impediments to market entry imposed by a country's distribution system are examined in the framework of a detailed presentation of the American and European distribution structure. In addition, the rapid changes in channel structure that are occurring in Japan and in other countries, and the emergence of the World Wide Web as a distribution channel, are presented.

Chapter 16 covers advertising and addresses the promotional element of the international marketing mix. Included in the discussion of global market segmentation are recognition of the rapid growth of market segments across country markets and the importance



of market segmentation as a strategic competitive tool in creating an effective promotional message.

Chapter 17 discusses personal selling and sales management, and the critical nature of training, evaluating and controlling sales representatives. Here we also pay attention to negotiating with customers, partners and other actors in our networks. We discuss the factors influencing business negotiations, and varying negotiation styles.

Price escalations and ways in which these can be lessened, countertrade practices and price strategies under varying currency conditions are concepts presented in **Chapter 18**. The factors influencing pricing decisions are thoroughly discussed.

In **Section 5**, we first deal with ethics and social responsibility in international marketing (**Chapter 19**). Here we explain what is meant by social responsibility and what implications it has for international marketing activities. The chapter on financing and managing international marketing operations, **Chapter 20**, deals with the financial aspects of marketing internationally. We look into the capital needs for international marketing, the available sources of funding and the management of financial risk. Organising international marketing activities is also dealt with in **Chapter 20**. This chapter is particularly relevant for small and medium-sized enterprises.

pedagogical features of the text

The text portion of the book provides a thorough coverage of its subject, with specific emphasis on the planning and strategic problems confronting companies that market across cultural boundaries. The pedagogy we have developed for this textbook is designed to perfectly complement the rest of the book, and has been constructed with the very real needs of students and lecturers in mind.

Current, pithy, sometimes humorous and always relevant examples are used throughout each chapter to stimulate interest and increase understanding of the ideas, concepts and strategies presented, emphasising the importance of understanding the cultural uniqueness and relevant business practices and strategies.

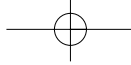
The **Going International** boxes, an innovative feature of the first edition of *International Marketing*, have always been popular with students. This edition includes many new boxes such as these, and all provide up-to-date and insightful examples of cultural differences and international marketing at work, as well as illustrating concepts presented in the text. They reflect contemporary issues in international marketing and real-life marketing scenarios, and can be used as a basis for solo study and as mini-case studies for lectures, as well as to stimulate class discussion. They are unique to this text, lively to read, and will stimulate all who use this book.

As you will have by now noticed, this new edition is four-colour, and features colour pictures that are incorporated into the Going International boxes. In this new edition we've also included an expanded section of maps, which comprises information on regions, plus useful data on trade routes, resources and consumption, languages, transportation and environment in different areas of the world.

'**The Country Notebook: a Guide for Developing a Marketing Plan**', found in **Section 6**, is a detailed outline that provides both a format for a complete cultural and economic analysis of a country and guidelines for a marketing plan.

cases

Building on the success of the case section from the previous edition, we have included a substantial section of excellent case-study material that can be used by students and lecturers to aid learning. You'll find 23 cases in total, 19 of which are brand new to this edition. The cases reflect all regions and by working through them you will encounter all kinds of marketing scenarios in all kinds of companies in all geographical territories. From supermarket chains in Germany to footballers in China; from cereal brands in India to the



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wine industry in Australia - each case study is lively, contemporary, thought-provoking and expertly designed to bring out the real issues in international marketing. The shorter cases focus on a single problem, serving as the basis for discussion of a specific concept or issue. The longer, more integrated cases are broader in scope and focus on more than one marketing management problem. Information is provided in a way that enables the cases to be studied as complete works in themselves but, importantly, they also lend themselves to more in-depth analysis that requires students to engage in additional research and data collection.

online supplements

In addition to the resources in this textbook, you'll find more supplements in the **Online Learning Centre (OLC)**, which can be found at: www.mcgraw-hill.co.uk/textbooks/ghauri. A full list of features can be found on page xxii.

