

GLOBAL MARKETING (MARK3430)

FALL 2017

THE HONG KONG UNIVERSITY OF SCIENCE & TECHNOLOGY
SCHOOL OF BUSINESS & MANAGEMENT

INSTRUCTOR

Professor Ana Valenzuela

<i>Office hours:</i>	By appointment (office: LSK4016D)
<i>Phone:</i>	2358-7709
<i>Fax:</i>	2358-2429
<i>E-mail:</i>	avalenzuela@ust.hk
<i>Course website:</i>	https:// canvas.ust.hk
<i>TA:</i>	Ms Kitty HUNG (E-mail: kittyhung@ust.hk ; office: LSK4018; phone: 2358-7704)

COURSE INTRODUCTION & OBJECTIVES

We live in a dynamic, global marketplace. This course aims to introduce you to the essentials of global marketing management. We look at how global customers and firms behave as well as the strategies and tactics marketers can use to operate successfully in this global environment. The course will give you a comprehensive overview of frameworks, concepts and toolboxes useful for global marketers. With the rising clout of emerging markets (EMs), we will pay special attention to these types of markets.

The course will focus on evaluating new international market opportunities, meeting challenges in the global marketplace, developing market entry strategies, and developing global marketing mix strategies. You will learn how to manage these activities to create customer value in a global marketplace setting. The value creation process entails understanding customers, competitors (global, regional, and local), collaborators, and the company's own core skills, all within the context of the socio-economic, cultural, and political/regulatory environment in which the firm must operate.

Specifically, the goals of this course entail the sharpening of the following skills:¹

- Understanding the global business environment – economic, cultural, and legal-political – and how to apply such insights to marketing strategy/tactics development.
- Assessing and addressing the needs of global consumers
- Preparing to enter new markets or new product categories in your current markets
- Thinking globally and acting locally
- Developing targeting and positioning strategies in a global environment
- Devising global marketing mix strategies and tactics
- Understanding the nuances of marketing operations in EMs

¹ The SBM learning goals to be assessed include: (1) Participants will be effective in multi-cultural and international settings (primary), (2) will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques, and (3) will be effective communicators in oral and written English.

- Comprehending the role and impact of sustainability on global marketing operations

The course is organized in three modules, namely:

- The global marketing environment (assessing market opportunities/challenges, PEST, market research)
- The global marketing strategy (entry, targeting & positioning, strategies for EMs)
- Managing the global marketing mix (both the strategic and tactical aspects)

COURSE STRUCTURE & REQUIREMENTS

To achieve the learning goals, we will use a mix of lectures/discussions, readings, case analyses, and group projects in the course. A typical class will consist of a lecture, one or more short-cases or a longer case. In the lecture part, we will review the key concepts and frameworks for understanding and analyzing global marketing issues. The course involves a fair amount of team-work.

Effective learning also benefits from systematic critical thinking and reasoned application of theoretical concepts and frameworks. To this end, case discussion (of both longer and short mini-cases) will be used as a key learning platform. Group projects give you a vehicle to gain hand-on experience with approaching and analyzing issues on global marketing.

You should be well-prepared for every class. Classes (both lectures and case discussions) will be highly interactive. You should be prepared to discuss the assigned cases (long/short) in detail. Therefore, you are expected to actively participate in the discussions. If you need to miss a class due to job interviews or other 'serious' commitments (e.g., a case competition), please inform me in advance so that I can mark you down as an 'excused absence'. This will lead to less loss of credit.

As the final project, students will have to develop a International Entry Marketing Plan. The project involves assessing and choosing market(s) for entry, decide the best way of establishing a foothold in that market, and developing a marketing strategy.

Teamwork is an essential part of this course. You will work in teams to work on case discussions, assignments, and the final project. Teams will be formed in the second week of the course. At the end of the course, you will have an opportunity to assess your team-mates' contribution to the team-work assignments.

Finally, note that no overdue assignments will be accepted under any circumstances. Likewise, there will be no make-up quizzes.

COURSE MATERIALS

- Caetora, *International Marketing*, 7th ed., New York: McGrawHill, 2016.
- Website. Course materials will be accessible via the canvas system. Once registered for the course, you can access course materials on this site, using the same login info as for your UST e-mail account. Note though that videomaterial and case wrap-ups will not be posted on the website.

Other useful websites

New York Times*	http://www.nytimes.com/
The Guardian	http://theguardian.com

BBC News	http://news.bbc.co.uk
China Daily	http://www.chinadaily.com
The Economist	http://www.economist.com
Wall Street Journal*	http://www.wsj.com
The World Factbook (CIA)	http://www.odci.gov/cia/publications/factbook/index.html
Financial Times*	http://www.ft.com
Global Edge Resource Desk	http://globaledge.msu.edu/
Going-Global	http://www.going-global.com/
Country Reports*	http://www.countryreports.org/
Branding strategies	http://www.brandchannel.com
Marketing strategies in Asia*	http://www.campaignasia.com

*Paywall

PERFORMANCE ASSESSMENT & COURSEWORK

<i>Coursework</i>	<i>Weight (%)</i>	<i>Individual/Team</i>
Class participation	10	Individual
Research credit	2	Individual
Quizzes	35	Individual
Group assignments	15	Team
- In-class cases (10)		
- Presentation (5)		
Final Project	38	Team
- Final report (30)		
- Presentation (8)		
Total	100	

1. **Class Participation (10%).** Learning in this class heavily depends on your willingness to share your insights and viewpoints with the rest of the class. Given the global nature of the course and the multicultural make-up of the class, this becomes even more important than in most other courses. You are expected to read the assigned materials and actively engage in class discussions. You should also prepare each case for the case discussions in class (including mini-cases). I will assign discussion questions prior to class to guide you through the case preparation. Effective class participation includes: 1) asking questions about concepts from lectures or readings; 2) sharing your experience or opinion with the class; 3) building on points raised by others; 4) clarifying issues or relating topics discussed in class. Lively discussions are encouraged. It is perfectly reasonable to disagree or take issue with comments that are made (including by myself), and to debate issues with one another. Managers do this all the time. You need to learn to communicate your views in thoughtful and productive ways. Justification for your views is critical. Keep in mind that you should focus on *quality*, not merely on quantity. Thus, your comments should enlighten us by adding value to class discussions.
2. **GROUP PROJECT (38%).** The project's purpose is to provide you with an opportunity to integrate and apply the material learned in this class to the

development of a real-world international marketing strategy. Your assignment is to identify a new international market (i.e., a new marketing opportunity in an international market) for a specific, real company of your choice and provide strategic recommendations for entering that new international market, based on your understanding of company's strengths and weakness and the new market opportunities and threats. As part of this, you might want to conduct some secondary research to better understand your market: culture, regulation, consumers, competition, infrastructure, etc. Specifics of the project are provided in the Outline of Group Project section of the syllabus.

3. **Exams (Quiz #1: 17.5%, Quiz #2: 17.5%).** There will be two quizzes. The tests will be multiple choice and CLOSED BOOK. It will last about 1 hour and will cover the material covered up to that point (including material related to the simulation and case studies). No make-up exams will be available. You are NOT allowed to bring internet accessible devices (e.g., iPad, smartphones) to either of the quizzes.
4. **Group Assignments (15%).** These assignments will relate to the cases. Just as in the real world, team work can sometimes be a frustrating experience. As frustrating as it may be, it is important for you to learn how to manage group work. Each group is responsible for agreeing upon, establishing, and abiding by its own work norms and expectations equitably. When submitting assignments include complete names (not just first/nicknames) and ID #s.
5. **Peer evaluation for team work.** Although I expect every team member to invest an appropriate amount of time and effort in team projects, I realize that this may not always be the case. Hence, there will be a peer evaluation system that will allow you to assess your team mates' contribution as well as your own. Peer evaluations (mandatory) will be due at the end of the semester, conducted online, and, will be completely confidential in nature.

ACADEMIC INTEGRITY

Students are required to maintain the highest standards of academic integrity. Breaches of these standards of academic integrity include, but are not limited to, cheating, plagiarizing, violating exam instructions.

CLASSROOM ETIQUETTE

- To minimize class disruptions, students should put communication devices on silent mode or turn them off.
- Please remember to bring along your name plate to each class.
- Arrive on time; late-coming will affect your class participation grade.
- During interactions with your classmates in class discussions, be courteous.

COURSE SCHEDULE

<u>SESSION</u>	<u>TOPIC</u>
Sept. 5 (Tues)	<u>0. COURSE OVERVIEW</u>
Sept. 7 (Thurs)	<u>I. INTRODUCTION</u> Reading: Ch. 1, 2
Sept. 12 (Tues)	<i>Case: Go Global or Not (posted on canvas)</i>
	<u>II. THE GLOBAL MARKETING ENVIRONMENT</u>
Sept. 14 (Thurs)	The Cultural Environment Reading: Ch. 3, 4
Sept. 19 (Tues)	The Cultural Environment (cont.) Reading: Ch. 5 *** Group Roster Due *** (Sept. 19) *** Personal Datasheet Due *** (Sept. 19)
Sept. 21 (Thurs)	The Legal/Political Environment Readings: Ch. 6, 7
Sept. 26 (Tues)	<i>Case: IBM-Fujitsu Dispute (case pack)</i>
	<u>III. GLOBAL MARKETING STRATEGY</u>
Sept. 28 (Thurs)	The Legal/Political Environment (cont.) *** Group Project Proposal*** (Sept. 28)
Oct. 3 (Tues)	<i>Case: Mary Kay: Entry to China (case pack)</i>
Oct. 10 (Tues)	Assessing Global Market Opportunities Reading: Ch. 8
Oct. 12 (Thurs)	Marketing Strategies by World Region Reading: Ch. 9, 10, 11
Oct. 17 (Tues)	Entry Strategies Reading: Chapter 12
Oct. 19 (Thurs)	<i>Case: Vietnam: Market Entry Decisions (case pack)</i>
Oct. 24 (Tues)	Entry Strategies (cont.) and Exam Review
Oct. 26 (Thurs)	Quiz #1 (UP TO CHAPTER 12) <ul style="list-style-type: none">- 1 Hour- CLOSED BOOK- In-class/regular class- Multiple-choice

IV. GLOBAL MARKETING MIX

- Oct. 31 (Tues) **Global Product & Brand Management**
Reading: Chapter 13,14
- Nov. 2 (Thurs) **Case: Colgate Max Fresh (case pack)**
- Nov. 7 (Tues) **Global Distribution Channels**
Reading: Chapter 15
- Nov. 9 (Thurs) **Case: EMDICO (A) (case pack)**
- Nov. 14 (Tues) **Global Communication Strategies**
Reading: Ch. 16,17
- Nov. 16 (Thurs) **Case: The Global Brand Face-Off (posted on canvas)**
- Nov. 21 (Tues) **Global Pricing Strategies**
Reading: Chapter 18
- Nov. 23 (Thurs) **Quiz #2**
- 1 Hour
- CLOSED BOOK
- In-class/regular class
- Multiple-choice
- Nov. 28 (Tues) **Recap and Group Project Presentations**
- Nov. 30 (Thurs) **Rest of Presentations**
*****Group Project Final Report*****
- Dec 1st (by 5PM) ***Peer Evaluations Due*** (online submission)**

NOTE THAT THIS SCHEDULE IS TENTATIVE; UPDATED COURSE SCHEDULES & CHANGES WILL BE POSTED ONLINE

GROUP PROJECT

The project's purpose is to provide you with an opportunity to integrate and apply the material learned in this class to the development of a real-world international marketing strategy. Your assignment is to identify a new international market (i.e., a new marketing opportunity in an international market) for a specific, real company of your choice and provide strategic recommendations for entering that new international market, based on your understanding of company's strengths and weakness and the new market opportunities and threats. As part of this, you might want to conduct some secondary research to better understand your market: culture, regulation, consumers, competition, infrastructure, etc. **Specifics of the project are provided in the *Outline of Group Project* section of the syllabus. Please read this section carefully and make sure that you understand the objectives and tasks at hand before embarking on the project. Please feel free to see me about any aspect of the project that is unclear to you, both before and as you proceed through the assignment.**

GROUP ROSTER

DUE: September 19th

You will work on this project in groups of four to five people. Group projects, like any group work in the business world, can sometimes be a frustrating experience. It is often difficult to pick convenient times for everyone to meet. Group members sometimes feel that the division of labor is not equitable. However, as you know, learning how to effectively manage the group work experience and outcome is essential to successful professional performance. Setting clear expectations of the group at the outset, meeting the expectations set of you, and communicating frequently throughout the semester are key. **All problems arising within the group, including those related to relative contributions of the group members, are to be handled internally, by the group; this is an essential part of the group project experience.**

GROUP PROJECT PROPOSAL

DUE: September 28th

You will turn in a one-page memo describing the industry (e.g., investment advisory services, bottled water, HK supermarkets), the company/brand (e.g., Fidelity, Evian, Carrefour) and the country entry market (e.g., Japan, U.S., UK) you have chosen to focus on. This memo should clearly identify the industry and the country entry market and contain some basic background information about it (i.e. size, key players, key customer segments, important trends). **Please pick an industry that your group finds interesting since you are going to be working on it all semester!**

END-SEMESTER PRESENTATIONS

DUE: November 28th and 30th

These presentations must be professional and interesting, conveying clearly the soundness of market analyses leading up to the international marketing strategy recommendation. You have a maximum time of 10 minutes for your presentation. This will be followed by a 5-minute question-answer session. **You are expected to attend all the project presentations. Each group must provide me with a copy of its presentation at the beginning of class.**

FINAL PROJECT REPORT

DUE: November 30th

The final report must be a professional and polished document (maximum 12 pages; see below for section limits, excluding Executive Summary). Consider summarizing relevant information in charts and tables; these are to be included as appendices and do not count against the page limit. List your sources of information, including articles, interviews, etc. in a *Bibliography* section at the end of the paper (not included in page limit). Do not forget to cite them, where appropriate, in the body of the paper. All language and ideas not your own must be properly cited. Please provide your research plan as an appendix and summarize all of your findings in that appendix (even if you do not use them in the paper). Cite the relevant findings from your research wherever appropriate in the paper. The paper must also include, on a separate page, an executive summary that provides a brief overview of the report.

Section Limits (at least 11 point font, double spacing, and 1 inch margins):

Executive Summary	MAX 1 page
Section I	4 pages
Section II	2 page
Section III	2 pages
Section IV	4 page
Appendices	No limit

GRADING OF THE PROJECT

Presentations will be graded using the following guidelines:

Content	40 points
Organization	10 points
Presentation style	10 points
Use of visual aids	10 points
Timing	10 points
Handling of questions	10 points
Professionalism	10 points

Papers will be graded using the following guidelines:

Profile of Country Market	25 points
Description of Company's Transferable Capabilities	15 points
Recommendation of Entry Strategy	15 points
Recommendation of International Marketing Strategy	30 points
Organization and Presentation	10 points
Coherence, Style and Writing	5 points

GUIDELINES FOR CASE ANALYSES

Case analyses are key to the development of your abilities to select, evaluate and apply concepts, models and theories of international marketing. We will be discussing several cases in this class. The focus of the case discussions will be on identifying the problem faced by the company and formulating a solution, in the form of a set of recommendations, supported by thorough analyses of the marketing issues inherent to the case.

The business situations presented in the cases are complex and frequently involve a series of interrelated problems. What I am looking for is your insight into the key problem(s). Application of international marketing and market analysis concepts to the case and the **interpretation of the key issues in the case in terms of these concepts and frameworks** will be rewarded.

Some of you may have never done a case analysis before; others may have not done so from a global perspective. Given below are some guidelines on how to effectively prepare for and participate in case discussions in this class.

In preparing for a case discussion prior to class, first read the discussion questions for each case (see below) **BUT DO NOT ANSWER THEM DIRECTLY**, instead write-up your case by addressing the following issues:

- (i) Identify the key problem facing the company.
- (ii) Identify the various alternative solutions that the company could potentially pursue.
- (iii) Analyze and interpret the information in the case using concepts and frameworks of international marketing. For example, how do we decide which country market to enter or how do we take into consideration both market and company characteristics?
- (iv) Propose *your* solution to the problem supported by (iii). In proposing a solution, keep the following points in mind:
 - (a) Is the proposed solution sensible? Has it been "pulled out of thin air" or does it make sense in light of the material presented in the case and your analysis?
 - (b) Consider both the pros and cons of your solution; do not be one-sided in your analysis, "setting up" your solution.
 - (c) Choose a specific course of action. Does it follow from your analysis? Expand on the course action (e.g. specifics of the 4 P's) and discuss implementation issues (e.g. potential problems/concerns and your contingency plans).

Questions for Case Analysis

HBR Reading: Go Global – or No?

Questions: Should Data Clear go global? Why? What are the different points of view? What strategy should they follow?

HBS Case: IBM-Fujitsu Dispute

Questions: What caused the dispute? How were the two companies trying to solve the dispute? Can you suggest other alternative approach to solving the dispute? Why may your approach be better?

HBS Case: Mary Kay Cosmetics: Asian Market Entry

Questions: You should focus on the market-entry decision and choose to enter either Japan or China first. You will have to think about costs/pay-offs of each market, consumer behavior, problems for MKC's standard operating procedure, market-segments you would target in each country, response of competitors be in the two markets.

HBS Case: Vietnam: Market Entry Decisions.

Questions: Should all the three MNCs enter the Vietnamese market? If so, using what entry strategy? Why? What are the pros and cons of each possible entry strategy?

HBS Case: Colgate Max Fresh: Global Brand Roll-out.

Questions: In February 2005, Nigel Burton had on his desk the proposed marketing launch plans for CMF in China and Mexico. Each plan sought to maximize the business potential in the local market. Burton had to assess the plans from a global perspective.

Important issues to decide upon:

1. Selection of foreign entry markets.
2. Adaptation of marketing mix to market situations.
3. Cost and delay costs implications of global marketing

HBS Case: EMDICO (A)

Questions: This case requires a multi-year relaunch program to bring the Fuji brand back into prominence in KSA. Make sure you discuss why film consumption is lower in KSA than in the USA. Additionally, you will have to address the role of the minilab. Compare the minilab strategy with the other possible relaunch strategies. Finally, you will have to make market demand and gross margin contribution assumptions under different levels of marketing investment.

More specifically, you will have to think about these issues:

1. Should Fuji relaunch its film in Saudi Arabia?
2. If so, is EMDICO the solution?
3. What are your recommendations for the announcement, geographical coverage, and product mix decisions?
4. Develop a break-even analysis for three scenarios: aggressive approach, conservative approach, and your recommended approach

HBR Reading: The Global Brand Face-Off

Questions: Is the global sponsorship a good idea? Why? What kind of promotional program should be built around it? How should it be coordinated between subsidiaries? Should Data Clear go global? Why? What are the different points of view? What strategy should they follow?

OUTLINE OF GROUP PROJECT

The following outline has been provided as a **sample** structure for your group project. Feel free to modify it where necessary to fit the specific context of your market area. **Your report should draw on as many topics covered in class as possible.**

SECTION I: PROFILE OF COUNTRY MARKET

This section involves an overview of your country market:

- Describe the country market you are analyzing.
- Characterize this country market in terms of size, historical trends, growth forecasts, etc.
- What are the different customer segments in this market? **A thorough analysis of all the existing, emerging, and potential customer segments in this market is essential to a sensible and creative market space entry.**
- Describe the competitive structure within this market. What is the total number of competitors? Describe the competitive positions of the major players. Who are the leaders/challengers/followers/niche players? Why? What are their positions (including advantages and disadvantages)?
- What recent trends (e.g. economic, demographic, psychographic, others) have affected this market?
- What marketing opportunities do such market shifts suggest?
- What are the cultural and legal differences?

SECTION II: DESCRIPTION OF COMPANY'S TRANSFERABLE CAPABILITIES

- Based on your understanding of the company's strengths and weaknesses, what do you think are the company's firm specific advantage?
- Justify why these sources of advantage/capabilities are transferable to the chosen country market.

SECTION III: RECOMMENDATION OF ENTRY STRATEGY

- Develop a recommendation for an entry strategy to the foreign country market
- Justify your recommendation based on both the characteristics of the market and the source of transferable capabilities

SECTION IV: RECOMMENDATION OF INTERNATIONAL MARKETING STRATEGY

In this section, you need develop a full marketing strategy for entry.

- Definition of target segment.
- Definition of positioning statement.
- Development of recommendations for all the elements of the marketing mix: product, price, communication mix and distribution.