

UNIVERSITY OF PENNSYLVANIA
The Wharton School

Marketing 782
Multinational Marketing
Fall, 2002

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1400 SH/DH
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Office hours:
Tu & Th 1:30-3
& by appointment

This advanced course provides further experience in applying marketing concepts and analyses. The focus is on multinational marketing problems, similar to the Gillette Indonesia case, which many of you experienced in Mktg 621. As in Gillette, this course seeks to use case problems as the vehicle for you to use marketing analyses and concepts, in order to formulate creative, practical, and effective strategic and tactical marketing plans.

You should have completed Marketing 621 and 622, and/or have a strong background in marketing, since working knowledge of marketing concepts, analyses, tools, and decision-making is assumed. In this course, you will apply and extend your knowledge of marketing through case studies and a group multinational marketing project.

This course differs from other “international” or “global” business courses at Wharton in its focus on *marketing* analyses and decisions. For example, while other courses may examine industry structure variables as major determinants of international strategy, we will focus on marketing analyses and variables, especially culture and consumer behavior influences, and global brand management. Experience suggests that this course is of most benefit to 2nd year students, because they can apply their knowledge and skills from a broader portfolio of marketing and other courses to the cases and the project in this course. Naturally, offshore experience is also quite useful.

The elementary 4Cs-4Ps marketing analysis and planning framework is not easily applied to international marketing problems, since they are complex and multi-dimensional. In addition, we will discuss strategic marketing issues, in addition to marketing programs (the focus in Mktg 621). The course is organized in 4 sections, beginning with Designing Strategies for Global Competition (2 B2C and 1 B2B case), then looking at Global Expansion strategies with two cases focusing on US firms’ expansion plans in Asia. We will have a guest speaker from IBM, who was instrumental in developing and implementing global marketing plans for that firm. Finally, we’ll have one case each to examine issues in Managing Global Partners and Organizing Global Marketing Operations.

Expectations and Grading

Case studies are based on an active/deductive model of the learning process, by which you deduce insights and gain knowledge from active participation in focused analysis and decision-making in cases. By contrast, traditional lecture and reading classes rely on an

inductive learning model, in which you read and listen to lectures and attempt to apply concepts from these passive learning experiences to actual problems you encounter later on (in the “real world.”)

As you know by now, case studies require substantial time and effort to prepare properly. If you like, and have time for, case studies, and if you feel these experiences are best suited for your education, you will probably like this course, and gain much from it. If you don't like cases, and prefer more traditional lectures, this course is probably not for you. The same criteria should be applied to your preferences for group work, since a substantial portion of the course is devoted to preparation and presentation of an international marketing project. Most business life occurs in groups, so the prevalence of group work in many Wharton courses is to be expected.

My expectations are that you:

- Read and prepare every case study and come to class fully prepared to present and defend your assessment and solution to the problem(s) you identify;
- Read assigned readings in the bulk pack. These have been very carefully selected, and timed in the course for maximum value for you;
- Effectively participate in the preparation of an international marketing project (details of this requirement distributed separately). The project consists of a written and oral report. Each team member will grade the quality and quantity of every other team member's work on the project. Therefore, group members may not all receive the same grade. The finished product should be a McKinsey-quality written and oral presentation that you would give to senior management.

I believe each class is similar to a scheduled business meeting. It is unacceptably rude to miss class, or to come to class unprepared. If there is an emergency that makes it impossible for you to attend class or to be fully prepared, please email me or call me (X8249) in advance of the class.

Grades are determined as follows:

- | | |
|--|----|
| --Quantity and quality of in-class discussion in cases | 40 |
| --International marketing project | 60 |

Course Materials

Bulk Pack, required

COURSE OUTLINE

I. Designing Strategies for Global Competition

1. Thursday, Sept. 5: Course overview; Major Issues in Multinational Marketing

READ:

-- “Managing Your Oyster” and “Going Global? Forget Borders” are conceptualizations and definitions of global competition reflected in recent books—which you may wish to purchase;

--3 short readings: “For Coke, World is Oyster,” “New Formula Coke” and “Shaking Up the Coke Bottle,” are from 1991 and 2001. Note what a difference a decade makes in Coke’s approach to global marketing!

--Written in 1983, Ted Levitt is an early visionary about globalization; his article sparked a counter attack by Wharton’s Jerry Wind and Susan Douglas. The articles are “The Globalization of Markets” and “The Myth of Globalization.”

--“How Global Companies Win Out” is short, with 3 good case studies

--“Information for Global Marketing Decisions” (NOTE: You will use information in this reading both in cases, and in your international marketing project. It contains sample indicators useful in screening market opportunities. Just review for now)

2. Tuesday, Sept. 10: CASE: Planet Reebok (A)

Discussion questions:

1. Does Reebok need a global advertising campaign?
2. If Reebok does need an umbrella campaign, is the Planet Reebok concept appropriate (as opposed to the actual creative execution?)
3. Does Planet Reebok differentiate Reebok from Nike?
4. Will Planet Reebok be successful in Europe?
5. Is Reebok likely to be successful in light of Nike’s historical strength in Europe?

READ: “The Opportunity for World Brands”

“Advertisers Seek Global Messages”

“Beware the Pitfalls of Global Marketing”

These articles continue the discussion of “globalization” and “global marketing.” The first two focus on advertising and branding issues (note “opportunity” is an ad agency piece), while the 3rd is a critical assessment of key issues for global strategies

3. Thursday, Sept. 12: CASE: Barco Projection Systems

READ: “The Price is Wrong”. The argument in the book referred to here is that pricing requires strategic thinking—as in the Barco case

4. Tuesday, Sept. 17 CASE: Heineken N.V.: Global Branding and Advertising

Discussion questions:

1. What are Heineken’s strengths and weaknesses? Is Heineken a global brand?
2. Evaluate the research. What has been learned?
3. How can Heineken brand be developed through marketing communications?
3. What should be the role of Heineken’s headquarters in shaping the marketing of the brand worldwide?

READ: “Managing in a Borderless World” and “Do You Really Have a Global Strategy?”

These articles are a good context for considering the strategic issues in Heineken.

II. Global Expansion Strategies

5. Thursday, Sept. 19: CASE: Mary Kay Cosmetics: Asian Market Entry **DUE:**

PROJECT DESCRIPTIONS AND TEAM ROSTER

Discussion questions:

1. Why has MKC not been as successful as Avon in penetrating international markets?

2. What criteria should MKC use in deciding how to prioritize foreign market entry opportunities?
3. What are the arguments for and against MKC entering (a) Japan; (b) China?
4. What is your specific recommendation?
5. How much stock should MKC put in the observation that “cultural difference mean there are limits on the growth potential in foreign markets?”

READ: “A Busy Bee in the Hamburger Hive”

“Silicon Valley, PRC”

“Poor Countries Rich in Wealthy People”

6. Tuesday, Sept. 24: CASE: Vietnam: Market Entry Decisions

Discussion questions:

1. Does Vietnam represent an attractive investment opportunity?
2. Is it too late for US companies to enter Vietnam?
3. What recommendations would you make to each of the three US MNCs regarding whether to enter Vietnam, mode of entry, and timing?
4. What factors will determine the success of MNCs in Vietnam?

READ: “Vietnamese Head West in Bid to Woo Foreign Investors”

7. Thursday, Sept. 26: CLASS DISCUSSION: WILL IT WORK HERE (THERE)?

In this class, we’ll evaluate the likelihood of success of “foreign” businesses in various cultures. Some businesses are introduced to different cultures with little or no adaptation (viz., Coca-Cola). Others require significant tailoring (viz., fish & chips in McDonalds in England, and wine in French outlets), while some foreign business concepts may not ever succeed in particular cultures (viz., canned soups in some Latin countries)! You may take the point of view of the viability of foreign businesses in the US, or US businesses in another culture with which you are familiar. The latter will be particularly useful for students from countries other than the US. Everyone should be prepared to give 2-3 examples. Develop a systematic framework to explain why the businesses you select to explain why the business would not work in the foreign country, or why it would work (the best examples are businesses that would likely fail, without significant tailoring). Example of framework: cultural/consumer behavior factors, distribution factors, pricing issues, etc. Most often, cultural/consumer behavior differences are major factors that form a barrier to entry.

READ: “Three Roles of International Marketing in Global Strategy”. Not related explicitly to today’s assignment, but somewhat relevant, and good reading

8. Tuesday, Oct.1 CASE: Land Rover North America, Inc.

Bring to class: Positioning statement: “For (target market segment), Among All (frame of reference), Land Rover Discovery is (point of differentiation), because (proof)”

Discussion questions:

1. Which of the 3 alternative positionings mentioned in the first page of the case do you favor and why?
2. Why do people buy SUVs? How does the SUV market segment?
3. Who is the typical SUV consumer and how is this changing?
4. Advise Mr. Hughes about how he can realize his goal for the US market.
Propose a specific marketing plan: time frame, targets, positioning, and promotion mix, including advertising, special event marketing, centers, etc.

5. Think of some other products/services in which “country of origin” is used for positioning. What are some examples? When is “country of origin” a good or bad idea?

READ: “Strategic Challenges for Branding”

9 .Thursday, Oct. 3 GUEST SPEAKER: Rick Campbell, IBM Corp. As a 25-year veteran at IBM, Rick was central to that firm’s transition from a sales- and product-driven culture, to a truly market-driven organization today. Most recently, he drove IBM’s initiative at global brand building, and he will discuss the issues in implementing marketing programs in a global company.

III. Managing Global Partners

10. Tuesday, Oct. 8 CASE: Loctite Corporation—International Distributors

Discussion questions:

1. What is Loctite’s distribution strategy? How would you compare direct sales, independent distribution, captive distribution, and agents for Loctite’s core products?
2. How does Loctite’s channel strategy differ between the domestic North American market and international markets?
3. What factors are driving Loctite’s acquisition of its international distributors?
4. What should Loctite do about distribution in Hong Kong?

IV. Organizing Global Marketing Operations

11. Thursday, Oct. 10 CASE: Nestle S.A.

While an “evergreen” case, this is the classic case to examine organizational issues.

READ:

“Customizing Global Marketing”—based on this case, and nice contrast with Coke readings, earlier in the course. I will distribute in class

“What is a Global Manager?”—good context for organizational issues in the case

“Alternative Routes to Global Marketing”—not right on this case, but quick read is OK

12. Tuesday: Oct. 15: **Presentations**

READ: “Smart Globalization” quick read, nice re-cap of issues

13. Thursday, Oct. 17: **Presentations**

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MKTG 782

PROF. SCOTT WARD

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4. New Formula Coke
5. Shaking Up the Coke Bottle
6. The Globalization of Markets
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8. How Global Companies Win Out
9. Information for Global Marketing Decisions
10. The Opportunity for Global Brands
11. Advertisers Seek Global Messages
12. Beware the Pitfalls of Global Marketing
13. The Price is Wrong
14. Managing in a Borderless World
15. Do You Really Have a Global Strategy?
16. A Busy Bee in the Hamburger Hive
17. Silicon Valley, PRC
18. Poor Countries Rich in Wealthy People
19. Vietnamese Head West to Woo Foreign Investors
20. Three Roles of International Marketing in Global Strategy
21. Strategic Challenges for Branding
22. Ready to Shop Until They Drop
23. After the Wall: Marketing Guidelines for Eastern Europe
24. Customizing Global Marketing (to be handed out in class)
25. What is a Global Manager?
26. Smart Globalization

CASES:

Mary Kay Cosmetics: Asian Market Entry 9-594-023

Land Rover North America 9-596-036

Vietnam: Market Entry Decisions 9-597-020

Planet Reebok (A) 9-594-074

Heineken N.V.: Global Branding and Advertising 9-596-015

Loctite Corporation—International Distribution 9-594-021

Nestle S.A.: International Marketing (A) 9-585-013

Barco Projection Systems 9-591-133

