

**BOSTON UNIVERSITY: MK 467 – INTERNATIONAL MARKETING  
COURSE OUTLINE AND SCHEDULE  
February 2013  
TBD**

Instructor: Jack Marr  
Office Hours: TBD  
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Classroom: TBD

**REQUIRED MATERIALS:**

Cases and articles are available for purchase at: <http://cb.harvard.edu/cb/access/14052712>

Articles and lecture slides are available on SMGTools.  
On line Cultural Evaluation: \$20(web link to be provided)

**PREREQUISITES:**

Prior coursework in core marketing is required as the course builds upon these fundamentals.

**COURSE OBJECTIVES:**

The principal objective of this course is to help you develop a critical appreciation of both the opportunities and challenges associated with the increasing globalization of markets with a particular focus on emerging markets, Asian markets, and China in particular. During the semester, you will learn about the key environmental forces shaping consumer needs and preferences, the impact of political and economic factors on firms operating in an international environment, the influence of international competition, market segmentation and strategy decisions specific to international marketing. You will:

- Assess various foreign markets
- Analyze the impact of cultural, social, political and economic factors on marketing strategies
- Determine when to use different market entry and penetration strategies
- Examine the different skills and systems required to implement marketing strategies across country borders

By engaging your best efforts, you will enhance your understanding of the scope, risks and rewards facing organizations attempting to establish and maintain global competitiveness.

There are 2 phases of study in this course:

**Phase 1: Market Evaluation**

**Culture, Research, Opportunity Assessment and the Challenges of going Global**

This section examines culture and the impact that culture has on success using market research as a key tool. This section also looks at the tension between global vs. local execution of marketing strategies and how to best use research to mitigate the inherent risks involved with global expansion. In addition we will study entrepreneurial ventures in international markets, the adoption of new innovations in foreign markets and looks at the particular challenges of emerging markets.

*Phase I Deliverables: Current Events, Deliverable I and 2 presentations, Midterm*

## **Phase 2: Execution Plan**

### **Market Entry, the Marketing Plan and Financial Projections**

In the second half of the semester, we will examine issues around market entry and international distribution including an overview of various market entry strategies, channel choice and channel partnerships. We will take a deeper look at different pricing strategies and advertising options in the context of international marketing. Finally we will learn how to translate the marketing decisions we make into concrete financial projections that will allow us to determine whether international expansion makes good business sense.

*Phase II Deliverables: Current Events, Vietnam Case Analysis, Deliverable 3 and 4 Presentations*

### **SMG TOOLS:**

Each student should have access to SMG Tools and the “MK467 Spring 13” tab. All students should check SMG Tools prior to each class for course-related announcements. All assignments due should be uploaded to the “Assignments” tab in SMG Tools prior to 9:30am on the day the assignment is due. In addition, all course notes, lecture summaries and case summaries will be posted in SMG tools and available for download under the “Resources” tab. Grades will be posted under the “Gradebook” tab. Be sure to check your online grades to verify that the correct grade has been recorded.

### **GUEST SPEAKERS AND FIELD TRIPS:**

During the semester, leading professionals active in marketing in China will be invited to speak to the class. Additionally, we will take at least one field trip to see marketing in action in the Chinese market.

### **ATTENDANCE:**

Attendance in class sessions is required. If you are unprepared to participate in a class discussion, please let me know so that the class discussion isn't stalled. If you are unable to attend a class, you are expected to email me ahead of time. Unexcused absence from an exam or presentation will result in a zero being entered for that grade. Excused absence from an exam or presentation will result in either a make-up or the final grade being determined by the other evaluation inputs. An excused absence for missing an exam or presentation must be requested and arranged with the instructor before an exam or presentation. University letters allowing special exam taking procedures must be provided to the instructor at least one week prior to an exam.

If you are unable to make it to class, please check-in with a classmate or team member for any missed information. If you still have questions once you have reviewed all slides, notes and assigned readings, you may contact your instructor for clarification. If you are not able to make it to class on the day that an assignment is due, you are expected to upload the assignment to the “Assignments” folder in the course website prior to 9:30am on that same day. Late work will be accepted until 5pm on the day that it is due with a significant penalty. Any work submitted after 5pm on the day it is due will not be accepted, and a zero will be recorded.

### **GRADING:**

- |                       |     |
|-----------------------|-----|
| ➤ Class participation | 20% |
| ➤ Team Project        | 30% |
| ➤ Midterm             | 20% |

➤ Case Analysis	10%
➤ Final Paper	20%
➤ Total	100%

## CLASS PARTICIPATION (20%)

Class participation is critical to the success of this course and also provides an opportunity to develop the oral communication and persuasion skills that are essential in the practice of marketing. Also, I strongly encourage you to take this opportunity to look into current marketing events that are relevant to your own surrounding. Effective class participation includes:

- **Adequate preparation for each class session.** You are expected to come to class prepared to engage in an informed conversation about class material and about current marketing news stories and observations around China.
- **Regular and timely attendance.** As a co-production, the success of our class hinges critically upon your attendance. If you will miss a class you should inform the instructor in advance via e-mail, or, in the case of emergency, as soon as possible afterward. You bear the responsibility for making up work missed during an absence. In grading class participation, absences are marked as "excused" or "unexcused." Excused reasons for absence are outlined in the Student Handbook. Consistent with school policy, absences for personal reasons, including job interviews and personal commitments (e.g., travel, attending a friend's wedding) are not considered excused. One unexcused absence is generally expected. Beyond this, unexcused absences will adversely affect your participation grade. Also, classes will start on time so be punctual. Late arrivals past the five-minute mark adversely affect your participation grade.
- **Contributions to in-class discussions.** Your in-class contributions will be judged on the basis of whether they facilitate the process of collective learning in the classroom. High quality contributions are efficient, relevant to the discussion at hand, and cognizant of the flow of arguments on the table. Quality does not entail simple repetition of case facts or previous commentary. Quality contributions help others learn by synthesizing multiple points of view, redirecting a discussion that has hit an impasse, clarifying ambiguities, or provoking debate. Quality participants respect others' opinions and take care not to dominate the conversation. A good class citizen also turns off his/her cell phone before coming to class and does not use his/her computer for IM'ing or surfing. Using these criteria, class contributions are judged using the following scale: (3) outstanding, if this person were not contributing today the quality of the class discussion would have been significantly diminished; (2) good, helpful and on-target comments; (1) attending non-participant or one with repetitive, non-value-add comments; (-1) absent, late, or destructive class commentary. The instructor WILL call on students randomly during any discussion.
- **Assigned Seats.** To facilitate class attendance and participation records, *seats will be assigned* in the second class. You *must also bring your BU name card* to all classes so that the instructor and other students can address you by name. If you do not have your name card, you do not receive participation credit for that day.
- **No Cell Phones, IM'ing, Surfing or Gaming.** *Cell phones must be turned off* at the start of class sessions. *Those who are emailing, IM'ing, gaming, or performing any other non-class related activity will be penalized in class participation.*

## **TEAM PROJECT (30%)**

The team project will be based on two steps: evaluation and execution.

For the first step, you will form into teams of your choice to identify, define, and research a market opportunity of your choice in an emerging or Asian market. You will be asked to use a variety of market research tools, both primary and secondary, to gather data to support your opportunity and make recommendations about how to take advantage of this. You will be asked to give an update at mid-semester.

For the second part of your team project, you will continue with your teams to form an execution plan for the opportunity you identified in the evaluation section. You will be asked to use a variety of supporting data including benchmarking and further primary research to support your plan, which will then be presented at the end of the semester in a 25 minute presentation plus five minutes Q&A.

## **MIDTERM (20%)**

The midterm exam will focus on the concepts discussed in class. It will consist of multiple choice, short answer, fill-in-the-blank questions and one case-type question. To prepare for the exam, you should attend each class and be sure to read all assigned readings. Anything covered in class or in the assigned cases or articles could be included in the exam.

Grades will be assigned based on BU standards, where an A is “excellent,” B is “good” and C is “Satisfactory” or “Average.” An average student is one who shows up, understands most of the material, contributes to class discussion during at least half the sessions, and performs adequately on the assignments. If you hope to receive a higher letter grade, *your performance has to be above average.* “D” and “F” letter grades will be given if the student demonstrates poor performance.

## **CASE ANALYSIS (10%)**

The success of in-class case discussions depends to a great degree on the thoroughness and quality of your preparation. A thorough analysis will help foster a high level of lively conversation and debate, and will assist you in your personal preparation. You are required to come to class prepared for a case discussion by reading the case, considering the case questions, and by making a connection. You should be prepared to be an active participant in the discussion of each case. You will be called upon to open the case discussion. Opening a case involves an overview of your observations and insights beyond the basic case facts. You should also prepare two to three separate articles to support your fact base and case leadership. You should also prepare a list of discussion questions and/or exercises to help students think through and reinforce the principles involved in the case. Please inform the instructor if you are unprepared to participate in a case discussion so that you won't stall the class discussion. This assignment will be done in randomly assigned teams to allow you to work with a wider variety of students.

## **FINAL PAPER (20%)**

For the final paper, you will be asked to think about and create an international marketing case in which you will be assessed on your ability to define and solve a real life marketing problem in a specific business context and use your knowledge from the course and outside to build a dynamic, implementable solution to the problem. This will be supported by both primary and secondary research. You can either pursue a deeper exploration of one of the topics already addressed in class or in your projects or pick a new topic. Your grade will be based on your ability to create insight into the topic of your choice, your ability to support it with facts and examples, and the overall structure and clarity of your writing.

## Course Grading Criteria

<b>Grade</b>	<b>Range (%)</b>	<b>Assigned Grade (%)</b>
A	94-97	95
A-	90-93	92
B+	87-89	88
B	84-86	85
B-	80-83	82
C+	77-79	78
C	74-76	75
C-	70-73	72
D+	67-69	68
D	64-66	65
F	Below 65	60
Incomplete	0	0

## Academic Conduct Code

Students in the MK487 class are expected to read and abide by the Academic Conduct Code which can be read in its entirety by following this link <http://smgworld.bu.edu/acc/>.

## CLASS SCHEDULE

### Phase 1: Market Evaluation

#### Culture, Research, Opportunity Assessment

Feb 11th

#### **What Is International Marketing?**

For our first class we will do a fun group exercise that will help us gain a better understanding of what International Marketing (both the concept and the course) is all about. We will start to get an idea of some of the issues to consider when taking a product outside of your home market and how to apply the basic 4P-marketing model to this international effort.

**and Frameworks for evaluating market entry**

This discussion will give you a framework to decide whether to expand into a particular foreign country by considering four dimensions of distance and how these dimensions might affect your industry.

#### **Reading:**

*Distance Still Matters* by Ghemawat

*Branded by the past* by Ettenson and Klein

Feb 12th

#### **Impact of Culture on Business**

We will discuss the meaning and importance of culture, based on your own personal experiences and assessment.

**There will be an online assessment tool. I will provide you the link to the class separately.**

**And**

#### **Case Analysis: Euro Disney**

#### **Reading:**

*Case –Euro Disney or Euro Disaster?*

#### *Questions:*

1. *What factors contributed to EuroDisney's poor performance during its first year of operation? What factors contributed to Hong Kong Disney's poor performance in the first year?*
2. *To what degree were these factors a. foreseeable and b. controllable by EuroDisney, HKDisney or the parent company?*
3. *What role does ethnocentrism play in the story of EuroDisney's launch?*
4. *How do you assess the cross-cultural marketing skills of Disney?*

5. *Why do you think the experience in France didn't help Disney avoid some of the problem in Hong Kong?*
6. *What can Shanghai Disney learn from this experience*

## **Group Teams to be formed for group projects**

**Feb 13th:**

### **Case Analysis -1 The Global Brand Face-off**

“The Global Brand Face-off” is an entertaining and fictional case that outlines a new global brand initiative. This case follows a brand Manager at a global cosmetics company as she attempts to convince her colleagues around the globe to adopt a global ad campaign that is tied to a popular movie release. This will be our first look into the common challenges that global marketing managers often encounter when coordinating a global campaign. You will see what happens when culture, misaligned incentives, resistance to change and a strong desire for autonomy is added to the marketing mix.

Global Brand role play based on how did they evaluate the opportunity before entering the foreign market? What insight can you gain from this analysis? Analysis team 1 to find articles of other examples of managers facing a global brand challenge and be prepared to present them.

**And**

### **Global Market Research**

Research is a tool that helps us to develop appropriate **Product** modifications, it drives the success of our **Pricing** strategy, it supports our **Promotions** efforts, and it adds to our understanding of where to **Place** our products. So, today we're going to talk about market research – the backbone of any marketing strategy.

#### **Reading:**

*Article: Customizing Global Marketing*

*Case: The Global Brand Face-off*

*Article – Unilever Puts in Face Time with Chinese Consumer*

*Article – Different Strokes*

*Article: International Market Research Global Marketing Opportunity Assessment*



Feb 14<sup>th</sup>

**Group Evaluation and Execution Teams to present research plans to class with clear research areas, data collection methods, target groups, and completion milestones.**

**And**

### **Marketing in Emerging Markets**

Marketing in an emerging market is very different from marketing in a developed market. In this section we will examine these differences and learn of some of the challenges that marketers face when dealing with underdeveloped distribution systems, corruption, consumers who are uneducated in the purpose and proper use of your product, differing attitudes toward preventative maintenance, political instability, poverty...the list goes on.

#### **Reading:**

*Article – How to win in Emerging markets: a lesson from Japan*

*Article- Competing with Emerging Market Multinationals*

**Case analysis 2: pick three emerging markets countries and prepare and identify according to framework key critical cultural and systemic marketing variables and lead discussion.**

Feb 15<sup>th</sup>

### **Bottom of the Pyramid**

We continue our discussion of emerging markets with the innovative idea of marketing to the bottom of the pyramid. This idea has caught on and the result has been beneficial for all involved. We will look at several examples of companies who have designed a successful and profitable business around the poorest segment of consumers, those consumers with incomes of less than one dollar per week. We will see how these innovative business models create wealth for the entrepreneurs as well as for communities that they serve. How a paradigm shift in thinking about profitability created an industry that has pulled villages and towns out of poverty.

**And**

### **Battling Counterfeits**

In addition to the massive potential opportunities that emerging markets present, they also present massive challenges to brand building and brand equity particularly in terms of counterfeits and knock offs. We will look at examples as well as protective strategies in these relatively loosely regulated markets.

In this fictional case study, the head of a company that makes apparel and equipment for outdoor enthusiasts must decide what to do about increased counterfeiting of the firm's products. The reader will consider questions such as how to control legal expenses associated with combating counterfeiting, how to partner with customs and border patrol officers to identify counterfeits, and how to use retailing strategies to strengthen a company's brand and thus reduce customers' desire to buy counterfeit goods.

In class case: how to combat?

**Reading:**

*Article: The Fortune at the Bottom of the Pyramid.*

*Debate: Be prepared to debate the pros and cons of TOP v. BOP Can Knockoffs Knock Out Your Business? (HBR Case Study and Commentary)* Product number:R0810A-PDF-ENG

*Case: Danimals*

Questions:

1. How does the Danimal project shed light on and challenge the principles suggested to manage the base of the pyramid?
2. How would you measure the success of the Danimal project?
3. How does the approach taken by Maria Pretorius in managing the Danimal product line factor in management innovation opportunities and challenges as defined by Hamel?

**Feb 16<sup>th</sup> Off?????**

**Feb 17<sup>th</sup> OFF?????**

**Feb 18th**

## **Phase 2: The Execution Plan**

### **Market Entry and the Global Marketing Plan**

#### **Case discussion: Marketing technological innovations**

A very useful model is presented in this session. We will spend the first 15 minutes of class discussing the 'Roger's Five Factors' model. In the remainder of the class, we will apply this model to the Sony Car Navigation Case. A good approach would be to read The Roger's article first, then as you read the case, see how you can integrate this model into your understanding of the diffusion of car navigation technology in Japan, the US and Europe and then China. Do you think that the diffusion rates of this innovation will differ between these markets? What drives this difference?

Note: The sole purpose of this case is to solidify your understanding of the Rogers 5-factors model on innovation diffusion. As a result, you should focus your reading to understanding the market for GPS in Europe, US, Japan, and China. You can disregard the issue of diverse software formats and Standard Setting.

#### **Reading:**

*Article: Note on Innovation Diffusion: Roger's Five Factors*  
*Case: Sony Corporation: Car Navigation Systems*

**Case analysis 3:** Find and discuss 2-3 articles about companies who have adopted a disruptive business model that allows them to compete successfully with a profit driven business targeted to consumers at the bottom of the pyramid.

**Feb 19th**

#### **Market entry and channel selection**

We will discuss the importance of distributors to get your product on the shelves in a foreign market, and how distributor partnerships can facilitate this process. We will discuss a model to use when trying to find the best "fit" for a channel partner.

#### **Case Discussion – Danone and Wahaha**

For most of 2007, a public dispute was going on between Danone and Wahaha over their joint venture in China. The "antagonism" had even led to the Chinese and French presidents calling on both companies to resume "peace talks" and find an amicable solution. The Danone & Wahaha case looks into how this ten year plus and once "sweet" partnership turned sour.

It serves as a basis to further explore what could have been considered as a "win-win" partnership; how it was formed, further developed and how to anticipate and mitigate certain risks when doing business in China or other emerging markets, for example, how to define growth and the share of risks and rewards. It then examines what will happen next and the future outlook or likely scenario for Danone's businesses in China. Learning objectives: The key learnings in this case will apply to how to make all partnerships work, whether with Chinese partners or not, those based on principles of equality and mutual benefits, tolerating minor differences and reach mutual understandings.

**Reading:**

*Article: Seven Rules of International Distribution*

Danone & Wahaha: A Bittersweet Partnership IMD367-PDF-ENG

*PPT slides on SMGTools- 6-C framework construct- review before class*

*Case: Vietnam: Market Entry Decisions*

**And**

**Case Discussion – Market assessment and entry in Vietnam**

For this class discussion, we will apply the knowledge we gained in our last two lectures on market entry and channel selection to determine the best market entry strategy for the three firms entering Vietnam. While their names have been disguised, we can easily guess who these companies really are. When you prepare for this case, be sure to include information from our in-class discussions, as your instructor will be looking for students to draw on inspiration from the frameworks and guidelines presented thus far.

**Feb 20st:**

**Pricing**

We will discuss the role of pricing as a strategic instrument in a marketing plan. As you expand to foreign markets, your ability to control pricing deteriorates; we will discuss the challenges to strategic pricing and ways to mitigate this loss of control.

**Reading:**

*PPT slides on SMGTools: Pricing- review prior to class.*

*Case: Battle for China's Good-Enough Market R0709E-PDF-ENG*

**And**

**Shampoo products in India Mass Market**

1. What are the category beliefs among the non-users of shampoo?
2. What are the cognitive (rational) beliefs on the three brands of shampoos? (What are those advertising elements that match with the cognitive beliefs?)
3. What are the affective (emotional) aspects reflected by advertisements of the three brands of shampoos? (What are those advertising

- elements that match with the affective aspects?)
4. Are there differences between the cognitive and affective beliefs reflected by the respondents based on their exposure to the ads of the three brands? Why are these differences being observed?
  5. How does each brand score on the cognitive, affective and conative aspects (each brand can be marked as low, medium or high on each of these components)?
  6. How does each brand score on attitude towards the brand?
  7. Based on the analysis and the application of concepts, how can a new brand be launched?

## How Global Brands Compete

Global brands are competing on multiple levels across multiple geographies and cultures. Success requires maintaining a strong and consistent global presence that also resonates at each very different local level.

**Read: Case:** L’Oreal and the Globalization of American Beauty

Here are some questions to think about as you study this case:

1. What is the role of each brand that L’Oreal acquired in their quest to become the world’s largest beauty company?
2. L’Oreal offers consumers worldwide “French” and “American” concepts of beauty. Are there any limits to the national beauty images it can globalize?
3. Are there global opportunities for Kiehl? What would they be?
4. How does this play out in Asian markets with different concepts of beauty?

**Feb 21<sup>st</sup>:**

## Emerging Markets 2.0

Emerging markets present not only an opportunity for established brands to sell their product, but are also disruptors increasingly focused on building brands of their own. These compete both within their home markets and increasingly in foreign markets as well. Welcome to Emerging Markets 2.0

***Read: Case Haier in India: Building Presence in a Mass Market Beyond***

1. To analyse the behaviour of emerging-market multinational corporations ("EM MNCs") in emerging economies.
2. To explore the challenges and advantages that EM MNCs may face in other emerging markets.
3. To analyse how EM MNCs adopt localisation and product differentiation when entering new markets.
4. To compare and contrast EM MNCs' strategies in developed versus emerging markets.

**Case analysis 4 :** Work to find several examples of the emerging to emerged/ emerging to emerging markets dynamic at play through articles.

What strengths do the outsiders bring to the market? What weaknesses do they have vis a vis locals? Be prepared to discuss.

And

### **Global Advertising**

We will discuss marketing communications and advertising, examine the role and benefit of using an advertising agency, watch some really successful (and sometimes funny) ad campaigns, and gain insight into the challenges faced by managers when executing a global campaign.

**Case analysis 5:** Find and discuss 2-3 articles about the communication and advertising strategy that different companies adopt when going international. Try to find at least one example of a company who attempts to “Think Global and Act Local”. Were they successful? Why/why not? Be prepared to present these articles and your viewpoint to the class.

**Feb 22<sup>nd</sup> :**

### **Group Presentations**

**Feb 23<sup>rd</sup>**

### **Field Trip to Yiwu Consumer Commodities Market and Local Factory**

**March 1<sup>st</sup>**

### **Final Paper Due ????**