

**Title:** MKT 4010 Global Marketing Management

**Units:** 2

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**Textbook:** Nil

### **Preamble**

*“When you are at Rome live in Roman style;  
when you are elsewhere live as they live elsewhere”*

St.Ambrose, A.D 340-397  
Advice to St. Augustine

*“Sony, Canon, Technics, and Levi Strauss. These are a few of the new breed of multinational who view the developed world, strategically, as basically a common market, but tailor strategy execution to local conditions”*

Kenichi Ohmae (1994)  
Senior Partner, McKinsey and Company (Japan)

*“We (Coca-Cola) used to be an American company with a large international business. Now we are a large international company with an American business”.*

Robert Goizueta (1994)  
Director, Coca-Cola Corporation

Marketing is one of the most talked about, loved, hated, respected, and misunderstood courses on any MBA program. Many students come to an MBA program with a misconception that marketing is more of a gut-feeling, seat-of-the-pants discipline than are, say, Finance, Production and Operations Management, or Accounting. As you will see from this course, strong marketing requires analysis as well as sound judgment. Marketing is about *gut figures*, not just gut feel. You will be surprised by the amount of detailed work required to make informed marketing decisions.

### **Aim of the course**

The aim of this course is to help students acquire the skills and knowledge necessary to solve complex global marketing problems.

## **Desired learning outcomes**

By the end of the subject it is expected that students will:

- have the ability to draw together and assess complex information in order to identify the core marketing problems/challenges facing a firm.
- be able to develop and evaluate alternative global marketing strategies designed to solve marketing problems.
- in the process of process of identifying marketing problems and developing strategic options to solve these problems, students will develop the ability to apply global marketing theory (with an emphasis on the global versus local issue i.e standardised versus localised marketing) to a practical marketing situation.

The assessment methods will be strongly oriented towards achieving these learning outcomes, in the sense that they focus on the application of theory to real global marketing situations.

Apart from acquiring knowledge, skills will also be developed. Students will have to work both independently, and in groups, leading to the development of time-management and team working skills. The case studies will also enhance the ability of students to filter through large amounts of information in order to isolate key issues. All these skills are important for professional development.

In short, the aim of the course is to make you *think* (in case you forgot, the primary purpose of a university is to make people think).

## **Assessment**

Term project: in groups of 5-6, write a 5000 word project which applies the theory of global marketing (in particular the localised versus standardised debate), to the marketing of people (see Attachment 1) (30%)

Case analysis: prepare a one page summary for each case study, highlighting the key problems facing a firm, and possible solutions to the problems. Actively participate in case study discussions (30%)

Final Exam (two hours): based on a global marketing case study issued one week before the examination, answer two compulsory questions (40%)

## **Course Content and Method**

There will be one three-hour session every week. The following table outlines the content of each session and the necessary pre-reading. All readings and case studies will be distributed to you in the first class.

SESSION	TOPIC	READING
1	Course expectations Introduction to global marketing	<p>Levitt, T (1983). The Globalization of Markets, <i>Harvard Business Review</i> (May/June), pp. 92-102.</p> <p>Colvin (2005). America isn't ready. <i>Fortune</i>, August, pp. 28-37.</p> <p>Vignali (2001). McDonald's: Think global, act local – the marketing mix. <i>British Food Journal</i>, Vol 103, No 2, pp. 97-111.</p>
2	The starting point: selecting foreign markets and organizing for global marketing	Samsung Electronics Company: Global Marketing Operations. Harvard Business School Case 9-504-051.
3	Global products: myth or reality?	<p>Making China beautiful: Shisedo and the China market. Harvard Business School Case 5-806-027.</p> <p>McEwen, Fang and Zhang (2006). "Inside the Mind of the Chinese Consumer". <i>Harvard Business Review</i>, March 1.</p> <p>Holt, Quelch and Taylor (2004). How Global Brands Compete. <i>Harvard Business Review</i>, September.</p> <p>Phau and Prendergast (2000). Conceptualising the Country of Origin of Brand. <i>Journal of Marketing Communications</i>. Vol 6, No 3, pp. 159-170.</p>
4	Global branding and promotion	<p>Asia's world city: Hong Kong's New Identity. Harvard Business School/HKU Case 243</p> <p>Nan and Belk (2004). Chinese consumer readings of global versus local advertising appeals. <i>Journal of Advertising</i>, Vol 33, No 3, pp 63-77.</p> <p>Poon and Prendergast (2006). A new framework for evaluating sponsorship opportunities. <i>International Journal of Advertising</i>, Volume 25 (4).</p>
5	Global distribution? Distributing in Asia/Pacific	<p>Henleys distribution channels for domestic appliances in China's transitioning economy. HKU Case HKU225</p> <p>Magretta. Fast, Global, and Entrepreneurial: Supply Chain Management Hong Kong Style – An Interview with Victor Fung. <i>Harvard Business Review</i>, September-October 1998.</p>

6	Global Pricing, pricing ethics	<p>Louis Vuitton Moet Hennessy: Expanding Brand Dominance in Asia. HKU Case HKU368.</p> <p>Cheung and Prendergast (2006). Buyers' perceptions of pirated products: a China study. <i>Marketing Intelligence and Planning</i>, Vol 24 (5), pp. 432-445.</p> <p>Dolan (1995). How do You Know When the Price is Right? <i>Harvard Business Review</i>, September-October.</p>
7	<p>Bringing it all together: what have we learnt?</p> <p>The future of global marketing</p>	<p>Prendergast and Berthon (2000). Insights from Ecology: An Ecotone Perspective of Marketing. <i>European Management Journal</i>, Vol 18, No 2, pp. 223-232.</p>

The intention of this course is to give you exposure to contemporary issues in global marketing, with a focus on the fast-growing Asia/Pacific region. Given this intention, there is little use in having formal lectures, or prescribing a textbook (which would undoubtedly become quickly dated). Therefore, the course will be based on the in-class discussion of case studies.

### The Use of Case Studies

In the course, five cases from the Harvard Business School case library will be used. In the first session, our approach to cases, their analysis, and why I've selected particular cases will be discussed, so there is no need to go into detail here. However, it is worth emphasising that to get the most out of these cases will require many hours of analysis. Merely reading the case is not enough - it must be analysed thoroughly. The figures in a case are not there to make it thicker, more detailed or more confusing. They are there to be used!

Most graduate students, and executives too, finish one of these cases amazed at the depth of analysis truly good in-class discussion requires, and disappointed that they had not done more prior to coming to class. The only person who should be more exhausted after a good case discussion is me! My goal on this course is to challenge you and make you think. At the same time, I do not believe that hard work and fun are mutually exclusive.

**Individual Preparation:** You should expect to invest between two and three hours of individual preparation for each class session. Anything less, even by a brilliant participant, is likely to result in a poor in-class performance, embarrassment in the face of your classmates, and a missed opportunity to develop your skills at a deep, instinctive level that can only result from intensive practice.

As a rough rule of thumb for allocating time between the case and the readings, you should skim the readings, and analyze the case. For example, if you have three-and-a-half hours to spend, you would be wise to spend no more than 30 minutes on the readings, and three hours on the case. If some combination of events results in your having less than three hours to prepare for a session, you are advised to defer the readings until a later time, and invest all of your time in the case. However, if you make a habit of ignoring the readings, you will miss some of the insights that can be gotten by synthesizing a key idea from the readings with the case for the day. In

general, the class sessions should be treated in the same manner as scheduled business meetings: you should come on time and prepared to participate in the class activities. To help you with class participation, you are asked to write a background for the case, as well as considering the attached questions for each case (see Attachment 2). Note that I will not be grading this background or the answers to questions, however, I shall be ‘wondering’ around the groups during class discussion time and checking to see that everyone has done the necessary preparation for class.

If you feel that two to three hours is an unreasonable burden to prepare for class, consider the following three observations. First, evidence suggests that your competition on other good MBA programs spend between two and three hours in individual preparation for each session. So you’re not being asked to do any more than your counterparts are doing. Second, superficial preparation leads to superficial in-class discussions and a lack of learning points drawn from the case. You’ve invested a tremendous amount of your time and someone’s money to do your MBA at HKBU. It would seem reasonable to invest additional time to guarantee that this course is a learning experience of the highest quality. Finally, the cases and readings are interesting. Digging through a case to try to determine what the problem is and how to solve it can be as stimulating and enjoyable as a good novel or detective story.

### **Concluding Comments**

I view an MBA as being very different from a BBA. From my classes, you can expect interaction (with me and with each other) and application. I believe that MBA students basically receive what they give. In other words, if you want to get something out of my course, then you must be prepared to put something into this course. As I mentioned earlier, my goal on this course is to challenge you and make you think. At the same time, I do not subscribe to the view that hard work and fun are mutually exclusive.

Enjoy the course.

**Prof. Gerard Prendergast**

## Attachment 1: Term Project

- Project title:** Global versus local needs: a study of online dating websites
- Project Value:** 30%
- Word Limit:** 5000 words (not including appendices)
- Due Date:** Hand in before the exam

### Requirements:

At the heart of marketing is the exchange<sup>1</sup> that takes place between two parties. Normally we discuss this exchange in the context of a consumer and a company. However, the most common application of marketing exchange lies in our daily attempts to market ourselves to the opposite sex<sup>2</sup>. i.e. the exchange that takes place between males and females.

In groups of five to six members, you are to conduct a content analysis of online dating websites. Your project has two parts:

#### Part 1:

Visit [www.asianeuro.com](http://www.asianeuro.com). Study the advertisements of 40 males (20 Chinese from mainland China and 20 Caucasian from the US) and 40 females (20 Chinese from mainland China and 20 Caucasian from the US). Then, based on your findings, answer the following questions:

- what attributes are males offering and seeking?
- what attributes are females offering and seeking?
- are there some attributes being offered and sort that are *global* in nature?
- are there some attributes being offered and sort that are *local* in nature?

Apart from discussing what you found, you may also use the following table to summarise your findings.

	<b>Offering</b>	<b>Seeking</b>
<b>China</b>		
Males		
Females		
<b>US</b>		
Males		
Females		

<sup>1</sup> Bagozzi, Richard (1975). "Marketing as Exchange". *Journal of Marketing*, Vol 39 (October), pp. 32-39.

<sup>2</sup> Hirschman, E.C (1987). "People as Products: Analysis of Complex Marketing Exchange". *Journal of Marketing*, Vol 51 (Jan), pp. 98-108.

*Note that you must attach a copy of the ads as an appendix.*

In addition to the quantitative analysis, you may also enrich your project by quoting some qualitative comments from some advertisements.

**Part 2:**

Choose one member of your group, and create two advertisements: one to sell him or her in an online dating website in mainland China and the other to sell him or her in an online dating website in the US (for my benefit, please use English in the ads).

Explain what (if any) elements of the ads are the same and what elements of the ads are different.

Your group may email me should you have questions: [gerard@hkbu.edu.hk](mailto:gerard@hkbu.edu.hk)

## Attachment 2: Case Study Questions

### **Samsung Electronics Company: Global Marketing Operations**

When Kim became the head of marketing in 2000, Samsung was not even ranked in the world's most valuable 100 brands. By 2003, it was ranked number 25. What marketing initiatives do you believe have contributed to this improved performance?

What does Samsung need to do in order to achieve its dream of becoming as strong as Sony?

### **Shiseido**

What are the obstacles to having globalised cosmetic products? How did Shiseido adapt its products for China?

What are the dangers/risks for Shiseido in expanding their China investment?

### **Asia's world city**

Based on the case information, compare and contrast the efforts of the Hong Kong Tourism Board (HKTB) and Information Services Department (ISD) to promote Hong Kong to the world. Have they done a good job?

How would **you** promote Hong Kong to the world? Consider issues such as market segments, promotion/communication objectives, positioning, and media.

### **Henleys Distribution**

What criteria did Henley use to select distributors?

What functions did Dongxi perform as a channel member? How did Henleys motivate them?

Should Henleys terminate the Dongxi distributorship? Why or why not? Who should replace Dongxi if they are terminated?

### **Louis Vuitton**

What are luxury goods? Who buys them? Why do they buy them?

Should LVMH try to sell its products to the new middle class? Justify your answer.

How does counterfeiting affect the business of LVMH? How to fight counterfeiters?