Management for Professionals

Bodo B. Schlegelmilch

Global Marketing Strategy

An Executive Digest

Second Edition

Springer

Management for Professionals

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Appraisals

The Opinion of Significant Others

This book is a must-read! A successful strategy builds on serving one's customers in good ways—and this is what this book is all about. The global focus is particularly relevant, given the fact that the competition today for leading customers is global—as said, a must-read!

Peter Lorange
Professor and Chairman, Lorange Network
Honorary President, IMD, Switzerland
Zurich
Switzerland

This is a perfect book for executive managers and MBA students who would like to grasp the essence of global marketing strategy quickly. In the second edition, Professor Schlegelmilch did a wonderful job updating and further enriching the key knowledge of global marketing strategy in an easy-to-understand manner.

Kazuhiro Asakawa
Professor of Global Innovation Management
Graduate School of Business Administration
Keio University
Japan

Schlegelmilch offers a compelling and contemporary perspective on marketing's central role within global firms, and the need to continuously create new means to engage with customers worldwide as the Fourth Industrial Revolution takes hold, yet with significant variation in ecommerce and digital behavior around the globe. As a marketing professional with experience in both academia and practice, I *strongly recommend this book to global marketing managers as well as educators - it would be an ideal read for MBA students studying global marketing strategy.*

Kelly Hewett
Associate Professor
Editor: Journal of International Marketing
The University of Tennessee
Knoxville, Tennessee
USA

Perfect for the executive MBA or specialist master's student seeking cutting-edge thinking on global marketing strategy. Entertaining, full of surprising insights, ambitious in its coverage, and totally engaging, yet lean and to the point. Schlegelmilch marshals his vast experience as a global executive teacher, consultant, and researcher to give us an educational page-turner. Outstanding!

John Cadogan
Professor and Head of Marketing and Retailing
Editor-in-Chief: International Marketing Review
Loughborough University
United Kingdom

I think the new edition will benefit our MBA and EMBA students a lot on both theory and practice which will lead them to deal with challenges from the chaotic global environment.

Jintao Wu
Associate Professor and Director of MBA Programs
Assistant Professor of Marketing
School of Business
Sun Yat-sen University
Guangzhou
China

Bodo Schlegelmilch has produced a definitive book on global marketing that does an outstanding job clarifying how to bring the best of both local and global marketing efforts into one unifying marketing strategy. The book is a "must-read" for any manager interested in understanding how to better market his or her brands in an increasingly global economy.

Russell S. Winer
William H. Joyce Professor of Marketing
Stern School of Business, New York University
New York
USA

The book is great for executives who want an easy, yet comprehensive, book on global marketing strategy and for students in a global marketing strategy course to use as a guiding framework for doing business in the twenty-first century.

Victoria L. Crittenden
Professor of Marketing and Peter M. Black Endowed Faculty Scholar
Editor: Journal of Marketing Education
Babson College
Babson Park
USA

The second edition of this extremely readable book offers a completely updated analysis of core issues relating to the development and implementation of global marketing strategy. Executives at all levels and from all functional areas will greatly benefit from this book which succinctly and powerfully addresses the most crucial decisions impinging upon global marketing success. Definitely a must-read.

Adamantios Diamantopoulos
Chair of International Marketing
University of Vienna
Vienna
Austria

Bodo Schlegelmilch takes the reader on an insightful and compelling journey through the world of global marketing strategy. This powerful book should be an obligatory read for any brand or product manager aiming at succeeding on a global scale.

Björn Ambos
Professor and Managing Director: Institute of Management
Senior Editor, Journal of World Business
University of St. Gallen
Switzerland

We all know that marketing in different markets is quite challenging. In the VUCA+ world, global marketing is more complicated than ever. The good news is that this book deciphers this complexity! Theories and vignettes are carefully integrated to help readers understand the concepts and see how to use them. A must-read.

Surat Teerakapibal
Vice Rector for Administration (The Prachan) and International Affairs
Associate Professor of Marketing
Thammasat University
Bangkok
Thailand

To my family

Preface

Benefits

The second edition of this book has been completely revised and extended. It looks at international marketing challenges from a strategic perspective. If you share the belief that successful business leaders cannot afford to think in functional silos and agree that the best companies combine a strong marketing orientation with a systematic and thoughtful strategy, this book will appeal to you. If you are also too busy for reading textbooks the size of *War and Peace* to get the latest thinking on global marketing strategy, you will like the conciseness of the book. And finally, if you would like to have a book that points you to further readings on topics you may want to pursue in more depth, you should definitely hit the “order now” button.

The Ideal Reader

You are an experienced business leader or a student in a postgraduate program, such as an MBA or a specialized master’s program. You have an international orientation and are interested in cross-cultural differences and their impact on marketing and strategy. You prefer a big picture approach to nerdy details.

Vienna, Austria — Bodo B. Schlegelmilch

Acknowledgment

Whole societies are built on the division of labor, and this book also benefited from insights, discussions, and the help of others. First, there are a number of bright students in my CEMS and MSc courses held here in Vienna. They never stop inspiring and introducing me to new perspectives. Second, there are countless executive MBA students and business leaders I taught in more than 30 countries around the world. Their practical examples and unique cultural perspectives taught me to appreciate the importance of context. Third, there are my research assistants Reiko Domai, Sarina Mansour Fallah, Sanem Öztürk, and Erin Silangil, who greatly helped me with sorting out references, writing off for copyright permissions, and proofreading the text. Last but not least, there is my PA, Hanife Özdemir, who formatted the text and supplied me with copious amounts of coffee while I was writing.

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About the Author

Bodo B. Schlegelmilch heads the Institute for International Marketing Management at WU Vienna and is Chair of the global accreditation organization AMBA [Association of MBAs]. For more than 10 years, he served as founding Dean of the WU Executive Academy. He also founded the Vienna Executive MBA, a cooperation with the University of Minnesota, and led the program into the *Financial Times* Top 50 Global Executive MBAs.

Starting at Deutsche Bank and Procter & Gamble, he continued his career at the University of Edinburgh and the University of California, Berkeley. Tenured professorships at the University of Wales, UK (British Rail Chair of Marketing), and at Thunderbird School of Global Management, USA (Head of Marketing Section), followed. To date, he taught in more than 30 countries on six continents, mainly in executive programs.

Bodo received numerous awards and fellowships for his teaching and research, such as from the Academy of International Business, the Academy of Marketing Science, the American Marketing Association, and the Chartered Institute of Marketing. He heads and is member of advisory boards of European (UK, Cyprus, and Hungary) and Asian (China and Thailand) universities and business schools.

His research interests span from international marketing strategy to CSR, and his work has been published in leading academic journals, such as the *Strategic Management Journal*, *Journal of International Business Studies*, and *Journal of the Academy of Marketing Science*. In addition to some 150 journal papers, he has also published more than 10 books in English, Chinese (Mandarin), and German.

Bodo has been Editor-in-Chief of the *Journal of International Marketing* and serves/d on the editorial boards of the *Journal of Marketing*, the *International Journal of Research in Marketing*, *AMS Review*, and many other leading academic journals.

Initially educated in Germany, he obtained two doctorates (in International Marketing Strategy and CSR) from the University of Manchester (UK) and an honorary Ph.D. from Thammasat University (Thailand).

List of Abbreviations

4 Ps	Product, place, price, promotion
5 Vs	Volume, velocity, veracity, variety, value
AAA	Adaptation, aggregation, arbitration
AACSB	Association to Advance Collegiate Schools of Business
AD	Area division
AGSS	Austria, Germany, Switzerland, Slovenia
AI	Artificial intelligence
AMA	American Marketing Association
AMBA	Association of MBAs
ANX	Automotive Network Exchange
AOA	Asia, Oceania, Sub-Saharan Africa
ASEAN	Association of Southeast Asian Nations
AWS	Amazon Web Services
BAT	Baidu, Alibaba, Tencent
BMI	Body mass index
BMW	Bayerische Motoren Werke
BPO	Business process outsourcing
BREXIT	British exit (from the European Union)
BRIC	Brazil, Russia, India, China
BTO	Build to order
C&P	Contracting and procurement
CAGE	Cultural, administrative, geographic, economic
CD	Compact disk
CEE	Central and Eastern Europe
CEEMEA	Central and Eastern Europe, Middle East, Africa
CEO	Chief executive officer
CEIBS	China Europe International Business School
CFA	Confirmatory factor analysis
CHF	Swiss franc
CIBER	Center for International Business Education and Research
CIF	Cost, insurance, freight
CRM	Customer relationship management
CSR	Corporate social responsibility

DACH	Germany, Austria, Switzerland
DDP	Delivery duty paid
DVD	Digital versatile disk
EDI	Electronic data interchange
EIU	Economist Intelligence Unit
EMA	European Medicines Agency
EMBA	Executive Master of Business Administration
EMC	Export management company
EMEA	Europe, Middle East, Africa
EMENA	Europe, Middle, East, North Africa
EMNE	Emerging market multinational enterprise
EQUIS	European Quality Improvement System
ERP	Enterprise resource planning
ERPT	Exchange rate pass-through
EU	European Union
EUIPO	European Union Intellectual Property Office
EUR	Euro
ETC	Export trading company
eWOM	Electronic word of mouth
FAANG	Facebook, Amazon, Apple, Netflix, Google
FAS	Free alongside ship
FTC	Federal Trade Commission
FDA	Food and Drug Administration
FDI	Foreign direct investment
FMCG	Fast-moving consumer good
FOB	Free on board
GAAP	Generally accepted accounting principles
GBU	Global business unit
GBS	Global Business Services
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GNI	Gross national income
GNP	Gross national product
GRI	Global Reporting Initiative
HMV	HMV Retail Ltd (HMV = His Master's Voice)
HOG	Harley Owners Group
HQ	Headquarters
HR	Human resources
HUL	Hindustan Unilever Ltd.
IACC	International Anti-Counterfeiting Coalition
IB	International business
IBM	International Business Machines Corporation
ICC	International Chamber of Commerce
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMC	Integrated marketing communication

IMD	Institute for Management Development
Incoterms	International Commercial Terms
IoT	Internet of things
IP	Intellectual property
IPLC	International product life cycle
IR	Integration-responsiveness
IRT	Item-response theory
IT	Information technology
JV	Joint venture
KFC	Kentucky Fried Chicken
KPMG	Klynveld Peat Marwick Goerdeler
KOG	Kongsberg Gruppen
Latam	Latin America
LATTE	Local, authentic, traceable, transparent, ethical
LBS	Location-based services
LCR	London Countertrade Roundtable
LTT	Latent trade theory
LU	Local unit
LVMH	Moët Hennessy Louis Vuitton S.A.
MAN	Maschinenfabrik Augsburg-Nürnberg
MBA	Master of Business Administration
MDO	Market Development Organization
MNC	Multinational corporation
MNE	Multinational enterprises
MSU	Michigan State University
MTV	Music Television
NAFTA	North American Free Trade Agreement
NFC	Near-field communication
OBM	Original brand manufacturer
OECD	Organisation for Economic Co-operation and Development
OEM	Original equipment manufacturer
P&G	Procter & Gamble Company
P&L	Profit and loss
PC	Personal computer
PD	Product division
PEST	Political, economic, social, technological
PESTEL	Political, economic, social, technological, environmental, legal
PESTLE	Political, economic, social, technological, legal, environmental
PESTELED	Political, economic, social, technological, environmental, legal, ethical, demographics
PLC	Product life cycle
POS	Physical point of sale
PR	Public relations
QR code	Quick response code
RBV	Resource-based view
R&D	Research and development

RCM	Relationship communication model
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
RFID	Radio-frequency Identification
RHQ	Regional headquarters
RMB	Renminbi
SaaS	Software as a service
SASB	Sustainability Accounting Standards Board
SBU	Strategic business unit
SCA	Sustainable competitive advantage
SDG	Sustainable Development Goals
SK-II	Secret Key (a P&G skincare product)
SLEPT	Social, legal, economic, political, technological
SLEPTS	Social, legal, economic, political, technological, sustainable
SME	Small and medium-sized enterprise
SMS	Short message service
S&P	Standard & Poor's
STP	Segmentation, targeting, positioning
STEEPLE	Social, technological, environmental, economic, political, legal, ethical
STEEPLED	Social, technological, environmental, economic, political, legal, ethical, demographics
SWAP	Swap option (exchange of liabilities on outstanding debts)
TNC	Transnational corporation
TNI	Transnationality Index
TPP	Trans-Pacific Partnership
TTIP	Transatlantic Trade and Investment Partnership
TV	Television
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNFPA	United Nations Fund for Population Activities
UNFCCC	United Nations Framework Convention on Climate Change
UK	United Kingdom
US	United States
USA	United States of America
USP	Unique selling proposition
VMI	Vendor-managed inventory
VMS	Vertical marketing system
VRIN	Valuable, rare, imperfectly imitable, not substitutable
VUCA	Volatility, uncertainty, complexity, ambiguity
VW	Volkswagen AG
WEF	World Economic Forum
WOM	Word of mouth
WOS	Wholly owned subsidiary
WTO	World Trade Organization

List of Figures