



Global Marketing Syllabus © 2009-2011 Phil Corse

INT MKT 467- 0 Section 76 Executive Program

Revised July 5, 2011



Fall 2011 Kellogg Chicago Campus

Office hours: 1 hour before/after class/by appointment

Professor Phillip Corse/"Business Practitioner"

CEO, Marketing Connections Group

p-corse@kellogg.northwestern.edu

philcorse@hotmail.com

847 778 7107 mobile

www.pcorse.com

http://www.kellogg.northwestern.edu/Faculty/Directory/Corse_Phillip.aspx

Introduction

This "real-world" oriented course has been re-tooled for the Kellogg Executive Program in June, 2011 and the following major changes have been incorporated:

- + With the increasing importance of Muslim markets, *Islamic Branding and Marketing* by Pail Temporal, Wiley, June, 2011 will be used as the text
- + The popular Country Snapshots series has been expanded to include additional emerging markets in Asia and Africa
- + Africa and Indonesia examples and benchmarks have been added
- + 4 new cases (2009-2011) have replaced more dated and lower interest cases

Course Focus/Caveat

Students: This course focuses on launching and increasing the penetration of existing products in emerging markets with exploding middle classes, "bottom-of-the-pyramid" and Muslim end users. The focus products are B2C and B2B durables and package goods that will need to be localized and adapted for emerging markets such as China, India, Brazil, Mexico, Turkey, Indonesia and Nigeria. **China and India are over weighted in this class.**

Country selection, cultural positioning and launch plan will follow a disciplined **stage-gate process and framework** that we have designed and used successfully for many years in several countries for clients and for our own companies.

1 Course Description

This course on Global Marketing is based on a combination of lectures/discussions, Harvard cases, videos, outside speakers, country snapshots and a final marketing project in which student teams launch a discrete product in an emerging market such as India or China. The course **is real-world based** and the emphasis is more on "**how-to-do-it**" rather than what-to-do". This is an important distinction and a number of frameworks and tools will be introduced in the course for application by the class.

The course recognizes that we live in a flat, hyper-connected, shrinking, interdependent world in which time horizons are compressed, communications are 24/7, information is prolific, customers are also competitors and global work teams are located throughout the world. A stage-gate framework, that provides learning tools and checkpoints, will guide you through the class.

The main perspective ... but not the only one ... that you the student will have, is as the Chief Global Marketing Officer of a corporation or a small-to-medium enterprise that is interested in entering new international markets and/or expanding its business in new countries.

Other themes and perspectives are:

- The important trend of emerging/surging Asian countries such as India, Indonesia and especially China. For example, China is striving to increase its sales and trying to establish/build its own brands, buy US companies/brands, build out its infrastructure and "manage" its currency
- The recognition that China can not just be the "world's factory" but must sell and market its own unique, innovative or adapted products to its exploding middle class ... and build/expand its relatively few and unknown brands in developed countries and particularly in the Middle Kingdom!" The New York Times ran yet another article on how the government is enforcing labor and environmental standards and discontinuing tax breaks in southern China "shop floor" center.

The recent stimulus package in China encourages Chinese manufacturers to sell to the China market. The goal is to reduce the export dependency of selling to the US and Europe.

- The new trend of migrating production from China to India, Vietnam and Indonesia due to the rising labor costs, more and more frequent labor shortages, the enforcement of labor and environmental standards and of course, product quality and safety issues.
- My philosophy is that marketing **starts and ends with the consumer or end user** ... that products must be developed, channels configured and markets created or penetrated based on the consumer's contextual experiences as well as addressing their motivations, desires, needs and wants.
- The “interesting” and intensifying political turmoil within Europe (e.g., Greece) and rapidly expanding “new” EU countries, especially eastern Europe ... towards each others' countries and especially towards the United States ... and the effect of this situation on US brands.
- The identification and benchmarking of “best and real international marketing practices”, success stories and failure examples of global companies.
- The global opportunity of selling to the 4 billion “poor people” (of the 6.7 billion people on the planet) by designing and developing low cost products and services that are affordable and meet or exceed the needs of this target market.
- The reality that governments of foreign countries in cross border trade can be a significant barrier to entry, a partner, a customer or a competitor ... and are in fact a 6th force in the 5 forces model when planning international market entry; distributors can be a 7th force.
- A world that is drowning in an tsunami of Euros, Rupees and Yuan in sovereign wealth funds, private equity, hedge funds and “buy-out” companies that have the financial resources and savvy to pull off multi billion dollar deals even as the drama of the global credit market crisis is currently playing out.
- The 1.25 billion Muslims that represent an important new global market segment

You will be asked individually, and as a member of a team, to provide both in-class discussions and written analysis that will enable you to examine the business environment and focus on global marketing problems and opportunities. Please bring into class or email timely and relevant global marketing articles and information to be discussed and shared with the class.

As a team, you will ultimately develop a marketing strategy and plan for a global enterprise in a selected country and for a selected company and product. You will

provide an “order of magnitude” P & L based on the opportunity assessment your team formulates. The keys to this P & L are the revenue justification, the assumptions about selling prices and profits for all channel members and the optimal mix of “push/pull” marketing strategy components.

This course integrates and addresses the significant impact of cultural, economic, political, infrastructure and population variables in global marketing management. Students will explore marketing issues and marketing implications in a cross-cultural perspective. Your market, competitor and cultural investigation will address appropriate opportunity and risk assessment, market entry strategies, and importantly, the implementation of the marketing plan.

This course will balance academic rigor and theoretical framework with the real world and the practical application that will require the use of provided global marketing tools and business practices ... with the emphasis on the implementation of global marketing strategy, plans and programs.

I am highly interactive ... real world ... and I will expect and encourage stimulating (I hope!) in class discussions with challenging and engaging points of view. **My strong emphasis is on application ... what works in the comfort and convenience of a classroom ... or on a spreadsheet ... many times will not work in the real world ... together we will sort that out.**

Kellogg Honor Code and In Class Laptop Usage

It is expected that each of you know, understand and abide by the Kellogg Honor Code that you have access to at Kellogg and on the Kellogg web site. The code of Kellogg classroom etiquette is very clear about the fact that web surfing and checking e-mail is not appropriate. The relevant passage states: “Students should demonstrate respect for the professor and fellow students during the class period. Students, therefore, should refrain from distracting behavior such as arriving late, leaving early, disruptive eating, using laptops to surf the Web or check e-mail and holding side conversations.”

My policy is that all laptops and communication devices must be turned off during class with no exceptions.

When there are additional materials, handouts or presentations for class, they will be posted on Blackboard the evening before the class giving you time to print hard copies for class. Since this is a 3 hour class, you are welcome to **quietly** eat and drink during class. Please be in class at least 5 minutes early so as not to disrupt others. Repeat offenders will lose participation points. You are requested to prominently display your name plate for each class.

2 Text

We will use the new book by Paul Temporal, *Islamic Branding and Marketing*, Wiley Press, June, 2011 as our text. This book is really a practical guide to increase your understanding and awareness of the Muslim market. There are also 2 optional books that you may reference: **International Marketing, 14th edition**, by Cateora, Gilly, and Graham and published by McGraw-Hill, 2009 and **Global Marketing, 4th edition** by Svend Hollensen and published by Prentice Hall in 2007.

The following books, while not required, are worth reading for this course and for a deeper understanding of global marketing:

Africa Rising by Vijay Mahajan, who says: “the 900 million consumers in Africa will give India and China a run for their money” More details of this interview are included in the course packet.

Globality *Competing with Everyone from Everywhere for Everything* by Sirkin and others and published by Business Press in 2008 (If you can only read one, start with this one. It’s the most relevant to the course)

The Elephant and the Dragon by Robyn Meredith, published by Norton and Company in 2007. It addresses the rise of India and China.

The Emerging Markets Century by Antoine van Agtmael, published by Simon & Schuster in 2007. This book addresses how a new breed of companies is overtaking the world.

World out of Balance by Paul Laudicina, McGraw-Hill. This book addresses global risks to obtain competitive advantage and is highly recommended but not required. This is a great read and contains an excellent discussion on changing global demographics and the “new consumer”.

Another book, **The World is Flat** by Thomas Friedman, is recommended especially for his “Ten Forces” discussion in the first part of the book. I like this book for the global marketing of consumer products.

3 Learning Outcomes

Upon completion of this global marketing course, you will be able to:

- 3.1 Recognize cultural differences in various global regions and their effect on the conduct of international business and be able to analyze these cultural differences in terms of opportunities and inherent risk in conducting marketing activities and in segmenting global markets. Plus, you will be asked to draw insights about how and where products are purchased and used by consumers in other countries.

- 3.2 Understand the benefits in engaging in international trade in relation to political economic factors such as free trade or regional agreements ... and learn how to target regions/countries based on their membership in a free trade agreement.
- 3.3 Understand how to compete in international markets and the need for “global team” organizational structures designed to manage global companies and opportunities
- 3.4 Become more of a global citizen, and learn the economic and marketing aspects/outcomes of globalization.
- 3.5 Develop strategies and plans for a product launch, market entry and implementation for a company in a foreign country and be able to quantify that opportunity and justify the revenue in pro forma P & L statements.
- 3.6 Gain exposure and perspective to the challenge of managing international marketing operations in a domestic US corporation.
- 3.7 Become familiar with tools, frameworks and techniques to conduct opportunity assessments, identify high potential regions, size markets and develop channel pricing strategy.

4 Grading & Deliverables

Shown below are your major deliverables and the weighting of each. There is a description of each deliverable in the following sections and the due dates of each are shown in the last section.

Individual		45%
Class Participation*	15%	
Case participation (see explanation)	10%	
Cultural Insights Memo	20%	
Team based		55%
Country Snapshot Presentation	20%	
Opportunity Assessment Memo	10%	
Final Project: Product Launch Plan	25%	
Total		100%

* Poor peer evaluations can result in the lowering of your grade by one or more grade levels. Peer information is only viewed by me and is not shared with anyone (the student in question, Kellogg, any student). This is the only way for me to assess group work outside of class.

Since there are 2 assigned team presentations, half of the team will present for one presentation and the other half for the second presentation.

Dean's Office Grading Goals

The Dean's Office has established the following goals: No more than 40% As in core classes and no more than 45% As in electives. Between 5-10% Cs and closer to 10% for core classes. These targets are important at Kellogg.

If you would like me to re-grade your work, please be advised that your entire work may be reviewed. You have 10 working days to request re-grading and it must be in writing. I have 20 working days to reply. You then have 5 days to appeal. The Dean has indicated that this process is entirely between the student and the Professor. The Dean's Office will not participate in any part of the process.

INDIVIDUAL ASSIGNMENTS

5 Participation (15% of final grade)

The class format will be approximately 50% informal lecture and discussion, 40% casework, and 10% student team presentations. **Class participation is very important to me as I have a highly interactive approach ... that of a facilitator and coach... so your ideas and input are more than welcomed, they are expected!!! Contrarian" points of view are strongly encouraged! I welcome the opportunity to explore different points of view.**

If there is not enough "air time" for you or you have additional thoughts later, you are encouraged to email me your insights and builds or meet with me after class or in my office. I do plan to cold and "warm" call on a regular basis.

You will be expected to prepare for and contribute to each class. This is a very important part of the course. Rather than restating the obvious, you will be expected to provide informed and insightful comments and contributions to the subject case or material being addressed.

If you miss 2 classes it will be very difficult to receive an "A", regardless of the reason (no exceptions). Please let me know beforehand if you expect to miss a class and the reason why. It is your responsibility to sign in at each class.

You must complete a "makeup" assignment if you miss 2 classes (no exceptions for any reason). The make-up assignment will not marked as either "accepted" or "not accepted". No make-up is required if a class is missed but you will obviously lose participations points.

6 Case Participation (10% of final grade) (In-class verbal, not written participation)

Students will study all assigned cases and be prepared to discuss, facilitate and advance case discussions. The case formats will include: general discussion, student panels, cold calling and role playing.

Your participation is in class and there are no written assignments or hand-ins.

7 Cultural Insights' Memo (20% of final grade) (Milestone #2)

This “cultural ethnography” is qualitative research that is to be completed as an important part your final project with your designated (by your group) “target” market (or best representation) that is located in greater Chicago or another US city where you have contacts. Face-to-face “participant observation” interviews are preferred.

It is recognized that you will need to build on the secondary research you just completed. Each student conducts one “good” in-depth interview) is a “participant observation” of a user of the selected product that is from the country where you will launch. It is likely that will need to identify and pre qualify 3-4 potential respondents before selecting your final respondent.

Chicago is a multinational city with many countries represented in different industries. Please do not interview Kellogg students or faculty for obvious reasons. Past teams have had good success finding respondents. This means that each team member will conduct 1 interview, which is reasonable.

I will cover the specifics in class but basically to be a “participant observer” you will observe (“shadow”) the participant when they obtain information by the product, the purchase influences, where, how and when they buy, how they pay and how they use the product.

This one page memo will deliver 5 insights, not findings, based on the above criteria, about the product. These insights, connections and key learnings that are derived from your interview should focus on use model and buying behavior in particular and are valued at 4 points each. Though this is an individual assignment, your group will need to integrate all insights to determine those most relevant and useful in your final project.

Cultural Insights Template

Your name _____

Name of person interviewed _____

Product _____

Their background and why they were selected

Then list 5 insights, the facts or behaviors that led you to each of the insights and why it's an insight. An insight is based on pain points, under met or unarticulated needs or an unrealized market opportunity. Feel free to organize as follows:

Observed or stated facts and behaviors _____

Insight _____

Reasons why it's an insight _____

This is a 1 page memo in a 12 point font such as Arial with normal margins. No credit will be given for exhibits or attachments. **Expanded bullet points are preferred to text intensive documents.**

TEAM ASSIGNMENTS

8 Country Snapshots (20% of final grade)

In order to ensure that each student is current with global business events and to learn more about specific countries, you will be asked to use the business press, the internet and global databases, to investigate the assigned country. Usage and how to access global databases at Kellogg, such as Euro Monitor and Jupiter, will be reviewed in the first class.

Each team will present no more than 10 slides (10 images in total, minimize "drop-ins" and animation) in 15 minutes and then lead a class discussion for 10-15 minutes on the marketing key learnings for that country. You will not simply report facts and figures; rather you will offer marketing advice in the form of marketing insights. For example, take Japan ---- the distribution system in that country is very complex with many levels. One "takeaway" for a global marketer is that there must be sufficient margin and incentive programs to motivate the many layers of channel members who may have competing objectives and interests.

I will provide more examples of the deliverables in class before the first team presentation. Each Country Snapshot presentation should be organized to identify and address global issues that have a short or long-term effect on specific industries.

Your advice, marketing insights, key learning's and connections must be organized around many of the following global marketing and sales themes/principles:

- Marketing communications ... global branding and promotion
- Culture ... language, religion, values etc.
- Pricing and capturing value
- Distribution channels/market access/sales
- Alliances, partnerships and joint ventures
- Products and services ... global product development and innovation

- Segmentation, targeting and positioning
- Market entry/market expansion

8 Points for “Advice” You will receive 1 point for every major insight/reasons and why that is a solid takeaway ... there must be at least 4 different marketing principles or topics addressed, e.g., pricing, culture, distribution and market entry. No credit will be given for facts ... only for the connections you make! In other words, you need to provide useful, actionable sales and marketing advice as if we were going to enter or expand the market in this country.

6 Points for the Top 3 Product categories (B2C or B2B) in that country. Please identify the top 3 product opportunities for that country and provide the “why” (use the data bases and information sources identified) The key here is to identify opportunities for market entry or market expansion. One point will be assigned for each well defined opportunity. The products must be discrete products only (not services, retailers or infrastructure).

6 Points for 3 Case Histories Your presentation should contain 2 examples of a success story of a company who is doing well in that country and an example of a company who failed --- please provide the reasons for success or failure. You should have 3 company case histories.

The only hand in will be your 10 slides, speakers’ notes and exhibits. Please provide a **hard and a soft copy**, which I will post on Blackboard for the class.

Important Note: Your assigned country for the Country Snapshot presentation may or may not be one of the top 5 countries for the final project.

FINAL PROJECT (Team Based)

The final project for launching a product in another country is divided into the following 3 milestones with the due dates at the end of this document.

Milestone	Description
#1 Opportunity Assessment (team)	Secondary research and team analysis
#2 Cultural Insights (each student)	Primary research
#3 Product Launch (team)	Roll-up and application of insights

9 Opportunity Assessment (10%) Milestone #1

Each team will conduct secondary research on the assigned, or agreed upon, product category, the players in that space and the high potential regions of the world. As a

result of your findings and analysis, and with the team consensus, you will decide and deliver the following:

- The specific product that you will focus on
- The real (actual) company you will be (a real company that can be a MNC or a SME) and why
- Specific opportunity and rationale (“white space”, Blue Ocean etc.) ... **worth 3 points**
- The top 5 countries/mega cities that have the highest potential ... **worth 3 points**
Your assigned country for the Country Snapshot presentation may or may not be one of these top 5 countries.
- The specific country/mega city that you will target (not the US)
- The target audience within that country/mega city and how you segmented the market ... **worth 2 points**
- Cultural problems and opportunities ... **worth 2 points**

This one page memo, from each team, is due in hard copy only at the beginning of class. You may include exhibits, charts and screen captures to support your case but you must provide analysis and key takeaways for the data. The recommended template is:

Opportunity Assessment Template

Team Members _____

Product _____ **Country** _____

Company _____

Opportunity/Rationale _____

High Potential Countries/Mega Cities _____

Target Audience _____

Cultural Insights _____

10 Product Launch Plan Summary (25% of final grade) (Milestone #3)

For the final project, the team is to present a plan to launch the selected existing product into one of the identified high potential countries for a company that you choose, based on market opportunity and white space. The company must be an MNC, with the focus on a single brand/product line and can be based anywhere in the world. It is important to select companies that have available, public information. The “plan” is really a preliminary internal presentation to senior management requesting approval to proceed with the launch and may be subject to additional research, more in-depth

analysis and of course, more detailed financial statements and payback analysis (that are outside the scope of this milestone).

Each team will have a maximum of 15 minutes to present 10 slides. There is no limit on exhibits, screen captures and charts. The recommended format is shown below but you are strongly encouraged to customize your presentation and sequencing:

- 1 Title page with product and target country, region of the country or mega city
- 2 Executive summary (“elevator pitch”)
- 3 Specific opportunity and rationale
- 4 Cultural factors/product and packaging adaption (if any)
- 5 Channels to the country and in-country
- 6 Pricing and value capture
- 7 Cultural positioning and branding
- 8 Marketing communication and promotion
- 9 Financials summary
- 10 Revenue justification

Grading values are shown below:

- 15 points for content and use of tools, frameworks
- 5 points for financials and revenue justification
- 5 points for presentation + persuasion + passion

Guest judges will be present for the final presentation. Judges’ comments are real-world based and each judge will approve or disapprove your “plan”; however, only I will grade your plans while the comments from the judges will provide you with a practical assessment of how well you did. I will also approve or disapprove your plans, in addition to your grade.

In summary, your presentation should be geared to requesting from the judges (senior management, agreement that this product should be launched and that you will have their support to develop and present a complete launch plan in a few weeks.

11 Class Format

This course is divided into two parts:

Part A: Research, Culture and Geography (Country Targeting) Classes 1-4

Part B: Learning Tools/application and Cases Classes 5-10

12 Assignments and Due Dates

Shown below are the planned assignments and due dates. Depending on class size, our interactive discussions and your interests, this game plan is dynamic and as such, may change as the class progresses.

This syllabus details the format for each of the individual and team deliverables. Please follow them and the examples that I will present in class. The case pack and Blackboard contain the materials referenced. In class instructions will obviously supersede the syllabus. Assignments that are late will be subject to a late penalty.

Please contact me if something is not clear after you have studied the syllabus and reviewed the templates and in-class examples. I welcome your comments, questions, concerns and needs. My goal is to exceed your expectations for this class and to provide a real world grounded global marketing perspective drawing upon my experience.

Note: speakers' schedules can change and they are not always available for the desired date; I take them when I can get them since they are another source of real world experience. Speaker's slots are "placeholders" on the schedule.

Class	Topics	Assignments
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Please study the syllabus, templates, postings on Blackboard and my examples prior to tackling these deliverables. Articles will be posted on Blackboard and will not be included in the case packet to save trees and to keep costs down.

1: 9/24	Stage-Gate Process and Global Market Research	Study: Syllabus Read: "How Local Companies Keep Multinationals at Bay" Read: <i>Islamic Branding and Marketing</i> Appendices 1 & 2 Case: United Cereal Examples of country snapshots --- India & Vietnam
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Be prepared to discuss "useful" sources of global market/competitive information

2: 10/1	Cultural Convergence and Divergence	Read: "China + India" Read: The Battle for China's Good-Enough Market" Read: <i>Islamic Branding and Marketing</i> Chapters 1 & 3 "Country Snapshot: China Case: Herborist
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3: 10/8	Country Selection	Read: "Distance Still Matters" Read: <i>Islamic Branding and Marketing</i> Chapters 2 & 4 Country Snapshot: Mexico Case: Grupo Elektra
4: 10/15	Emerging Muslim Market	Read: <i>Islamic Branding and Marketing</i> Chapters 10 & 11 Country Snapshot: Turkey Opportunity Assessment due from each Team --- Milestone #1 Speaker?
5: 10/22	Global Product Development Innovation/Renovation Adaptation and Localization	Case: Geox Read: The Paradox of Samsung's Rise Country Snapshot: Japan (optional) Speaker?
6: 10/29	Global Distribution Channel pricing	Case: Natura Country Snapshot: Brazil Cultural Insights Memo due from each Student --- Milestone #2 Cultural Insights verbal report by team
7: 11/5	Cross-Border Pricing Price/Value Positioning "Value" Branding"	Case: Montgras Read: <i>Islamic Branding and Marketing</i> Chapters 8 & 9 Country Snapshot: Indonesia
8: 11/12	Branding Across Cultures Final project deliverables	Case: LVMH Read: "China Tries to solve its Brand X Blues" Read: <i>Islamic Branding and Marketing</i> Chapter 5 Team verbal reports of preliminary launch plans Speaker?
9: 11/19	Global Advertising "Mobile Marketing" Global Opportunities	Case: Danimal in South Africa Country Snapshot: Nigeria Read: <i>Islamic Branding and Marketing</i>

Chapters 6 & 7
Read: "Africa in Bloom"

10: 12/3 **"Show Time": Final Projects** Launch Plans Summary Presentations
Milestone #3 (hard/soft copies due)

Peer Evals
(can be emailed before class or hard copy at beginning of class)

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Notes:

All individual and team assignments are due in hard copy at the beginning of class. Country Snapshots and the Final Project are also due in soft copies from each team.

Country Snapshots: hard copy due at the beginning of class. Presentation must be emailed or loaded on my laptop prior to class starting. All Country Snapshot presentations will be posted on Blackboard.

Check Blackboard for postings. Class presentations will be posted a day or two before class and hard copies will not be provided.

Hard and soft launch plans (final project) are due at the beginning of the last class

Late submissions are subject to a "late charge"