

# Mannheim MBA

## International Marketing

### Course Abstract

This course is designed to develop participants' skills in creating, implementing, and evaluating marketing strategies and programs in an international context. The foundation for a successful international marketing program is a sound understanding of the marketing discipline. This course will build on this understanding and seek to broaden participants' skill-set by emphasizing its application in an international environment.

### Course Objectives

This course will help to develop a greater appreciation for external forces shaping marketing decisions, e.g., various economic, cultural, legal, political, and competitive environments and the marketing strategies that support successful international marketing endeavors.

At the end of this course participants will be able to:

- identify and evaluate opportunities in international markets
- adapt marketing programs for specific markets, and develop global marketing strategies.

The course pays particular attention to marketing issues confronting executives in multi-report, multi-market, and multi-national organizations taking on board both a mature market and an emerging market perspective.

### Course Composition and Teaching Methods

The course consists of a) lectures, b) case study analyses and discussions, and c) an international marketing computer-assisted simulation (Country Manager). The contents of the course will be broken down into four modules:

1. Understanding the International Marketing Environment
2. Global Strategy and Market Coverage
3. Global Product, Brand, and Communication Management
4. Global Pricing

Lectures will be used to introduce frameworks and conceptual material for each module. The simulation and the case analyses will amplify and expand this knowledge by applying concepts and frameworks to specific situations.



CHAIR OF MARKETING & INNOVATION  
PROFESSOR DR. SABINE KUESTER

### General Information



Lecturer	Prof. Dr. Sabine Kuester
Course Format	Lecture and Cases
Language	English
Dates	19 – 23 February 2018 (five days)
Place	MBS Lecture Hall (Mannheim Castle)
Grading	Team In-Class Case Presentation (50%) Individual Written Post-Assignment (50%)
Term	Spring semester



Prof. Dr. Sabine Kuester

Chair Holder Marketing & Innovation

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This course will use the following learning and teaching methods:

- Lecture sessions
- Group and individual work
- Case study presentation and discussion
- Country Manager computer simulation

### Evaluation and Grading

Participants' grade will be composed of

- 50% simulation performance (team effort)
- 50% written post-assignment (individual grade)

In addition, each group will have to answer specific questions with regard to a case study and present this analysis in the class setting in a short presentation of 15 minutes maximum (see appendix for case allocation). The view graphs for this presentation have to be **uploaded to Canvas by 16 February, 2018 at noon (12.00 PM)** at the latest.

### ***Simulation 'Country Manager' (50%)***

During the course, participants will part-take in the Country Manager Simulation. For this computer simulation, participants will work in groups.

#### *Simulation Written Assignment: Strategy Outline*

Each group needs to write a short strategy outline – the road map for explaining the Latin American opportunities and outlining the market entry strategy for the first round of the simulation (which market(s) the team plans to enter and how). Before working on your strategy outline, it is necessary to read the selected parts of the Country Manager manual (Sections 1, 3, and Appendices). The goal is to determine what strategy you want to set and how to implement it (i.e., what decisions you will need to make).

Your strategy outline should **not exceed two (2) pages of text**. You may add as many exhibits as you like. All exhibits must be referred to in your text.

#### *Organize your strategy outline as follows:*

- Cover sheet with group members' names, country/countries you plan to enter, date and name of class
- Problem statement and introduction
- Situation analysis (opportunities and threats)
- Market entry (which country/countries are planned to be entered in round one?)
- Market segmentation and target marketing strategy (for the country/countries you plan to enter in round one)
- Positioning and marketing mix strategies (describe the marketing mix strategy for the country/countries planned to enter in round one)

Please hand in **one hardcopy of the strategy outline at the beginning of the simulation day on Thursday 22 February 2018.**



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**Note:** Even though teams are only asked to submit their first round strategy in writing, prepare as a group an overall integrated strategy for the entire endeavor. Envision which countries to enter, in which sequence, and when and where to establish manufacturing capacities.

### *Simulation Final Reporting: In-Class Presentation*

Each group has to present in-class on the last day of the course and describe the group's performance and what you have learned about being a country manager for a company expanding internationally. Please present 3 (!) slides only. Structure your presentation as follows:

- 1st slide should describe your strategy,
- 2nd slide should report on your performance during the simulation, and
- 3rd slide should summarize what went right/what went wrong and your key learning(s). In doing so, analyze your strategic approach and the implementation (your hard skills) but also look at people skills, leadership issues, and team dynamics (your soft skills).

When reporting on performance make sure to include information on last period's net contribution (for each country and for the region as a whole), last period's cumulative contribution (for each country and for the region as a whole) and last period's market shares (for each country). Of course, it is also insightful to show your performance evolution from the first to the last period. The presentation time should not exceed **6 minutes** and is meant to provide a brief snapshot of the team experiences. Your presentations are being timed and you must adhere to this time restriction to give all teams equal opportunity to make their case.

On Friday 23 February 2018, teams are given extra time to finalize their presentation. **Please upload your final presentation on Canvas by 10:15 AM on that day.**

### *Simulation Grading*

The simulation assignment will be graded on the following criteria: Teams will be graded on their performance during the simulation. The team with the highest contribution will get the most performance points.

However, I will also look at the overall situation and competitiveness of the company and gauge its future prosperity (e.g., maximizing revenues by stripping your company of assets in the last round will hurt your grade).


In addition, you will be graded on the soundness and coherence of your strategy report and your final reporting from Latin America in form of your short, crisp and concise in-class presentation. Since this is a group project, each group member is expected to participate fully and to ensure equal contribution. The standard peer evaluation process will be executed.



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## ***Grading: Post-Assignment (50%)***

During the course students will be given a post-assignment that will be dealing with an international marketing challenge.

The post-assignment will be graded on the following criteria:

Thoroughness of literature research

Rigor of analysis

Soundness of recommendations

Use of international marketing concepts

Clarity of writing style, adherence to formatting guidelines

## ***Deliverables Assignment***

- Write a maximum of 3 pages using the following formatting guidelines:
- Times New Roman 12 pt
- Double spacing
- Margins: 2.5 cm for top, bottom, right and left margins
- You have to reference the literature that you use within the text and list the reference fully at the end under 'Bibliography' (not included in page limit) (refer to 'MBS-Guidelines for Written Assignments').
- Up to 4 pages of supporting material (tables, figures, graphs, etc.) may be attached.
- Use PDF as a document format.

**Deadline: Upload your submission until 26 March 2018, 5.00 PM (CET) on Canvas.** Please avoid uploading multiple versions of your assignment.

## **NOTE ON COMPLIANCE WITH HONOR CODE FOR WRITTEN ASSIGNMENTS**

We have a standard testing procedure in place to check all assignments with plagiarism software. You are allowed to use intellectual property of other authors and sources only if you mark them clearly! You must adhere to the 'Guidelines for Program Deliverables in Writing'.

## **Additional Information**

Regular course hours: indicated in the course schedule (s. below).

In preparation to this module please make sure to orchestrate the team work in advance of coming to class. Especially, teams need to familiarize themselves with the case studies and simulation manual and exchange ideas and thoughts prior to the beginning of this course.



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### Preliminary Course Outline

<u>Date</u>	<u>Topic</u>
02/19/2018 09:00 AM - 12:00 PM	<b>Introduction and Setting the Scene</b> <b>Lecture 1:</b> International Marketing Environment <b>Case 1: Netflix International Expansion</b> Preparation: Case Netflix International Expansion
02/19/2018 01:30 PM – 05:00 PM	<b>Lecture 1</b> (cont.): International Marketing Environment <b>Lecture 2:</b> Global Strategy & Market Coverage <b>Time for Group Work:</b> Preparing the simulation Country Manager Preparation: Country Manager Manual (Sections 1, 3, and Appendices)
02/20/2018 09:00 AM - 12:00 PM	<b>Case 2: LG Electronics: Global Strategy in Emerging Markets</b> Preparation: Case LG Electronics <b>Lecture 2</b> (cont.): Global Strategy & Market Coverage
02/20/2018 01:30 PM - 05:00 PM	<b>Case 3: Unilever in Brazil: Marketing Strategies for Low-Income Consumers</b> Preparation: Case Unilever in Brazil <b>Lecture:</b> Introduction to the Simulation ‘Country Manager’ <b>Time for Group Work:</b> Preparing the simulation Country Manager
02/21/2018 09:00 AM - 12:00 PM	<b>Lecturer:</b> Prof. Monika Schuhmacher <b>Lecture 4:</b> Global Product, Brand, and Communication Management <b>Case 4: Indesit Company: Does Global Matter?</b> Preparation: Case Indesit Company: Does Global Matter?
02/21/2018 01:30 PM – 04:00 PM	<b>Guest Lecture:</b> Wilfried Baetz, BASF SE “Going to Africa” <b>Lecture 3:</b> Global Pricing <b>Group Work:</b> Global Pricing exercise
02/22/2018 09:00 AM – 06:00 PM	<b>Simulation: Country Manager</b> Preparation: Country Manager Manual, Section 1, 3 and Appendices
02/23/2018 09:00 AM – 02:00 PM	<b>Group Work:</b> Teams report back from Latin America Preparation: Team presentations Country Manager Simulation (from 9:00 – 10:15 AM) <b>Team Presentations Country Manager Simulation</b> (from 10:45 AM – 1:00 PM) <b>Lecture 5:</b> The Globalization Challenge – Discussion and Wrap Up



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### Readings

#### *Mandatory Readings*

- Country Manager Manual (Sections 1, 3, and Appendices)
- Netflix International Expansion (Ivey Publishing W16237)
- LG Electronics: Global Strategy in Emerging Markets (TB0073-PDF-ENG)
- Unilever in Brazil: Marketing Strategies for Low-Income Consumers (INS615-PDF-ENG)
- Indesit: Does Global Matter? (308071-PDF-ENG)

#### *Complementary Readings*

- Eyring, M.J., Johnson, M.W., Nair, H. (2011), New Business Models in Emerging Markets, in: Harvard Business Review, January-February, 89-95
- Immelt, J.R., Govindarajan, V., Trimble, C. (2009), How GE is Disrupting Itself, Harvard Business Review, 87 (10), 56-65.
- Musacchio, A., Werker E. (2016), Mapping Frontier Economies, Harvard Business Review 94 (12), 41-48.

#### *Supplementary text book readings:*

- Hollensen, S. (2017), Global Marketing, 7th Ed., Harlow (UK): Pearson.
- Keegan W.J., and M.C. Green, 2014. Global Marketing, 8th Ed. Upper Saddle River: Pearson/ Prentice Hall.

Please notice the content on the next page(s)!



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### About the lecturer(s)

#### ***Professor Dr. Sabine Kuester***

Professor of Marketing and chairperson, Department of Marketing & Innovation, University of Mannheim.

#### *Researched / taught previously at:*

Previously, Professor Kuester was on the faculty at the ESSEC Graduate School of Management in France, at the Leonard N. Stern School of Business, New York University in the U.S., and Vienna University of Economics and Business Administration in Austria. Sabine Kuester has lectured at various other business schools including London School of Economics (LSE) (UK), Imperial College (UK), Singapore Institute of Management (Singapore), Bocconi (Italy), and University of Technology in Sydney (UTS) (Australia). She is recipient of the Mannheim Business School Teaching in Excellence Award (2008), the Mannheim Business School Outstanding Commitment Award (2014), and several research awards.

#### *Fields of interests / research areas:*

Professor Kuester's research interest is in competitive marketing strategy, marketing of innovations, marketing management, and international marketing.

#### *Publications in:*

Her work has appeared in journals such as the Journal of Marketing, International Journal of Research in Marketing, Journal of International Marketing, Journal of Product Innovation Management, Journal of International Innovation Management, Journal of Personal Selling and Sales Management, and in scholarly books. She has received multiple best paper awards by the American Marketing Association. She is also co-author of the textbook "Marketing Management: A Contemporary Perspective", published by McGraw-Hill. Sabine Kuester was also published in the business press, for example, in the Financial Times, Les Echo (France), Industry Standard, and Business Standard (India).

#### *Other positions:*

Professor Kuester is Director of the Institute for Market-Oriented Management at the University of Mannheim. From 2015-2017 she served as the Associate Dean of the Business Faculty of the University of Mannheim from 2007-2014 as the Academic Director of the Mannheim MBA Program at the Mannheim Business School. For her involvement at the Mannheim Business School she has received the Mannheim Business School Outstanding Commitment Award in 2015. She also consults for multinational companies in Europe and the United States.



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### **Professor Dr. Monika C. Schuhmacher**

Monika Schuhmacher, Ph.D., is a full professor and chairperson of the Department for Technology, Innovation, and Start-up Management, Justus-Liebig-University Gießen in Germany. At the Justus-Liebig-University, she also serves as the director of the Entrepreneurship Cluster Mittelhessen. Monika holds an MBA from the University of North Carolina in Greensboro and a B.Sc. and M.Sc. from the University of Mannheim, where she also obtained her Ph.D. in marketing. Prior to her position at the Justus-Liebig-University, she was an assistant professor at the Department of Marketing of the University of Mannheim. Monika's research interests are technology and innovation management, marketing, service marketing, entrepreneurial marketing, and global marketing, in which she also consults companies. Her research has been published in journals such as the *Journal of Product Innovation Management*, *International Journal of Research in Marketing*, and *Creativity and Innovation Management*.

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### Appendix: Allocation of Case Questions to Teams

For team composition, see below.

#### **Case 1: Netflix International Expansion**

Netflix adopted an aggressive growth strategy to establish itself as a global force in the video streaming industry. In order to deal with slow growth and oversaturation in the domestic market, Netflix announced an aggressive expansion of its services into more than 190 countries, thereby giving the company coverage over nearly the entire world.

International expansion has not come without its challenges; Netflix faced regulatory compliance issues in its targeted markets, competition with domestic competitors, and the need to satisfy local preferences. In addition, the cost of such an aggressive expansion strategy is enormous. Despite some initial setbacks, Netflix's CEO Reed Hastings has ambitious goals for the company internationally and has predicted that much of Netflix's future revenue growth will come from its international subscribers.

#### *Case Questions:*

Conduct a strengths, weaknesses, opportunities, and threats (SWOT) analysis for Netflix, and provide strategic suggestions based on that analysis. (Team 1)

Define Netflix's competitive advantage. Why is Netflix so successful? (Team 2)

How would you recommend that Netflix overcome its challenges in the international market? (Team 1)

Moving forward, what future strategic initiatives might Hastings consider? (Team 2)

#### **Case 2: LG Electronics: Global Strategy in Emerging Markets**

LG Electronics (LGE) has bet an important part of its future on success in emerging markets. It had entered countries such as Brazil, China, and India. In many of these markets LGE has become the market leader. However, now LGE has realized that it has to demonstrate success in developed countries to rightfully claim its position among the leading global consumer electronics and appliance manufacturers.

#### *Case Questions:*

What were the key strengths of the Korean electronics industry during the formative years? How did firms leverage these advantages to enter developed-country markets? (Team 3)

Trace the strategic growth of LG Electronics. Were there any distinct patterns in terms of the company's approach to emerging markets? Trace the commonalities across its strategies in the BRIC countries. (Team 3: Brazil & Russia; Team 4: India & China)

What are critical points of learning that can be distilled from its success in emerging markets? How may these advantages be leveraged to compete in developed countries? Are the advantages transferrable? (Team 4)




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### Case 3: Unilever in Brazil: Marketing Strategies for Low-Income Consumers

Unilever is a solid leader in the Brazilian detergent powder market with an 81% market share thanks to its three brands: Omo, Minerva, and Campeiro. Pressured by the recent entry of Procter & Gamble and encouraged by the economic recovery brought about by the *Plano Real*, Laercio Cardoso must re-examine Unilever's strategy for low-income consumers in the Northeast region of Brazil and make important decisions about its future marketing strategy.

#### Case Questions:

Should Unilever target the low-income segment of consumers in the Northeast? Does Unilever have the right skills and structure to be profitable in a market in which even small local entrepreneurs struggle to break even? In the long run, what would Unilever gain and what would it risk losing? (Team 5 & Team 6)

Evaluate Unilever's current brand portfolio. Is a new brand with a new value proposition necessary to serve the low-income segment or could Unilever reposition one of its existing brands or simply launch a brand extension? If you judge that a new brand is necessary, write its positioning statement and choose its name among Unilever's worldwide brand names. (Team 5 & Team 6)

### Case 4: Indesit Company: Does Global Matter?

In 2008, Indesit had to decide whether to focus its resources on the steady progress it was making in the markets of Western and Eastern Europe, or whether to divert some of the funds and invest in Asia or the Americas. Since that could include China, India, countries in Latin America or the U.S., the question involves complex issues of market analysis and branding.

#### Case Questions:

What is it that explains the success of Indesit since they entered a very difficult industry by any measure, and yet they have succeed? What is it that they have that is so effective? What accounts for the success? (Team 7)

On the first page of the case a number of questions facing Marco Milani are listed. Which do you believe are most important? How should he address them? In particular, who should be involved? (Team 8)

What is your position on the question of geographic focus? Should Indesit make a significant investment in China or India? If so, how much? (Team 7)

What should Indesit do about its marketing challenge? In particular, what should it do if anything about brand consolidation? (Team 8)



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### Team composition & Case Question Allocation

(same teams will also work on simulation)

<u>Team #</u>	<u>Members</u>	<u>Case</u>	<u>Questions</u>
Team 1	Momina Allawala, Chenjie Liu, Andreas Scheyhing, Tahseen Zada	Netflix	Questions 1 and 3
Team 2	Erik Grotter, Tea Palamarevic, Manas Vaidya, Oscar Yanez	Netflix	Questions 2 and 4
Team 3	Mohamad Agusnadi, Ibrahim Ashour, N ouamane Bensaoud, Ammara Gafoor	LG Electronics	Questions 1 and 2 (only Brazil & Russia)
Team 4	Ningqing Cai, Abhishek Ganguly, Dogukan Malbora, Vignesh Suresh	LG Electronics	Questions 2 (only India & China) and 3
Team 5	Hongyan (Eva) Gao, Harshvardhan Kayan, Nishant Mittal, Yohannes	Unilever Brazil	Questions 1 and 2
Team 6	Raseem Khouja, Soomin Park, Carolina Solms-Rusch	Unilever Brazil	Questions 1 and 2
Team 7	Sneha Boobna, Danning Wang, Lin Yang	Indesit Company	Questions 1 and 3
Team 8	Jorge Azcárraga, Niklas Preiß, Lingling Yang-Jeub	Indesit Company	Questions 2 and 4



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