

Lecture 1 (Intro)

Key points:

- Semiglobalization (not complete separation nor complete integration), Ghemawat
- Motives and triggers for internationalization
 - Internal / External
 - Profit, Economies of Scale / Overproduction, Seasonal products
 - Proactive / Reactive
 - Foreign market opportunities, competitive pressure, small domestic market

Article

- The Globalization of Markets, Levitt
 - Multinational corporation
 - Adjusts its practices within markets at relative costs
 - Adaptation
 - Often because of psychic distance
 - Global corporation
 - Somewhat same practices across markets
 - Standardization
 - Economies of Scope
 - Production facilities being able to make different products
 - Total Costs over Time
 - Unlike Economies of Scale, just mass producing at lower Average Costs over Output over time

Lecture 2 (Concept of Distance)

Key points

Article

- Distance Still Matters, Ghemawat
 - CAGE framework
 - Cultural Distance
 - Religious beliefs, race, social norms etc.
 - Administrative / Political Distance
 - Political system, common currency, and trade arrangements
 - Geographic Distance
 - Geographic distance between countries, size of target country, infrastructure etc.
 - Economic Distance
 - Two countries' wealth (GDP), consumer income, cost of living etc.
- The Concept of Distance in International Business Research, Ingo & friends
 - Reference Point
 - Where is the distance to country B referenced from?

Articles

- MODES OF FOREIGN ENTRY: A TRANSACTION COST ANALYSIS AND PROPOSITIONS, Anderson
 - Transaction cost framework for entry mode decision (goal: long-term efficiency)
 - Tradeoff between control and cost of resource allocation
 - Export, subsidiary, joint venture, non-equity (licensing e.g.)
 - The more resource allocation the more control and vice versa (cost-benefit analysis)
- 4 Factors decide the Degree of Control
 - Transaction-specific assets
 - If product is complex, requires customization, poorly understood = **more control wanted (internalize)**
 - External uncertainty
 - Market entered is volatile (politically, economically) = **more control wanted**
 - Internal uncertainty
 - If the firm has a lot international experience in that market = **more control wanted**
 - Free-riding potential
 - If firm has high value brand, reputation can be tarnished = **more control wanted**
- SME entry mode choice and performance: a transaction cost perspective, Brouthers
 - Similar to and confirms Anderson's paper
 - Hypothesis: If firm follows above factors = satisfactory result and vice versa
- 3 Factors
 - Asset specificity
 - High asset specificity (very specific product) = **more control wanted**
 - Behavioral uncertainty
 - Similar to internal uncertainty (low international experience) = **less control wanted**
 - Environmental uncertainty
 - Similar to external uncertainty (uncertain market entered) = **less control wanted**

Lecture 8-9 (Motives, Measurement, and Performance)

Key points

- Relationship between multinationality and performance = hard to conclude anything over 40 years of research (so complex)
- Positive model
 - Increase in performance due to increase in multinationality
 - Opportunities for profit
- Negative model
 - Decrease in performance due to increase in multinationality
 - Many costs

Articles

Lecture 16 (Global Branding)

Key points

- Global Branding
 - Low complexity (one-size-fits-all)
- Local Branding
 - High complexity (adapting to differences)
- No brand
 - Commodities
- Branded product
 - Marketing, labeling, packaging, promotion (Hugo Boss e.g.)
- P&G - Dawn Soap example
 - They standardized their soap product and changed the look of the product in Germany
 - Reduction in sales (people wanted the old look)
- A brand can be psychological (something between producer and buyer)
- Adaptation and Standardization 2x2 matrix (Brand Elements / Product Features)
 - One Local Brand (A-A): Strong local presence
 - Different Local Brand (A-S): Somewhat adapted to local preferences
 - Adapted Local Brand (S-A): Very small difference to local brand
 - Global Brand (S-S): One product one global brand
- Sociological aspect
 - Harley Davidson (part of a group identity)

Articles

- Brand communities on the internet, Sicilia
 - Study of 'Virtual Communities' Phenomenon' Coca-Cola Spanish community
 - Finding: A website can create a virtual community with functional, social, and experiential values

Lecture 17 (Global Marketing Decisions)

Key points

- Ghemawat's 'Semiglobalization' theory. We are global, but with borders
- AAA (In article below)
- 3 levels of a product
 1. Core product (Specialization)
 - Its function, value etc.
 2. Product attributes (In between)
 - Brand name, quality, design, packaging
 3. Augmented product / support services (Adaptation)
 - Delivery, installation, guarantees
- Pricing strategy
 1. Internal factors
 - Firm level factors (product development e.g.)
 - Product factors (quality of product e.g.)
 2. External factors
 - Environmental factors (Government, laws, tax e.g.)