

BUSI 1301 – **Business Principles in a Global Economy**

Professor: Dr. Joseph L Thompson



Semester Contact Information for Professor Thompson

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 - 325P MH (Melcher Hall)
- **Office Hours:**
 - 1130-1230 M
 - 12-1 PM Tue



Class TAs (Large Section Only)

- See the syllabus for contact information
- The TA is your point of contact for everything course-related
- Students must email the TA first
- Check the Syllabus Course Calendar and Other Information Before Contacting the TA.

Required Texts

1. The Syllabus (This is the most important document in the course. Students must keep up to date with the syllabus. If changes need to be made, the professor or your TA will inform students.)
2. Geringer - International Business (3rd edition) with Connect Plus.
3. Some topics require additional readings and videos. Those readings and videos will be located in the appropriate topic folder

Recommended Readings

- Each student should acquire a copy of the classic book on writing style, *The Elements of Style* by William Strunk and E.B. White. This book will help all students learn how to write effectively for all writing inside and outside of college.
- Anyone involved in global business should be aware of business resources that provide information on industries, companies, markets, and more. Students should also pay close attention to media outlets for up to the minute stories that can have a dramatic impact on international businesses. The following library resources are highly recommended and should be used by each student when conducting research on the international business environment. These sources can be accessed via the UH library by using your CougarNet ID to log in. Click on the link (<https://guides.lib.uh.edu/business>) for more details about each of these sources.



Mental Health

Counseling and Psychological
Services

<http://www.uh.edu/caps>

(713) 743-5454

Let's Talk Program

(no appointment necessary):

http://www.uh.edu/caps/outreach/lets_talk.html



Video Lecture Recording Link

The following is a recording of the International Marketing and Sales Lecture from October 17, 2022.

Students should refer to the Summer 2023 syllabus to see all lecture notes, readings, and assignments (required and recommended) associated with this lecture.

https://uh-edu-cougarnet.zoom.us/rec/share/-u-QoUeLI3ByL9dakRBnjOwGxIII3MZXyE7xN8gOBFeusmRMDA_K7OWXezNuVCoQ.QJy2oeRwQMkjuUp

Passcode: N^77F&.Z

International Marketing and Sales

Key Terms:

- Market Segmentation
- Marketing Mix
- Source Effect
- Country of Origin Effect
- Push Strategy
- Pull Strategy
- “Glocal” Approach
- Digital Ads
- Social Spending

Lecture Outline:

- A. The Globalization of Markets
- B. Marketing Strategy
 - I. Product Attributes
 - II. Distribution Strategy
 - III. Communication Strategy
 - IV. Promotional Strategy
- C. “Glocalization”
- D. Social Media and Business



The Globalization of Markets

- 1980s: Theodore Levitt argued technology was creating a global market
- “Ancient differences in national tastes or modes of doing business” will disappear
- Standardized products, standardized manufacturing, standardized trade and commerce
- Was Levitt right?

Market Segmentation

- Consumers are not a homogenous group
- A variety of factors impact purchasing behavior:
Age, gender, education, lifestyle, etc.
- Market segments often transcend national borders
- Purpose of market segmentation is to help a firm determine the best marketing mix:
Combination of factors controlled by a company to influence consumers to buy products
- Marketing mix includes: product attributes, distribution strategy, and communication strategy



Product Attributes



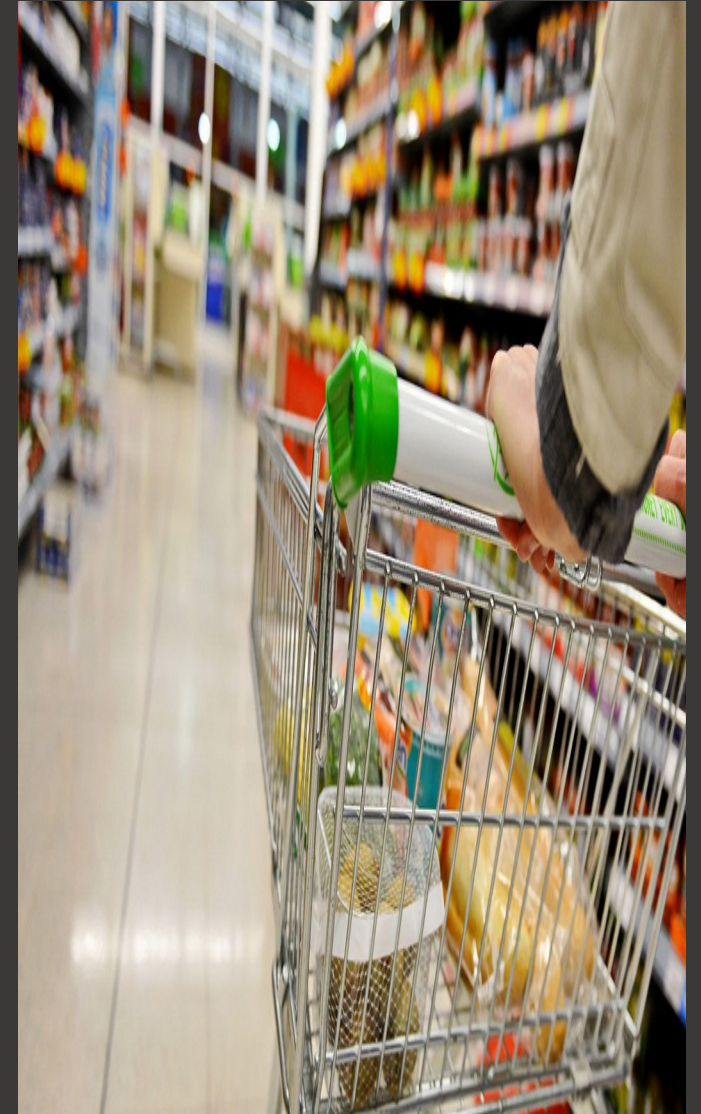
- Product attributes may have to change depending on the needs of a particular market segment
- Cultural differences and economic development
- Example: food and drink products
- Product standards: relate to quality and safety
Example: U.S. ban on toys with lead paint
- Technical standards: specifications of a product
Example: Differences in electricity voltage, plugs, and sockets

Distribution Strategy

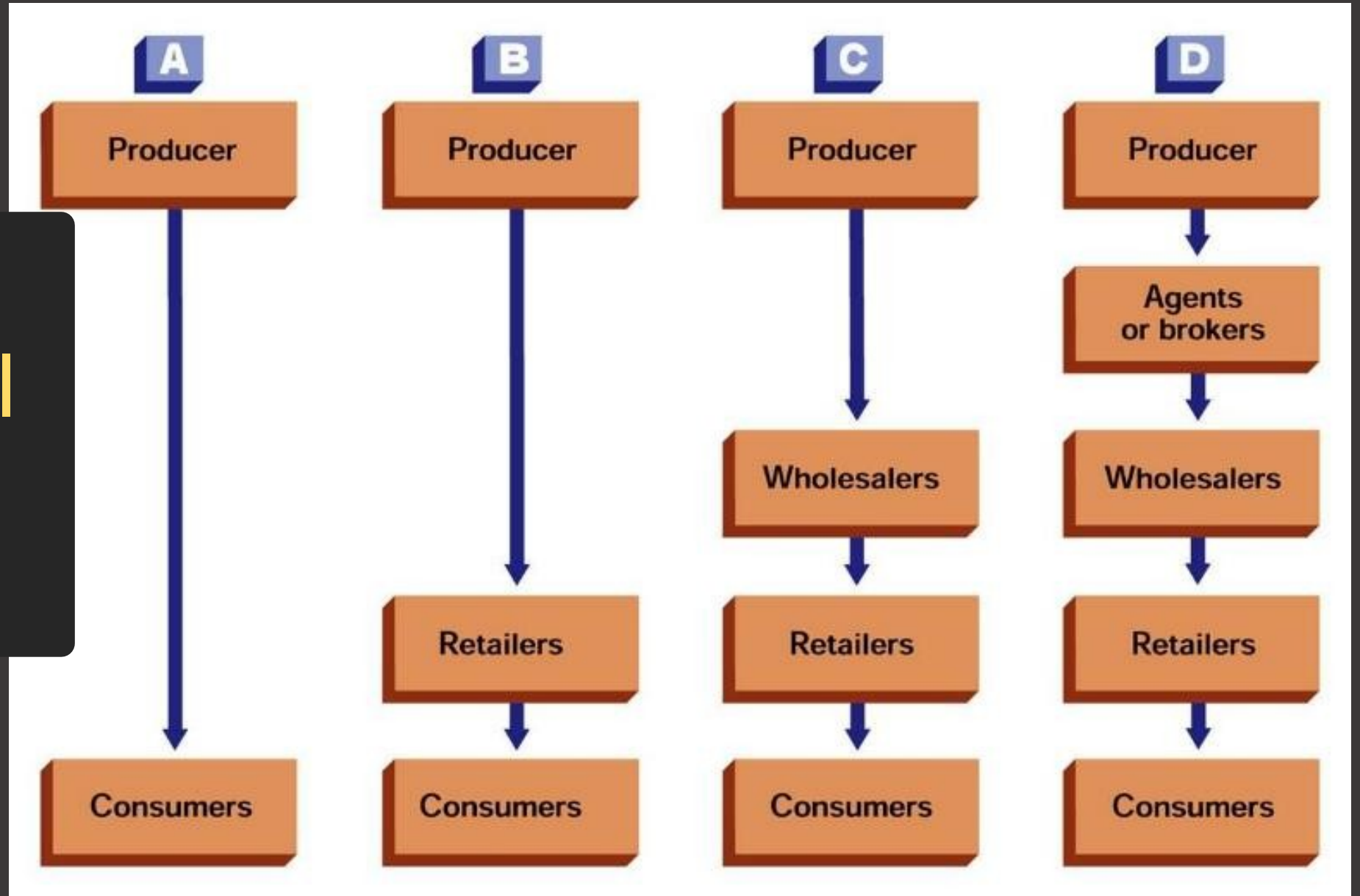
- **Retail Concentration:** the number of retailers that serve a market
- Developed countries tend to have more concentrated retail systems

Higher car ownership, larger number of households with fridges, 2 income households, etc.
- A **fragmented retail system** has smaller stores serving local neighborhoods

Greater population density, lack of paved roads, etc.



Channel Length



Communication Strate

- Cultural Barriers: tradition, language, religion, ethnicity, etc.
- HSBC's "Assume Nothing" ad campaign
 - In other countries, translated to "Do Nothing"
 - Scrapped the campaign and spent \$10 million to change the tagline
- Use local input!



In private banking, one
philosophy works best.
Assume nothing.

Source Effects

- When a consumer evaluates your message based on your company's status or image.
Ex: status as a foreign firm
- Honda 1993 Ad
<https://www.youtube.com/watch?v=6hzH66uuAS8>

Source Effects



When British Petroleum acquired Mobil Oil's extensive network of US gas stations, it changed its name to BP, diverting attention away from the fact that one of the biggest operators of gas stations in the United States is a British firm.!



Source effects are not always negative. French wine, Italian clothes, and German luxury cars benefit from nearly universal positive source effects. In such cases, it may pay a firm to emphasize its foreign origins. In Japan, for example, there is strong demand for high-quality foreign goods, particularly those from Europe. It has become chic to carry a Gucci handbag, sport a Rolex watch, drink expensive French wine, and drive a BMW.



Country of Origin Effects

- Where a product was manufactured can influence people's evaluation of a product
- Not liking products made in a certain country





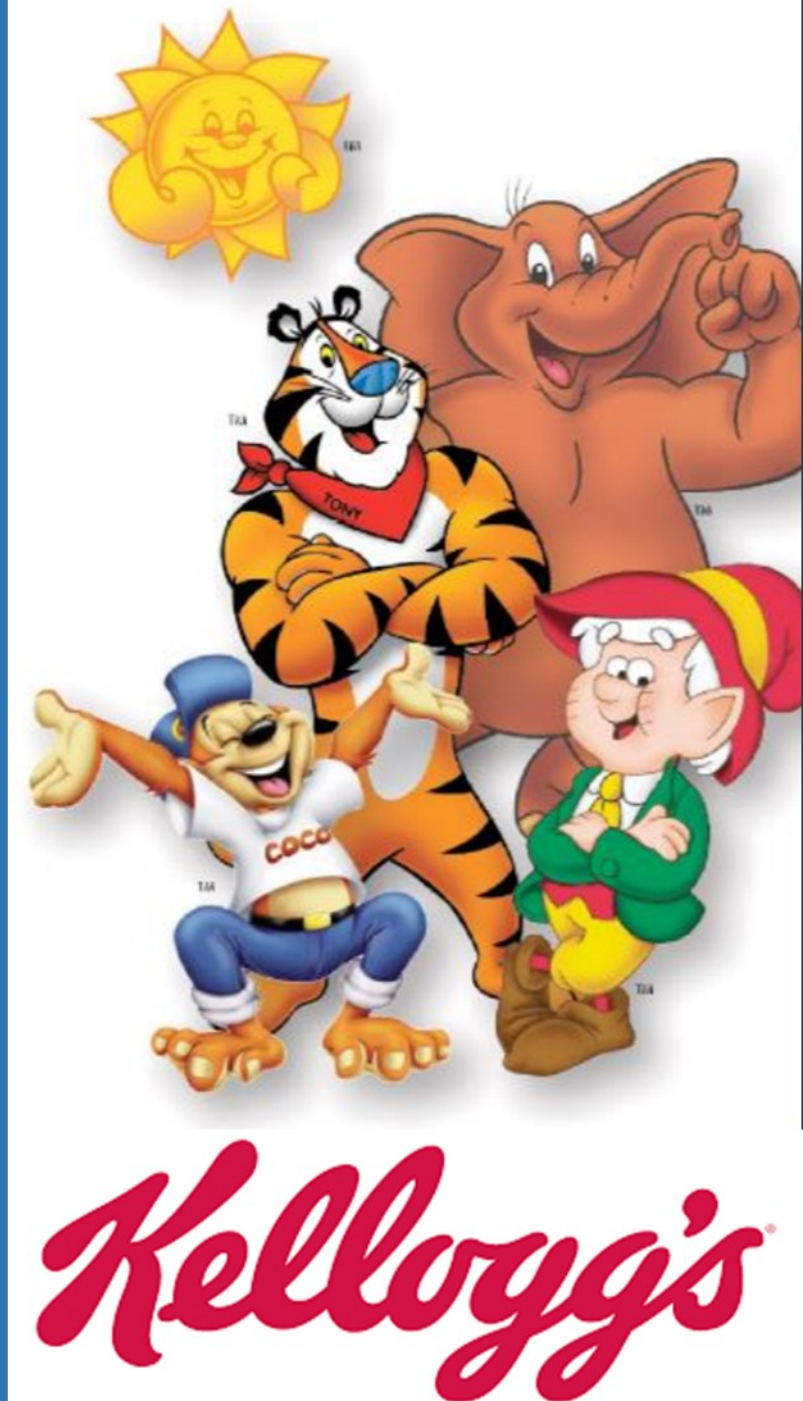
Strategies for Communication

- Push strategies:
Emphasize personal selling rather than mass media advertising
- Pull strategies:
Relies on mass media advertising to communicate message to consumers
- Decision depends on product type, consumer sophistication, and media availability

A V O N

Standardized Advertising

- Benefits of standardized global advertising
 - Reduce costs
 - Project a single brand image
- Problems
 - Cultural differences
 - Different advertising regulations (Kellogg)
- “Glocal” approach: establishing a global brand image while remaining sensitive to cultural and legal differences



How Apple's "1984" Commercial Changed The Superbowl & Advertising

The Apple "1984" Macintosh commercial debuted in January 1984 during Superbowl XVIII. It would end up changing the way commercials and marketing would be done and helped to change the Superbowl into an even bigger event.

More Information

<https://www.everything80spodcast.com/apples-1984-commercial/>



Pele and Puma



During the 1970 Fifa World Cup, Brazilian player Pelé asked the referee to delay the start of the match.

The referee agreed, and all eyes and cameras were on him while he laced up his Pumas.



Reebok: Subway Pump Battle



South Korean agency Innored launched a campaign promoting the Reebok ZPump Fusion with a “Subway Pump Battle.”

Promoting sports to raise public awareness about personal health. The general public is encouraged to participate in sports and thus engage in an active lifestyle.

To play the game, two random opponents were chosen to press pump buttons that appeared at different locations. Whoever pressed the highest number of pump buttons within an allocated time was the winner.

And there was a prize: All winners got a pair of Z Pump Fusion Trainers.

“Thank You Mom” Proctor and Gamble



One of history's most impactful examples of sports marketing is P&G's "Thank You, Mom."

This emotional masterpiece was a campaign for the 2012 Summer Olympics. In it, P&G positioned its products as an accessible way for mothers to support Olympian heroes.

The campaign garnered tens of millions of views and reactions on social media platforms. More than 74 million, to be specific! Some viewers even disclosed that they shed a tear watching the ads.

Disco Demolition to Free Vasectomy Night: Mike Veeck



Portrait of, from left, American disc jockey (from WLUP radio, 'The Loop') Steve Dahl (in helmet), model Lorelei Shark, and Mike Veeck, the son of the Chicago White Sox owner, during an anti-disco promotion at Comiskey Park, Chicago, Illinois, July 12, 1979.

“FOR ME, THE THING ABOUT BAD PROMOTIONS IS THAT THEY MAKE GREAT STORIES. I LIKED FREE VASECTOMY NIGHT, I THOUGHT THAT WAS FUN. GIVING AWAY ONE ON FATHER’S DAY WASN’T THE SMARTEST THING I’VE EVER DONE.” – Mike Veeck



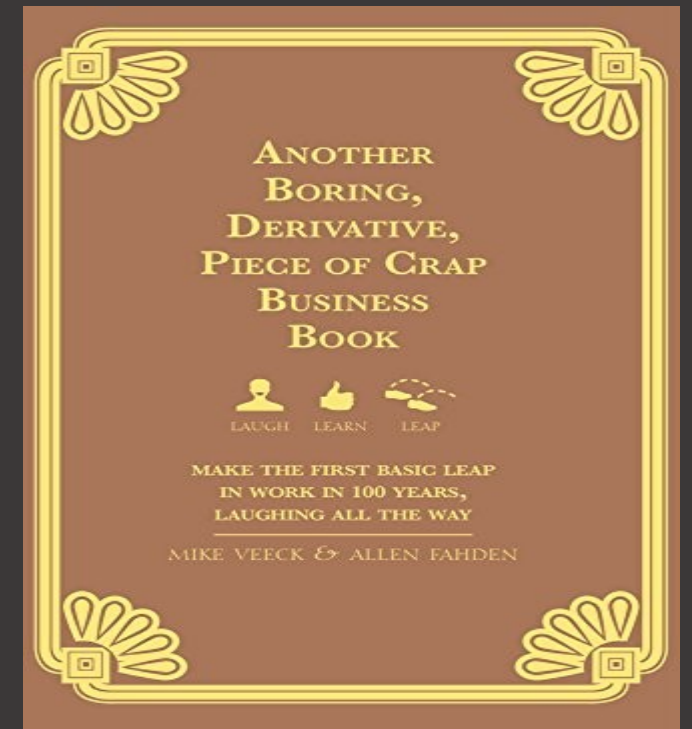
Disco Demolition to Free Vasectomy Night: Mike Veeck

Mike Veeck on Business: Mike talks about business, promotions, and thinking outside the box in his book, *Another Boring, Derivative, Piece of Crap Business Book: Make The First Basic Leap In Work in 100 Years, Laughing All The Way*.

<https://www.pbs.org/video/mike-veeck-on-business-29260/>



Jim Rich sat down with former St. Paul Saints owner Mike Veeck to talk about his Netflix documentary "The Saint of Second Chances." – September 4, 2023



Ryan Reynolds and Rob McElhenney: Growth of the Brand



Wrexham is trying to accomplish on the pitch belies something far more cynical outside it: a commercial enterprise in which the unrelenting growth of the brand takes precedence over the actual sport it's wedded to.

February 2021, Ryan Reynolds and Rob McElhenney finalized their takeover of Wrexham AFC, a historic Welsh club then languishing in the fifth tier of English football.

Ryan Reynolds and Rob McElhenney: Growth of the Brand



The FX debut of "Welcome to Wrexham" in August was met with immediate acclaim: The club earned an estimated \$3.2 million in revenue from the eight-part series

The club has secured lucrative kit sponsorship deals with major companies such as TikTok, Expedia Group, Vista, and Aviation American Gin. Additionally, the number of fans buying season tickets has nearly tripled, with a significant increase in 2021 and 2022.

SO how do you create a Global Sports Marketing Plan?



Define your objectives

Identify your target market

Adapt to local cultures

Choose your communication channels

Monitor and evaluate your performance: