
Book Review

International Marketing

by John M. Hess and Philip R. Cateora

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Irwin Inc., 1971. 934 p. + XV)

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Since the late 50's in the United States a great number of marketing literature* concerning foreign operations and international marketing has been published, and most of them are read with great interest and partly accepted as instructive in Japan. Such a trend corresponded with the worldwide movements of trade expansion and liberalization of foreign exchange and capital transfer, which were accelerated by the Kennedy round and have made economies more dependent on one another.

On the other hand, the appearance of multinational enterprises or world enterprises has opened a new horizon to the marketing study, because they are much more market- or marketing-oriented and show the tendency to consider the whole world as one market.

In Japan, as foreign trade and investments overseas are expanding, the study of international marketing has grown a major interest in the business circle as well as at the colleges and universities. Then I read this book, surprised at many references to Japan.

* For example : Dowd, Lawrence P. "Principles of World Business." rev. ed. Boston : Allyn & Bacon, Inc., 1964.

Leighton, David S. "International Marketing". New York : McGraw-Hill, 1966.

Carson, David. "International Marketing and Comparative Systems Approach". New York : Wiley, 1967.

Fayerweather, John. "International Marketing". 2nd ed. Englewood Cliffs, N.J. : Prentice-Hall, 1970.

Miracle, Gordon E., and Album, Gerald. "International Marketing Management". Homewood, Ill.: R. D. Irwin, 1970.

This book is designed to give broad conceptual viewpoint of marketing to the undergraduate and businessmen who have basic and fundamental understanding of marketing concepts. It assumes a knowledge of the principles of marketing. Its broad coverage provides an overview of many problems encountered by the international marketers around the world, and shows fundamentals of international marketing. Most statements and references are about and to the unique problems in international marketing. Environmental approach is taken as a strong hold for the truly worldwide orientation, and a consistent focus put on the modification of marketing thinking and practices through environmental differences in this book.

"International Marketing" is defined as "the performance of business activities that direct the flow of a company's goods and services to consumers or users in more than one nation. (p. 4)—The uniqueness of foreign marketing is found in the diversity of the problems and the variety of strategies necessary to cope with the different levels of uncertainty encountered in foreign marketing. (p. 4)—And it is the opinion of the authors that a study of foreign marketing environment and its influences upon the total marketing process is of primary concern and is the most effective approach to a meaningful presentation." (p. 17)

The content of this book is as follows:

Part I: *An Overview.*

This part explains the broad background of international marketing and international trade.

Part II: *The World Marketing Environment.*

This part assesses the influences of uncontrollable factors like cultural forces, political forces, economic climate, etc.

Part III: *World Market Patterns.*

This part deals with multinational market groups as an economic integration, world markets for consumers and industrial goods, and business customs and practices in world marketing.

Part IV: *Organizing for Marketing in International Business.*

Part V: *International Marketing Management.*

Both parts deal with so-called "Marketing Controllables". Those are planning, coordination, promotion, pricing, distribution system, marketing research, etc.

Environmental versus Managerial

Recently three marketing approaches seem to be established in the United States. Those are environmental approach, behavioral approach, and managerial approach. In this book the authors mainly discuss the environmental and managerial approach. As illustrated on p. 13 of this book, environmental elements are political, economic, competitive, and cultural forces, geography, level of technology, and structure of distribution, all of which are uncontrollable factors in international marketing. And the authors assert that "the marketing manager is requested to mold the controllable elements of his decision in light of uncontrollable elements in such a manner that his marketing objectives are achieved." (p.11) The environmental approach is necessary for this purpose and this approach is to explain the foreign marketing environment and its influences upon the total marketing process. This assertion seems acceptable, but I think the environmental influences upon business activities are different in both of range and degree from country to country and time to time. And the circumstances are incessantly changing. Admitting that the environmental approach is one of the effective marketing studies, it will be more applicable to the regional study of international marketing. That is, environmental factors, especially cultural, legal, and social ones, can be hardly generalized in such a manner that this book tries to show. Even if it is not impossible to generalize these factors and show the universality of the marketing principles with regard to them, the possible result of this approach will be very simple and of common sense. Therefore, this approach is only informative and useful in listing up the factors pertaining to the environmental differences and its influences.

Though the environmental approach is much indebted to such other disciplines as cultural anthropology, sociology, economic geography, etc., it is not always safe to use the academic achievements of other disciplines of which purposes are different from that of marketing. For example, there is a theory** in cultural anthropology that Japanese society is a vertically-related, authoritative society symbolized by the seniority system. But this theory is not always applicable to the activities of business; because if the system plays against the profitability of

the firm, they may employ young but active persons as executives or staffs. It means that social norm and business principles are not always compatible.

Another example is found in Chapter 4 which deals with cultural environments by borrowing the cultural anthropological view of Melville J. Herskovits. The explanation about elements of culture is interesting in the view of cultural anthropology, but I do not understand clearly the relation of each element to the marketing activities. In my opinion, cultural environments can be divided into two types: Easy changeable elements and unchangeable elements in a short term. What is changeable depends on the cultural structure of each country. Thus the environmental approach is effective only in the limited region.

** Chie Nakane, "Tate Shakai no Ningen Kankei (Human Relationships in a Vertically-related Society)", Tokyo: Kodansha, 1966.

Cf. Kazuo Nishiyama, "Managerial Decision-Making Process and Communication Variables in Foreign-Affiliated Japanese Companies and Japanese Companies", (unpubl. Ph.D. diss., University of Minnesota, 1970)

On the other hand, managerial aspects of international marketing seems more universal. The problems that part IV and V deal with are found in any domestic market. We can point out that the markets abroad are fundamentally and principally not so different from the domestic market in terms of the stage of management development, if the level of economic development is almost equal. And many basic ideas and techniques of management, even if domestically developed, may be applicable to the foreign markets. Let us take an example. Distribution through supermarkets and shopping centers has been proved to be quite profitable in Europe and Japan as well as in the United States. The topics of Part IV and V — planning and organization, financing, coordination and control, pricing, distribution system, sales promotion, etc.—are controllable elements from the view point of the management and these problems can be solved comparatively well at any market place. And in studying managerial aspects of international marketing, environmental factors are secondary so far as a conceptual framework for marketing management is firmly established. Rather the profound foundation of management and operational marketing is necessary and effective for the study of each topic. It is shown by the fact that the half of the content of this book deals with controllable factors in international marketing management.

What is more necessary is that the world market places should be segmented

according to the economic structure and type of consumption of the countries. All principles or theories of social science can not escape from the limits coming from the specific background of the country where they are conceived. For example, there are following conditions in the United States: She is a two hundred years old country without the stage of pre-capitalism, a country of multiracial and decentralized states with comparative abundance of land resources and mature economy, and big continental country with well-developed networks of roads. And the universality of marketing techniques in the United States is sometimes questioned. Thus a segmentation is necessary to make it easier to apply principles of marketing management to the rest of the world market places.

In brief, this book is well-prepared as a text-book for the student of marketing and provides an introductory guide to the international marketing. One of the merits of this book is that there is a number of quotations and references and they give interesting and descriptive facts about foreign markets. I can point out, however, that the study of international marketing is not an organized compilation of articles in the business magazines and periodicals. Finally, I want to add that if they try to solve the environmental differences only from the point of marketing techniques, there is a possible danger that international marketing turn out to be nothing but the tool for those marketers who want to control over other economies or business.