


China, and South Africa—plus other significant markets such as Indonesia are a top priority for many firms.

4. Modes of entry are indirect exporting, direct exporting, licensing, joint ventures, and direct investment. Each succeeding strategy entails more commitment, risk, control, and profit potential.
5. In deciding how much to adapt their marketing programs at the product level, firms can pursue a strategy of straight extension, product adaptation, or product invention. At the communication level, they may choose communication adaptation or dual adaptation. At the price level, firms may encounter price escalation, dumping, gray markets, and discounted counterfeit products. At the distribution level, firms need to take a whole-channel view of distributing products to the final users. Firms must always consider the cultural, social, political, technological, environmental, and legal limitations they face in other countries.
6. Country-of-origin perceptions can affect consumers and businesses alike. Managing those perceptions to best advantage is a marketing priority.

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Applications

Marketing Debate


Is the World Coming Closer Together?

Many social commentators maintain that youth and teens are becoming more alike across countries over time. Others, though not disputing the fact, point out that differences between cultures at even younger ages by far exceed the similarities.

Take a position: People are becoming more and more similar *versus* The differences between people of different cultures far outweigh their similarities.

Marketing Discussion

Country of Origin

 Think of some of your favorite brands. Do you know where they come from? Where and how are they made or provided? Do you think knowing these answers would affect your perceptions of quality or satisfaction?

Marketing Excellence

>> Twitter

Few companies have had such a vast global impact in so short a time as Twitter. The online social networking company was the brainchild of Jack Dorsey, Evan Williams, Biz Snow, and Noah Glass back in 2005. Dorsey thought it would be revolutionary if people could send a text to one number and have it broadcast to all their friends: "I want to make something so simple, you don't even think about it, you just write." The code name for the concept was "twtr," which eventually morphed into Twitter. Dorsey sent the first Twitter message on March 21, 2006.

At the heart of Twitter are tweets, text messages limited to 140 characters. Dorsey once tweeted, "One could change the world with 140 characters." Registered users can send and receive tweets, while unregistered users can

only read them. In response to users' comments and ideas, the company added more features to help organize the ongoing communication on Twitter, including the @ sign in front of usernames, direct messages, and the retweet. Web developer Chris Messina suggested adding a hashtag (#) symbol to help organize categories of conversation or search for tweets on a common topic. For example, #Grammys will bring a user to conversations about the Grammys.

Twitter grew slowly during its first year, but things started to heat up in 2007 when the company set up 51-inch plasma screens around the grounds of the South by Southwest interactive festival and broadcast tweets sent by attendees. Overnight, activity increased from 20,000 to 60,000 tweets a day.

Another milestone came on January 15, 2009, when US Airways flight 1549 landed safely on the Hudson River in New York City during an emergency. An eyewitness on a commuter ferry broke the news worldwide when

he snapped a photo of the plane on the river, wrote a tweet, and sent it to his 170 followers. The tweet and #Flight1549 went viral within minutes and proved that Twitter had transformed the way we get news.

Seth Mnookin, MIT's Associate Director of Science Writing, explained why Twitter has been so revolutionary in media: "What the advent of television or radio did was give a small group of people a new way to reach the masses. And this essentially is doing the same thing, for the masses." Twitter captures and records history in real time with eyewitness accounts, pictures, and thoughts.

Celebrities and sports figures started to embrace Twitter in 2009. Perhaps the most influential early adopter was Ashton Kutcher, the first celebrity to reach 1 million followers. Katy Perry, Barack Obama, Lady Gaga, and Justin Bieber are now among the most followed Tweeters, with tens of millions followers each.

By 2011, Twitter had expanded across seven different countries and languages. The medium had a huge impact on the Arab Spring, when millions demanded the overthrow of oppressive Middle East regimes. Bahraini protester Maryam Al-Khawaja explained that in many countries Twitter is about entertainment, but in the Middle East and North Africa, it can make the difference between life and death. Twitter gave activists a means to share accurate and uncensored information, connect with like-minded individuals, and organize street operations at unheard-of speed. Hussein Amin, professor of mass communication at the American University in Cairo, explained, "[Social networks] for the first time provided activists with an opportunity to quickly disseminate information while bypassing government restrictions."

During the 2012 U.S. presidential election, Twitter had enormous impact on campaigns and communications with voters. In fact, the most popular tweet of 2012 was "Four more years," posted by Barack Obama after he won the reelection. It was retweeted almost 1 million times.

Twitter went public in November 2013 and raised \$2.1 billion in the second-biggest Internet IPO in history (Facebook raised \$16 billion in 2012). Its global impact has grown so great that it operates in 35 languages and 70 percent of users live outside the United States. In 2014, 500 million users were registered on Twitter, 250 million were active, and more than 400 million tweets were posted each day around the globe.

Today, people use Twitter for many reasons, including promoting a brand or company, raising money for charities, breaking news, following favorite celebrities, or, as Dorsey said, changing the world. Twitter describes itself as a global platform for public self-expression and conversation in real time. Mark Burnett, the producer of shows like *The Voice*, *Survivor*, and *The Apprentice*, stated, "Twitter actually is the real time, water cooler conversation of young America." The company's ultimate goal is to reach everyone in the world.

Questions

1. Discuss Twitter's global impact since its inception.
2. Who are Twitter's biggest competitors? How does Twitter differ from other social media companies?
3. What marketing challenges does Twitter face as it continues to expand its brand globally?

Sources: Dom Sagolla, 140Characters.com, January 30, 2009; Nicholas Carlson, "The Real History of Twitter," BusinessInsider.com, April 13, 2011; Victor Luckerson, "The 7 Most Important Moments in Twitter History," Time, November 7, 2013; Drew Olanoff, "Twitter's Social Impact Can't Be Measured, but It's the Pulse of the Planet," Techcrunch.com, January 15, 2013; Heesun Wee, "Twitter May Be Going Public but Can It Make Money?" CNBC, November 5, 2013; Elizabeth Kricfalusi, "The Twitter Hashtag: What Is It and How Do You Use It?" Tech for Luddites, November 12, 2013; Julianne Pepitone, "#WOW! Twitter Soars 73% in IPO," CNNMoney.com, November 7, 2013; "#Twitter Revolution," CNBC.com, August 7, 2013; David Wolman, "Facebook, Twitter Help the Arab Spring Blossom," Wired, April 16, 2013; David Jolly, Mark Scott, and Eric Pfanner, "Twitter's IPO Plan Has an International Focus," New York Times, October 5, 2013; Saleem Kassim, "Twitter Revolution: How the Arab Spring Was Helped by Social Media," PolicyMic.com, July 3, 2012; www.twitter.com.

Marketing Excellence

>> L'Oréal

When it comes to globalizing beauty, no one does it better than L'Oréal. The company was founded in Paris more than 100 years ago by a young chemist, Eugene Schueller, who sold his patented hair dyes to local hairdressers and salons. By the 1930s, Schueller had invented beauty products like suntan oil and the first mass-marketed shampoo. Today, the company has evolved into the world's largest beauty and cosmetics company, with distribution in 130 countries, 27 global brands, and more than \$30.8 billion in sales.

Much of the company's early international expansion is credited to Sir Lindsay Owen-Jones, who transformed L'Oréal from a small French business into an international cosmetics phenomenon with strategic vision and precise brand management. During his almost 20 years as CEO and chairman, Owen-Jones divested weak brands, invested heavily in product innovation, acquired ethnically diverse brands, and expanded into markets no one had dreamed of, including China, South America, and the former Soviet Union. His quest was to achieve diversity and "meet the needs of men and women around the globe, and make beauty products available to as many people as possible."

Today, L'Oréal focuses on five areas of beauty expertise: skin care, hair care, makeup, hair coloring,