

International Marketing

Class 13

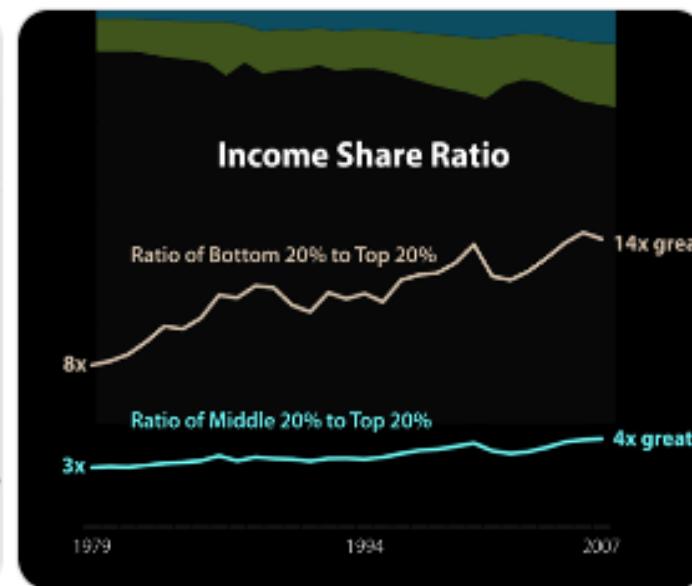
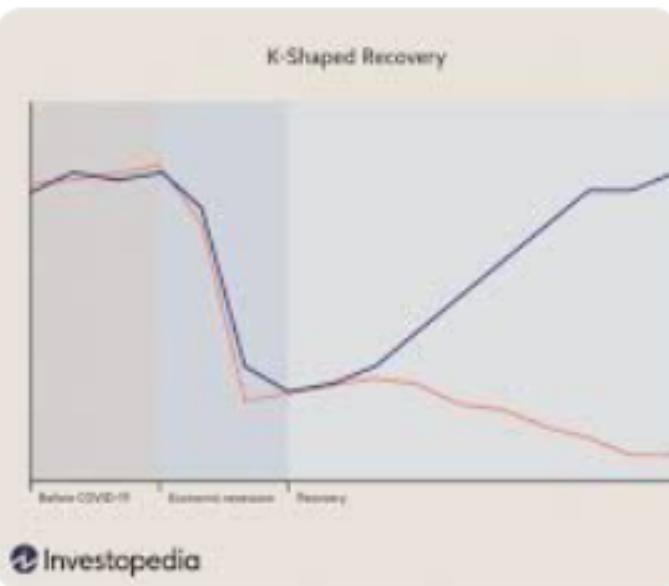
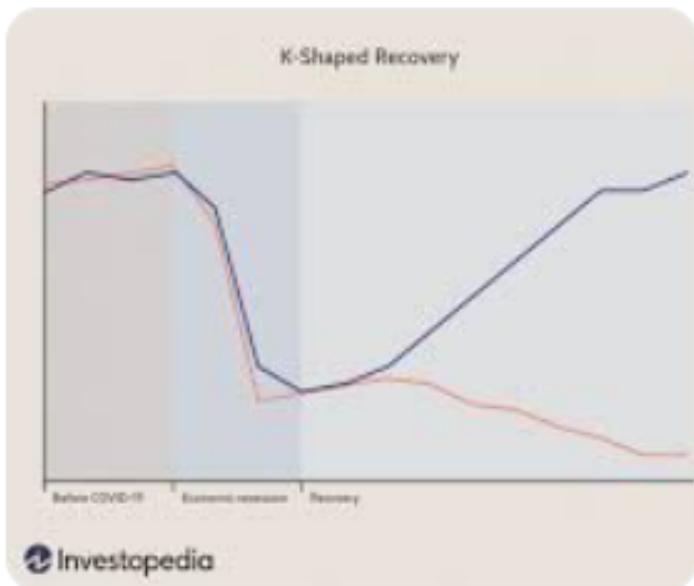
December 3, 2025

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I. Marketing Dilemma by Global Marketers

★ 1. What Is a K-Shaped Economy? (Global Markets)



A **K-shaped economy** describes a recovery or growth pattern in which **different sectors, industries, or income groups diverge dramatically** — some rise ("upper arm of K") while others fall ("lower arm of K").

It became globally recognized during and after the **COVID-19 pandemic**, but also characterizes structural economic changes caused by **technology, globalization, interest-rate cycles, and inequality**.

✓ Key Characteristics

Upper Arm of K: winners

- High-skill industries (tech, finance, biotech, AI)
- High-income consumers who continued spending
- Online, digital-first businesses
- Companies benefiting from low interest rates, automation, and scalable networks

Lower Arm of K: losers

- Low-income labor market
- SMEs in offline retail, tourism, hospitality, F&B
- Sectors dependent on physical interaction
- Countries/regions with weak digital infrastructure

✓ Why It Happened (Global Perspective)

1. **Digital divide** accelerated → tech & platform companies thrived
2. **Asset price inflation** → wealthy gained via stocks, real estate
3. **Uneven labor recovery** → high-skill remote workers rose, service workers fell
4. **Monetary policy effects** → cheap capital favored tech and asset-heavy firms
5. **Consumer behavior polarization** → premium and budget sectors thrive; mid-range declines

★ 3. Link Between K-Shaped Economy and Marketing Management

A K-shaped economy **forces marketers to adjust strategies** because consumer income, behavior, and digital engagement diverge strongly.

Marketing managers now confront **polarized customer segments**:

✓ **Segment A: “Prospering consumers” (Upper K)**

- High income
- WFH professionals
- Digital-savvy
- Seeking premium, sustainable, personalized experiences

✓ **Segment B: “Struggling consumers” (Lower K)**

- Price-sensitive
- Higher unemployment risk
- Shift toward basic goods
- Prefer affordability, value-for-money

★ Marketing Strategies for the Upper K Group

1. Premiumization & luxury marketing
2. Customization and personalization (AI-based)
3. Brand purpose & sustainability focus
4. Omnichannel, high-tech experience
5. Faster adoption of new technologies (AR/VR/AI/IoT)

✓ Example

- **Apple** maintained strong demand for iPhones despite economic slowdown by focusing on premium positioning, ecosystem lock-in, and upgrading cycles.
 - **Louis Vuitton / Chanel** → strong growth as affluent consumers increased luxury spending.
-

★ Marketing Strategies for the Lower K Group

1. Value-based marketing
2. Discount brands & retail channels (D2C, warehouse clubs)
3. Bundle strategies, affordability-focused messaging
4. Cost-effective digital advertising (TikTok, Instagram Reels)
5. Local community-driven marketing

✓ Example

- **Walmart, Daiso, Lidl, Aldi** → booming due to extreme value proposition.
- **Fast fashion brands** (SHEIN, Zara) benefited from consumers prioritizing price over durability.

★ 5. Managerial Implications for Marketing

✓ 1. Hyper-Segmentation Is Crucial

Marketers must design **separate value propositions** for diverging customer groups.

✓ 2. Dual-Track Pricing Strategy

- Premium pricing for high-income groups
- Economy pricing for budget consumers
- Example: Samsung's **Galaxy S series** (premium) vs **A series** (value segment)

✓ 3. Channel Strategy Based on Consumer Position

- Upper K → flagship stores, metaverse experiences, omnichannel
- Lower K → discount stores, D2C, online marketplaces

✓ 4. Product Portfolio Redesign

Companies must shift resources into **fast-growing segments** while managing declining ones.

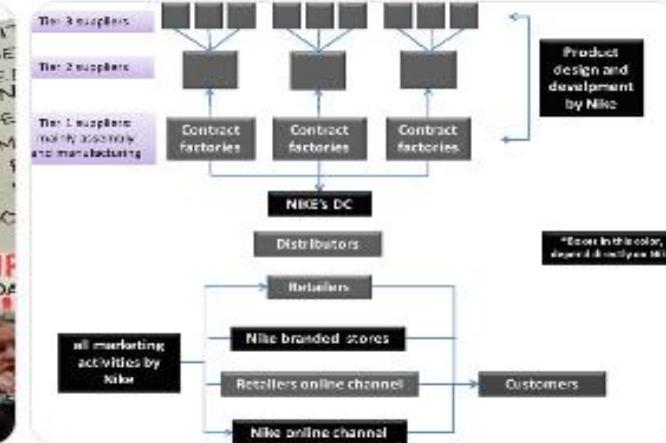
✓ 5. Lifestyle-Based Targeting, Not Demographics

Income polarization weakens traditional segmentation.

Behavior, digital adoption, and value perception are more important.

10 Real Global Marketing Management Cases with True Dilemmas

1. Nike – “Sourcing Dilemma: Ethics vs. Cost Competitiveness”



Dilemma

Nike faced global backlash for alleged sweatshop and child labor practices in Asia. The firm had to decide:

- **Keep low-cost suppliers** (maintain price competitiveness)
- **Or shift to ethical sourcing** (raise costs but protect brand equity)

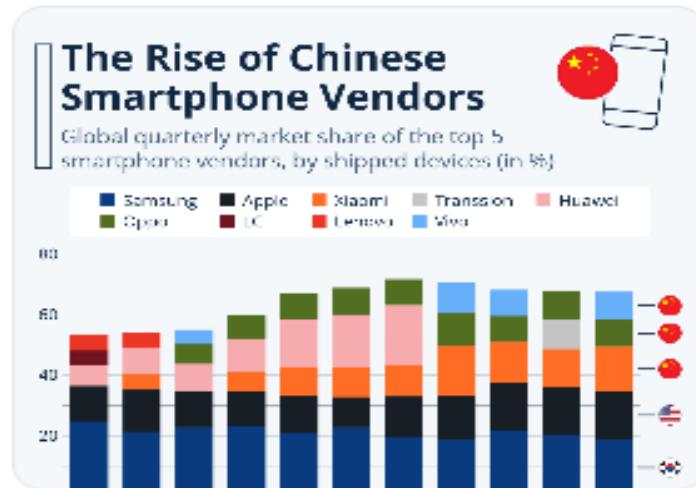
Conflicting Choices

Option	Pros	Cons	
Cost-efficient suppliers	Low prices, competitive advantage	Reputational disaster, boycott	
Ethical, audited factories	Brand trust, long-term sustainability	Higher cost structure	

Outcome & Marketing Impact

Nike invested heavily in CSR, transparency, and became a leader in ethical marketing. The short-term cost increased, but long-term brand value soared.

2. Samsung – “Global Product Standardization vs. Localized UX”



Dilemma

Samsung wanted a unified global smartphone experience, but local consumers—especially India, Brazil, and Indonesia—demanded unique features.

Choices

- **Standardization:** Cheaper R&D, stronger brand identity
- **Localization:** Tailor features such as dual-SIM, local-language AI, local apps

Outcome

Samsung adopted a **hybrid strategy**, enabling local-market software versions.

Its market share in India and SEA dramatically increased.

3. McDonald's – "Cultural Sensitivity vs. Brand Consistency" (India Case)



Dilemma

McDonald's global icon products (Big Mac, beef patties) conflicted with cultural taboos in India.

Choices

- Keep Big Mac → risk offending local religions
- Adapt everything → weaken global brand positioning

Outcome

McDonald's introduced **the fully localized menu** (McAloo Tikki, Maharaja Mac).

It became one of the strongest examples of localization success.

4. Apple – “Privacy vs. Market Access in China”



Dilemma

China required Apple to store user data on local government-linked servers. Apple had two choices:

- **Follow Chinese data laws** → access world's largest smartphone market
- **Refuse compliance** → exit China, lose billions

Outcome

They complied with Chinese storage laws.

This created **brand inconsistency**, sparking Western criticism yet ensuring Chinese market presence.

5. Coca-Cola – “Water Scarcity vs. Business Expansion (India Case)”



Dilemma

Coca-Cola's bottling plants in India were accused of groundwater depletion.

Choices

- Continue operations → low-cost production
- Close or reform plants → massive losses but improved CSR reputation

Outcome

Coke invested heavily in **water replenishment programs** and reframed its marketing around "**Water Neutrality.**"

Still controversial, but a **landmark CSR strategy**.

6. Toyota Prius – “Green Marketing vs. Accusations of Greenwashing”



Dilemma

Prius was marketed as a green alternative, but critics argued battery production offset environmental benefits.

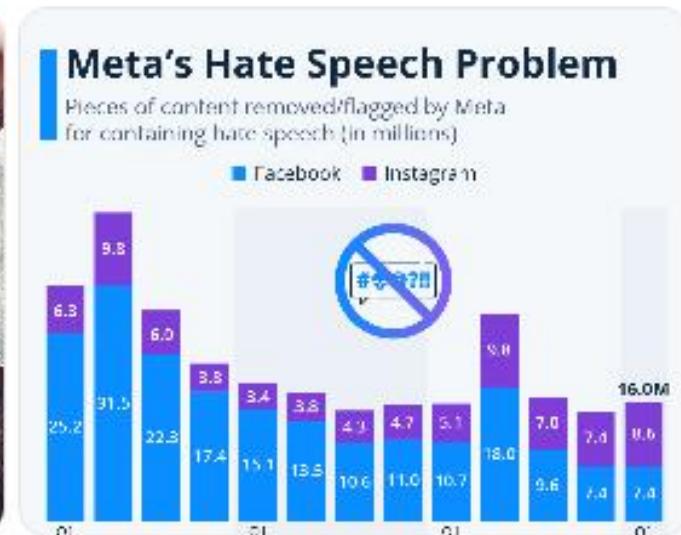
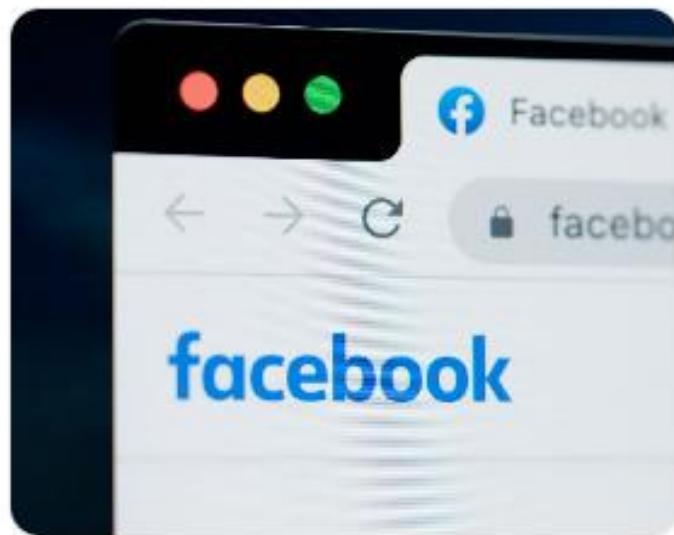
Choices

- Push green branding aggressively
- Or take modest approach to avoid backlash

Outcome

Toyota doubled down on green messaging—but increased transparency and lifecycle studies to address criticism.

7. Facebook/Meta – “Free Speech vs. Content Moderation”



Dilemma

Meta must balance:

- Allowing open user expression
- Preventing hate speech, political manipulation, misinformation

Conflict

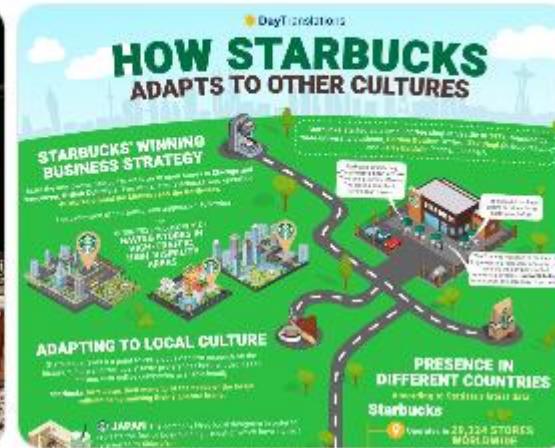
Different cultures define "acceptable speech" differently.

Outcome

Meta built **global + local moderation teams**, but constantly faces accusations from both sides (over-censoring vs. under-censoring).



8. Starbucks – “Cultural Appropriation vs. Global Brand Identity”



Dilemma

Expanding globally required Starbucks to enter culturally sensitive café traditions (Italy, Turkey, China), risking backlash.

Choices

- Standard global Starbucks menu and vibe
- Deep cultural adaptation (local cafes, teas, architecture)

Outcome

Starbucks selectively localizes—such as **traditional courtyard stores in China**—while keeping core brand identity.

10. Tesla – “Safety Transparency vs. Brand Hype”



Dilemma

Tesla markets its Autopilot/FSD as cutting-edge, but safety concerns frequently arise.

Choices

- Continue aggressive autonomous driving marketing
- Or reduce claims and risk losing market excitement

Conflict

Tech hype vs. regulatory risk.

Outcome

Tesla maintained bold marketing but adds disclaimers and software over-the-air updates.

Several countries (Germany, Korea) challenged Tesla's claims.

II. Marketing Dilemma Simulations for Students

1. Samsung Smartphone Launch – “Price vs. Brand Image”

Scenario

Samsung plans to release a mid-range smartphone in Southeast Asia where local competitors are undercutting Samsung's price by 30–40%.

Dilemma

Should Samsung lower its price to protect market share, or maintain premium positioning?

Option A – Lower the price

- Pros: Higher volume, protects market share
- Cons: Weakens premium brand; customers expect discounts later

Option B – Keep price high

- Pros: Maintains brand equity
- Cons: Market share may drop dramatically

2. McDonald's Korea – “Localization or Brand Global Consistency?”

Scenario

McDonald's Korea considers adding a spicy tteokbokki-burger to cater to local tastes.

Dilemma

Should McDonald's launch highly localized menu items that do not exist anywhere else?

Option A – Launch it

- Pros: Strong local appeal
- Cons: Risk of “brand fragmentation” globally

Option B – Keep the global menu

- Pros: Strong consistency worldwide
- Cons: May lose Korean customers to local chains

3. Tesla – “Safety Transparency vs. Marketing Hype”

Scenario

A minor Autopilot accident occurs in California. Tesla must decide how aggressively to address it.

Dilemma

Should Tesla transparently reveal all safety data or maintain aggressive marketing of Full Self Driving?

Option A – Full transparency

- Pros: Builds trust
- Cons: May slow sales due to fear signals

Option B – Maintain hype & minimal disclosure

- Pros: Preserves excitement & stock price
- Cons: Could trigger regulatory backlash

4. Nike – “Political Activism vs. Market Risk”

Scenario

Nike considers launching an ad campaign supporting a controversial athlete protest movement.

Dilemma

Activism strengthens brand identity among young buyers but risks boycott from older segments.

Option A – Support movement publicly

- Pros: Strong brand loyalty from target demographic
- Cons: Sales drop in conservative areas

Option B – Stay neutral

- Pros: No backlash
- Cons: Seen as lacking values

5. Apple – “Privacy Promise vs. Market Expansion in China”

Scenario

China demands that Apple store user iCloud data on local servers controlled by government-linked partners.

Dilemma

Complying risks global privacy reputation; refusing costs access to a huge market.

Option A – Comply

- Pros: Maintain China operations
- Cons: Damages global privacy positioning

Option B – Refuse

- Pros: Protects brand ethics
- Cons: Lose China market

6. Starbucks Italy – “Respect Heritage vs. Modern Identity”

Scenario

Starbucks wants to expand in Italy, the birthplace of espresso culture.

Dilemma

Should Starbucks imitate Italian cafés or maintain American-style stores?

Option A – Deeply localize store design & menu

- Pros: Reduces cultural backlash
- Cons: Expensive & dilutes global identity

Option B – Keep global Starbucks experience

- Pros: Customers recognize the brand
- Cons: Criticism for disrespecting Italian culture

7. Unilever – “Sustainable Packaging vs. Profit Pressure”

Scenario

Unilever considers switching several brands to eco-friendly packaging costing 18% more.

Dilemma

Sustainability is popular globally, but price-sensitive markets (India, Indonesia) may reject higher prices.

Option A – Adopt eco-packaging globally

- Pros: Strong ESG reputation
- Cons: Prices increase → lower demand in poor markets

Option B – Use eco-friendly packaging only in rich countries

- Pros: Market-fit pricing
- Cons: Appears “hypocritical sustainability”

8. Netflix – “Local Content vs. Global Hits”

Scenario

Netflix's Korean and Japanese markets demand more local dramas, but Hollywood hits still drive global subscriptions.

Dilemma

Should Netflix invest more in culturally local content or stick to global blockbusters?

Option A – Invest heavily in local productions

- Pros: High engagement; cultural relevance
- Cons: Higher risk; limited exportability

Option B – Focus on global “safe bets”

- Pros: Universal appeal
- Cons: Less local differentiation

9. Hyundai Motors – “EV Pricing vs. Government Incentives”

Scenario

Hyundai's new EV becomes eligible for U.S. IRA tax credits only if certain supply chain conditions are met—requiring costly adjustments.

Dilemma

Hyundai must choose between higher manufacturing costs or losing U.S. subsidies.

Option A – Restructure supply chain

- Pros: Qualifies for incentives → boosts sales
- Cons: Massive cost burden

Option B – Ignore subsidy requirements

- Pros: Keep costs stable
- Cons: Lose competitiveness in U.S. market

10. TikTok – “Content Freedom vs. Parental Safety Controls”

Scenario

Gen-Z users demand creative freedom, but parents demand stronger content filtering.

Dilemma

Tight controls alienate creators; loose controls anger regulators.

Option A – Increase content restrictions

- Pros: Protects minors; satisfies regulators
- Cons: Creators revolt; engagement drops

Option B – Loosen rules

- Pros: Maximum engagement
- Cons: Government bans likely (U.S., EU)

III. Discussion Questions



20 Discussion Questions on Global Marketing Dilemmas

A. Brand Strategy & Positioning (1–5)

1.

Should global brands prioritize **premium brand positioning** even if it means losing market share in emerging markets where price-sensitive local competitors dominate?

2.

When does **localization** strengthen a global brand, and when does it weaken brand consistency? Provide examples (e.g., McDonald's India, Samsung SEA).

3.

Is it acceptable for a brand to **intentionally differentiate product features by country** (dual SIM, different specs, price tiers)? Why or why not?

4.

Should global companies engage in **political or social activism** even at the risk of losing segments of their consumer base?

(e.g., Nike's activism campaigns)

5.

How should companies balance **short-term profit pressure** with **long-term brand value protection**, especially during a public controversy?

B. Ethics, CSR, and Sustainability (6–10)

6.

Should a company sacrifice profitability to adopt **more sustainable sourcing or packaging**, even if customers in developing countries cannot absorb higher prices?

7.

Is it ethical for companies to maintain **cheaper but riskier supply chains** (e.g., palm oil, cotton, cobalt) if the local labor market provides no alternatives?

8.

Should firms be required to disclose **all environmental and social risks** in their supply chain, even if competitors do not?

9.

When does **CSR marketing** become “greenwashing,” and how should companies communicate sustainability claims responsibly?

10.

Should sustainability strategies be **global** or **nation-specific** based on consumer income and cultural expectations?



C. Technology & Regulation (11–14)

11.

Should tech firms like Tesla or Google be allowed to market technology (e.g., autonomous driving, AI) that is **not fully mature** as long as they add disclaimers?

12.

How should companies respond when regulation in a major market (like China or the EU) **conflicts** with their core brand values?

13.

Is it better for companies to comply with **strict national tech regulations** (e.g., data localization in China) or withdraw from the market to maintain brand ethics?

14.

Should platforms like TikTok prioritize **user safety** or **creative freedom** when the two goals conflict?

D. Cultural Sensitivity & Adaptation (15–17)

15.

Should global brands entering markets with deep cultural traditions (Italy cafés, Japan beauty, India food) lean toward **deep adaptation** or preserve their brand identity?

16.

What are the potential risks of **cultural appropriation** in global marketing, and how can brands avoid them while still innovating?

17.

How should firms handle **religious sensitivities** (halal, vegetarian, cultural taboos) in product design and messaging without alienating global audiences?

E. Global Operations & Strategy (18–20)

18.

Should multinational companies create **region-specific products** (e.g., Samsung India phones) even if it significantly increases supply chain complexity?

19.

How should global companies decide whether to pursue **local partnerships** (e.g., Walmart-Flipkart, Starbucks-Tata India) instead of entering alone?

20.

In markets where political tension is rising (U.S.–China, Korea–Japan), how should global companies adjust marketing messages to avoid becoming part of the conflict?

IV. Homework Assignment: Due, December 10

Team Presentation: Presentation on December 10 (10 minutes)

1. Case Studies on the Global Firm's Marketing Dilemma
 - Show the company's profile
 - Explain the company's marketing strategies
 - Explore the company's global marketing dilemma and show how it resolved the marketing dilemma.
 - Marketing lessons from the case study