Foreword

Today’s increasingly borderless world continues to evolve in patterns of greater complexity, competitiveness and controversy in an era of globalization, a subject that has been both glorified and vilified. With new global institutions being forged, more elaborate legal premises being crafted, multiple economies being aligned, technological ideas being exchanged, and political inclinations of nations to integrate being tested, business opportunities have opened up in recent times that simply did not exist in the past. To take advantage of these new opportunities will require today’s corporations to reconsider, recalibrate, and even reorient their strategies to meet the needs of markets at different stages of development but converging rapidly as intermediate steps of development are quickly scaled or even skipped.

Firms that want to succeed in this environment will need to learn quickly about the variations that exist in their operational contexts, especially the cultures and their subtle layers, intricate systems of laws, the ever-changing political equations that can turn one’s fortunes on a dime, the paths and pace of technological advancements that create high expectations of new products, and the complex interconnectedness of economic forces with their periodic and often unpredictable ups and downs causing concern.

Knowledge about the global marketplace and how to navigate therein is decidedly in a nascent stage. For example in certain Asian countries characterized by a culture of renunciation and where Hofstede’s collectivism and nurturing dimensions are purported to predominate, new information portrays them in a different light: as frenzied shoppers vying for the world’s most sought-after brands. Clearly, the luxury brand culture has arrived in Asia! What explains these recent phenomena? Is it their newfound wealth that has kindled in the Asians a desire to display economic and social status through conspicuous consumption? Is this the new way of self-expression and self-enhancement? The interrelated cultural concepts, symbols, narratives and expressions that exist in a society and explain consumption behaviors need to be better analyzed and understood in the evolving global business scenario.

This is not to say that age-old traditions have been surreptitiously replaced by newer ones: perhaps it is more a case of fitting-in with the expanded world that has arrived at one’s doorstep; or perhaps it reflects a need for accommodation, a need to broaden one’s cultural values and perspectives. These and similar developments suggest the need for new theoretical insights that provide alternative explanations to persistent beliefs that culture is “sticky” and different civilizations of the world will reassert themselves to preserve their cultural heritages.

In fact, the continuing interplay between various world cultures and the process of globalization is not well-understood. In the coming years it will become ever more important to generate and meld theory and practice to make sense of the new global dynamics in which firms will be adding their own flair and flavor while vying for competitive advantage.
Transcultural Marketing for Incremental and Radical Innovation examines a variety of new phenomena that have either not received the attention of scholars or requires deeper investigation to build nomological theory. In that the book will provoke both students and practitioners of global marketing to understand their transcultural contexts and to determine whether and how “offerings” for consumption will need to be imagined in fresh and innovative ways.

The academics and researchers writing in this book emphasize the primacy of innovation – incremental or radical – for organizations that desire to remain significant in an intensely competitive world. Such innovation or offering, as the breadth of ideas show, need not be one-dimensional, i.e., merely product-focused; rather, innovation can cover the gamut of business operations that permeate stakeholder interests: from manufacturing, to value-added services, to supply and delivery, promotion, and new ways of consumption.

Even operational and structural innovations within the organization can represent important innovations if they result in stakeholder satisfaction and helps gain competitive edge. For example, accumulating evidence suggests that diversity in organizations make them more creative; thus managing a company’s multicultural human resources can lead to significant improvements in innovation and organizational performance. The growing number of bicultural (mixed-race) employees within the organization (e.g., Hafus in Japan) is also a growing phenomenon, worldwide, that calls for an examination of their social context of acceptance or rejection within the organization that can impact innovation flows. Starbucks’ management of its internal and external culture that spans partner treatment, environmental awareness, farmer support, stakeholder inclusion, and other revolutionary strategies are innovative in their own right that is widely admired.

This book will provoke thinking about innovation in every sphere of corporate life and in a variety of forms. Government-university-industry (GUI) collaboration represents one such form of innovative partnership that has led to a plethora of solutions in a variety of industries from which customers benefit immensely (e.g., the work of Defense Advanced Research Projects Agency or its acronym, DARPA, is notable in this regard). Open innovation is a particularly lucrative area for organizations to explore more widely. Tapping into the ideas of users, suppliers, competitors, supply chain members, or specialized firms to integrate a range of existing activities in creative ways for gainful solutions merits examination. The idea of living labs, popular in the realms of service development to co-create service innovations, has made significant inroads and gained favor by introducing new concepts and/or value propositions, new delivery mechanisms and/or business models, and new experiences.

The creative use of social media can be a big boon, especially in the fashion industry where its use has until now been tentative. Involving the consumer in creating, adopting, and disseminating information about specific brands represents innovative use of new media. The role of marketing capabilities -- specialized marketing capabilities (SMC), architectural marketing capabilities (AMC), and market information processing capabilities (MIPC) -- are also vital in spurring innovation and enhancing firm performance.

Sometimes radical innovations are called for to create blue ocean opportunities – new demand in uncontested market spaces - to take a decisive lead in the market. Google’s pursuit of driverless cars is a case in point. While many issues about and peripheral to the car still need to be ironed out, the concept of a light vehicle, half the width of today’s cars, with a single commuter in them during rush hour and in urban driving environments is imagination at its best. Especially when 7 out of 10 people are expected to be urban dwellers by 2050, these cars, combined with their superior autonomous technology, could
make city life more bearable. Venture screening, technological collaboration and foreign market servicing will also become vital in the realms of technology commercialization.

Innovation opportunities are just about everywhere. As one author suggests, “The traditional business processes are evolving and today richer functional areas such as reengineering, green world, collaborative approaches, and sustainability are the focal point.” The Internet’s ability to reach new segments and reduce cost through streamlining of the supply chain is another promising area to explore. The idea of crowdsourcing using web-based platforms that reach out to new markets builds on harnessing the capability of the Internet.

Creative application of segmentation and targeting can in fact be highly innovative in customer identification and opening up of alternative markets. Immigrant consumers, unable to partake in exchanges in their new environments because of motivation, ability, and opportunity (MAO) factors are often left out from certain markets such as the arts. To bring them into the fold, innovative ways of clustering them and devising offerings that meet their needs is paramount.

The idea of brand positioning or building corporate reputation requires innovative use of communication techniques. Innovations are also needed in the public services such as healthcare delivery, education technologies, transportation solutions, elder care and the like. At more macro levels, future cities will have to meet the needs of their inhabitants, especially when 7 out of 10 people will be living in them. Already researchers are thinking of building compact townships to alleviate the stifling conditions of mega cities. Even nations steeped in tradition and culture, as the example of Saudi Arabia suggests, can innovatively devise paths to modernization in incremental steps that fit in with the country’s core values. The idea of nation branding has also seen some forays in recent years as reflected in the themes, “Malaysia: Truly Asia” or “Incredible India.”

Innovation has been and will always be the way for organizations to blaze the way to competitive superiority. Such innovations will not only need to be profitable; they must also be people-friendly and sustain or even revitalize the ecologies in which they are expected to thrive. It is for the creative individual to spot the myriad of opportunities.

The diversity of perspectives on innovation that this book offers promises interesting reading. If it spurs lively debate and discussion among practitioners and encourages academics to build more comprehensive theories of innovation for transcultural markets, the book will have served as an important stepping stone.

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