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EDITION



International Business

The New Realities

THIRD EDITION

S.Tamer Cavusgil • Gary Knight • John R. Riesenberger



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- 11 Reorganized Chapter 4 examines culture models and perspectives more systematically, provides enhanced explanations of key concepts and models related to culture, and expands coverage of religion and its role in culture and business.
- 12 Chapter 12 features a new Closing Case on Lenovo, with an emerging market focus.
- 13 Chapter 15 features a new Closing Case on the failed global merger of DaimlerChrysler.
- 14 You Can Do It features in selected chapters replace Recent Grad in IB feature in the last edition. These highlight IB graduates now working in exciting international careers. We hope this feature will motivate you to travel, learn another language, and be open to working internationally!



International Business

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Pearson Education Limited

Edinburgh Gate
Harlow
Essex CM20 2JE
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Authorised adaptation from the United States edition, entitled International Business, The New Realities, 3rd Edition, ISBN 978-0-13-299126-1 by S. Tamer Cavusgil, Gary Knight and John R. Riesenberger, published by Pearson Education © 2014.

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ISBN 10: 0-273-78706-3
ISBN 13: 978-0-273-78706-8

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

10 9 8 7 6 5 4 3 2 1
15 14 13 12 11

Typeset in 10/12, Times LT Std Roman by Integra
Printed and bound by Courier/Kendallville in United States of America.

The publisher's policy is to use paper manufactured from sustainable forests.



Dedicated to . . .

This book is dedicated to my parents, Mehmet and Naciye Cavusgil, who never received much formal education but passed on a deep sense of appreciation for knowledge to their children; my wife, Judy, and my children, Erin and Emre Cavusgil, who graciously provided much-needed understanding, support, and encouragement; and my students whom I had the opportunity to mentor over the years.

S. Tamer Cavusgil
Atlanta, Georgia

This book is dedicated to my wife, Mari, for her patience, intellect, and adventurous spirit; to Bill and Audrey, and to Hiroshi and Hisako, for being great parents and role models; and to the many students I have had the good fortune to influence over the years.

Gary Knight
Portland, Oregon

This book is dedicated to my parents, Richard and Marie Riesenberger, for their example, many sacrifices, and love. To my wife and best friend, Pat, for her enthusiasm and loving support. To my daughters, Chris and Jen, and their husbands, Byron and Martijn, of whom I am so very proud and thankful. To my amazing grandchildren, Ryan, Paige, Ethan, and Emma—the future of the New Realities.

John R. Riesenberger
Basking Ridge, New Jersey

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> Preface

This Book Supports Association to Advance Collegiate Schools of Business (AACSB) International Accreditation



In every chapter, next to each end-of-chapter exercise, we provide a specific AACSB tagging logo to help instructors identify which AACSB learning goals that activity supports. We also provide AACSB tagging for all the questions in the Test Item File that accompanies the textbook.

WHAT ARE AACSB LEARNING STANDARDS? One of the criteria for AACSB accreditation is the quality of the curricula. Although no specific courses are required, the AACSB expects a curriculum to include learning experiences in such areas as:

- Communication abilities
- Ethical understanding and reasoning abilities
- Analytic skills
- Use of information technology
- Dynamics of the global economy
- Multicultural and diversity understanding
- Reflective thinking skills

These seven categories are AACSB Learning Standards. Questions that test skills relevant to these standards are tagged with the appropriate standard. For example, a question testing the moral questions associated with externalities would receive the ethical understanding and reasoning abilities tag.

HOW CAN I USE THESE TAGS? Tagged exercises help you measure whether students are grasping the course content that aligns with AACSB guidelines noted previously. In addition, the tagged exercises may help to identify potential applications of these skills. This, in turn, may suggest enrichment activities or other educational experiences to help students achieve these goals.

Supplements

All of the following supplements can be downloaded from our Instructor Resource Center. Request your user name and password from your Pearson Sales Representative. www.pearsonglobaleditions.com/cavusgil.

If you ever need assistance, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit <http://247pearsoned.custhelp.com> for answers to frequently asked questions and user support.

INSTRUCTOR'S MANUAL Authored by Marta Szabo White, professor at Georgia State University and winner of numerous teaching awards, the Instructor's Manual offers much more than just the traditional, limited chapter outline and answers to the end-of-chapter materials. In addition to these basic items, each chapter includes a variety of resources such as exercises, critical-thinking assignments, debate topics, and research assignments.

TEST ITEM FILE The Test Item File is authored by experts with extensive experience in assessment and test creation. The number of questions per chapter has been increased in this edition from seventy five to one hundred. Each question has been carefully reviewed and edited to ensure accuracy and appropriateness.

Test questions are annotated with the following information:

- Learning Objectives from the main text
- Difficulty level: Easy for straight recall, Moderate for some analysis, or Analytical for complex analysis
- Skill: concept, application, critical thinking or synthesis

For each question that tests a standard from the Association to Advance Collegiate Schools of Business (AACSB), we use one of the following annotations:

- Communication abilities
- Ethical understanding and reasoning abilities
- Analytic skills
- Use of information technology
- Dynamics of the global economy
- Multicultural and diversity understanding
- Reflective thinking skills

TESTGEN TEST GENERATING SOFTWARE This easy-to-use software allows instructors to custom design, save, and generate classroom tests. Instructors can edit, add, or delete questions from the test bank, analyze test results, and organize a database of tests and student results. It provides many flexible options for organizing and displaying tests, along with a search-and-sort feature. TestGen can be downloaded from www.pearsonglobal editions.com/cavusgil.

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IMAGE LIBRARY All of the exhibits from the textbook are available electronically for instructors to download, print, display in class, or produce customized materials.

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> Acknowledgments

Our Reviewers

Through numerous drafts of the manuscript, we received guidance and insights at several critical junctures from many trusted reviewers who provided specific recommendations on how to improve and refine the content, presentation, and organization. Their contributions were invaluable in crystallizing our thinking. We extend our gratitude to:

Anil Agarwal, University of Arizona
Raj Aggarwal, University of Akron
Anshu Arora, Savannah State University
Richard Ajayi, University of Central Florida
Hamid Ali, Chicago State University
Allen Amason, University of Georgia
Gary Anders, Arizona State University
Robert Armstrong, University of North Alabama
Mathias Arrfelt, Arizona State University
Bulent Aybar, Southern New Hampshire University
Nizamettin Aydin, Suffolk University
Peter Banfe, Ohio Northern University
Eric Baumgardner, Xavier University
Mack Bean, Franklin Pierce University
Lawrence Beer, Arizona State University
Enoch Beraho, South Carolina State University
David Berg, University of Wisconsin–Milwaukee
Jean Boddewyn, Baruch College, City University of New York
Henry Bohleke, Owens Community College
Santanu Borah, University of Northern Alabama
Darrell Brown, Indiana University, Purdue University, Indianapolis
Linda Brown, Scottsdale Community College
Diana Bullen, Mesa Community College
Nancy Bush, Wingate University
Kirt Butler, Michigan State University
Michael Campo, Regis University
Tom Cary, City University, Seattle
Kalyan Chakravarty, California State University, Northridge
Aruna Chandra, Indiana State University
Kent Cofoid, Seminole State College
Tim Curran, University of South Florida
Madeline Calabrese Damkar, California State University–East Bay
Donna Davisson, Cleveland State University
Seyda Deligonul, St. John Fisher College
Peter Dowling, Latrobe University, Australia
Juan España, National University
Bradley Farnsworth, University of Michigan, Ann Arbor
Aysun Ficici, Southern New Hampshire University
John Finley, Columbus State University
Ian Gladding, Lewis University
Jorge Gonzalez, University of Texas–Pan American
Tom Head, Roosevelt University
Bruce Heiman, San Francisco State University
David Hrovat, Northern Kentucky University
Douglas Johansen, Jacksonville University
Paul Jones, Regis University
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Daekwan Kim, Florida State University
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Konghee Kim, St. Cloud State University
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Max Grunbaum Nagiel, Daytona State College