

International Business

NINTH EDITION

Thoroughly updated, the 9th edition of this bestselling textbook incorporates global trend and data, supported by an exemplary case selection based on firms from around the world.

The internationally cited author team of Czinkota, Ronkainen, and Gupta balance conceptual understanding of business theory with the day-to-day realities of business practice, preparing students to become successful participants in the global business place.

This edition brings greater focus on Asia and emerging markets, as well as Brexit, the impact of COVID-19 on business, and the importance of technology and the digital space to international business practice. Through its discussion and analysis, the book guides students to a greater understanding of contemporary business issues and helps them to develop new tools of analysis.

Covering all key aspects of international business, the authors emphasize a few key dimensions: international context, role of government in international business, small and medium-sized firms, and social responsibility.

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Preface

We are grateful for the leadership position you, our market, have awarded to this book. Best-selling status in the international business field imposes an obligation to deliver cutting-edge innovations and improvements in terms of content as well as presentation. We honor your trust by doing our best to delight you through our presentation of conceptually sound, reality-based knowledge and by simplifying your task as students and teachers of international business. In this spirit of innovation, we offer you yet more value through *International Business*, 9th Edition.

Our textbook has gained recognition in its field due to its unique approach to international business. We have hit the refresh button on this 9th Edition to further your understanding of the major changes which the international business field is undergoing – in its concepts, applications, and contents. Governments and international organizations are asserting new roles in the field with the introduction of new regulations, restrictions, and even the use of trade as a weaponized geopolitical tool. Corporate and consumer perceptions are shaped by these factors, as well as by entirely new ways of thinking. Furthermore, the way we process and absorb knowledge in the international business field has changed dramatically. Online debates, internet presentations, and global information reach reshape the international business body of knowledge.

The concepts of risk, competition, profit, private property, and the value of capital are being realigned. Some risks are no longer acceptable or require collaborative actions to be manageable. Recognizing what we do not know – and understanding the resulting uncertainties and the limits to our ability to resolve controversial issues – requires the development of newly creative tools and approaches.

Many players in international business have come to discover that they are but one integral component of society. Politics, security, and religion are other dimensions possibly held in higher esteem than business. Those who argue based on economic principles alone may increasingly find themselves sidelined and on the losing side at that. For example, the level and structure of profits and executive compensation are increasingly expected to reflect a firm's long-term best interests within its overall societal context. The role of capital and its providers may need to be reconsidered, particularly in an era during which the cost of capital is low, if not cheap.

Small and medium-sized firms have – thanks to changes in technology – entirely new opportunities to succeed in new and emerging global markets. At

the same time, never before have they been so exposed to unforeseen competition from distant parts of the globe. Fine business school programs without strong reflections of a worldwide context, proportionality, and interaction, sadly are confronted with shortcomings in their teaching, research, and service. Legislators and governments need to appreciate the direct and indirect effects their actions have on international business and also understand how international business affects their plans and decisions. These issues are not always in harmony. Just recall the debates about the opening dates and procedures surrounding the business opening decisions which occurred after the Coronavirus plague.

When we originally decided to write our international business book eight editions ago, we placed our wagers on several dimensions. Some of the key elements were the strong links to government – which we expected to uniquely address due to our ongoing policy exposure in Washington DC. We also offered a strong emphasis on small and medium-sized firms – which to us are significant players in the international field. Driven by the Jesuit education and principles instilled at Georgetown University, we were also aware of the need for moral and social responsibility in the business sector. Our research orientation helped maintain the focus on the truly global nature of actors and activities.

Years later, as we observe news headlines and interact with leaders in the business sector, we can say with confidence that events have moved in our direction like never before. Living in Washington has given us the possibility and the ability to follow, analyze, and incorporate both the role of government in general, and that of the US government, in specific, allowing us to observe and discern change. Having held policy-making positions and being called to advise governments, elected representatives, and international organizations in many nations has given us the insights and the networking capabilities that enable the decisive strategic orientation so necessary for this book. Our experience as founders and leaders of small business ventures, including the first ever university-based, student-run and government certified export-trading company, allows us to understand what the key needs and capabilities of such firms are. Simultaneously, we can render advice on how such firms can thrive. Our advisory work for larger multinational firms in turn permits us to share the realities of the battles in the international marketplace. Our long-term involvement with non-governmental organizations, for example as Chairs of small business foundations, enables us to better understand the not-for-profit world and non-market economies. We have combined our knowledge of business theory with the real-life concerns of governments, industry leaders, and consumers from around the world. Through *International Business, 9th Edition*, we hope to broaden your horizons and enable you to think more and better about the theories, dynamism, and challenges that international business both offers and faces.

Changes in the Ninth Edition

This most recent edition is truly cutting edge. Theoretical concepts such as investment flows and policies are tackled early on. We thoroughly cover important issues such as the imperative of cultural integration and the potential risks surrounding these aspects. Since publishing our last edition, the digital and online realm has expanded significantly. That is why we have delved into topics such as data knowledge and security, digital contributions, and online thinking, communicating, and researching, all of which permit us to illustrate and highlight the effects the internet has on international business.

Current Coverage

Today, change can happen at breakneck speed. Keeping on top of the evolving world of international issues, identifying trends, and analyzing the future impact on international business can be difficult. This ninth edition of *International Business* addresses the type of information needs of users, which are not yet addressed by other international business texts.

We have listened closely to our markets, ranging from colleagues to students on a global level, in order to deliver an outstanding product. We begin by presenting the impact of international business on countries, corporations, and individuals. We reflect more fully on some of the controversies in international business today, including the protectionist approaches taken by countries that traditionally were oriented towards trade liberalization such as the United Kingdom and the United States. We discuss why some may be disenchanted with increased globalization. By recognizing how firms and customers are closely connected through technologies around the world, we address how business has to adapt to changing dynamics and policies. That is why we also present areas of friction in international business and development, such as intellectual property rights, and pricing for poor countries. Special attention has also been paid to the strengthening of corporate governance and the tackling of bribery and corruption. We also emphasize the dimensions of ethics, social responsibility, curative marketing, and diversity through case studies, examples, and vignettes.

Our text consistently adopts a truly global approach. Attention is given to topics that may have been overlooked by other international textbooks but are critical to the international manager. This coverage includes chapters on supply chain management, international services trade, digital contributions for international business, changes in ownership, and doing business with emerging market economies.

New and Improved Topic Coverage and Organization

International Business, 9th Edition, is organized into four parts and is presented within 15 chapters. These parts allow the text to flow logically from introductory

material to the international macro environment, followed by the micro, including marketing and financial considerations in the international marketplace.

Innovative Learning Tools

Use of Real-Life Examples

Drawing on real-life examples, trends, and data from around the world, rather than limiting ourselves to US-based information only, makes this an international and pragmatic book. As an example, many of our data sets and research insights come from Europe and Asia. In particular, we also emphasize cross-functional thinking, since rarely are actions driven by one dimension alone. A typical example is our simultaneous treatment of international business and terrorism in our research and discussions, which leads to quite unique conclusions.

We also ensure the reality and applications of our content by always addressing “what does this mean for international business?” For example, we explain how to use cultural variables for segmentation purposes in order to create new competitive tools.

Blending Current Theory and Application

Our theory section combines the latest thinking from business researchers and leading economists who regularly contribute to the field of international business. We also present the interdependence between different theories so that students appreciate the diversity of international business logic. All data, tables, figures, and maps were updated to present the most current information.

Technology, E-Commerce, and the Internet

Issues surrounding technology in the international workplace are integrated throughout our text. Discussion questions at the end of each chapter and case studies at the end of the book further emphasize research, so students can keep up with rapid change.

Distinguishing Pedagogic Features

Contemporary Realism

Each chapter offers a number of examples, that describe actual contemporary business situations. These issues include politics, ethics, e-business, culture, and entrepreneurship. Vignettes are intended to stimulate class discussion and aid the students to understand and absorb the text material.

Learning Objectives

Each chapter opens with a list of learning objectives that the student should take away from the text section. These are critical analysis tools and guides which the reader should keep in mind when turning pages. The ability to later on address and define each of the objectives set forth is a key indicator of comprehension.

Chapter Summary, Key Terms, and Discussion Questions

Each chapter closes with a chapter summary which the students should retain. It follows suit with the learning objectives set forth at the beginning. Key terms are those the students should be able to define and apply to a real-life scenario. The discussion questions are a complementary learning tool that will enable students to check their understanding of key dimensions and to think beyond basic concepts and areas that require further study. All these tools help students discriminate between main and supporting points and provide mechanisms for at-home review or class activities.

Take a Stand

These end-of-chapter exercises prompt students to read a short passage outlining a situation and to then make an educated decision about the outcome. They can be used for homework presentation, personal assessment of comprehension, or for classroom discussion.

Internet Exercises

This section found at the end of each chapter, encourages students to explore the various dimensions of the Web for databases and further research topics related to materials covered in each chapter. This hands-on experience helps to develop Internet, research, and business skills.

Exemplary Case Selection

To further link theory and practice, we present 15 case studies, most of which are new or updated. Some cases represent the winning work from the 2019 Cambridge/Czinkota/Kent case competition. Once more, congratulations to our champions. We draw case materials from firms around the world to offer truly global business scenarios, ranging from Germany to Namibia and India to China. The cases deal with the automotive industries such as BMW, aerospace giants such as Boeing, financial technologies such as PayPal, and even an approach to entertainment focused on Bollywood. We present the controversies emanating from the diamond industry, as well as the key drivers for financial institutions to internationalize and enter emerging market economies. Challenging questions accompany each case, to encourage in-depth discussion of the material covered in the chapter and allow students to apply the knowledge they have gained and permit instructors to develop and retain the use of their favorite teaching tool.

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