

CHAPTER ONE

GLOBALIZING BUSINESS



LEARNING OBJECTIVES

After studying this chapter, you should be able to

- 1 Explain the concept of international business (IB)
- 2 Articulate what you hope to learn by reading this book and taking this course
- 3 Identify one fundamental question and two core perspectives that provide a framework for studying this field
- 4 Participate in the debate on globalization with a reasonably balanced and realistic view
- 5 Summarize some basic trends in the global economy
- 6 Draw implications for action by integrating global and local knowledge



OPENING CASE

adidas: sales, suppliers and stakeholders around the world

On Shanghai's fashionable Huaihai Road, not far from the outlets of *Apple*, *Nike* and *Gucci*, a multi-storey store invites shoppers to try a brand hailing from a small town in Germany. In Herzogenaurach, the intense rivalry between *adidas* and *Puma* has propelled both

sports shoe manufacturers onto the international stage. *adidas* pulled ahead with innovative approaches to sport sponsorship, placing its three stripes on the sports kit of international competitors in many sports. After taking over US sports brand *Reebok* in 2005, *adidas* became the world's second largest provider of sports shoes and clothing (after *Nike*), while expanding into the much broader market of leisure clothing.