

19 International Advertising and Promotion



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Learning Objectives

- LO 19-1** | Describe the role and importance of international marketing and promotion.

- LO 19-2** | Discuss how economic, cultural, legal, and other factors in the international environment affect advertising and promotional decisions.
- LO 19-3** | Compare global versus localized advertising and promotion.
- LO 19-4** | Discuss the decision areas of international advertising.
- LO 19-5** | Describe the role of other elements of the promotional mix in the international IMC program.

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China Shows Marketers the Future—And It's Digital

Global expansion has been a goal of multinational companies for decades as their domestic markets stagnate and they try to take advantage of the growth opportunities in international markets. And the market nearly every company has at the top of its list is China as its 1.4 billion consumers and massive modernization drive over the past four decades have made the country the fastest-growing consumer market in the world. Advertising, once banned as a capitalist scourge, is now encouraged by the Chinese government, which views it as a catalyst that can accelerate China's economic development. There is also a new spirit of consumption, as reform in China has brought about dramatic increases in the purchasing power and size of the middle class. The average disposable income of Chinese consumers continues to rise, and demand is increasing for many other products, including personal computers, mobile phones, automobiles, clothing, and luxury brands.

As China continues to develop, companies from the United States as well as other countries have been working to penetrate the Chinese market—and for good reason. While most countries have struggled to grow their economies, China has averaged nearly 7 percent GDP growth since 2010. The Middle Kingdom has become the world's

largest automotive market—with 28 million vehicles sold in the country in 2018 versus 17 million in the United States and 15 million in the European Union—and now accounts for nearly 30 percent of global sales. In addition to automobiles, China has become the biggest market in the world for many other products, including shoes; apparel; smartphones; and luxury goods such as watches, jewelry, and fashion accessories.

While China offers tremendous opportunities to companies, many are struggling to do so because they are finding that China's market is very different from the United States and other countries and requires a different marketing mindset, as well as a different set of competencies. Marketers who are hoping to compete in China must understand that the country has moved away from traditional media and has become a digital and, more specifically, "mobile first" market. By 2021, digital advertising in China is expected to account for 75 percent of total advertising expenditures in the country, with more than 80 percent of digital ad spending dedicated to mobile. Moreover, the mobile advertising market is dominated by three powerful companies, Baidu, Alibaba and Tencent, which are often referred to as BAT.

Baidu is the leading Internet search company in China and is equivalent to Google in the United States. The company has 75 percent of the search market in China and has a variety of other products, including e-commerce and social media sites as well as a payment service. Tencent owns the world's largest gaming platform, a wide array of news agencies, as well as the dominant social media (Weixin and WeChat) and financial services platforms. More than half of all time spent online by Chinese consumers is within the Tencent ecosystem of companies. Alibaba has surpassed Amazon to become the world's leading e-commerce site, with more than 500 million active shoppers. The company's e-commerce platforms include not only business-to-consumer sales, but also business-to-business and consumer-to-consumer sales as well. Marketers trying to grow market share in China must learn to understand the BATs and develop close relationships with them.

Marketing Professor Kimberly Whitler at the University of Virginia's Darden School of Business notes that companies from the United States and Europe must learn to adapt their marketing strategies to compete successfully in China. One of the changes they must make is to adopt a mobile-first mindset because almost all media activity in China is consolidated on mobile devices, with Chinese consumers spending an average of seven hours a day on their phones, which is nearly twice the amount of time as consumers in the United States and most European countries. Whitler also recommends that companies competing in China must go all-in on social media, which is used extensively by consumers to research and share information about brands, as well as viral marketing, which includes learning how to use key opinion leaders (KOLs). The intensity associated with using KOLs in China is very unique relative to other countries and often involves live casting and streaming. KOLs transcend a variety of areas, including sports, gaming, and dramas, and China's "fan economy" is better developed and a much more important marketing vehicle than are tools such as Facebook and Instagram in the United States.

The size of the market and emerging middle class makes entering China a no-brainer for most multinational companies. The newly emerging middle class in China is very brand conscious, and demand for popular Western products from the United States and Europe is increasing. However, the realities of competing in China have changed because rather than evolving, the digital revolution in China has leapfrogged that of other countries, and a different marketing approach and set of competencies are needed to compete there. Moreover, it will not be long before marketers must deal with these challenges in other countries as the world moves to a digital and mobile-first mindset. As Kimberly Whitler notes, “Whether Western firms’ leaders embrace or ignore the emerging mindset may very well determine their success in China—and eventually, their ability to compete around the world.”

Sources: Kimberly A. Whitler, “What Western Marketers Can Learn from China,” *Harvard Business Review*, May–June, 2019, pp. 75–82; Man-Chung Cheung, “Digital Ad Spending 2019 China,” *emarketer*, March 28, 2019, www.emarketer.com/content/china-digital-ad-spending-2019; Gentlemen in China, “What Are the Most Lucrative Online Ad Platforms in China?” *Marketing to China*, November 18, 2018, <https://www.marketingtchina.com/lucrative-online-ads-platforms-china/>.

The primary focus of this book so far has been on integrated marketing communications programs for products and services sold in the U.S. market. Many American companies have traditionally devoted most of their marketing efforts to the domestic market, since they often lack the resources, skills, or incentives to go abroad. This is changing rapidly, however, as U.S. corporations recognize the opportunities that foreign markets offer for new sources of sales and profits as well as the need to market their products internationally. Many companies are striving to develop global brands that can be advertised and promoted the world over.

In this chapter, we look at international advertising and promotion and the various issues marketers must consider in communicating with consumers around the globe. We examine the environment of international marketing and how companies often must adapt their promotional programs to conditions in each country. We review the debate over whether a company should use a global marketing and advertising approach or tailor it specifically for various countries.

We also examine how firms organize for international advertising, select agencies, and consider various decision areas such as creative strategy and media selection. While the focus of this chapter is on international

advertising, we also consider other promotional-mix elements in international marketing, including sales promotion, publicity/public relations, and digital and social media. Let's begin by discussing some of the reasons international marketing has become so important to companies.

THE IMPORTANCE OF INTERNATIONAL MARKETS

LO 19-1

One of the major developments in the business world over the past several decades has been the globalization of markets. The emergence of a largely borderless world has created a new reality for all types of companies. Today, world trade is driven by global competition among global companies for global consumers.¹ With the development of faster communication, transportation, and financial transactions, time and distance are no longer barriers to global marketing. Products and services developed in one country quickly make their way to other countries, where they are finding enthusiastic acceptance. Consumers around the world wear Nike shoes and apparel and Levi's jeans; eat at McDonald's; shave with Gillette razors; use Dell and Lenovo computers as well as Apple, Samsung, and Huawei smartphones; drink Coca-Cola and Pepsi Cola soft drinks and Starbucks coffee; and drive cars made by global automakers such as Ford, Honda, General Motors, Toyota, BMW, and Volkswagen.²

Companies are focusing on international markets for a number of reasons. Many companies in the United States and Western Europe recognize that their domestic markets offer them limited opportunities for expansion because of slow population growth, saturated markets, intense competition, [page 633](#) and/or an unfavorable marketing environment. For example, soft-drink consumption in the United States has been declining over the past decade as consumers turn to healthier beverages such as juices, teas, and fortified waters. The industry has also been under pressure from public

health groups and regulatory agencies in both the United States and the European Union because of concerns over the consumption of sugared soft drinks and childhood obesity.³ Thus companies like PepsiCo and Coca-Cola are looking to international markets in Asia, Africa, and Latin America for growth opportunities.⁴

Many companies must focus on foreign markets to survive. Most European nations are relatively small in size and without foreign markets would not have the economies of scale to compete against larger U.S. and Japanese companies. For example, Swiss-based Nestlé and Netherlands-based Unilever are two of the world's largest consumer-product companies because they have learned how to market their brands to consumers in countries around the world. Australia's tourist industry is a major part of its economy and relies heavily on visitors from other countries. Tourism Australia, the federal government agency responsible for the country's international and domestic tourism marketing, has been running a global campaign called "There's Nothing Like Australia," which is designed to attract visitors by showcasing the diversity of places to visit and experiences available across the country.

In addition to its global advertising, Tourism Australia uses a number of campaigns targeted at specific countries such as United States and China, as well as regions including Europe and South East Asia. For example, to attract tourists from the United States, the agency ran a clever commercial on the Super Bowl that initially appeared to be an official film trailer for a new *Crocodile Dundee* movie but then transformed into a commercial promoting Australia. In 2019, Tourism Australia launched a campaign targeted at the youth market in Europe, Canada, Asia, and the United States, which accounts for 25 percent of the visitors down under.⁵ "The Best Workplace in the World" campaign positioned Australia as the world's most desirable working holiday destination as well as promoting exciting work opportunities in the country (Exhibit 19–1).

XHIBIT 19–1

Tourism Australia promotes the country to the youth market with "The Best Workplace in the World" campaign.

Source: *Tourism Australia*



Companies are also pursuing international markets because of the opportunities they offer for growth and profits. The dramatic economic, social, and political changes around the world in recent years have opened markets in China and Eastern Europe. China's joining of the World Trade Organization in 2001 has provided foreign competitors with access to 1.3 billion potential Chinese consumers, and Western marketers are eager to sell them a variety of products and services.⁶ The growing markets of the Far East, Latin America, Africa, and other parts of the world present tremendous opportunities to marketers of consumer products and services as well as business-to-business marketers.

Many companies in the United States, as well as in other countries, are also pursuing international markets out of economic necessity as they recognize that globalization is revolutionizing the world far more radically and rapidly than did industrial development and technological changes of previous eras. In his influential book *The World Is Flat: A Brief History of the Twenty-First Century*, Thomas L. Friedman discusses how the economic flattening of the earth is being stimulated by technology that is breaking down barriers that historically inhibited and restricted international trade. He notes that companies in the United States can prosper only if they are able to compete in the global marketplace that encompasses the 95 percent of the world's population that lives beyond our borders.⁷

Most major multinational companies have made the world their market and generate much of their sales and profits from abroad. However, international markets are important to small and midsize companies as well as the large multinational corporations. Many of these firms can compete

more effectively in foreign markets, where they may face less competition or appeal to specific market segments or where products have not yet reached the maturity stage of their life cycle. For example, the WD-40 page 634 Co. has saturated the U.S. market with its lubricant product and now gets much of its sales growth from markets in Europe, Asia, Latin America, China, and Australia (Exhibit 19–2).

XHIBIT 19–2

The WD-40 Co. gets much of its sales growth from foreign markets such as Latin America.

Source: WD-40 Company



Another reason it is increasingly important for U.S. companies to adopt an international marketing orientation is that imports are taking a larger and larger share of the domestic market for many products. The United States has been running a continuing **balance-of-trade deficit**; the monetary value of our imports exceeds that of our exports. American companies are realizing that we are shifting from being an isolated, self-sufficient, national economy to being part of an interdependent *global economy*. This means U.S. corporations must defend against foreign inroads into the domestic market as well as learn how to market their products and services to other countries.

While many U.S. companies are becoming more aggressive in their pursuit of international markets, they face stiff competition from large multinational corporations from other countries. Some of the world's most formidable marketers are European companies such as Unilever, Nestlé, Siemens, Philips, and Reckitt Benckiser as well as the various Japanese and South Korean automotive and consumer electronic manufacturers such as Honda, Toyota, Sony, Samsung, Hyundai, and LG.

THE ROLE OF INTERNATIONAL ADVERTISING AND PROMOTION

Advertising and promotion are important parts of the marketing program of firms competing in the global marketplace. An estimated \$240 billion was spent on advertising in the United States in 2019, with much of this money being spent by multinational companies headquartered outside this country. Advertising expenditures outside the United States have increased by nearly 70 percent since 1990, reaching over \$400 billion in 2019. Global marketers based in the United States, as well as European and Asian countries, increased their worldwide advertising, particularly on digital marketing.⁸ Figure 19–1 shows the top 10 companies in terms of worldwide advertising spending.

FIGURE 19–1

Top 10 Companies by Worldwide Advertising Spending

Measured Media Spending (millions US Dollars)					
Rank	Advertiser	Headquarters	Worldwide	Outside the U.S.	U.S. Spending
1.	Samsung Electronics	South Korea	\$11,200	\$8,795	\$2,405
2.	Procter & Gamble Co.	United States	10,500	6,113	4,387
3.	L'oreal	France	8,600	6,405	2,195
4.	Unilever	U.K./Netherlands	8,500	7,142	1,358
5.	Nestle	Switzerland	7,200	5,072	2,128
6.	Comcast Corp.	United States	6,300	555	5,745
7.	Amazon	United States	6,300	2,921	3,379
8.	AT&T	United States	6,300	2,780	3,520
9.	Anheuser-Busch InBev	Belgium	6,200	4,658	1,542
10.	Volkswagen	Germany	5,500	4,754	746

Source: "World's Largest Advertisers 2018," *Advertising Age*, December 3, 2018, <https://AdAge.com/globalmarketers2018>.

In addition, estimates are that another \$500 billion is spent on sales promotion efforts targeted at consumers, retailers, and wholesalers around the world. The United States is still the world's major advertising market, accounting for over one-third of the more than \$600 billion in worldwide ad expenditures. Nearly 90 percent of the money spent on advertising products and services around the world is concentrated in the United States and Canada along with the industrialized countries of Western Europe and the Pacific Rim, including Japan, South Korea, and Australia. However, advertising spending is increasing rapidly in markets outside North America, Europe, and Japan such as India, China, and Brazil.⁹

More and more companies recognize that an effective promotional program is important for companies competing in foreign markets. As one international marketing scholar notes:

Promotion is the most visible as well as the most culture bound of the firm's marketing functions. Marketing includes the whole collection of activities the firm performs in relating to its market, but in other functions the firm relates to the market in a quieter, more passive way. With the promotional function, however, the firm is standing up and speaking out, wanting to be seen and heard.¹⁰

Many companies have run into difficulties developing and implementing advertising and promotion programs for international markets. Companies that promote their products or services abroad face an unfamiliar marketing environment and customers with different sets of values, customs, consumption patterns, and habits, as well as differing purchase motives and abilities. Languages vary from country to country and even within a country, such as India or Switzerland. Media options are quite limited in many countries, owing to lack of availability or limited effectiveness. [page 635](#)
These factors demand different creative and media strategies as well as changes in other elements of the advertising and promotional program for foreign markets.

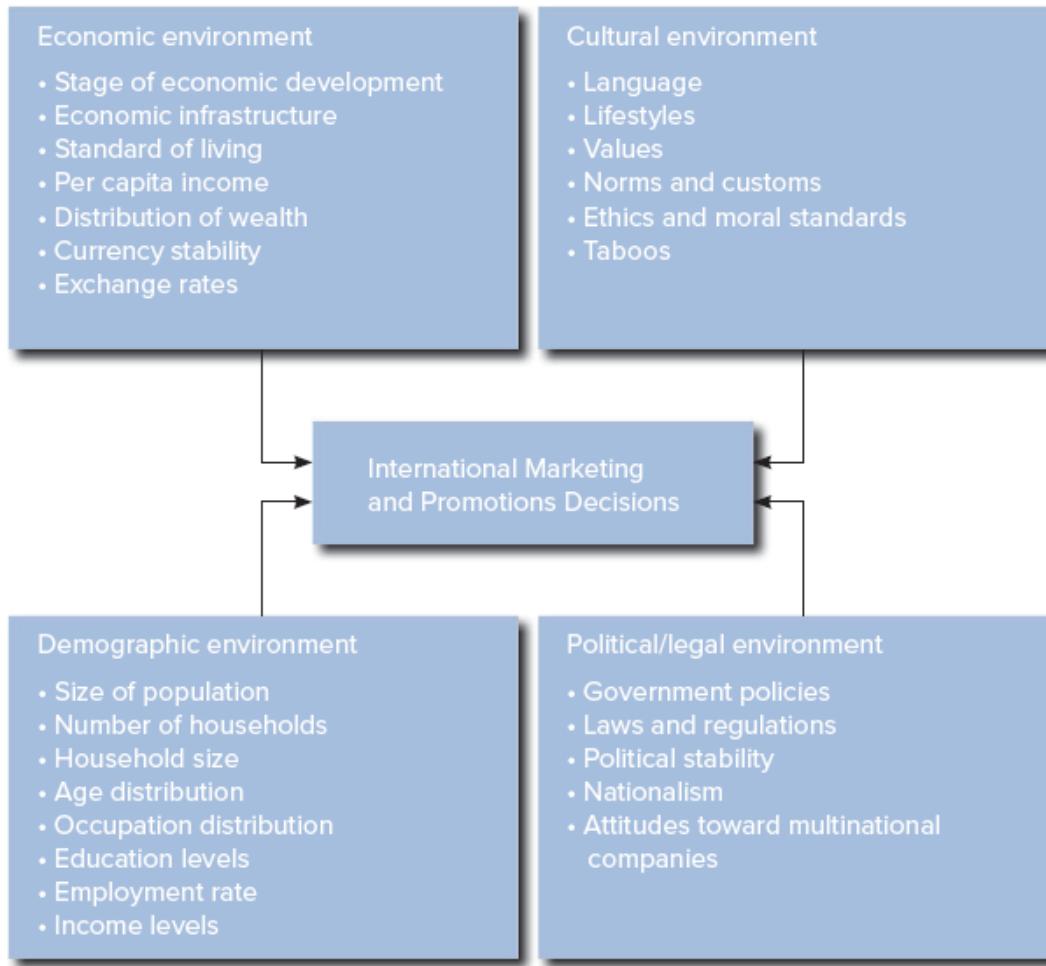
THE INTERNATIONAL ENVIRONMENT

LO 19-2

Just as with domestic marketing, companies engaging in international marketing must carefully analyze the major environmental factors of each market in which they compete, including economic, demographic, cultural, and political/legal variables. Figure 19–2 shows some of the factors marketers must consider in each category when analyzing the environment of each country or market. These factors are important in evaluating the potential of each country as well as designing and implementing a marketing and promotional program.

FIGURE 19–2

Forces in the International Marketing Environment



The Economic Environment

A country's economic conditions indicate its present and future potential for consuming, since products and services can be sold only to countries where there is enough income to buy them. This is generally not a problem in developed countries such as the United States, Canada, Japan, and most of Western Europe, where consumers generally have higher incomes and standards of living. Thus, they can and want to purchase a variety of products and services. Developed countries have the **economic infrastructure** in terms of the communications, transportation, financial, and distribution networks needed to conduct business in these markets effectively. By contrast, many developing countries lack purchasing power and have limited

communications networks available to firms that want to promote their products or services to these markets.

For most companies, industrialized nations represent the greatest marketing and advertising opportunities. But most of these countries have stable population bases, and their markets for many products and services are already saturated. Many marketers are turning their attention to parts of the world whose economies and consumer markets are growing. page 636
For a number of years, the economies of the BRIC nations, which include Brazil, Russia, India, and China, grew faster than the world average and combined advertising spending in the four countries are forecast to reach \$130 billion in 2020. However, much of this growth recently has come from China and India as the economies of Russia and Brazil are experiencing high inflation and economic volatility.¹¹ Much of Brazil's growth prior to the recent economic downturn has come from an emerging lower middle class that now represents nearly half of the country's population.¹²

China and India in particular are two countries that are transforming the global economy. The two countries together account for a third of the world's population, and they both have had economic (GDP) growth rates of 6 to 7 percent over the past several years, which is much greater than other countries in the world. Each country has the fundamentals to sustain the high growth rates, including young populations, high savings, and a growing number of consumers who have the ability to purchase, as well as the need for, many products.¹³

Marketers of products such as mobile phones, TVs, personal computers, cars, as well as luxury items such as jewelry and designer clothing are focusing more attention on consumers in India and China.¹⁴ The growing middle class in these countries is also creating growth opportunities for marketers of consumer packaged-goods products, who are focusing a great deal of attention and spending more on advertising to reach these consumers. For example, China has become Nike's second-largest market, and the company is spending large amounts of money there on media advertising, promotions, events, and sponsorship of sports teams and athletes. In 2019, Nike launched a campaign in China encouraging women to break boundaries and challenge stereotypes that features several prominent female athletes,

including high jump record holder Cecilia Yeung, two-time tennis grand slam champion Lia Na, and Chinese women's national basketball captain Shao Ling. (Exhibit 19–3). Nike also became the exclusive official apparel and footwear sponsor of esports League of Legends Pro League in China and provides clothes and shoes for the 16 competitive video gaming teams in the league, as well as developing training programs customized for esports athletes.¹⁵ Video games are very popular in China as are esports and "League of Legends" is a very popular multiplayer online video game. China has become the second-largest advertising market in the world, trailing only the United States, with Japan coming in third. The chapter opener discussed the challenges and opportunities marketers face in China.

XHIBIT 19–3

Nike targets women in China, encouraging them to break boundaries. China is Nike's second largest market.

Source: Nike, Inc.



Many multinational companies are also turning their attention to other emerging markets such as Vietnam, the Philippines, and Bangladesh which are some of the fastest-growing economies because they have become manufacturing hubs with the migration of manufacturing away from China. Sub-Saharan African nations such as Nigeria and Kenya are also

experiencing economic growth but are still underdeveloped, particularly in rural areas.¹⁶

Many multinational companies have also been focusing their attention on third-world countries and the 4 billion consumers who live in the remote, rural communities of developing countries where consumer markets are slowly emerging. Packaged-goods companies such as Procter & Gamble and Unilever sell soap, toothpaste, shampoo, and laundry detergents to consumers in remote villages. Often they adapt their products for these markets by making them available in single-use sachets that cost the equivalent of pennies rather than dollars and can be easily distributed and sold through the small kiosks found in rural villages. Many developing countries are becoming more stable and open to trade and direct foreign investment, while education levels are also improving. Although investment in these markets still requires a long-term perspective, many companies are recognizing that the billions of people in the third world are eager to become consumers and represent a major growth opportunity.

The Demographic Environment

Major demographic differences exist among countries as well as within them. Marketers must consider income levels and distribution, age and occupation distributions of the population, household size, education, and employment rates. In some countries, literacy rates are also a factor; people who cannot read will not respond well to print ads. Demographic data can provide insight into the living standards and lifestyles in a particular country to help companies plan ad campaigns.

Demographic information can reveal the market potential of various foreign markets. India's population was 1.37 billion in 2019, half of whom are under the age of 25. Only China has a larger population, with 1.4 billion. Latin America remains one of the world's largest potential markets, although the meager income of most consumers in the region is still a problem. Brazil, the largest consumer market in South America, now has a population of 205 million, although recent political and economic problems are impacting the country and consumer spending.¹⁷ Many European countries as well as the

United States, Canada, Japan, and China are experiencing low or even negative population growth and an aging consumer base which is leading many companies to look to other parts of the world for growth. For example, the average age in India in 2020 was 29, as compared to 37 in China, 38 in the United States, and 48 in Japan. More than 50 percent of the Latin American market is younger than age 30; children are the fastest-growing demographic group in the region. These numbers have caught the attention of international advertisers such as Mattel, PepsiCo, Coca-Cola, Burger King, and others. Indonesia also has a very young population, with more people under the age of 16 than the United States, and they are very receptive to Western ways and products.

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The Cultural Environment

Another important aspect of the international marketing environment is the culture of each country. Cultural variables that marketers must consider include language, customs, tastes, attitudes, lifestyles, values, and ethical/moral standards. Nearly every country exhibits cultural traits that influence not just the needs and wants of consumers but how they go about satisfying them.

Marketers must be sensitive not only in determining what products and services they can sell foreign cultures but also in communicating with them. Advertising is often the most effective way to communicate with potential buyers and create markets in other countries. But it can also be one of the most difficult aspects of the international marketing program because of problems in developing messages that will be understood in various countries.

International advertisers often have problems with language. The advertiser must know not only the native tongue of the country but also its nuances, idioms, and subtleties. International marketers must be aware of the connotations of words and symbols used in their messages and understand how advertising copy and slogans are translated. Marketers often encounter problems in translating their advertising messages and brand names into

various languages. The ad for TaylorMade Burner Irons golf clubs shown in Exhibit 19–4 is one example. In the United States and other English-speaking countries, the tagline the advertising used is “The Set Is Dead.” However, in Asian countries such as Japan and Korea, the word *dead* in the tagline did not translate well so it was changed to “The Set Is History,” which made the meaning of the phrase easier to understand.

XHIBIT 19–4

The tagline used in this TaylorMade ad had to be changed for Asian countries because of translation problems.

Source: TaylorMade Golf Company, Inc.



When the Colgate-Palmolive Co. launched its Colgate Max Fresh toothpaste brand in China, the company found that the brand name did not

translate well, which led to it being changed to Icy Fresh. Colgate also had to change the description of the dissolvable mini breath strips that were part of the formulation of the product to cooling crystals since the concept of breath strips had no relevance to Chinese consumers.

Problems arising from language diversity and differences in signs and symbols that are used in marketing communications can usually be best solved with the help of local expertise. Marketers should consult local employees or use an ad agency knowledgeable in the local language that can help verify that the advertiser is saying what it wants to say. Many companies turn to agencies that specialize in translating advertising slogans and copy into foreign languages.¹⁸

Tastes, traditions, and customs are also an important part of cultural considerations. The customs of a society affect what products and services it will buy and how they must be marketed. In France, cosmetics are used heavily by men as well as women, and advertising to the male market is common. There are also cultural differences in the grooming and hygiene habits of consumers in various countries. For example, though many U.S. consumers use products like deodorant and shampoo daily, consumers in many other Western countries are not as fanatical about personal hygiene, so consumption of products such as deodorants and mouthwash is much lower than in the United States.

Another aspect of culture that is very important for international marketers to understand is values. **Cultural values** are beliefs and goals shared by members of a society regarding ideal end states of life and modes of conduct. Society shapes consumers' basic values, which affect their behavior and determine how they respond to various situations. For example, cultural values in the United States place a major emphasis on individual activity and initiative, while many Asian societies stress cooperation and conformity to the group. Values and beliefs of a society can also affect its members' attitudes and receptivity toward foreign products and page 639 services.¹⁹ Values such as *ethnocentrism*, which refers to the tendency for individuals to view their own group or society as the center of the universe, or nationalism often affect the way consumers in various countries respond to foreign brands or even advertising messages.²⁰ For many years, consumers in many European countries were reluctant to buy

American brands and there was even a backlash against American imagery. In fact, many U.S. companies doing business in Europe were careful not to flaunt their American roots.

In recent years, U.S. brands have become popular in many other European countries as well as in Asia. Marketers attribute the rising popularity of many U.S.-made products to the worldwide distribution of American music, films, and TV shows; the growth of the Internet; and the increase in travel to the United States. These factors have made consumers in foreign countries more familiar with American culture, values, and lifestyle.²¹

Japan is one of the more difficult markets for many marketers to understand because of its unique values and customs.²² For example, the Japanese have a very strong commitment to the group; social interdependence and collectivism are as important to them as individualism is to most Americans. Ads stressing individuality and nonconformity have traditionally not done well in Japan, but Westernized values have become more prevalent in Japanese advertising in recent years.²³ However, the Japanese dislike ads that confront or disparage the competition and tend to prefer soft rather than hard sells.²⁴ A study found that Japanese and American magazine ads tend to portray teenage girls in different ways and that the differences correspond to each country's central concepts of self and society. In many American ads teens are associated with images of independence, rebelliousness, determination, and even defiance that are consistent with the American value of individuality. In contrast, Japanese ads tend to portray a happy, playful, childlike, girlish image that is consistent with the Japanese culture's sense of self, which is more dependent on others.²⁵ A study of the impact of the "Lost Decade," which refers to the period of economic stagnation and uncertainty that occurred during the 1990s and into the new millennium, on Japanese advertising resulted in a shift toward the use of more direct and persuasive selling approaches but being too blatantly direct could still be problematic.²⁶

As advertisers turn their attention to China, more consideration is also being given to understanding the cultural system and values of the world's most populous country. Chinese values are centered on Confucianism, which stresses loyalty and interpersonal relationships. Chinese culture also emphasizes passive acceptance of fate by seeking harmony with nature; inner

experiences of meaning and feeling; stability and harmony; close family ties; and tradition.²⁷

Nike ran into a problem over a commercial that aired in China showing NBA basketball star LeBron James winning a battle with a Chinese dragon and a kung fu master. The commercial was banned by government regulators who stated that it created indignant feelings among Chinese television viewers because it showed an American sports icon defeating the dragon, a symbol of Chinese culture, and the martial arts master, a symbol of national pride. A statement posted on the website of China's State Administration for Radio, Film, and Television stated that the ad violated the regulation that "all advertisements must uphold national dignity and interest, and respect the motherland's culture." Nike's China marketing director said that it was not the company's intention to show disrespect to the Chinese culture, explaining that the ad was meant to inspire youth to overcome internal fear and obstacles in order to improve themselves. Toyota Motor Co. of Japan also had to retract an issue and apology for an ad that ran in magazines and newspapers in China depicting stone lions, a traditional sign of Chinese power, saluting and bowing to a Prado Land Cruiser sport-utility vehicle.²⁸ A study examined perceptions of offensive advertising among Chinese consumers living in Hong Kong and Shanghai. The study found that the central issue related to whether an ad was perceived as offensive by the type of execution and creative tactics used or by the offensiveness of the product or service being advertised. The researchers noted that despite the sophistication and modernization of these two major cities, consumers there remain conservative and, to some extent collectivist, as susceptibility to interpersonal influence affects this evaluation of offensive page 640 advertising. They recommended that marketers remain cautious when developing advertising for China and should not take too many risks with offensive advertising.²⁹

Religion is another aspect of culture that affects norms, values, and behaviors and can have a strong influence on advertising in certain countries and regions. For example, in many Arab countries, religion has a major influence on cultural values and must be taken into consideration in developing advertising messages. Marketers must be aware of various taboos resulting from conservative applications of the Islamic religion.

Alcohol and pork cannot be advertised. Human nudity is forbidden, as are pictures of anything sacred, such as images of a cross or photographs of Mecca. There are also strict guidelines regarding the use of women in advertising and the various roles to which they can be assigned. Women often do not appear in advertising and when they do only their eyes may be shown.

Marketers sometimes find creative ways to get around these restrictions. For example, when Saudi Arabia announced that it was lifting its ban on allowing women to drive in 2017, marketers began running advertising targeting the new female audience. In a clever ad posted on social media, Ford found a way to celebrate Saudi women's new sense of freedom in a way that was still respectful of the culture. Instead of showing the woman's face, the image focuses only on the eyes, with the blacked out background creating the illusion of a woman wearing a hijab, which is a veil for the face that leaves the area around the eyes clear (Exhibit 19–5). In conservative Islamic countries, many religious authorities are opposed to advertising on the grounds that it promotes Western icons and culture and the associated non-Islamic consumerism. Restrictions on advertising still exist in some countries such as Iran, which has particularly aversive feelings toward Western-style advertising. However, Western-style ads have become more prevalent in many Middle Eastern countries such as Qatar, the United Arab Emirates, and Lebanon.

XHIBIT 19–5

Ford used this ad on social media to target women in Saudi Arabia that is respectful of the local culture.

Source: Ford Motor Company



Ford Middle East

@FordMiddleEast



Welcome to the driver's seat.

#SaudiWomenMove

#SaudiWomenCanDrive



Both Coca-Cola and PepsiCo have taken their cola wars to the Middle East and have been engaged in a battle to win the soft-drink allegiance of Arabs, especially the youth, in countries such as Lebanon, Saudi Arabia, Egypt, and Qatar. To reach the youth market, the two companies have used a variety of integrated marketing tools including media advertising, sponsorship of sports teams as well as sporting and musical events, and talent shows as well as branded entertainment. Global Perspective 19–1 discusses how the country of Qatar will be hosting the 2022 FIFA World Cup and the role IMC played in helping the Arab country secure the bid to host this popular sports event.

The Political/Legal Environment

The political and legal environment in a country is one of the most important factors influencing the advertising and promotional programs of international marketers. Regulations differ owing to economic and national sovereignty considerations, nationalistic and cultural factors, and the goal of protecting

consumers not only from false or misleading advertising but, in some cases, from advertising in general. It is difficult to generalize about advertising regulation at the international level, since some countries are increasing government control of advertising while others are decreasing it. Government regulations and restrictions can affect various aspects of a company's advertising and IMC program, including:

- The types of products that may be advertised.
- The content or creative approach that may be used.
- The media that all advertisers (or different classes of page 641 advertisers) are permitted to employ.
- The use of social and digital media.
- The amount of advertising a single advertiser may use in total or in a specific medium.
- The use of foreign languages in ads.
- The use of advertising material prepared outside the country.
- The use of local versus international advertising agencies.
- The specific taxes that may be levied against advertising.

A number of countries ban or restrict the advertising of various products. Cigarette advertising is banned in some or all media in numerous countries besides the United States including Argentina, Canada, France, Italy, Norway, Sweden, and Switzerland. The Australian government limits tobacco advertising to point of purchase. The ban also excludes tobacco companies from sponsoring sporting events.

In 2012 Australia's high court upheld the country's Plain Packaging Act, making it the first country to ban brand logos on all tobacco packages. The new law requires tobacco and cigarettes to be sold in plain green packages that feature graphic pictures of the negative health effects of smoking such as blindness; mouth, throat, and lung cancer; and the dangers of secondhand smoke (Exhibit 19–6). The new law is being challenged by tobacco companies through the World Trade Organization; they have concerns that it could set a marketing precedent that is adopted by other countries.³⁰ In Malaysia, a government ban on cigarette-related advertising and sponsorship was initiated in an effort to curb the rising number of smokers in the country.³¹ In China, tobacco and liquor advertising are banned except in

hotels for foreigners. In Europe there has been a long-standing ban on advertising for prescription-drug products, which is designed to keep government-subsidized health care costs under control. The European Union (EU) has argued that advertising increases the marketing budgets of drug companies and results in higher prices. The ban prevents prescription-drug companies from mentioning their products even on their websites or in brochures, although some relaxation of these restrictions is being considered by the European Commission for drugs used to treat AIDS, diabetes, and respiratory ailments.³²

XHIBIT 19–6

Australia bans brand logos on tobacco packages and requires graphic images of negative health effects.

Source: Ella Pickover/AP Images



The advertising of tobacco and liquor is banned in India, although many companies have tried to get around the ban by using what are known as “surrogate advertisements.” Instead of promoting tobacco and liquor products, these TV commercials and print ads market unrelated products that the company also happens to manufacture—such as CDs, playing cards, and bottled water—that carry the same brand name and allow them to build brand awareness. The Indian government has been clamping down on surrogate TV

ads in response to complaints by health activists, which is leading marketers to look to other ways to promote their brands such as the branding of sports teams, concerts, and other entertainment events. They are also lobbying the Indian government for more flexibility in enforcing the crackdown such as allowing liquor ads on late-night television programs. Liquor marketers including beer and distilled spirits companies are also using social media to promote their brands as there are no clear rules covering the use of the medium in India.³³

Many countries restrict the media that advertisers can use as well as the extent to which ads can appear in the media. In the EU, legislation limits the commercial time to 12 minutes per hour and some countries require less frequent but longer advertising breaks that can be as long as 6 minutes. In 1999, the European Commission threw out an appeal against Greece's national ban on toy advertising on daytime television. Thus, advertisers can advertise toys on TV only during the evening hours.³⁴ Some of the most stringent advertising regulations in the world are found in [page 642](#) Scandinavian countries. Commercial TV advertising did not begin in Sweden until 1992, and both Sweden and Denmark limit the amount of time available for commercials. Both Sweden and Norway prohibit domestic advertising that targets children as their governments believe that young people are not able to differentiate between advertising and programming and are not capable of understanding the selling intent of commercials.³⁵ Saudi Arabia opened its national TV system to commercial advertising in 1986, but advertising is not permitted on the state-run radio system. Advertising in magazines and newspapers in the country is subject to government and religious restrictions.³⁶

Global Perspective 19–1 >>>

Qatar Is Ready to Deliver Amazing as Host of the 2022 FIFA World Cup

The Fédération Internationale de Football Association (FIFA) World Cup is the largest single-event sporting competition in the world. The tournament, which is held once every four years, is FIFA's flagship event, involving the national soccer (or football, as it is referred to in most countries) teams from 32 qualifying nations. The FIFA World Cup is also the world's most widely viewed sporting event. Nearly 3 billion people worldwide tune in to the monthlong tournament on television, and over 3 million spectators usually attend the 64 matches played.

One of the goals of FIFA in awarding hosting rights is to promote the game of football around the globe, as well as in the host nation and region. The 2010 FIFA World Cup was played in South Africa, the 2014 tournament was held in Brazil, and Russia hosted the event 2018. In 2022, the small country of Qatar will become the first Middle Eastern and Arab nation to host the prestigious event.

Qatar is the smallest nation, both by population and by area, ever to have been awarded the right to host the FIFA World Cup; the country is approximately the size of the state of Connecticut and has a population of 2 million. Qatar recognized that its size could be perceived as a shortcoming in competing against Australia, Japan, South Korea, and the United States, the four other nations that bid for the right to host the 2022 FIFA World Cup. Rather than shying away from the issue, Qatar decided to turn its size into a positive by positioning itself as an environmentally and socially friendly host nation for the FIFA World Cup. As an example, the bid detailed how all of the stadiums, as well as nearly 90,000 hotel rooms and other amenities, would be within a 60-kilometer (37.3-mile) radius and easily accessible by public transportation from Doha, Qatar's capital. It also noted how the new, state-of-the-art stadiums would rely on solar power as part of a commitment to host the first ever carbon neutral FIFA World Cup, and use innovative cooling systems to provide maximum comfort for players and fans. The bid also outlined how most of the stadiums would be constructed using modular components, so they could be disassembled after the tournament and donated to developing countries, contributing to the tournament's legacy and leaving Qatar with stadiums suitable for its size.

Qatar's effort to win the right to host the 2022 FIFA World Cup entailed hard work and innovation, as well as an integrated marketing campaign designed to deliver the message of how this small country planned to transform various perceived challenges into unique assets. The process began with a positioning platform built around the tagline "Expect Amazing." The tagline was designed to communicate its intentions and dare people to believe in Qatar and its bid to host the FIFA World Cup. The "Expect Amazing" campaign was officially launched one year before FIFA would make its decision to award hosting rights, with a TV commercial called "Puzzles." The goal of the spot was to gain global support for the bid by showcasing Qatar as a beautiful and vibrant country that welcomed people of all nations and was capable of hosting the World Cup. In addition, Qatar launched its official bid website that included a blog that allowed football fans to learn what was happening behind the scenes and kept them informed of the latest news so they would feel like partners in the bidding process. Social media, including Facebook, Twitter, and a YouTube channel, were also used to engage fans and supporters and provide another digital platform for what became known as the Qatar 2022 marketing effort.

The next phase of the campaign included a social responsibility initiative called "Generation Amazing." Football tournaments were held for underprivileged children

from various countries in the Middle East and Asia, including Nepal, Pakistan, Lebanon, Syria, and Qatar. A select group of participants, chosen based on their football and leadership skills, were taken to South Africa to attend the 2010 FIFA World Cup. A documentary was created to capture the experiences of the children and posted on the Qatar 2022 Bid's YouTube channel to help generate publicity for the cause. Leading up to the 2010 FIFA World Cup, another video, called "Stadiums," was created and posted on YouTube, showcasing several of the stadiums that had been designed to host the football matches. That video received more than 2 million views on the Qatar 2022 Bid's YouTube channel and helped generate buzz across various other social media channels. Throughout the campaign, Qatar repeatedly grabbed the spotlight by introducing various legendary soccer players as ambassadors for its bid.



Source: 2022 Supreme Committee for Delivery and Legacy/Getty Images

While Qatar utilized an excellent integrated marketing program to draw attention to its desire to host the FIFA World Cup, there were a number of other key strategic components to its bid. Qatar repeatedly emphasized the diversity of its population and the country's geographic location as a crossroads between the East and West.

Qatar also views hosting the FIFA World Cup as a catalyst for driving growth and economic development and an opportunity to leave a lasting legacy for Qatar, the Middle East, and beyond. Qatar recognizes that major sporting events such as the FIFA World Cup provide a unique opportunity to increase focus, awareness, and unity within society, and is actively promoting increased participation in sports, especially for women, and healthy lifestyles.

Since being selected to host the FIFA World Cup, Qatar has had to deal with a number of issues and concerns over its ability to host such a major supporting event. Concerns were also raised over holding the tournament during the summer given the intense heat in Qatar; FIFA decided to move the 2022 World Cup to November and

December. However, this has created problems with television networks such as Fox and Telemundo, who paid large sums of money to televise the games and prefer to have them in the summer so they do not overlap with football season in the United States. The November–December time period also falls in the middle of the European club season, which has drawn criticism from league officials and a number of teams.

Another challenge that Qatar has faced leading up to the 2022 World Cup is the political instability in the Middle East and disputes it is having with other countries in the region. Saudi Arabia, the United Arab Emirates (UAE), and Egypt, among others, have long criticized Qatar for maintaining relations with Iran and supporting Islamist organizations. In June 2017, the three countries severed diplomatic ties with Qatar, cutting all air, land, and sea links. FIFA had hoped to expand the 2022 World Cup to include 48 countries, but this would have required another country in the region to host some of the games along with Qatar. However, FIFA could not find another Persian Gulf country that could host World Cup host games due to political and logistical complexities. In May 2019, FIFA announced that it would wait until 2026 to expand to 48 teams when Canada, Mexico, and the United States will host the tournament in a collaborative effort.

As it looks to open its doors to soccer fans and teams from around the world, Qatar has been focusing on completing the eight stadiums where the games will be played, as well as the massive infrastructure projects needed to host the 1.2 million people expected to attend. The IMC efforts have continued as Qatar's Supreme Committee has been keeping the world informed of its progress, addressing concerns, and continuing to build positive perceptions of the country and its ability to host the tournament. During the bidding process, Qatar told the world to "Expect Amazing." The tagline has shifted to "Delivering Amazing" as the smallest nation ever to host the FIFA World Cup gets ready for the big event.

Sources: Tariq Panja, "FIFA Drops Plans for 48-Team World Cup in 2022," *The New York Times*, May 22, 2019, <https://www.nytimes.com/2019/05/22/sports/fifa-2022-world-cup-48-teams.html>; Joshua Robinson, "FIFA to Move 2022 Qatar World Cup to Winter," *The Wall Street Journal*, March 19, 2015, www.wsj.com/articles/fifa-to-move-2022-qatar-world-cup-to-winter-1426786731; Vivienne Walt, "Qatar Takes over the World," *Fortune*, September 2, 2013, pp. 90–95; Qatar 2022 Strategic Plan, Qatar 2022 Supreme Committee; Building Towards 2022, Qatar 2022 Supreme Committee.

Many governments have rules and regulations that affect the advertising message. For example, comparative advertising is legal and widely used in the United States and Canada but is illegal in some countries, such as Korea and Belgium. In Europe, the European Commission has page 643 developed a directive to standardize the basic form and content of comparative advertising and develop a uniform policy. In 2012 the EU updated its Directive on Misleading and Comparative Advertising that specifies the conditions under which comparative advertising is permitted

and requires marketers to make sure their advertisements are not misleading; compare “like with like”—goods and services meeting the same needs or intended for the same purpose; objectively compare important features of the products or services concerned; do not discredit other companies’ trademarks; and do not create confusion among traders.³⁷ Comparative advertising is used on a limited basis in many EU countries, such as Germany.

Many Asian and South American countries have also begun to accept comparative ads. Brazil’s self-regulatory advertising codes were so strict for many years that few advertisers were been able to create a comparative message that could be approved. However, comparative page 644 advertising has become more common in the country although the comparison must be objective and supported by verifiable data and evidence.³⁸ Many countries restrict the types of claims advertisers can make, the words they can use, and the way products can be represented in ads. In Greece, specific claims for a product, such as “20 percent fewer calories,” are not permitted in an advertising message.³⁹ Copyright and other legal restrictions make it difficult to maintain the same name from market to market. For example, Diet Coke is known as Coca-Cola Light in Germany, France, and many other countries because of legal restrictions prohibiting the word *diet* (Exhibit 19–7).

XHIBIT 19–7

Diet Coke must use a different name in some countries.

Source: Francis Dean/Dean Pictures/Newscom



China has also begun cracking down on advertising claims as consumer groups slowly become a more powerful force in the country. For years, government regulation of advertising was less stringent than in developed markets and many companies were very aggressive with their advertising claims. However, government officials have begun enforcing a 1995 law that stipulates that statistical claims and quotations “should be true and accurate with sources clearly indicated.” The Chinese government launched a crackdown on false and illegal ads with a focus on cosmetic, beauty, health, and pharmaceutical products.⁴⁰

An area that is receiving a great deal of attention in Europe, as well as in the United States, is the marketing and advertising of food products that are considered to contribute to childhood obesity. The European Health Commission has called on advertisers of a variety of food products to set their own regulations to curb the advertising of so-called junk food to the 450 million consumers in the European Union. The commission has also recommended that these companies do not advertise directly to children and has even threatened to ban advertising icons such as Ronald McDonald and

Tony the Tiger.⁴¹ Another integrated marketing communications tool that is facing increasing regulatory challenges in many countries is online advertising as many countries are developing restrictions to protect the use of personal information. In 2018, the European Union enacted new General Data Protection Regulations (GDPR) that require organizations to meet stringent data protection requirements for personal data of EU citizens. The new rules also affect companies that are based outside of Europe but market their products and services in the EU.⁴² These new regulations are discussed in Chapter 20.

GLOBAL VERSUS LOCALIZED ADVERTISING

LO 19-3

The discussion of differences in the marketing environments of various countries suggests that each market is different and requires a distinct marketing and advertising program. However, through the years a great deal of attention has focused on the concept of **global marketing**, where a company uses a common marketing plan for all countries in which it operates, thus selling the product in essentially the same way everywhere in the world. **Global advertising** falls under the umbrella of global marketing as a way to implement this strategy by using the same basic advertising approach in all markets.

The debate over standardization versus localization of marketing and advertising programs began decades ago.⁴³ But the idea of global marketing was popularized by Professor Theodore Levitt, who says the worldwide marketplace has become homogenized and consumers' basic needs, wants, and expectations transcend geographic, national, and cultural boundaries.⁴⁴ More recently support for the idea of global marketing has come from advocates of global consumer culture theory (GCCT) who argue that the globalization of markets has led to the existence of a global consumer culture in which many consumers share consumption values regardless of the

countries in which they reside.⁴⁵ An outgrowth of this theory is the concept of global consumer culture positioning which suggests that the shared consumption-related beliefs, symbols, and behaviors of many consumers across markets create an opportunity to use positioning strategies that transcend cultures. While this does not suggest complete homogenization or globalization of markets to the degree advocated by Levitt, it does suggest an opportunity for marketers to use global branding and positioning and to advertise their products and services in similar ways across markets.⁴⁶

page 645

Not everyone agrees with the practicality of global marketing, particularly with respect to advertising. Many argue that products and advertising messages must be designed or at least adapted to meet the differing needs of consumers in different countries.⁴⁷ We will consider the arguments for and against global marketing and advertising, as well as situations where it is most appropriate.

Advantages of Global Marketing and Advertising

A global marketing strategy and advertising program offers certain advantages to a company, including the following:

- Economies of scale in production and distribution.
- Lower marketing and advertising costs as a result of reductions in planning and control.
- Lower advertising production costs.
- Abilities to exploit good ideas on a worldwide basis and introduce products quickly into various world markets.
- A consistent international brand and/or company image.
- Simplification of coordination and control of marketing and promotional programs.

Advocates of global marketing and advertising contend that standardized products are possible in all countries if marketers emphasize quality, reliability, and low prices. They say people everywhere want to buy the

same products and live the same way. Product standardization results in lower design and production costs as well as greater marketing efficiency, which translates into lower prices for consumers. Product standardization and global marketing also enable companies to roll out products faster into world markets, which is becoming increasingly important as product life cycles become shorter and competition increases.

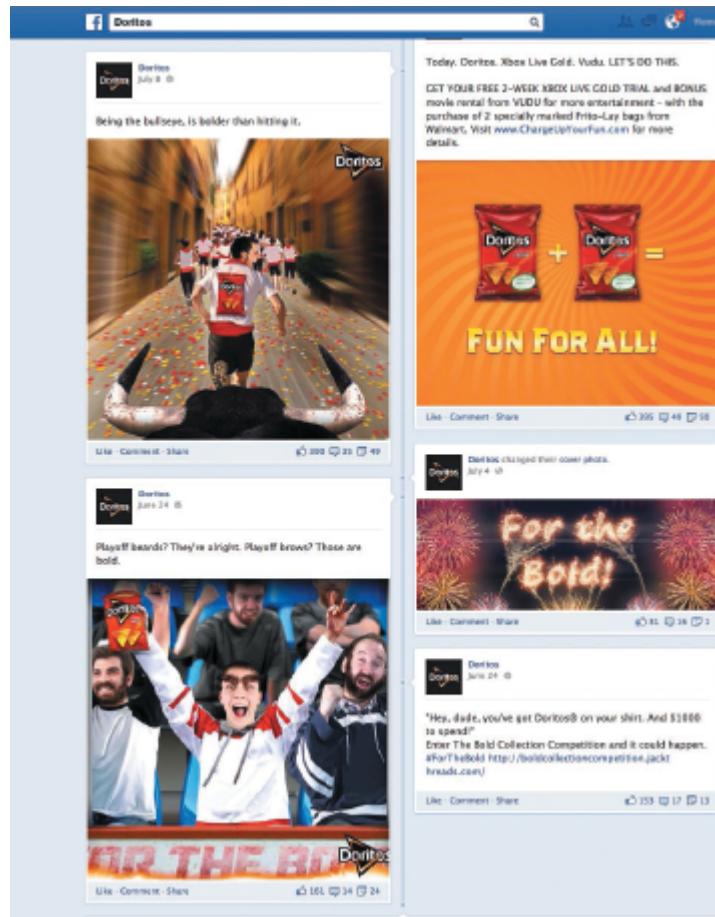
A number of companies including IBM, De Beers, McDonald's, Coca-Cola, and American Express have successfully used the global advertising approach. Gillette has used the “Best a Man Can Get” as its global advertising theme for over a decade and has launched a number of new razor products including the Sensor, Mach3, and Fusion using a global approach.⁴⁸ Gillette uses the same advertising theme in each country and maintains websites and social media pages with similar content and layout, with only language differences.

Frito-Lay has used global advertising for several of its snack food brands, including Doritos, which is the world’s best-selling tortilla/corn-chip. Prior to launching its first global campaign, Doritos had a different look and feel across the 37 countries where the brand is sold; 25 packaging variations existed and different advertising approaches were used in various markets. Packaging for Doritos was standardized across all markets and the global campaign themed “For the Bold” was developed that included digital and television advertising, promotions on Facebook and Twitter, and sponsorship of concerts. The creative approach used in the campaign included humorous TV and print executions focusing on bold choices made to enjoy Doritos such as the ad shown in Exhibit 19–8. Frito-Lay’s vice president of marketing explained the move to a global campaign: “With the rise of social media and technology, our world is smaller and more connected than ever before. We have found that our consumers across the world share very similar passions and interests, but until now may not have had a consistent way of speaking about the Doritos brand. The _____ page 646 campaign is our way of connecting these fans worldwide, as we now provide a consistent storyline, and look and feel from the Doritos brand.”⁴⁹

XHIBIT 19–8

Doritos uses global advertising to create a consistent image for the brand in various countries.

Source: Doritos by Frito-Lay North America, Inc.



Problems with Global Advertising

Opponents of the standardized global approach argue that very few products lend themselves to global advertising.⁵⁰ Differences in culture, market, and economic development; consumer needs and usage patterns; media availability; and legal restrictions make it extremely difficult to develop an effective universal approach to marketing and advertising. Advertising may be particularly difficult to standardize because of cultural differences in circumstances, language, traditions, values, beliefs, lifestyle, music, and so on. Moreover, some experts argue that cultures around the world are becoming more diverse, not less so. Thus, advertising's job of informing and

persuading consumers and moving them toward using a particular brand can be done only within a given culture.

Consumer usage patterns and perceptions of a product may vary from one country to another, so advertisers must adjust their marketing and advertising approaches to different problems they may face in different markets. For example, while eating pizza is viewed as a casual affair in the United States and many other countries, in Japan it is perceived as an upscale meal that is consumed more on special occasions. Since entering the Japanese market in 1985, Domino's Pizza has been focusing on creating more usage occasions such as Valentine's Day and Mother's Day by delivering its pizza in heart-shaped, pink boxes. The company has also used clever promotions such as one where the chain offered 2.5 million yen (about \$30,000) for one hour's work at a Domino's store. For another popular offbeat promotion Domino's announced that it was working with space agency JAXA (the Japanese equivalent of NASA), Honda, and other high-profile companies to build the first-ever pizza store on the moon.⁵¹ The CEO of Domino's Japan participated in the promotion by appearing in a full spacesuit, customized with a Domino's patch, and displaying a big picture of the Moon Branch Project (Exhibit 19–9).

XHIBIT 19–9

Domino's Pizza used its humorous Moon Branch Project promotion in Japan.

Source: *Domino's IP Holder LLC*



Many experts believe that marketing a standardized product the same way all over the world can turn off consumers, alienate employees, and blind a company to diversities in customer needs. Multinational companies can also encounter problems when they use global advertising as local managers in countries or regions often resent the home office standardizing the advertising function and mandating the type of advertising to be used in their markets. Sir Martin Sorrell, chair of the United Kingdom-based WPP Group, argues that there are limits to global advertising and that the one-size-fits-all pendulum has gone too far. He urges his executives to focus on consumer needs in the countries they serve and advocates the use of country managers to build contacts and adapt campaigns to local markets.⁵²

When Is Globalization Appropriate?

While globalization of advertising is viewed by many in the advertising industry as a difficult task, some progress has been made in learning what products and services are best suited to worldwide appeals:⁵³

1. Brands or messages that can be adapted for a visual appeal, avoiding the problems of trying to translate words into dozens of languages.
2. Brands that are promoted with image campaigns that play to universal needs, values, and emotions.
3. High-tech products and new products coming to the world for the first time, not steeped in the cultural heritage of a country.
4. Products with nationalistic flavor if the country has a reputation page 647 in the field.
5. Products that appeal to a market segment with universally similar tastes, interests, needs, and values.

Many companies and brands rely on visual appeals that are easily adapted for use in global advertising campaigns. These companies are often marketing products in the secondary category, such as jewelry, cosmetics, liquor, and cigarettes, that appeal to universal needs, values, and emotions and lend themselves to global campaigns. Marketers recognize that emotions such as joy, sentiment, excitement, and pleasure are universal as are needs/values such as self-esteem, status, and achievement. Thus, it is

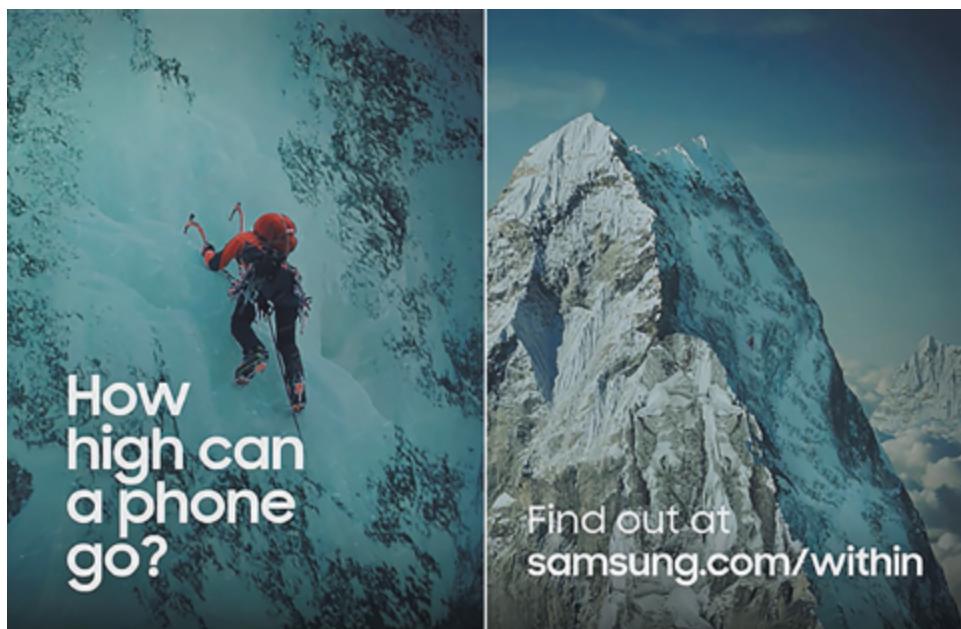
common for global advertising campaigns to use emotional and image appeals. Global Perspective 19–2 discusses the “Taste the Feeling” global advertising campaign developed by the Coca-Cola Company.

High-tech products such as smartphones, personal computers, HDTV sets, video games, and fitness trackers are products in the third category. Many of the marketers of high-tech products use global campaigns to promote their brands. For example, Fitbit launched a global campaign in 2016 for its Blaze wearable device that focused on its modular design that allows consumers to remove and insert trackers into different frames and bands.⁵⁴ Samsung recently developed a global campaign called “Samsung Within” that uses an interactive web and mobile experience series that depicts its legacy as a company and tells the story of how Samsung pushes the limits of technology to develop products that can perform in extreme conditions. For example, one series of the digital campaign takes viewers to the virtual top of Mt. Everest and uses the immersive experience to tell the story of how the first 3G call from the summit of the world’s highest mountain peak was made on a Samsung Galaxy S2 phone (Exhibit 19–10).

XHIBIT 19–10

High-tech companies such as Samsung often use global advertising campaigns.

Source: Samsung



Products in the fourth category are those that come from countries with national reputations for quality and/or a distinctive image that can be used as the basis for global advertising. These products capitalize on the **country-of-origin effect**, which refers to consumers' general perceptions of quality for products made in a given country.⁵⁵ Examples include Swiss watches, French wine, and German beer or automobiles. Many U.S. companies such as Apple, Google, and Nike are also taking advantage of the cachet American brands have acquired among consumers around the world in recent years.⁵⁶

A number of studies have shown a pronounced effect of country of origin on the quality perceptions of products, with the reputation of specific countries impacting consumers' evaluative judgments of brands.⁵⁷ Thus, companies and brands that originate in countries associated with quality may want to take advantage of this in their advertising. However, some marketing experts argue that in today's world of globalization, consumers are only vaguely aware of the country of origin for many of the brands they buy.⁵⁸ Thus, marketers need to understand whether product origin is relevant to the consumers in their target market. A study conducted among a representative sample of 1,000 college students from over 375 universities across the United States found that the vast majority of them were unaware of the country of origin of most brands. However, while the students were not aware of where the brands came from, they did have definite opinions about which countries produce the best products. When students were asked whether they believe a country makes quality products, Japan was rated the highest at 82 percent, followed by the United States at 78 percent, Germany at 77 percent, and Italy at 74 percent. Countries rated the lowest for product quality were Russia, Mexico, and Vietnam.⁵⁹

In the final category for which globalization is appropriate are products and services that can be sold to common market segments around the world, such as those identified by Salah Hassan and Lea Katsansis.⁶⁰ One such segment is the world's elite—people who, by reason of their page 648 economically privileged position, can pursue a lifestyle that includes fine jewelry, expensive clothing, quality automobiles, and the like. Marketers of high-quality, luxury brands such as Tiffany, Prada, Cartier, Gucci, Chanel, and Louis Vuitton can use global advertising to appeal to the elite market segment around the world. Well-known international brands

competing in the luxury goods marketplace often present a singular image of prestige and style to the entire world.

An example of a marketer of luxury products that uses global advertising is Swiss watchmaker TAG Heuer, which targets upscale consumers, many of whom are world travelers. Thus, the company feels that it is important to have a consistent advertising message and image in each country and uses global advertising to do so. The only element of its advertising that changes from country to country is the celebrity ambassador who appears in the ad. For example, TAG Heuer launched its #Don't Crack Under Pressure global campaign that uses Portuguese soccer star Cristiano Ronaldo and British model/actress Cara Delevingne in Europe (Exhibit 19–11). In the United States, the ambassadors include actor Chris Hemsworth and NFL football star Tom Brady.

XHIBIT 19–11

TAG Heuer uses a global campaign featuring different celebrity ambassadors for various countries.

Source: Tag Heuer



Another segment of global consumers who have similar needs and interests and seek similar features and benefits from products and services is teenagers. There are more than 500 million teens in Asia and Latin America, whose lifestyles are converging with those of the 80 million teens in Europe and North America to create a vast, free-spending global market.⁶¹ Teens now have intense exposure to the Internet, social media, television, movies, music, travel, and global advertising from companies such as Levi Strauss, Benetton, Nike, Coca-Cola, Pepsi, and many others.

Global Perspective 19–2 >>>

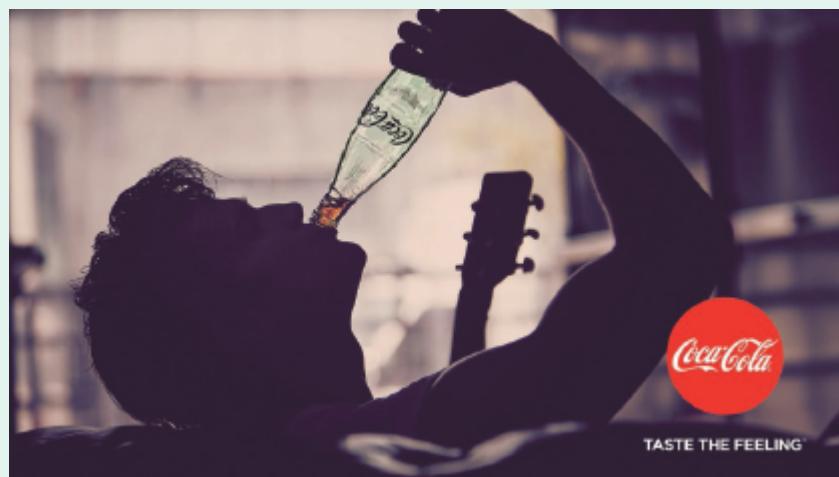
Coca-Cola Wants Everybody to “Taste the Feeling”

Coca-Cola is one of the most recognizable and valuable brands in the world, consistently ranking at or near the top of various brand value surveys. The flagship soft drink Coca-Cola, or Coke as it often referred to, is the world’s number-one beverage brand and is sold in more than 200 countries around the globe. The iconic brand has been around for more than 130 years and has never strayed from its timeless and basic ideals. While a number of different advertising campaigns have come and gone throughout the years, Coca-Cola has remained consistent in appealing to one basic emotion: pleasure. Many of the popular advertising campaigns used to sell Coca-Cola have been built around simple slogans using words such as *smile*, *enjoy*, and *happiness* that translate easily to consumers everywhere.

From 2009 until 2016, Coca-Cola’s global IMC campaign used the slogan “Open Happiness,” which was designed to appeal to consumers’ desire for comfort and optimism and was an invitation to consumers around the world to refresh themselves with a Coke and enjoy life. The “Open Happiness” campaign won numerous awards during its tenure as Coca-Cola was named *Advertising Age*’s Marketer of the Year and also was honored as Creative Marketer of the Year at the Cannes Lions International Festival of Creativity. However, in 2016, Coca-Cola’s new chief marketing officer, Marcos de Quinto, announced that the company would be making a major shift in its marketing strategy whereby all Coke trademark brands would be united in one global creative campaign called “Taste the Feeling.” The new campaign puts the product at the center of every ad as Coca-Cola seeks to win over more drinkers in the struggling soda category.

In explaining the reasons for the change, CMO de Quinto noted that “Open Happiness” had become a bit too preachy and was no longer focusing on simple pleasures, such as enjoying an ice-cold Coke on a hot day. Coca-Cola’s global vice president for creative noted that Coke no longer wants to be about “fixing happiness” with high-level ideas because the new campaign is about living in the intimacy and simplicity of moments and is similar to the classic tagline “Have a Coke and a Smile.” The “Taste the Feeling” campaign is designed to bring to life the idea that drinking a Coca-Cola product is a simple pleasure that makes everyday moments more special and celebrates the experience of doing so. The company also feels that the new campaign is more focused on the actual product and will build a strong connectivity with the feeling one has when drinking a Coke. CMO de Quinto notes: “We want to help remind people why they love the product as much as they love the brand.”

Another major part of the new strategy is a “one-brand” approach that unites various brands such as Coca-Cola Light/Diet Coke, Coke Zero, and Coca-Cola Life under one personality that shares the equity of the brand across all Coca-Cola trademark products. The approach also underscores the company’s commitment to providing consumers with more choices and healthier alternatives, including smaller package sizes. For example, Diet Coke and Coke Zero are positioned as customized choices for drinkers who may want a sugar-free soft drink, while Coca-Cola Life is sweetened with cane sugar and stevia leaf extract. The “one-brand” approach includes a global packaging shift as the new cans and bottles for the entire Coca-Cola trademark line will feature the brand’s signature “Red Disc,” which has become a page 649 signature element of the brand through the years.



Source: The Coca-Cola Company

The “Taste the Feeling” campaign debuted in 2016 in more than 200 countries with creative work that included nine TV commercials, outdoor and print ads, retail signage, and digital advertising. Coca-Cola filmed multiple versions of some of the commercials with different actors to ensure they would be relevant to different countries and cultures. Implementation of the new global strategy was a major undertaking with four of the 10 agencies Coca-Cola works with worldwide taking a lead role, including Ogilvy New

York, Sra. Rushmore of Madrid, Santo of Buenos Aires, and Mercado-McCann of Argentina.

Other agencies have contributed content to the integrated campaign as it evolves. For example, Wieden + Kennedy created a series of commercials designed to bring to life the brand's "A Coke for Everyone" platform. One of the spots called "The Wonder of Us" aired on the 2018 Super Bowl and showcased all types of people enjoying Coca-Cola products. The ad celebrated the Coca-Cola Company's values of optimism, diversity, and inclusion and emphasized that no matter how unique or different you are, there is Coca-Cola product for you. W+K also created a playful animated spot that aired prior to the 2019 big game called "A Coke Is a Coke" that featured an adaptation of a passage from iconic pop artist Andy Warhol's book *The Philosophy of Andy Warhol*. "What's great about this country is that America started the tradition where the richest consumers buy essentially the same things as the poorest," Warhol wrote. "You can be watching TV and see Coca-Cola, and you know the president drinks Coke, Liz Taylor drinks Coke, and just think, you can drink Coke, too. A Coke is a Coke, and no amount of money can get you a better Coke."

Coca-Cola knows it has a lot riding on the new "Taste the Feeling" campaign but feels that changes were needed to address the challenges the company is facing in the global market, such as declining soda consumption in many markets amid growing health concerns and a shift to healthier lifestyles. Marcos de Quinto feels that the new "Taste the Feeling" global IMC campaign will help consumers around the world better connect consumers with the brand and various Coke products. His goal is to keep things simple for consumers and return to the essence of what the Coca-Cola brand is about—a brand for everybody and one that makes them feel good.

Sources: Eric Brady, "Super Bowl Ad: Coke Uses Andy Warhol Quote to Remind Viewers, 'A Coke is a Coke,'" January 24, 2019, <https://www.usatoday.com/story/sports/Ad-Meter/2019/01/24/super-bowl-ad-coke-uses-theme-andy-warhol-quote/2668169002/>; Katie Richard, "Coca Cola Delivers a Beautiful Message of Inclusion in Its Super Bowl Ad," *Adweek*, February 1, 2018, <https://www.adweek.com/brand-marketing/coca-cola-delivers-a-beautiful-message-of-inclusion-in-its-super-bowl-ad/>; E.J. Schultz, "Coke Replaces 'Open Happiness' with 'Taste the Feeling' in Major Strategic Shift," *Advertising Age*, January 19, 2016, <http://adage.com/article/cmo-strategy/coke-debuts-taste-feeling-campaign-strategic-shift/302184/>; Jay Mole, "One Brand Strategy, New Global Campaign Unite Coca-Cola Trademark," *Coca-Cola Journey*, January 19, 2016, <http://www.coca-colacompany.com/tastethefeeling>.

While the pros and cons of global marketing and advertising continue to be debated, many companies are taking an in-between approach by standardizing their products and basic marketing strategy but localizing their advertising messages. They recognize that it is difficult to create relevant and timely global advertising themes, positioning, and stories that appeal to consumers around the world and can be creatively executed across all touch points. The in-between approach recognizes similar desires, goals, needs, and uses for products and services but tailors advertising to the local cultures and conditions in each market. Some call this approach “think globally, act locally,” others describe it as “global vision with a local touch,” while more recently it has been referred to as *glocal* advertising strategy—locally adapting a universally embraced core idea that will resonate in any market anywhere in the world. Advocates of this approach argue that designers of global advertising strategy carry a creative concept most of the way to execution while regional marketers tailor the work to make it locally relevant and aligned to the different category and brand situations in different markets.⁶²

Although some marketers use global ads with little or no modification, most companies adapt their messages to respond to differences in language, market conditions, and other factors. Many global marketers use a strategy called **pattern advertising**: their ads follow a basic approach, but themes, copy, and sometimes even visual elements are adapted to differences in local markets. For example, the TAG Heuer ads shown in Exhibit 19–11 are an example of pattern advertising. Creative elements of TAG Heuer ads such as the layout, logo, pictures of the product, slogan, and tagline remain clear, consistent, and visually recognizable all over the world.⁶³

Another way global marketers adapt their campaigns to local markets is by producing a variety of ads with a similar theme and format and allowing managers in various countries or regions to select those messages they believe will work best in their markets. Some companies are also giving local managers more autonomy in adapting global campaign themes to local markets. They recognize that global advertising can rarely reflect the idiosyncratic characteristics of every market, but the alternative—locally designed advertising—often sacrifices a consistent global message and does not take advantage of economies of scale.

Most managers believe it is important to adapt components of their advertising messages—such as the language, models, scenic backgrounds, message content, and symbols—to reflect the culture and frame of reference of consumers in various countries. For example, global branding expert Nigel Hollis notes that research conducted by Kantar Millward Brown found that, all things being equal, brands that are identified with local culture will perform better than others.⁶⁴ He notes several reasons why it is important for brands to have a strong degree of identity to local culture and advises that the key to global brand success is to connect with consumers at the local level while capitalizing on the advantages offered by operating on a global scale.⁶⁵ Many companies are making these tactical adjustments to their advertising messages while still pursuing global strategies that will help them project a consistent global image and turn their products and services into global brands.

DECISION AREAS IN INTERNATIONAL ADVERTISING

LO 19-4

Companies developing advertising and promotional programs for international markets must make certain organizational and functional decisions similar to those for domestic markets. These decisions include organization style, agency selection, creative strategy and execution, and media strategy and selection.

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Organizing for International Advertising

One of the first decisions a company must make when it decides to market its products to other countries is how to organize the international advertising

and promotion function. This decision is likely to depend on how the company is organized overall for international marketing and business. Three basic options are centralization at the home office or headquarters, decentralization of decision making to local foreign markets, or a combination of the two.

Centralization Many companies prefer to *centralize* the international advertising and promotion function so that all decisions about agency selection, creative strategy and campaign development, media strategy, and budgeting are made at the firm's home office. Complete centralization is likely when market and media conditions are similar from one country to another, when the company has only one or a few international agencies handling all of its advertising, when the company can use standardized advertising, or when it desires a consistent image worldwide. Centralization may also be best when a company's international business is small and it operates through foreign distributors or licensees who do not become involved in the marketing and promotional process.

Many companies prefer the centralized organizational structure to protect their foreign investments and keep control of the marketing effort and corporate and/or brand image. Centralization can save money, since it reduces the need for staff and administration at the local subsidiary level. As the trend toward globalized marketing and advertising strategies continues, more companies are likely to move more toward centralization of the advertising function to maintain a unified world brand image rather than presenting a different image in each market. Some foreign managers may actually prefer centralized decision making, as it removes them from the burden of advertising and promotional decisions and saves them from defending local decisions to the home office. However, many marketing and advertising managers in foreign markets oppose centralized control. They say the structure is too rigid and makes it difficult to adapt the advertising and promotional program to local needs and market conditions.

Decentralization Under a *decentralized* organizational structure, marketing and advertising managers in each market have the authority to make their own advertising and promotional decisions. Local managers can select ad agencies, develop budgets, conduct research, approve creative

themes and executions, and select advertising media. Companies using a decentralized approach put a great deal of faith in the judgment and decision-making ability of personnel in local markets. This approach is often used when companies believe local managers know the marketing situation in their countries the best. They may also be more effective and motivated when given responsibility for the advertising and promotional program in their markets. Decentralization also works well in small or unique markets where headquarters' involvement is not worthwhile or advertising must be tailored to the local market.

International fragrance marketer Chanel Inc. uses a decentralized strategy. Chanel found that many of its fragrance concepts do not work well globally and decided to localize advertising. For example, the U.S. office has the option of using ads created by the House of Chanel in Paris or developing its own campaigns for the U.S. market. Chanel executives in the United States think that the French concept of prestige is not the same as Americans' and the artsy ads created in France do not work well in this country.

Combination While there is an increasing trend toward centralizing the international advertising function, many companies combine the two approaches. The home office, or headquarters, has the most control over advertising policy, guidelines, and operations in all markets. The international advertising or marketing communication manager works closely with local or regional marketing managers and personnel from the international agency (or agencies) and sets advertising and promotional objectives, has budgetary authority, approves all creative themes and executions, and approves media selection decisions, especially when they are made on a regional basis or overlap with other markets.

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Advertising managers in regional or local offices submit advertising plans and budgets for their markets, which are reviewed by the international advertising manager. Local managers play a major role in working with the agency to adapt appeals to their particular markets and select media.

The combination approach allows for consistency in a company's international advertising yet permits local input and adaptation of the promotion program. Most consumer-product companies find that local adaptation of advertising is necessary for foreign markets or regions, but they want to maintain control of the overall worldwide image they project. For example, Levi Strauss in 2010 hired its first global chief marketing officer to oversee the company's marketing operations in over 60 countries and try to make the Levi's brand more competitive against premium denim lines such as True Religion, Seven For All Mankind, and Joe's Jeans.⁶⁶ However, the company still provides a great deal of autonomy to regional marketing directors.

Agency Selection

One of the most important decisions for a firm engaged in international marketing is the choice of an advertising agency. The company has three basic alternatives in selecting an agency to handle its international advertising. First, it can choose a major agency with both domestic and overseas offices. Many large agencies have offices all over the world and have become truly international operations. For example, a number of agencies have moved their offices from Hong Kong to Shanghai to be closer to the world's largest consumer market on the mainland of China.⁶⁷

Many American companies prefer to use a U.S.-based agency with foreign offices; this gives them greater control and convenience and also facilitates coordination of overseas advertising. Companies often use the same agency to handle international and domestic advertising. As discussed in Chapter 3, the flurry of mergers and acquisitions in the ad agency business in recent years, both in the United States and in other countries, has created large global agencies that can meet the international needs of global marketers. A number of multinational companies have consolidated their advertising with one large agency. The consolidation trend began in 1994 when IBM dismissed 40 agencies around the world and awarded its entire account to Ogilvy & Mather Worldwide.⁶⁸ Since then a number of

multinational companies such as Johnson & Johnson, Lenovo, and Samsung have consolidated their creative with one agency and/or holding company.

In addition to consolidating their creative work with one agency, many companies are also consolidating their global media planning and buying with a single agency to get greater efficiency and economies of scale. For example, in 2019 Mars—whose businesses include snack foods, pet care, and confectionery products and brands such as M&M’s, Snickers, Skittle, Pedigree, and Orbit gum—consolidated all of its global media business with WPP’s GroupM media network. The move was made to allow the company to respond more quickly to the ever-changing media landscape and to move to a data-driven integrated media strategy.⁶⁹ Amazon also consolidated its global media planning and buying duties with IPG Mediabrands network, which will promote the companies, e-commerce hub, various tech products, and its Prime subscription service around the world.⁷⁰

There are a number of reasons why global marketers consolidate their advertising with one agency. Many companies recognize they must develop a consistent global image for the company and/or its brands and speak with one coordinated marketing voice around the world. For example, IBM officials felt the company had been projecting too many images when its advertising was divided among so many agencies. The consolidation enabled IBM to present a single brand identity throughout the world while taking advantage of one of the world’s best-known brand names (Exhibit 19–12).

XHIBIT 19–12

BM uses the Ogilvy & Mather agency to handle all of its global advertising.

Source: International Business Machines Corp.

HOW TO COMPETE IN THE ERA OF "SMART".

For five years, IBMers have been working with companies, cities and communities to build a Smarter Planet. We've seen enormous advances, as leaders have begun using the vast supply of Big Data to transform their enterprises and institutions through mobile technology, social business and the cloud.

Big Data has changed how these leaders work, how they make decisions and how they serve their customers. And the ability to harness Big Data is giving their enterprises a new competitive edge in today's era of "smart".



Polaris in Memphis used Big Data and analytics to identify patterns of criminal activity, which helped them change their strategy.

DECISIONS BASED ON ANALYTICS, NOT ON INSTINCT. Decision makers once viewed their intuition and experience as the keys to formulating strategy and assessing risk. But analytics increasingly helps them discern real patterns and anticipate events.

A decade ago, the Memphis Police Department developed an analytics platform that created multilayer maps to identify patterns of criminal

activity. The department then changed its patrolling strategy, reducing crime by 24 percent.

THE SOCIAL NETWORK IS THE NEW PRODUCTION LINE.

In this knowledge economy, the exchange of ideas has become the new means of production. The advent of social and mobile technology is shifting the competitive edge from having workers who amass knowledge to having workers who impart it.

Cemex, a \$15 billion cement maker, wanted to create its first global brand of concrete, which required a coordination of stakeholders from each country. Cemex didn't build

but as individuals. And that's changing how companies serve customers. Call centers, once evaluated by how quickly they got callers off the phone, are training employees to engage more with customers by starting conversations and serving individuals.



Social networks don't value in the workplace from knowledge that people possess to knowledge that they can contribute.



FINDING SUCCESS ON A SMARTER PLANET.

An organization that adopts these principles is a Smarter Enterprise. But using emerging technology is only part of the story. The real challenge now is to use these new insights to change entrenched work practices. To learn more about the new principles of the Smarter Enterprise, visit us at ibm.com/smarterplanet/in



Effective marketing no longer casts publicity or broad demographic groups—it grows conversations with individuals.



LET'S BUILD A SMARTER PLANET.

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Companies are also consolidating their global advertising in an effort to increase cost-efficiencies and gain greater leverage over their agencies. When a major client puts all of its advertising with one agency, that company often becomes the agency's most important account. And, as one IBM executive notes, "You become a magnet for talent and attention."⁷¹ Consolidation can also lead to cost-efficiencies not only for creative but for media planning and buying as well.

Advertising executives also noted that a major reason for all of the account consolidation is that agencies now have the ability to communicate and manage globally. The Internet, e-mail, and videoconferencing capabilities through platforms such as Skype, Zoom, Google Hangouts, and FaceTime make it much easier to manage accounts around the globe. Of course, placing an entire global advertising account with one agency can be risky. If the agency fails to deliver an effective campaign, the client has no backup agency to make a fast rebound and the search for a new agency can be very time-consuming. Clients who consolidate also face the problem of selling the idea to regional offices, which often previously enjoyed their own local agency relationships. However, it appears that more and more companies are willing to take these risks and rely on one agency to handle their advertising around the world.

A second alternative for the international marketer is to choose an agency that rather than having its own foreign offices or branches is affiliated with agencies in other countries or belongs to a network of foreign agencies. A domestic agency may acquire an interest in several foreign agencies or become part of an organization of international agencies. The agency can then sell itself as an international agency offering multinational coverage and contacts. Many of the large agency holding companies such as the WPP Group, Publicis Groupe, Omnicom, and Interpublic Group own agencies throughout the world that can handle their clients' advertising in various countries.

The advantage of this arrangement is that the client can use a domestic-based agency yet still have access to foreign agencies with detailed knowledge of market conditions, media, and so on in each local market. There may be problems with this approach, however. The local agency may have trouble coordinating and controlling independent agencies, and the quality of work may vary among network members. Companies considering this option must ask the local agency about its ability to control the activities of its affiliates and the quality of their work in specific areas such as creative and media.

The third alternative for the international marketer is to select a local agency for each national market in which it sells its products or services. Since local agencies often have the best understanding of the marketing and

advertising environment in their country or region, they may be able to develop the most effective advertising.

Some companies like local agencies because they may provide the best talent in each market. In many countries, smaller agencies may, because of their independence, be more willing to take risks and develop the most effective, creative ads. Choosing local agencies also increases the involvement and morale of foreign subsidiary managers by giving them responsibility for managing the promotion function in their markets. Some companies have the subsidiary choose a local agency, since it is often in the best position to evaluate the agency and will work closely with it.

Criteria for Agency Selection The selection of an agency to handle a company's international advertising depends on how the firm is organized for international marketing and the type of assistance it needs to meet its goals and objectives in foreign markets. Figure 19–3 lists some criteria a company might use in selecting an agency. In a study conducted among marketing directors of European companies, creative capability was ranked the most important factor in selecting an advertising agency network, followed by understanding the market, understanding marketing goals, and ability to produce integrated communications. Size of the agency and agency reputation were cited as important criteria by less than 2 percent of the respondents.⁷² Another study found that most clients choose an agency based on its creative reputation and the creative presentation it had made. However, a [page 654](#) large number of clients felt their agencies lacked international expertise and account coordination ability.⁷³

FIGURE 19–3

Criteria for Selecting an Agency to Handle International Advertising

- Ability of agency to cover relevant markets.
- Quality of agency work.
- Market research, public relations, and other services offered by agency.

- Relative roles of company advertising department and agency.
- Level of communication and control desired by company.
- Ability of agency to coordinate international campaign.
- Size of company's international business.
- Company's desire for local versus international image.
- Company organizational structure for international business and marketing (centralized versus decentralized).
- Company's level of involvement with international operations.

Some companies choose a combination of the three alternatives just discussed because their involvement in each market differs, as do the advertising environment and situation in each country. Several experts in international marketing and advertising advocate the use of international agencies by international companies, particularly those firms moving toward global marketing and striving for a consistent corporate or brand image around the world. The trend toward mergers and acquisitions and the formation of mega-agencies with global marketing and advertising capabilities suggests the international agency approach will become the preferred arrangement among large companies.

Creative Decisions

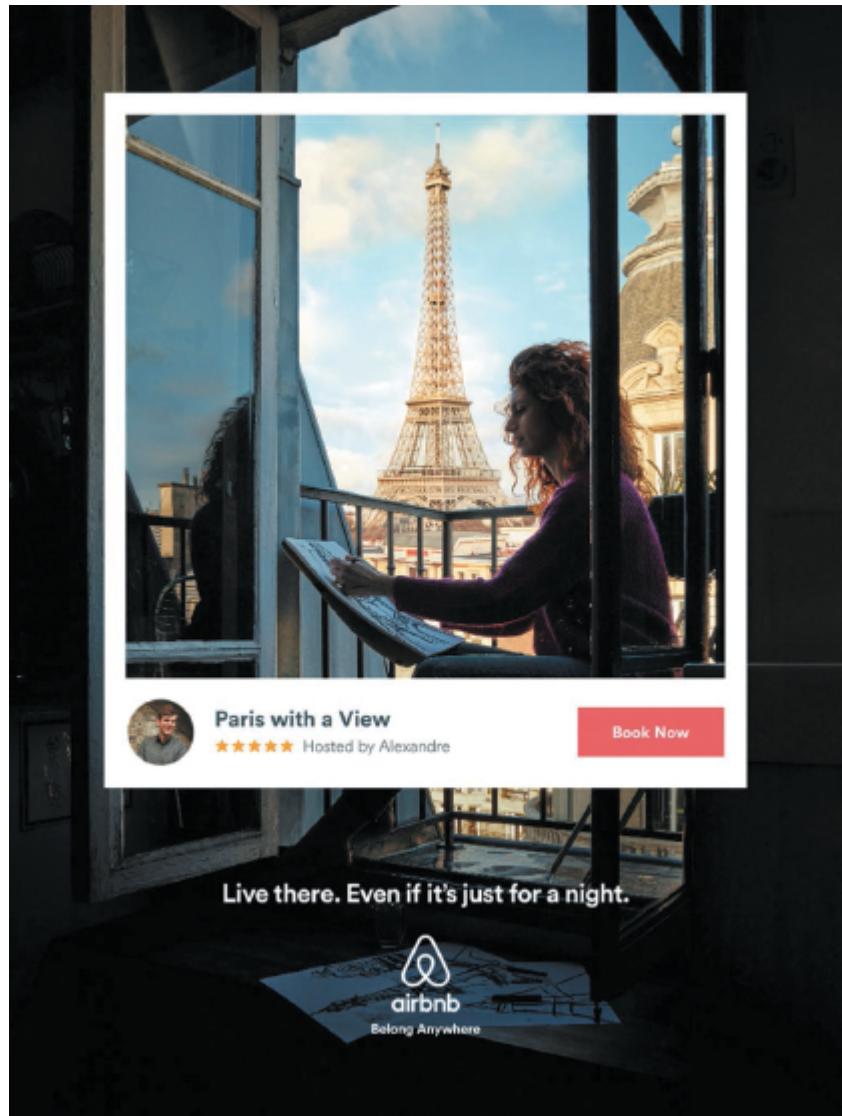
Another decision facing the international advertiser is determining the appropriate advertising messages for each market. Creative strategy development for international advertising is basically similar in process and procedure to that for domestic advertising. Advertising and communications objectives should be based on the marketing strategy and market conditions in foreign markets. Major selling ideas must be developed and specific appeals and execution styles chosen.

An important factor in the development of creative strategy is the issue of global versus localized advertising. If the standardized approach is taken, the creative team must develop advertising that will transcend cultural differences and communicate effectively in every country. For example, Airbnb launched a global advertising campaign titled “Live There” that is designed to appeal to consumers around the world to use its online site to find lodging in a home or apartment rather than having a cookie cutter experience by staying in a hotel. The campaign was based on research conducted by the company showing that 86 percent of Airbnb users pick the platform because they want to live more like a local than a tourist when visiting a destination. The campaign includes television and digital ads as well as a series of print ads featuring Pinterest-style images of travelers who look at home in various locales such as a Tokyo artist’s loft, a California poolside, or a cozy apartment in Paris (Exhibit 19–13). The various ads in the global campaign focus on the idea that people shouldn’t simply go to a new place, they should live there, even if for only one night.⁷⁴

XHIBIT 19–13

Airbnb’s “Live There” global campaign appeals to consumers’ desire to live like a local when they visit a destination.

Source: Airbnb, Inc.



When companies follow a **localized advertising strategy**, the creative team must determine what type of selling idea, ad appeal, and execution style will work in each market. A product may have to be positioned differently in each market depending on consumers' usage patterns and habits. For example, the Las Vegas Convention and Visitors Authority took its popular "What Happens Here, Stays Here" campaign to several foreign markets, including the United Kingdom, Canada, and Mexico. Research conducted by the ad agency found that the creative ads were not provocative enough for the United Kingdom, needed to be toned down for Mexico, and could be left alone for western Canada.⁷⁵ However, French Canadians in the eastern part of the country are more European-like in

their sensibilities and the agency plans to develop alternative taglines and stories for a French-language campaign there. Mexicans were more comfortable with storylines that fit with family customers and were not sexually provocative. For example, one spot featured a young man meeting a group of friends in a Mexican bar and trying to tell them about his first trip to Las Vegas, but being too excited to find the right words (Exhibit 19–14).

XHIBIT 19–14

Television ads for Las Vegas were adapted for the Mexican market.

Source: *Las Vegas Convention and Visitors Authority*



Marketers must also determine what type of advertising appeal or execution style will be most effective in each market. Emotional appeals such as humor may work well in one country but not in another because of differences in cultural backgrounds and consumer perceptions of what is or is not funny. While humorous appeals are popular in the United States and Britain, they are not used often in Germany, where consumers do not respond favorably to them. German advertising typically uses rational appeals that are text-heavy and contain arguments for a product's superiority.⁷⁶ France, Italy, and Brazil are more receptive to sexual appeals and nudity in advertising than are most other societies. The French government stepped up its efforts to convince advertisers and their ad agencies to tone down the use of sexual imagery and violence in their advertising.⁷⁷ France's Truth in Advertising Commission, which is the main self-regulatory body, has standards regarding the presentation of human beings in advertising.

Countries such as Japan, Brazil, and Thailand appreciate creativity: Humorous and irreverent ads are often needed to catch the attention of consumers. In Thailand, which has become the creative nerve center of Asian advertising, the unusual blend of culture, religion, politics, and language influences the advertising. Thailand's *sabi-sabai* ("take it easy") attitude is partly a product of the country's Buddhist religion, which teaches disciples to forgive and look on the sunny side of life, as well as the country's heritage as a peaceful kingdom. Thailand has a very high literacy rate but few people read as a leisure activity, which results in most ads being visual in nature rather than based upon language.⁷⁸ Many marketers have found that ads that are more humorous, irreverent, or adventurous break through the clutter and attract the attention of Thai consumers. Another area where creative strategies often differ by country is in the use of celebrities in advertisements. Over half of the TV commercials in countries such as Japan and South Korea feature a celebrity. There are several reasons celebrities are used so often in these countries. Most of the TV commercials are 10- or 15-second spots, and celebrities can help attract attention to the ad. Also, consumers in Japan often look to others for advice, especially from people they know and trust, and celebrities are often seen as trustworthy. The use of celebrities is lowest in European countries such as Belgium, Norway, and Sweden.

Another country where there is a major emphasis on creativity is India, where consumers are not as cynical toward advertising as they are in many other countries such as the United States.⁷⁹ Multinational marketers are recognizing that they must create ads specifically for the Indian market rather than trying to adapt campaigns being used globally or in their domestic markets.

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In China, marketers must deal with a very decentralized market with distinct differences in culture, language, food preferences, and lifestyles among the various regions and 2,000 cities. In general, the Chinese place a high emphasis on group and family values. Advertisers must be careful when using humor and sexual appeal, particularly for national campaigns, since

language and values vary greatly from province to province. Human interest stories are used as the basis for ads in southern China but less so in cities such as Beijing and Shanghai, where residents prefer more information-based ads.⁸⁰

Media Selection

One of the most challenging areas for international marketers is media strategy and selection. Companies often find major differences in the media available outside their home markets, and media conditions may vary considerably from one country to another. Today advertising bombards consumers in countries around the world through a variety of media including print, television, out-of-home, and digital media. However, marketers still face a number of problems in attempting to communicate advertising and promotional messages to consumers in various countries. For example, the amount of time people spend watching television varies from one country to the next. In the United States, the average person spends nearly 5 hours a day watching television. Most major European markets spend less time watching TV than the United States; however, it is higher in countries such as Saudi Arabia as well as Croatia and Romania. A recent study of global media consumption showed that the United States and Western Europe watch a lot of TV, while Asia and other developing economies are disproportionately heavy in mobile and tablet use. But time spent online is increasing in the United States as well as other countries.⁸¹

In some countries, TV advertising is impacted by limits on the amount of commercial time available. For example, advertising time in countries that belong to the European Union have been limited to 12 minutes per hour. In 2016, the European Union changed the rules, limiting television advertising to a total of three hours per day while keeping a limit of 12 minutes of advertising per hour. The new rules also allow product placement in television shows, with the exception of children's and informational shows, and on condition that viewers are informed of the appearance of the placement either before or after the program. The new rules allow each

country across the EU to set tighter advertising rules on television broadcasters if they choose to do so.⁸²

The number of TV sets is increasing tremendously in India, but there is still controversy over TV advertising. Commercials are restricted to only 10 percent of programming time and must appear at the beginning or end of a program. Australia lifted a ban on cable TV advertising in 1997. However, some cable channels won't accept any advertising, and Australian consumers will not tolerate as much advertising on cable channels as on free TV networks.⁸³

The characteristics of media differ from country to country in terms of coverage, cost, quality of reproduction, restrictions, and the like. In some countries, media rates are negotiable or may fluctuate owing to unstable currencies, economic conditions, or government regulations. For example, in China, TV stations charge a local rate for Chinese advertisers, a foreign rate, and a joint venture rate. Although more than a billion TV viewers make China the world's largest television market, the medium is strictly controlled by the Communist Party. State-owned China Central Television (CCTV) controls the national networks. Politics frequently intrude into program selection and scheduling: A show might be delayed for several months to coincide with a key political event, or programs from foreign countries may be pulled off the air.⁸⁴ CCTV has developed its own version of an up-front market, as an auction is held each November to sell advertising time on prime-time programming for the coming year. The annual auction is generally considered a barometer for China's media market as local and regional channels will often hold off setting their advertising rates to see the level of demand for advertising time. While CCTV is China's only national broadcaster, it accounts for just 12 percent of the total television advertising revenue in China, with the remainder going to local TV channels, provincial satellite channels, and provincial TV stations.⁸⁵

Another problem international advertisers face is obtaining reliable media information such as circulation figures, audience profiles, and costs. Many countries that had only state-owned TV channels are now experiencing

a rapid growth in commercial channels, which is providing more market segmentation opportunities. However, reliable audience measurement data are not available, and media buyers often rely on their instincts when purchasing TV time. A number of research companies are developing audience measurement systems for countries in Eastern Europe, Russia, and China. In China, AGB Nielsen Media Research monitors TV-viewing audiences in 11 of China's biggest cities including Beijing, Shanghai, and Guangzhou as well as in the rural parts of several provinces, using nearly 10,000 households with people meters.⁸⁶ Audience measurement information is also available from CSM Media Research, a company that is a joint venture between CTR Market Research (the leading market research company in China) and Kantar Millward Brown.

The goal of international advertisers is to select media vehicles that reach their target audience most effectively and efficiently. Media selection is often localized even for a centrally planned, globalized campaign. Local agencies or media buyers generally have more knowledge of local media and better opportunities to negotiate rates, and subsidiary operations can maintain control and adapt to media conditions and options in their market. Media planners have two options: using national or local media or using international media.

Local Media Many advertisers choose the local media of a country to reach its consumers. While the print media are struggling in the United States, they are still popular in many countries where magazines are circulated nationwide as well as national or regional newspapers that carry advertising directed to a national audience. Most countries also have magazines that appeal to special interests or activities, allowing for targeting in media selection. For example, Japan has numerous fashion magazines such as *Jelly*, which focuses on runway fashions, as well as street fashion and culture (Exhibit 19–15).

XHIBIT 19–15

Jelly is a popular fashion magazine in Japan.

Source: Mark Dierker/McGraw-Hill Education



In addition to print and television, local media available to advertisers include radio, direct mail, billboards, cinema, and transit advertising. These media give international advertisers great flexibility and the opportunity to reach specific market segments and local markets within a country. Most international advertisers rely heavily on national and local media in their media plans for foreign markets.

International Media The other way for the international advertiser to reach audiences in various countries is through international media that have multimarket coverage. The primary focus of international media has traditionally been magazines and newspapers. A number of U.S.-based consumer-oriented publications have international editions, including *Time*, *Reader's Digest*, and *National Geographic* as well as the newspaper *USA Today*. Hearst Magazines International is the largest U.S. publisher of magazines worldwide and oversees the publication of nearly 300 print

editions and more than 265 websites in 34 languages and more than 80 countries including *Esquire*, *Car and Driver*, *Men's Health*, *Good Housekeeping*, *Cosmo Girl*, and *Elle*. Hearst also publishes *Cosmopolitan*, which with 64 international editions is the largest-selling young women's magazine and has more editions than any other magazine in the world (Exhibit 19–16).⁸⁷ Other U.S.-based publications with foreign editions include *Bloomberg Businessweek*, *Fortune*, and *The Wall Street Journal*.

XHIBIT 19–16

International editions of *Cosmopolitan* magazine are distributed in more than 100 countries in 35 languages.

Source: Hearst Magazine Media, Inc.



International publications offer advertisers a way to reach large audiences on a regional or worldwide basis. Readers of these publications

are usually upscale, high-income individuals who are desirable target markets for many products and services. There are, however, several problems with these international media that can limit their page 658 attractiveness to many advertisers. Their reach in any one foreign country may be low, particularly for specific segments of a market. Also, while they deliver desirable audiences to companies selling business or upscale consumer products and services, they do not cover the mass consumer markets or specialized market segments very well. Other U.S.-based publications in foreign markets do offer advertisers ways to reach specific market segments.

The use of print media is declining in many countries as more marketers move more of their media spending to digital. However, television remains popular. Consumer product and service companies in particular view TV advertising as the best way to reach mass markets and effectively communicate their advertising messages. Satellite technology has helped spread the growth of TV in other countries through **direct broadcast by satellite (DBS)** to homes and communities equipped with small, low-cost receiving dishes. A number of satellite networks operate in Europe, Asia, and Latin America and beam entertainment programming across a number of countries. For example, Exhibit 19–17 shows an ad for StarPlus, one of the channels owned by STAR India, which has become the leading television company in India, with 40 channels in 8 languages that reach more than 600 million people every month across India and other countries around the world.

XHIBIT 19–17

STAR India reaches more than 600 million people every month.

Source: Star India



THE ROLES OF OTHER PROMOTIONAL-MIX ELEMENTS IN INTERNATIONAL MARKETING

LO 19-5

This chapter has focused on advertising, since it is usually the primary element in the promotional mix of the international marketer. However, as in domestic marketing, promotional programs for foreign markets generally include other elements such as sales promotion, public relations, [page 659](#) and digital and social media. The roles of these other promotional-

mix elements vary depending on the firm's marketing and promotional strategy in foreign markets.

Sales promotion and public relations can support and enhance advertising efforts; the latter may also be used to create or maintain favorable images for companies in foreign markets. For some firms, personal selling may be the most important promotional element and advertising may play a support role. This final section considers the roles of some of these other promotional-mix elements in the international marketing program.

Sales Promotion

Sales promotion activity in international markets is growing due in part to the transfer of promotion concepts and techniques from country to country and in part to the proliferation of media. The growth also stems from the liberalization of trade, the rise of global brands, the spread of cable and satellite TV, the growth of digital and social media as a result of greater Internet access, and the deregulation and/or privatization of media. Sales promotion and direct-response agencies have been becoming more common, particularly in Europe and more recently in South American, Asian, and Middle Eastern countries. In many less developed countries, spending on sales promotion often exceeds media spending on TV, radio, and print ads.

As we saw in Chapter 16, sales promotion is a very important IMC tool for marketers in the United States, particularly for consumer-packaged goods marketers selling their products through retail channels. Both consumer and trade promotion schedules are planned in advance, and marketers work closely with channel members to get shelf space for their brands. They also use various promotional offers such as price discounts, buy-one-get-one free offers, and other tactics to target promotion-sensitive consumers. Companies increasingly rely on consumer- and trade-oriented sales promotion to help sell their products in foreign markets as well. Many of the promotional tools that are effective in the United States, such as free samples, premiums, event sponsorships, contests, coupons, and trade promotions, are also used in foreign markets. For example, Häagen-Dazs estimates it gave out more than 5 million free tastings of its ice cream as part of its successful strategy for entering the European market. Since taste is the major benefit of this premium

product, sampling was an appropriate sales promotion tool for entering foreign markets. The WD-40 Co. uses samples in the United States as well as foreign markets to educate consumers about the versatility of the product and encourage trial. The samples shown in Exhibit 19–18, which use the front headline “One Can. One Thousand Uses,” was translated into 20 different languages. This makes it possible for the distributors in different countries to use a sampling tool in their local languages. Nestlé introduced its Nescafe brand to China by conducting the world’s largest coffee-sampling program. Nescafe samples were passed out across 150 cities in China using 18 teams throughout the country. The sampling program helped increase sales by over 150 percent in the predominantly tea-drinking country.⁸⁸

XHIBIT 19–18

WD-40 uses product samples in various countries to encourage trial.

Source: WD-40 Company



Unlike advertising, which can be done on a global basis, sales promotions must be adapted to local markets. Kamran Kashani and John Quelch noted several important differences among countries that marketers

must consider in developing a sales promotion program.⁸⁹ They include the stage of economic development, market maturity, consumer perceptions of promotional tools, trade structure, and legal restrictions and regulations:

- *Economic development.* In highly developed countries such as the United States, Canada, Japan, and Western European nations, marketers can choose from a wide range of promotional tools. But in page 660 developing countries they must be careful not to use promotional tools such as in- or on-package premiums that would increase the price of the product beyond the reach of most consumers. Free samples and demonstrations are widely used as effective promotional tools in developing countries. But coupons, which are so popular with consumers in the United States, are rarely used because of problems with distribution and resistance from retailers. In the United States and Britain, most coupons are distributed through newspapers (including FSIs) or magazines. Low literacy rates in some countries make print media an ineffective coupon distribution method, so coupons are delivered door to door, handed out in stores, or placed in or on packages. The use of coupons by both marketers as well as consumers is much greater in the United States than other countries as 258 billion coupons were distributed and 1.7 billion redeemed in 2018. Coupons are also very popular in China as nearly two-thirds of consumers use them. There are coupon kiosks in subways, malls, and supermarkets, and hundreds of thousands are printed and distributed every day for packaged goods products, restaurants, car rentals, and many other goods and services. The Chinese market is highly saturated with brand names and coupons, as well as other promotional offers, which can be important to consumers in making purchase decisions.
- *Market maturity.* Marketers must also consider the stage of market development for their product or service in various countries when they design sales promotions. To introduce a product to a country, consumer-oriented promotional tools such as sampling, high-value coupons, and cross-promotions with established products and brands are often effective. The competitive dynamics of a foreign market are also often a function of its stage of development. More competition is likely in well-developed mature markets, which will influence the types of sales

promotion tools used. For example, there may be competitive pressure to use trade allowances to maintain distribution or consumer promotions that will maintain customer loyalty, such as bonus packs, price-off deals, or loyalty programs.

- *Consumer perceptions.* An important consideration in the design of sales promotion programs is how they are perceived by consumers as well as the trade. Consumer perceptions of various sales promotion tools vary from market to market. For example, Japanese women are less likely to take advantage of contests, coupons, or other promotions than are women in the United States. Premium offers in particular must be adapted to the tastes of consumers in various markets. A study by Huff and Alden examined consumers' opinions toward the use of coupons and sweepstakes in three Asian countries: Taiwan, Malaysia, and Thailand. The study found differences among the three countries, with consumers in Taiwan having more negative attitudes and lower levels of use of both sweepstakes and coupons than consumers in Malaysia and Thailand.⁹⁰
- *Trade structure.* In areas with highly concentrated retailing systems, such as northern Europe, the trade situation is becoming much like the United States and Canada as pressure grows for more price-oriented trade and in-store promotions. In southern Europe, the retail industry is highly fragmented and there is less trade pressure for promotions. The willingness and ability of channel members to accommodate sales promotion programs must also be considered. Retailers in many countries do not want to take time to process coupons, post promotional displays, or deal with premiums or packaging that require special handling or storage. In countries like Japan or India, where retailing structures are highly fragmented, stores are too small for point-of-purchase displays or in-store sampling. In most Asian countries simple price-cut promotions that are supported by direct-mail leaflets and newspaper advertising are the primary promotional vehicles.⁹¹
- *Regulations.* An important factor affecting the use of sales promotions in foreign countries is the presence of legal restrictions and regulations. Laws affecting sales promotions are generally more restrictive in other countries than in the United States. Some countries ban contests, games, or lotteries, while others restrict the size or amount of a sample,

premium, or prize. For example, fair-trade regulations in Japan [page 661](#) limit the maximum value of premiums to 10 percent of the retail price; in France the limit is 5 percent. Canada prohibits games of pure chance unless a skill element is used to determine the winner. In Japan the amount of a prize offer is limited to a certain percentage of the product tied to the promotion.⁹² In some countries, a free premium must be related to the nature of the product purchased. Many countries have strict rules when it comes to premium offers for children, and some ban them altogether.

Variations in rules and regulations mean marketers must often develop separate consumer sales promotion programs for each country. Many companies have found it difficult to do any promotions throughout Europe because sales promotion rules differ so much from one country to another. While the European Commission has considered various proposals to standardize regulations for sales promotions in countries that are members of the European Union, it has not been successful in doing so. Thus, many companies use local agencies or international sales promotion companies to develop sales promotion programs in Europe as well as other foreign markets.

Public Relations

Many companies involved in international marketing are recognizing the importance of using public relations to support and enhance their marketing and advertising efforts.⁹³ Public relations activities are needed to deal with local governments, media, trade associations, and the general public, any of which may feel threatened by the presence of a foreign multinational. The job of PR agencies in foreign markets is not only to help the company sell its products or services but also to present the firm as a good corporate citizen concerned about the future of the country.

Companies generally need a favorable image to be successful in foreign markets. Those perceived negatively may face pressure from the media, local governments, or other relevant publics or even boycotts by consumers. Often, public relations is needed to deal with specific problems a company faces in international markets. For example, McDonald's and a number of other

companies have had to deal with PR problems arising from concerns over the nutritional value of their food. The latest controversy erupted in response to a report showing child obesity in France had doubled to 16 percent in 10 years. Concerns over the problem of childhood obesity have spread to other European countries and other food companies such as Kraft and Kellogg are also being criticized. As noted earlier, the European Union called on the food industry to regulate so-called junk-food advertising aimed at consumers across the continent.⁹⁴

Yum! Brand's KFC division ran into a public relations problem a few years ago in China, which is the restaurant chain's largest market, when Chinese media reported that several KFC suppliers used hormones and antibiotics to shorten the maturation cycle of chickens. The Chinese state television network (CCTV) ran an investigative piece on large-scale chicken farmers in the country, highlighting concerns over their practices; the food scare resulted in a 6 percent decline in sales for several months in KFC restaurants. In response to the PR crisis, KFC eliminated more than 1,000 farms from its supplier networks to ensure food safety and also pledged to step up self-inspections as well as enhance communication with the government and public.⁹⁵ As part of its response KFC used its various social media sites in the country such as Sina Weibo and Renren to respond in detail with steps the company was taking to ensure the safety of its chicken, engage key media opinion leaders, and restore consumer confidence.⁹⁶ Google has also had to deal with negative publicity in foreign markets involving issues such as stifling competition and preventing competitors from being able to compete and innovate fairly. In 2019, the European Union ordered Google to pay \$1.69 billion for stifling completion in the online advertising sector. The European Commission ruled that Google had placed exclusivity contracts on website publishers, prohibiting them from including search results from Google's rivals. A year earlier, Google was fined \$5 billion for abusing the dominance of its Android operating system that is used in page 662 mobile devices such as smartphones and tablets. Google allowed smartphone manufacturers to use the Android OS for free but was accused of favoring its own services by forcing the smartphone makers to bundle products such as Google Search, Maps, and the Chrome browser along with its app store Play.⁹⁷

Digital and Social Media

Worldwide Growth of the Internet The Internet has clearly come of age as a global marketing medium and is now an important IMC tool as well for companies around the world, both large and small. Marketers are using digital and social media to promote their companies, build their brands, and engage in e-commerce transactions in their own countries as well as across borders. As of 2019, there were more than 4.3 billion Internet users around the world, with the largest number of users residing in Asia, followed by Europe and North America. China is now the country with the largest number of people online, with an estimated 829 million users, followed by India with 560 million, the United States with 293 million, and Japan with 118 million. There are also 719 million Internet users in Europe.⁹⁸

As noted, China now has the world's largest Internet population. There are key differences in the demographic and usage behavior of China's "digital elite" as they are younger, better educated, and more likely to be employed full time versus Internet users in other countries. They also spend more time online and are more involved with web activities such as participating in blogs and chats, posting product ratings and reviews, and using social media. They are also more likely to access the Internet from mobile devices. The look, feel, and features of many Chinese websites are similar to those in the United States and Europe, and China has search and e-commerce sites that function like Google, Amazon, and eBay. Baidu dominates online search in China today since Google closed its China site in March 2010 because of censorship by the Chinese government and cyberattacks from within the country. Google is working toward an agreement to offer an app store for Android devices that would include only government-approved apps.⁹⁹ Alibaba is China's largest online commerce company and its three main sites—Taobao, Tmall, and [Alibaba.com](#)—have over 500 million active users, and host millions of merchants and businesses. Alibaba handles more business than any other e-commerce company and is the most popular destination for online shopping in China, which is the world's fastest-growing e-commerce market.

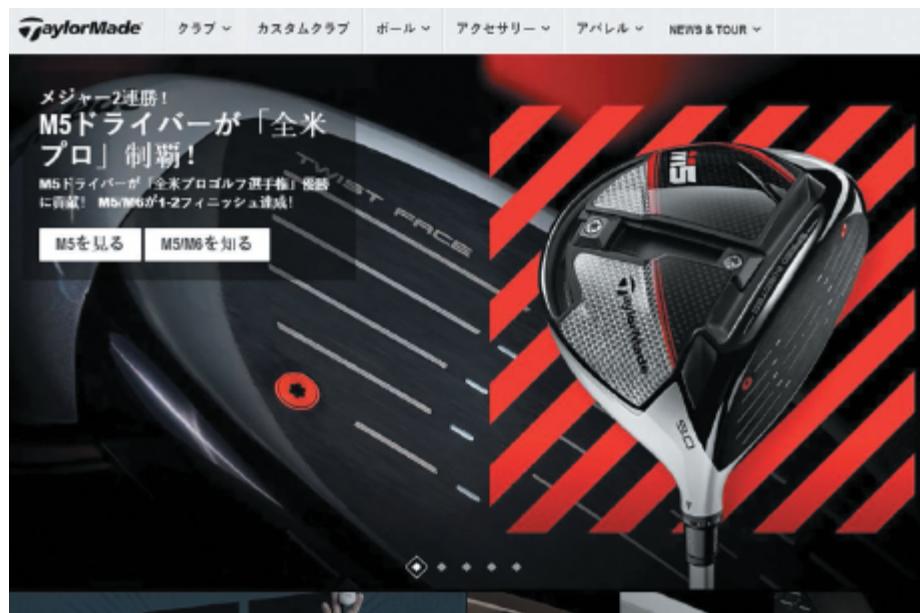
Use of Digital and Social Media in International Marketing

Digital media are becoming an integral part of the IMC program of marketers at a global, regional, and local level as Internet penetration increases in countries around the world and marketers become more adept at using social media, mobile marketing, and other forms of digital communication. Most multinational marketers now have websites for specific countries and/or regions that allow them to tailor the information they provide to the needs, interests, lifestyles, and subtleties of consumers in these markets. For example, Exhibit 19–19 shows a page from the website used by the TaylorMade Golf Company in Japan. Marketers are also using mass-media advertising to drive consumers to their websites, where they provide them with detailed information about their products and services, encourage them to participate in promotions, or encourage them to make purchases.

XHIBIT 19–19

TaylorMade Golf develops a website specifically for countries such as Japan.

Source: *TaylorMade Golf Company*



International marketers are also allocating a large amount of their advertising budgets in various countries to digital media, with online advertising becoming the primary driver of global advertising spending growth. As is the case in the United States, much of this growth in digital

advertising is being driven by ads on social media, online display and video, and paid search. The great majority of digital advertising is targeted at mobile devices, thanks to their widespread adoption and their ever-tighter integration into the daily lives of consumers around the world.

The use of social media is becoming very prevalent in countries around the world, and marketers are making social networking sites an integral part of their IMC programs. There are more than 3.5 billion active social media users worldwide, nearly half of whom live in Asian countries. Facebook has become the first truly global social networking brand and now has more than 2.3 billion users around the world. The company also owns Instagram, which had over 1 billion users in 2019 and 500 million daily active users, 80 percent of whom live outside the United States. Facebook has become the leading social networking site in the United States as well as most other countries. Over the past few years it has become very popular in Brazil, with 120 million users, and replaced Orkut, which is owned by Google, as the most popular social media site in the country. However, Facebook has very little presence in China, where it is banned by the Chinese government along with several other social media sites, including Twitter. Its penetration is also very low in other countries such as Korea and Russia, since local social networking sites are thriving in these countries. One country where Facebook has overtaken a popular local social networking site is Japan; in 2012 it reached 15 million active users in the country, surpassing Japanese social network Mixi, and had 28 million users in 2019 (Exhibit 19–20). It is reported that several factors helped Facebook become very popular in Japan, including the popularity of the movie *The Social Network* and the huge number of social media interactions that occurred following the Tohoku earthquake and the Fukushima nuclear disaster.¹⁰⁰ Another market of great importance to Facebook is India, which is now Facebook's largest market, with 260 million users and the potential for even more growth given the number of Internet users in the country and the population. Growing Internet penetration and a large youth population has helped Facebook expand its user base in India. Nearly 90 percent of those on Facebook in India are accessing the platform on their mobile phones at least once per month, and nearly half are using their mobile phones every day to connect with friends on Facebook.

Facebook is now available in 12 languages in India, and more than 80 percent of the top revenue generating apps in India are integrated with the platform.¹⁰¹

XHIBIT 19–20

Mixi was the leading social networking site in Japan but has been overtaken by Facebook.

Source: NetPhotos/Alamy Stock Photo



Twitter has also become a global social media platform as in 2019 the micro-blogging site had 336 million monthly active users. However, Twitter's growth has stagnated which is creating concern over its viability as a marketing platform.¹⁰² The way people around the world are using Twitter is also changing. Research shows that usage is becoming much more commercial, with consumers posting comments about brands, using branded apps, and asking friends about products. It is likely that global marketers will continue to use Twitter, particularly for publicity and public relations, while looking for other ways to leverage it as an IMC tool such as through the use of Promoted Tweets as well as hashtag campaigns.

As the digital revolution continues, marketers will be making greater use of digital and social media in their global as well as regional and local IMC programs. The use of social networking sites will become more prevalent, and marketers are also expected to increase their use of mobile marketing techniques since more consumers are now using their smartphones and other

mobile devices to access and surf the Internet. As consumers become more reliant on the Internet and various forms of digital media for information, entertainment, and socializing, marketers must develop ways to reach them through these contact points.

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Summary —

Many companies are recognizing the opportunities as well as the necessity of marketing their products and services internationally because of saturated markets and intense competition from both domestic and foreign competitors. Advertising and promotion are important parts of the international marketing programs of these companies. Global marketers based in the United States, as well as European and Asian countries, have increased their advertising spending, particularly in digital media.

International marketers must carefully analyze the major environmental forces in each market where they compete, including economic, demographic, cultural, and political/legal factors. These factors are important not only in assessing the potential of each country as a market but also in designing and implementing advertising and promotional programs.

Much attention has focused on global marketing, where a standard marketing program is used in all markets. Part of global marketing is global advertising, where the same basic advertising approach is used in all markets. Opponents of the global (standardized) approach argue that differences in culture, market and economic conditions, and consumer needs and wants make a universal approach to marketing and advertising impractical. Many companies use an in-between approach, standardizing their basic marketing strategy but localizing advertising messages to fit each market.

There are a number of important decision areas in the development of advertising and promotional programs for international markets. These include organization, agency selection, creative strategy and execution, and

media strategy and selection. An important decision facing international advertisers is determining the appropriate advertising messages for each market. Creative strategy development for international advertising is basically similar in process and procedure to that for domestic advertising.

Sales promotion, personal selling, public relations, and the Internet are also part of the promotional mix of international marketers. Sales promotion programs usually must be adapted to local markets. Factors to consider include stage of market development, market maturity, consumer perceptions of promotional tools, trade structure, and legal restrictions and regulations. PR programs are also important to help international marketers develop and maintain favorable relationships with governments, media, and consumers in foreign countries. The use of digital and social media such as the Internet, social networking sites, and mobile marketing is becoming an important part of international marketers' IMC programs. Internet penetration is increasing rapidly in most countries, and as more consumers go online, marketers are developing websites for various countries and also using other forms of digital and social media to reach them.

Key Terms

- balance-of-trade deficit** 634
- economic infrastructure** 635
- cultural values** 638
- global marketing** 644
- global advertising** 644
- country-of-origin effect** 647
- pattern advertising** 650
- localized advertising strategy** 654
- direct broadcast by satellite (DBS)** 658

Discussion Questions

1. The chapter opener discusses the growth and prevalence of digital marketing in China. Discuss the challenges and opportunities this presents to Western companies from the U.S. and Europe who are marketing their products and services in China. (LO 19-1, 19-2, 19-5)
2. Why are international markets so important to U.S. companies as well as companies located in other countries? Discuss the factors companies must consider in developing IMC programs for various countries. (LO 19-1)
3. Discuss how global marketers might use the 2022 FIFA World Cup being held in Qatar as an integrated marketing opportunity. Do you think the controversy surrounding Qatar's hosting of the Word Cup will impact companies' decisions to become involved with the tournament as a marketing platform? (LO 19-1, 19-2)
4. What are some of the political/legal factors that marketers must consider in developing advertising and promotional programs in a foreign market? Choose one of these political/legal factors and discuss how it has created a problem or challenge for a company in developing an advertising or promotional program in a specific country. (LO 19-2)
5. What is meant by a country-of-origin effect? Choose a product category for which there is a country-of-origin effect and discuss how a company or brand might use it in developing an advertising message. (LO 19-3)
6. Global Perspective 19–2 discussed the “Taste the Feeling” global marketing campaign launched by the Coca-Cola Company. Evaluate page 665 the creative strategy being used for this campaign as well as the “one-brand” approach that unites various brands such as Coca-Cola Light/Diet Coke, Coke Zero and Coca-Cola Life under one image, rather than positioning each brand differently. (LO 19-1, 19-2)
7. Discuss the advantages and disadvantages of using a global advertising campaign for a company or brand. For what type of products or services is a global advertising approach appropriate? (LO 19-3)
8. What are the three options available to marketers when organizing for international advertising and promotion? Discuss factors that will influence which option a marketer might use. (LO 19-4)
9. Discuss some of the differences in media that exist across various countries and how they might impact the media strategy used by marketers. (LO 19-4)

10. Discuss the evolving role of digital marketing in the IMC program of international marketers. How can marketers make effective use of digital and social media in marketing their products and services in various countries? (LO 19-5)



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Learning Objectives
