

Global Marketing Communications



Objectives and Strategy

– Marcomms objectives must follow marketing objectives

- Marketing objectives may be different in each market

– Factors that determine strategy

- Firm's resources
- Available media
- Available agencies
- Standardise or adapt?
- Legal restrictions
- What is possible (e.g. media); what might work

Marketing Objectives

- **Different stages of market development**
- **New market**
 - Need to create awareness
 - Brand or umbrella advertising
 - Explain category benefits
- **Mature market**
 - Promote specific products
 - Communicate brand's positioning, USP's
 - Reinforcing brand

Marketing Communications Mix

- Whole mix should be considered
 - Advertising
 - All media
 - Sales Promotion
 - Public Relations
 - Sponsorship
 - Exhibitions / trade shows
 - Personal Selling
- Marcomms mix should be integrated

Personal Selling

- Sales process
 - Highly culture-bound
- Who should do it?
 - Expatriate
 - Good relationships with HQ
 - Knows company & product
 - Presence motivates local agents
 - But expensive & may have limitation with language
 - Local
 - Knows language & culture
 - Needs training & coaching
 - But can you hire the best?
 - TCN Third country national

Incentives

- Formal realistic evaluation
 - Must deserve salary
 - Sales figures – average
 - Target negotiated
 - Rewards & sanctions based on results
- Individualism
- Low PD, UA, explicit
- Internal incentive
 - Cannot be dismissed
 - Close personal ties
 - Boss knows best
 - motivate not achieve
- Collectivism
- High PD, UA, implicit

THE COMMUNICATIONS MIX

- Advertising
- Public relations
- Sales promotion
- Direct marketing

- Selling
- Sponsorship
- Exhibitions
- Corporate identity
- Packaging
- Point of sale
- Word of mouth

ADVERTISING

- Is any non personal paid form of communication using any form of mass media.

How it works

“By making buyers respond more favourably by providing information to encourage them to modify their desires”

ADVERTISEMENT



An advertisement by Jung von Matt/Alster for watchmaker IWC. Bus straps have been fashioned from images of IWC's Big Pilot's Watch to allow bus travellers near the airport to try before they buy at Berlin, Germany.

ADVERTISEMENT



A very cost-effective advertisement in Hong Kong for a yoga school. It showcases the prowess of a yoga practitioner on the flexible stems of drink straws. A surge of enquiries and enrollment went after up this promotional stunt.

ADVERTISING VS PUBLICITY

FACTOR ADVERTISING PUBLICITY

Control Great Little

Credibility Lower Higher

Reach Achievable Undetermined

Frequency Schedulable Undetermined

Cost Specific Unspecified/low

Flexibility High Low

Timing Specifiable Tentative

PUBLIC RELATIONS



- “Public Relations is a management activity that attempts to shape the attitudes and opinions held by an organisation’s stakeholders”

Chris Fill, 2002

- “The deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation and its publics”



The Institute of Public Relations

CHARACTERISTICS OF PUBLIC RELATIONS

- **Marketing and public relations**
 - **Corporate and product marketing**
- **Well suited to building and maintaining awareness**
- **High levels of credibility**
- **Levels of control may vary (content, timing)**

STAKEHOLDERS TO BE CONSIDERED

- **Employees**
- **Shareholders**
- **Suppliers**
- **Financial groups**
- **Media**
- **Opinion formers**
- **Competitors**

- **Community**
- **Local authorities and government**
- **Customers and potential customers**
- **Special interest groups**
- **Potential employees**
- **Distributors**

SALES PROMOTION



“Sales promotion comprises that range of techniques used to attain sales/marketing objectives in a cost effective manner by adding value to a product or service either to intermediaries or end users, normally but not exclusively within a defined time period.”



(ISP/Cummins, 1994)

“Short term incentives to encourage purchase or sales of a product or service”

(Kotler, Armstrong, Saunders, Wong 2002)

OBJECTIVES OF SALES PROMOTION

- **Consumer**

- increase short-term sales
- encourage trial of a new product
- encourage purchase of brand in preference to another (switching)
- encourage repeat purchase



- **Trade**

- Allocate more shelf space /extend the number of outlets
- Persuade retailers to buy ahead

- **Sales force**

- prompt sales force support for new products

SALES PROMOTION

- “Push” promotions
 - Push products through distribution chain by promoting to the trade
- “Pull” promotions
 - Stimulate consumer demand to “pull” products through the distribution chain

Influence of culture on buyer-seller relationships

- **Inferior status for trade**
 - Poor status for sales/selling is reserved to a minority group
- **Being/doing**
 - Personal relationship orientated/Impersonal deal orientated
- **Money**
 - Price bargaining as friendship ritual
- **In-group orientation**
 - People from a certain in-group are considered adequate
- **Family orientation**
 - Buyer-seller relationships are viewed as an element of a larger family network

Public Relations

Possible PR methods

- Event sponsorship
- Prizes at events
- Press releases
- Announcements
- Lobbying

Possible PR targets

- Employees
- Shareholders
- Suppliers
- Customers
- General public
- Governments
- Financial markets

Culture & Public Relations

- To create and enhance a favourable corporate image with various publics
- Crisis: To maintain goodwill by responding to criticism, explaining actions and countering messages that may damage

Cultural variance in

- Making contacts
- Managing relationships
- Disclosing information
- Developing arguments
- Dealing with nationalistic feelings

Corruption Facts

http://www.unodc.org/pdf/9dec04/general_e.pdf

- Each year, in both developed & developing countries, over US\$ 1 trillion is paid in bribes. [www.worldbank.org]
- Judicial corruption was pervasive in 30 of the 48 countries examined. [Centre for Independence of Judges and Lawyers, *Ninth annual report on Attacks on Justice*, March 1997, February 1999.]
- Investment in a relatively corrupt country compared to an uncorrupt one can be as much as 20 per cent more costly. [“Economic Corruption: Some Facts”, Daniel Kaufmann 8th International Anti-Corruption Conference 1997]

International PR

- Objectives
 - Remove discrimination against foreign firms
 - Obtain investment incentives
 - Obtain favourable media treatment
 - Build media relationships
 - To help with future News Releases
 - To help with any damage limitation
 - Inform & motivate stakeholders
 - Create and build awareness and knowledge
- Kotler's extra Ps for International Business
 - Public Relations, Politics

Trade Shows and Exhibitions

- 1,500 trade shows in 70 countries per annum
- Can be efficient
 - Meet possible agents, decision makers & prospects
 - Observe competition
 - Be seen as player in the industry
 - Who pays? May be subsidised by government
- Needs organisation
 - Logistics
 - Associated PR & advertising
 - Follow-up

Types of sales promotion



Price discounts

Catalogues/brochures

Coupons

Samples

Gifts

Competitions

Main media types

Television

Magazines

Radio

Cinema

Newspapers

Outdoor

Global Media

- **Satellite TV**
- **Internet**
- **English language papers, magazines and periodicals, e.g. Business Week, Economist, FT**
- **Translated copy magazines e.g. National Geographic, GQ, Cosmopolitan, Vogue**

The New Communication Environment

- **Major shifts in media viewing habits**
- **Decline of TV advertising**
- **Growing use of video gaming and internet broadband**
- **Rise of mobile phones as ubiquitous tool**
- **Explosion of blogs and social communities**
- **Importance of search engines (e.g., Google)**
- **Events, experience and buzz marketing**

Global Advertising

- Advertising is any sponsored, paid message that is communicated in a nonpersonal way
 - * Single country
 - * Regional
 - * Global
- Global advertising is the use of the same advertising appeals, messages, art, copy, photographs, stories, and video segments in multiple country markets

Key decisions in international marketing communications

- Global vs. Local communication policies
- Promote corporate image
 - through non-media tools (e.g., sponsoring, public relations)
- Standardization versus localization of advertising campaigns
- Which strategies and executions to be adapted to local markets?
 - Is basic ad strategy more standardizable than execution?
- How to account for cultural cues to avoid blunders in multi-local campaigns?
- Which organizational design (global/local + advertiser/agency) will be the best in managing the necessary 'glocal-local' compromises?

Top Global Ad Markets

<u>Country</u>	<u>2000 \$Bill</u>	<u>highest prop</u>
1. US	134.3	TV - 39%
2. Japan	33.2	TV - 45%
3. Germany	21.6	Newspaper - 45%
4. UK	15.8	Newspaper - 39%
5. France	11.1	TV - 34%
6. Italy	8.3	TV - 45%
7. Brazil	6.9	TV - 60%
8. Spain	5.4	TV - 41%
9. Canada	5.3	TV - 39%

Standardise or Adapt

- Key question for global marketers
 - Does the specific advertising message and media strategy need be changed because of environmental requirements?
- Two positions
 - "One world, one voice" approach
 - Localised approach

Advertising: Standardise or Adapt?

- **Media buying - still highly localised, hard to standardise**
- **Message and creative - communication style and content must match the culture** (de Mooij, 1998)
 - High context cultures tend to respond to indirect communication, less copy, more symbols
 - Low context cultures tend to respond to direct communication, more copy, facts and data
 - BUT, there are exceptions

What Works

- **Visuals**
- **Music**
- **Universal themes**
 - superior quality/value, brand new, country-of-origin, heroes, global presence, market leadership
- **World Celebrities**
- **Concept/benefits, not the product**

Gillette's Fusion razor: a USP creative strategy

New **Gillette Fusion** GILLETTE'S BEST SHAVE IN MANUAL AND BATTERY POWER

► **DISCOVER FUSION** SHAVING TIPS THE LOCKER ROOM WHERE TO BUY FUSION VALUE PACK

Fusion Manual

Fusion Power
Fusion Pre and Post Shave
How Fusion Compares

COMFORT OF 5.

► **LEARN MORE**
Gillette's best shave | FAQ

Gillette Fusion LOCKER ROOM™

COME IN AND EXPLORE
Exclusive footage

Gillette The Best a Man Can Get™

Contact | International

What Doesn't Always Work

- Standardised Humour
- Advertising using previous heritage
- National symbols, settings
- Verbal/written copy
- National personalities

Advertising Standardisation

Advantages

- Brand coherence
- Economies of scale
 - Creation and production costs
 - Purchase of global media space
- Transfer of success
 - Use the successful team's work everywhere
 - No need for top marketers in foreign locations
- Control
 - Costs
 - Message

Disadvantages

- Lowest common denominator
- Foreign targets may not identify themselves with the advertisements
 - Reduced sales
 - Weak or confused branding
- May demotivate local employees

Cathay Pacific: standardized advertising throughout its markets



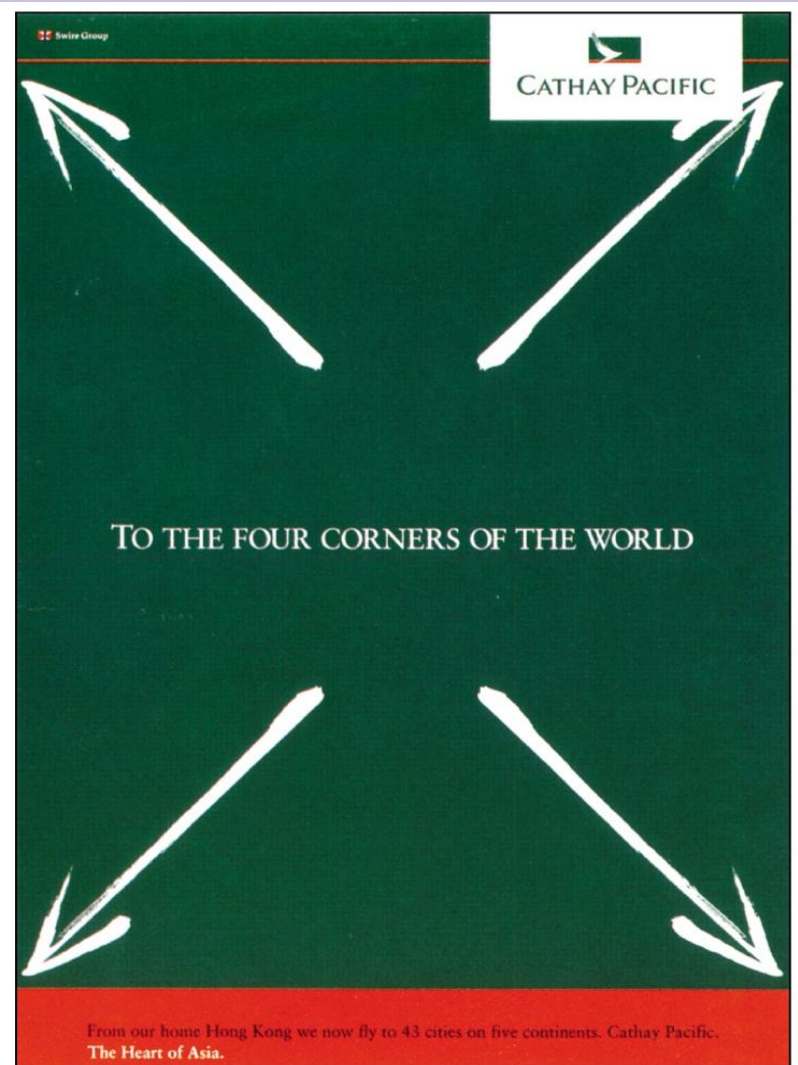
Swire Group

CATHAY PACIFIC

世界の隅々へ。キャセイパシフィック

日本の5大都市から香港へ、世界最大の航空会社として、世界から5大陸、27ヵ国、43の都市へ。キャセイパシフィックならヨーロッパへも、日本から夜間出発、朝いちばんに到着の、飛躍のないスケジュールで飛べます。Cathay Pacific. The Heart of Asia.

<http://www.cathaypacific.com>



Swire Group

CATHAY PACIFIC

TO THE FOUR CORNERS OF THE WORLD

From our home Hong Kong we now fly to 43 cities on five continents. Cathay Pacific. The Heart of Asia.

Obstacles to Standardised Advertising

- Media variance
- Culture
- Marketing objectives
- Competitors
- Different positioning
- Product adaptations
- Push or pull strategies
 - Long channel encourages pull when it can be afforded
 - Small budget encourages push

Advertising Standardisation Strategies

- **Identical ads**
 - Common artwork with minimum of localisation
- **Global prototype ads**
 - Voice over and visuals may be changed to avoid language & cultural problems
 - Re-shot with local people & places
- **Pattern standardisation**
 - Common positioning theme
 - Local implementation

Core benefit for new cars sales

- **Car attribute importance**
 - France
 - car's elegance
 - Germany
 - engineering efficiency
 - Italian
 - acceleration
 - England
 - Large percentage of company cars
 - Important attributes?

Advertising Elements: Message

- Basic concept
- Ad appeal
 - Rational
 - Emotional
- Selling Proposition
 - Claim captures reason for buying or benefit
 - Adaptations?
- Creative Execution
 - Straight sell
 - Scientific evidence
 - Demonstration
 - Comparison
 - Testimonial
 - Slice of life
 - Animation
 - Fantasy
 - Dramatization

Advertising Elements: Communication

- Copy
 - Target populations
 - Literacy rates
 - Languages
 - Cultural dimensions
- Symbolism
 - Colours
 - Man-woman relationships
- Media types
 - TV
 - Cable TV
 - Radio
 - Internet
 - Outdoor
 - Direct mail
- Availability
- Coverage of target pop

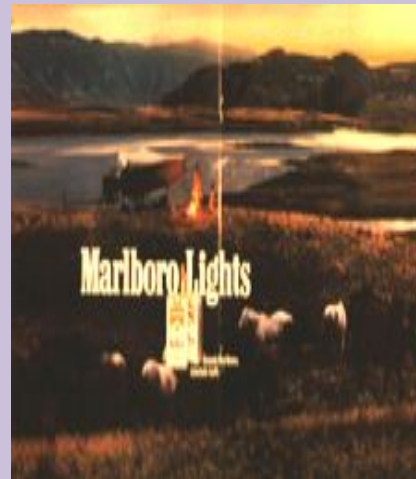
International Marcomms

Global Prototypes - Marlboro

Germany



Turkey



France



USA



Sweden



Saudi Arabia



International Marcomms

Global Prototypes - Drakkar Noir

USA 'Feel the Power'



Saudi Arabia



Spain



France



International Marcomms

Pattern Standardisation - Diet Coke

France



Korea



Thailand



Content Analysis

- Do not support standardized advertising
- Differences usually consistent with cultural dimensions
 - i.e. individualism, collectivism

Content Analysis: Goal Differ

Japanese Ads

- Make friends with the audience
- Prove that you understand their feelings
- Show that you are nice
- Consumers will then want to buy from you because they feel familiar with/trust you

Western Ads

Learn-Feel-Do

- Teach the audience how the product/brand is different and why it's better than others
- Provide concrete benefits/reasons for purchase
- Learning brand benefits leads to good feeling about brand/company

Advertising Appeals

Japanese Ads

- Soft sell
- more emotional appeals
- fewer comparative appeals

Western Ads

- Hard sell

Korean Ads

- family well-being
- group goals
- interdependence
- harmony

USA Ads

- individuality
- independence
- self-improvement
- ambition
- personal goals/benefits

Standardisation: A more realistic way to global advertising

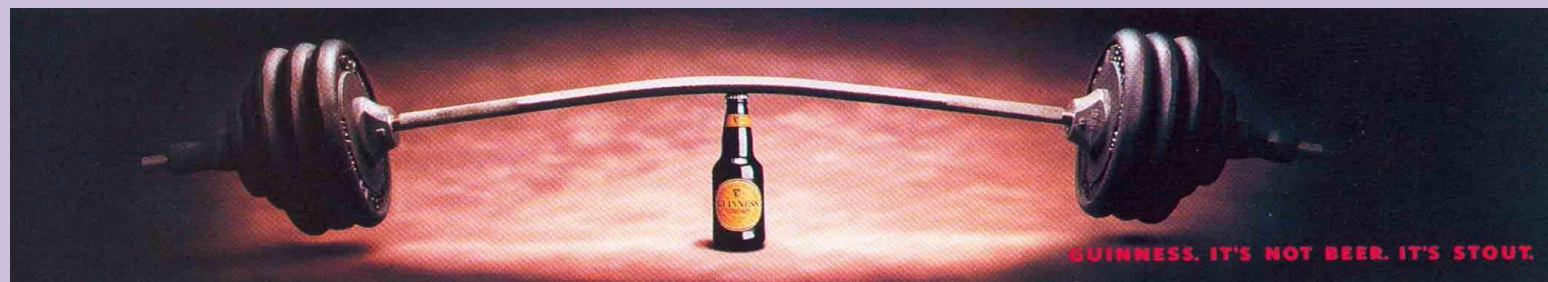
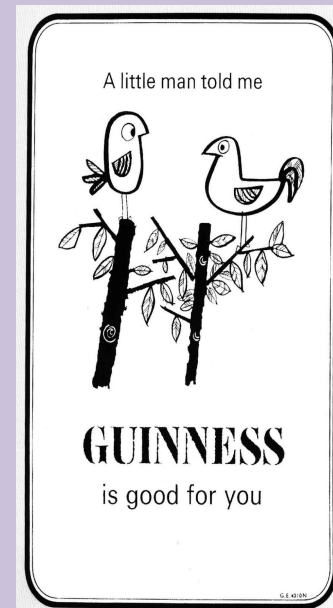
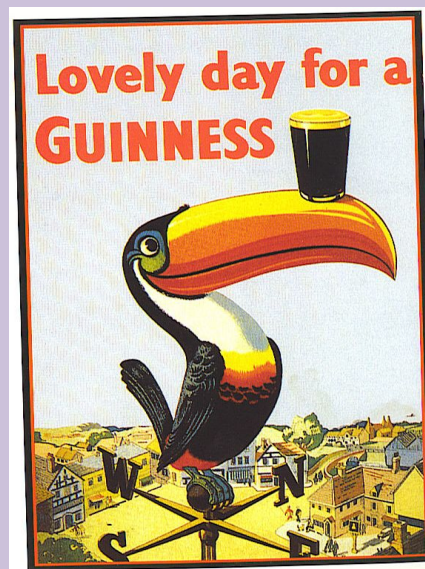
- Publicity not Persuasion
- Mostly for Maintenance in the face of Competition
- Seldom for Growth



Publicity: Talking-points

(not Selling-points)

- Publicity proclaims the brand, e.g.
 - “Always Coca-Cola” (Here I Am)
 - “X Gets Clothes Clean” (X is a detergent)
- Tells a good story, well
- Can link and refresh personal memory traces



Advertising Slogans: A few mistakes

(Source: American Demographics)

- Coors "*Turn it loose*"
 - in Spanish "Suffer from diarrhoea"
- Chevy *Nova*
 - in Spanish is "*No va*" means "it doesn't go"
- "*Pepsi Brings You Back to Life*"
 - in Chinese "Pepsi Brings Your Ancestors Back from the Grave"
- McDonald's "*Finger-licking Good*"
 - In Chinese "eat your fingers"
- Clairol's "*Mist Stick*" (a curling iron)
 - in Germany mist is slang for manure
- *Gerber* baby food had cute baby on the label
 - in Africa, companies routinely put pictures on the label of what's inside because of high rates of illiteracy

(Source: American Demographics)

Examples of Country Regulations in Saudi Arabia

- Use of comparative advertising claims is prohibited
- Noncensored films cannot be advertised
- Women may only appear in those commercials that relate to family affairs, and their appearance must be in a decent manner that ensures feminine dignity
- Women must wear a long suitable dress which fully covers her body except face and palms

The globalization of advertising: organizational issues

Arguments in favour of standardized advertising

- Consistent image across markets
- Avoids confusing mobile consumers
- Can decrease preparation
 - campaign themes, copies & materials;
- Control over planning and execution of local campaigns

Major limitations to standardized advertising

- Culture-bound products & services
- Local execution may still be needed (Wash & Go shampoo)
- Colonial orientation may be irritating for local marketing teams since “global” often equates with US approach

Selecting an Advertising Agency II

World's Top Ad Agencies

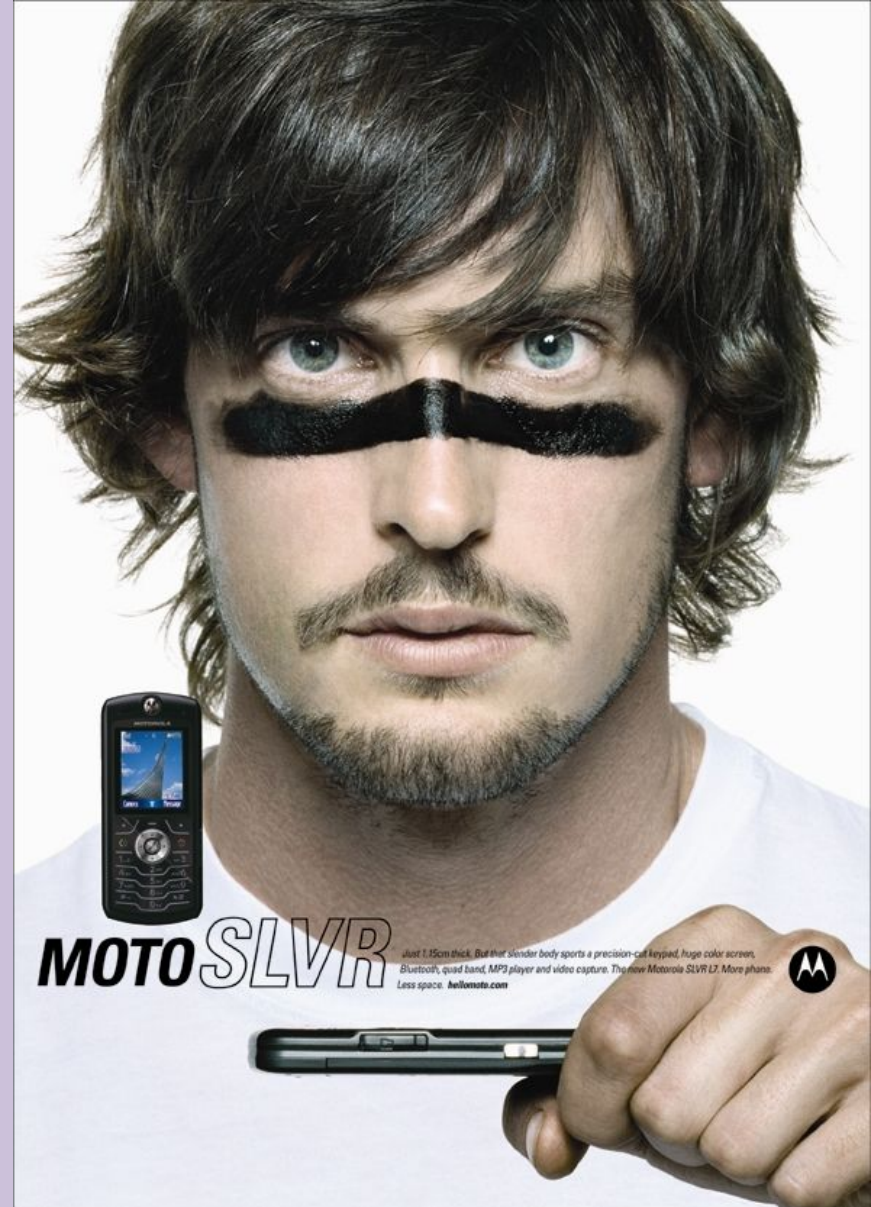
1. Dentsu (Tokyo)
2. McCann-Erickson worldwide (New York)
3. BBDO worldwide (New York)
4. J. Walter Thompson co. (New York)
5. Euro RSCG worldwide (New York)
6. Grey Worldwide (New York)
7. DDB Needham Worldwide (New York)
8. Ogilvy & Mather Worldwide (New York)
9. Publicis Worldwide (Paris)
10. Leo Burnett Co. (Chicago)

UK



MOTO SLVR

Just 1.15cm thick. But that slender body sports a precision-cut keypad, huge color screen, Bluetooth, quad band, MP3 player and video capture. The new Motorola SLVR L7. More phone. Less space. hellomoto.com



MOTO SLVR

Just 1.15cm thick. But that slender body sports a precision-cut keypad, huge color screen, Bluetooth, quad band, MP3 player and video capture. The new Motorola SLVR L7. More phone. Less space. hellomoto.com



Scandinavia





Remember to ski and snowboard responsibly. www.boeriusa.com

boeri
it's your head



FRANCESCO BIASIA
HANDBAGS