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MK 333/326
International Marketing
Chapter 16

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Chapter 16

Integrated Marketing Communications and International Advertising

International Marketing

18th Edition



Learning Objectives

- 16-1 Local market characteristics that affect the advertising and promotion of products
- 16-2 The strengths and weaknesses of sales promotions and public relations in global marketing
- 16-3 When global advertising is most effective; when modified advertising is necessary
- 16-4 The communication process and advertising misfires
- 16-5 The effects of a single European market on advertising
- 16-6 The effect of limited media, excessive media, and government regulations on advertising and promotion budgets

Integrated Marketing Communications (IMC)

Key Considerations

- Advertising, sales promotions, trade shows, personal selling, direct selling, public relations
- Availability of channels varies in different markets
 - Can determine market entry decisions
 - Informs product and service development
- Goal is to achieve synergies



Sales Promotions in International Markets 1 of 2

Directed toward consumer or retailer

- Stimulate consumer purchases
- Improve retailer or middlemen effectiveness, cooperation

Local adaptation crucial

- Media limitations in some countries
 - May require higher budget allocation toward sales promotions
- Major constraints can be imposed by local laws
 - Promotions may require permit or be outlawed altogether

Sales Promotions in International Markets 2 of 2

Specific Objectives

- Consumer product trial or immediate purchase
- Consumer introduction to the store or brand
- Gaining retail point-of-purchase displays
- Encouraging stores to stock product
- Supporting and augmenting advertising and personal sales



International Public Relations

The Role of Public Relations (PR)

- Create good relationships with press and media
 - Encourage press to cover positive stories about company
 - Manage unfavorable rumors, stories, and events
 - Obtain corporate sponsorships
- Effective PR benefits communication with public
 - Customers, the general public, and government regulators



PR: Corporate Sponsorships



© Cameron Spencer/Getty Images

Kelly Slater, 10-time world surfing champion, ended his long-term relationship with corporate sponsor Quiksilver in 2014. As a promised bonus for winning his 10th championship, he took a 3 percent stake in the company rather than the rumored \$10 million in cash. In 2015 Kelly's ride with Quiksilver wiped out, so to speak. The firm declared bankruptcy and its stock plummeted by 80 percent. We don't know if Kelly bailed out in time.

International Advertising 1 of 3

Global mass media advertising

- Growth especially in use of digital media
- A tool for social change
- Influences consumers' decision-making about finances

Advertising expenditures generally cyclical

- More stable in relationship-oriented countries that value long-term performance



International Advertising 2 of 3

Culture and Advertising

- Purpose of an ad
 - Interpret or translate qualities of products and services in terms of consumers needs, wants, desires, and aspirations
- Consumer response to ads impacted by:
 - Culture, style, feelings, value systems, attitudes, beliefs, perceptions
- International ad must coincide with cultural norms
 - Emotional appeals, symbols, persuasive approaches



International Advertising



International Advertising 3 of 3

Steps for International Advertising

1. Perform marketing research
2. Specify the goals of communication
3. Develop the most effective message(s) for the market segments selected
4. Select effective media
5. Compose and secure budget based on what is required to meet goals
6. Execute the campaign
7. Evaluate the campaign relative to the goals specified

Vehicles as Advertising Mediums



© John Graham



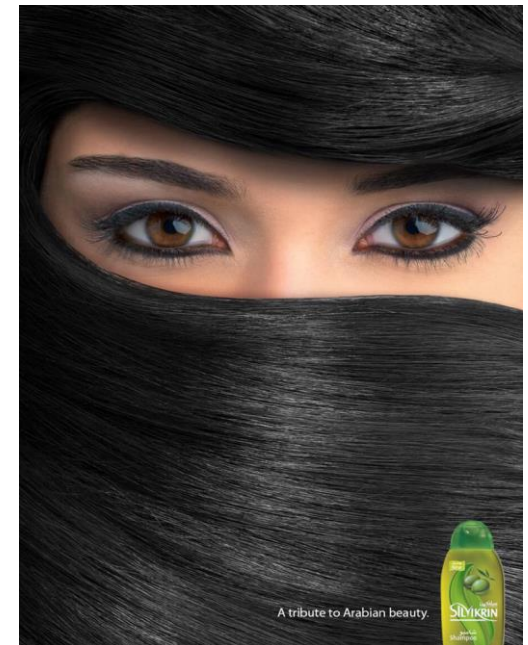
© John Graham

These vehicular ads make an effective advertising medium even in a dense London fog. Because most London cabs are black, the Snickers ad catches the eye immediately.

Advertising Strategy and Goals 1 of 3

Strategies for Advertising

- Increasing need for more sophisticated strategies
 - Intense competition for world markets and sophistication of foreign consumers
- Standardization versus customization
 - Standardized products can often be marketed globally, but require a different advertising appeal in different markets
- Market segmentation strategies
 - Many ignore national boundaries
 - Some propose creating segments defined by “consumer cultures”



Advertising Strategy and Goals 2 of 3

Product Attribute and Benefit Segmentation

- Market offering a bundle of satisfactions buyer receives
 - Primary function of product or service
 - Other benefits imputed by values and customs of culture
- Cultures may seek same primary function
- Cultures often perceive other features differently
 - Psychological attributes, satisfactions



Advertising Strategy and Goals 3 of 3

Regional Segmentation

- Standardization becoming more possible in Europe
 - Emergence of pan-European communications media
 - Legal restrictions slowly being eliminated
- Companies with pan-European promotions strive for harmony in brand names and advertising
 - Avoids confusion



The Message: Creative Challenges 1 of 9

Global Advertising and the Communications Process

- Message may fail for variety of reasons
 - Does not get through due to media inadequacy
 - Misunderstood by audience because of different cultural interpretations
 - Understood, but ineffective because marketer did not correctly access needs, wants, or thinking process of target market



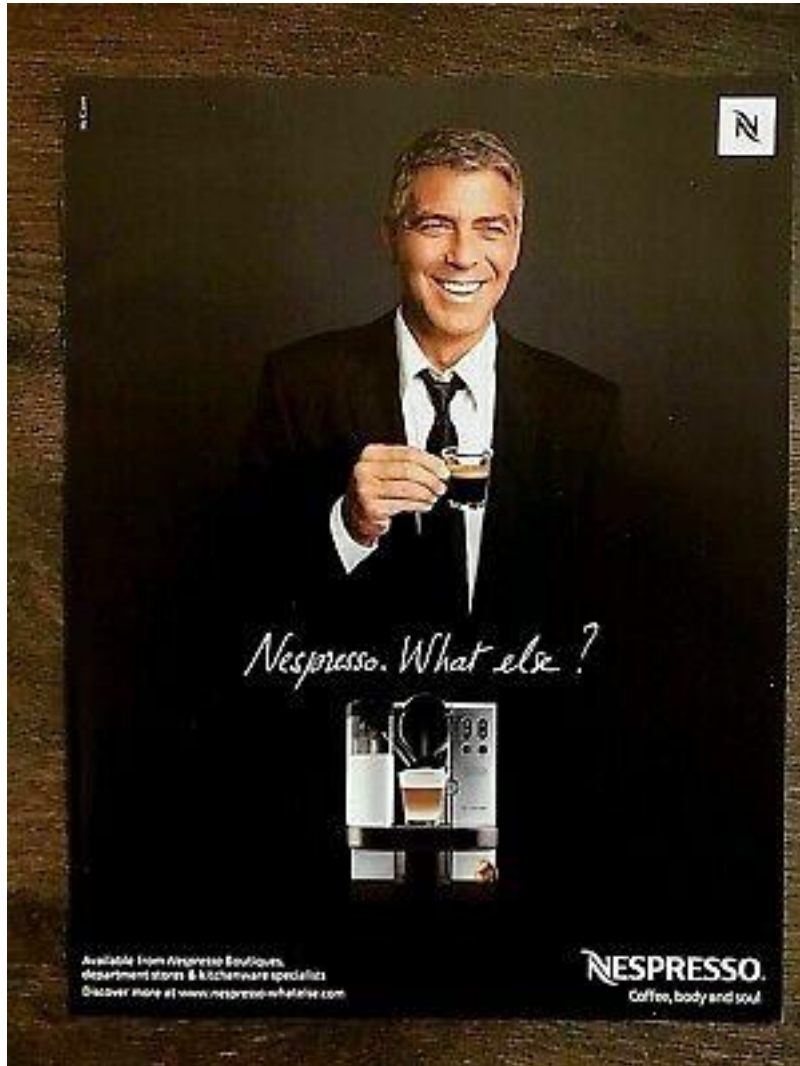
The Message: Creative Challenges



The Message: Creative Challenges



The Message: Creative Challenges



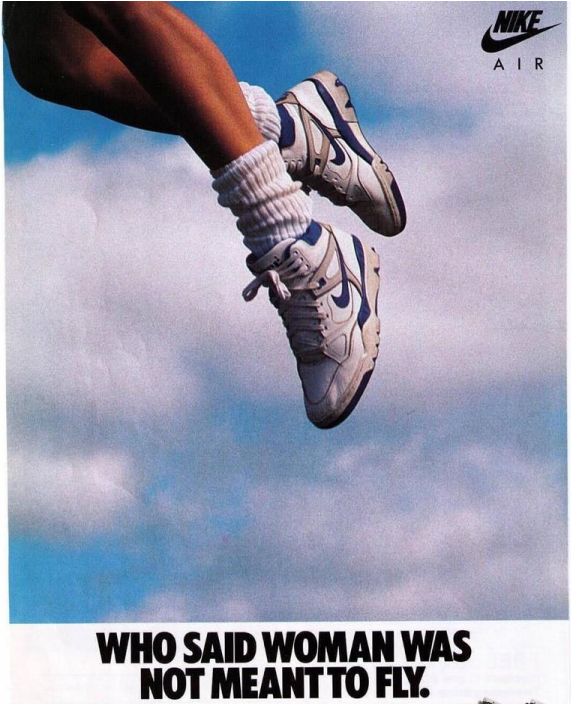
The Message: Creative Challenges



MAGNUM
ENJOY THE ROYAL TREATMENT



The Message: Creative Challenges



The Message: Creative Challenges 2 of 9

Components of Communication Process

1. Information source
2. Encoding
3. Message channel
4. Decoding
5. Receiver
6. Feedback
7. Noise

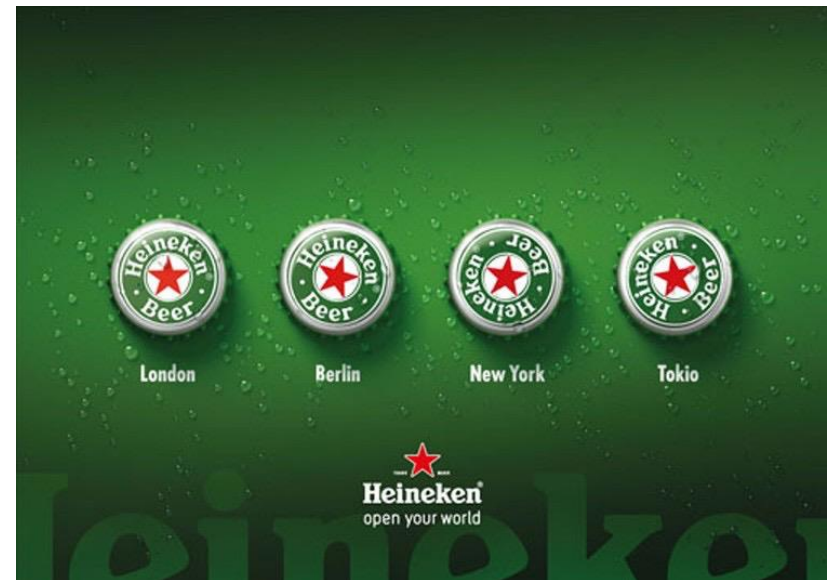
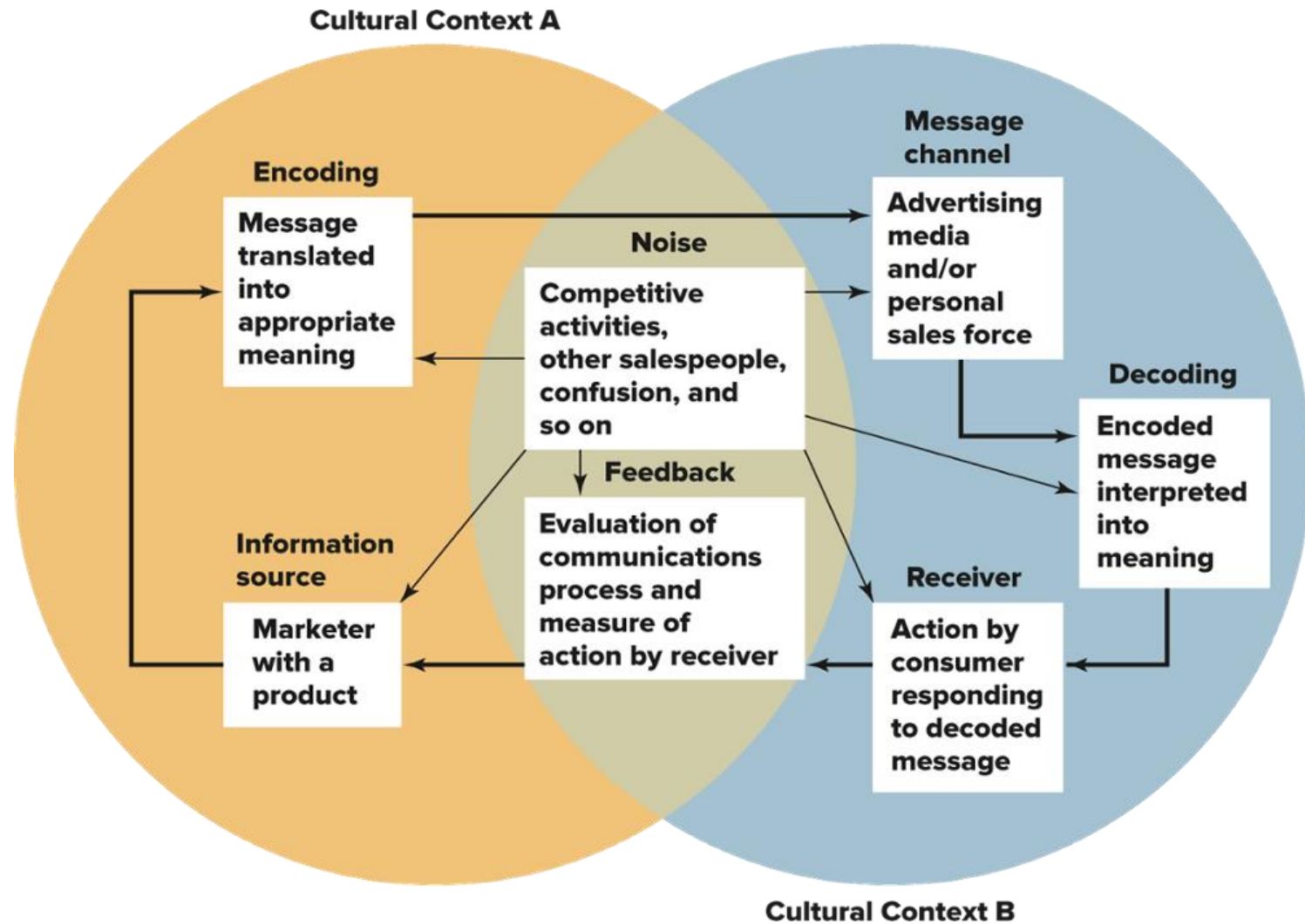


Exhibit 16.4 The International Communications Process

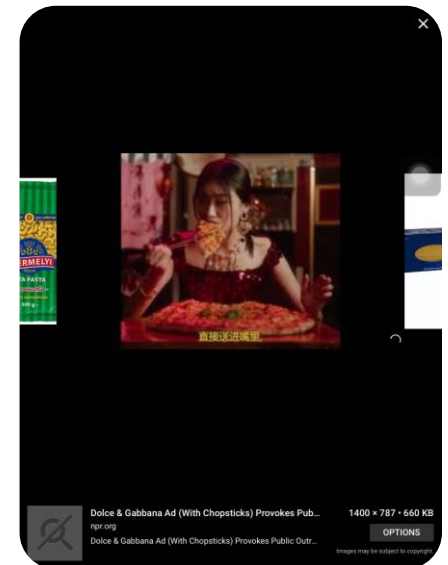


[Jump to long description.](#)

The Message: Creative Challenges 3 of 9

Promotional Misfires

- Cultural context impacts understanding of message
 - Without careful consideration, misunderstanding probable
 - May be a lack of knowledge about the target market
- “Psychological overlap” between sender and receiver
 - Important for effective communication



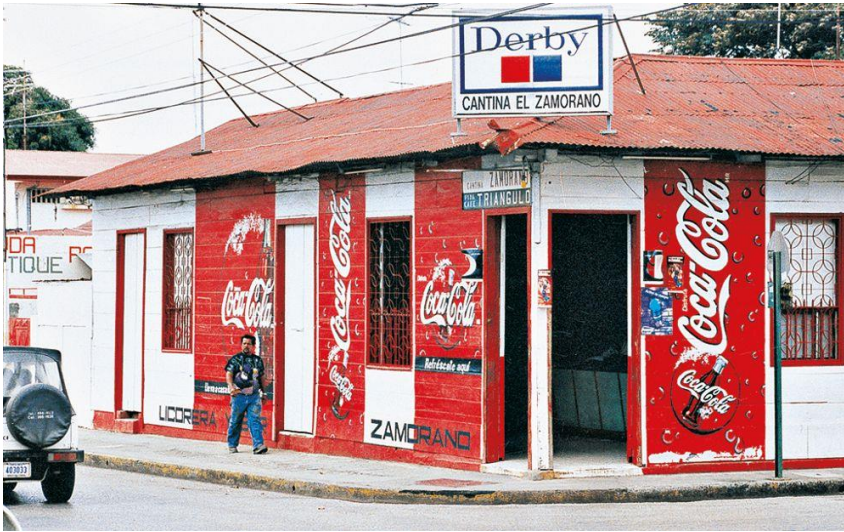
The Message: Creative Challenges 4 of 9

Promotional Misfires continued

- Encoding errors
 - Symbols used may send unintended message
 - Marketer should be aware of own SRC
 - Media channel used can cause issues
 - Lack of literacy and access to chosen media
- Decoding errors
 - Generally caused by a poorly encoded message
 - Incorrect knowledge of use patterns, message meaningless to receiver, poor media selection, inaccurate decoding so that message is garbled



The Power of Color in Ads



Notice the Coke advantage at work—the red contrasts with the outdoor environment, while the Cristal aqua blends more with the blue sky and trees.

The Message: Creative Challenges 6 of 9

Legal Constraints

- Comparative advertising
- Advertisement of specific products
 - Pharmaceutical, toy, tobacco, and liquor industries
- Television advertisements
 - EU deciding if same restrictions should apply to Internet ads
- Special advertising taxes
 - Restricts creative freedom in media selection

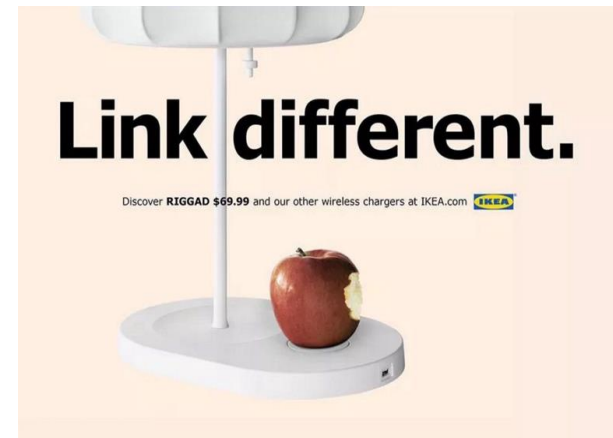


Comparative Advertising



Linguistic Limitations

- Different languages of different countries
- Different languages or dialects within same country
 - Includes subtler problems of linguistic nuance, argument style, vernacular, and even accent
- Translation efforts often insufficient
 - Use of abstraction, terse writing, and word economy in advertisement does not translate easily
- Literacy levels vary by country
 - Calls for greater creativity and use of verbal media



Messages Around the World

© John Graham



© Denis Doyle/AP Images



© Courtesy of GE

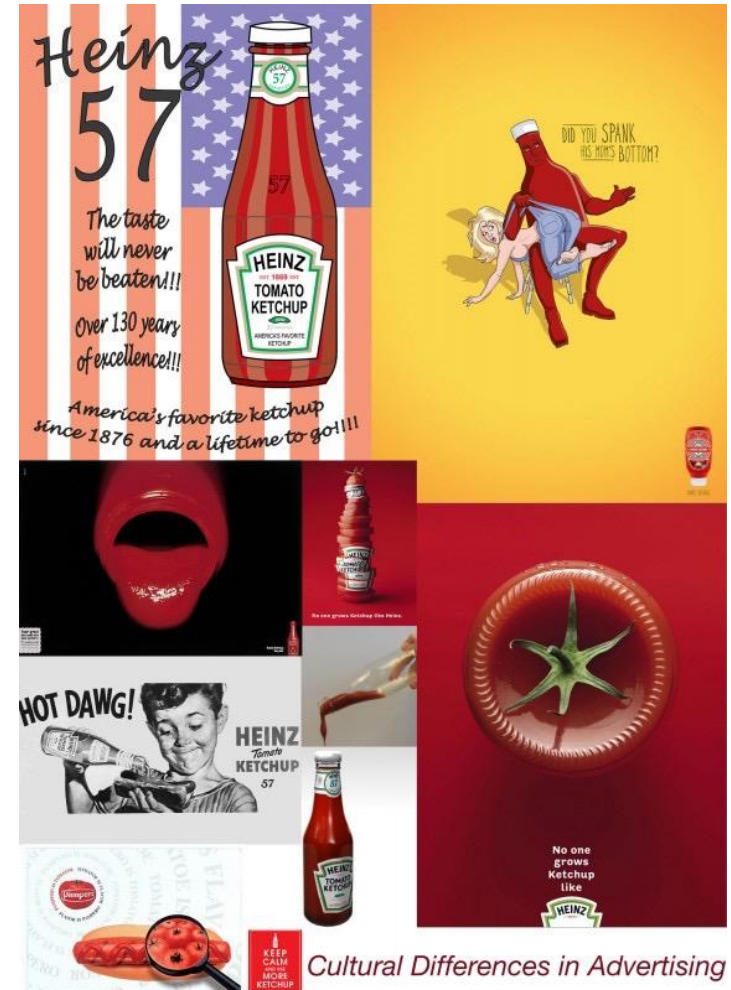
The “true ting” in Jamaica is a grapefruit-flavored soft drink. The slogan is, of course, a take-off on “the real thing” advertising of Coca-Cola some decades ago. “Ting” is obviously a Creole version of “thing” for Jamaicans. Perhaps the best billboards ever are the giant bulls posted on hillsides around rural Spain. They were originally meant to advertise Osborne Brandy, but they have evolved into a national symbol. Not even Coca-Cola can make that strong a claim. Finally, GE joined with the Chinese government in promoting a green Beijing Olympics. Ironically, many folks around the world see outdoor advertising itself as a kind of pollution!

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The Message: Creative Challenges 8 of 9

Cultural Diversity

- Language and culture interrelated
 - Cultural factors largely determine perception of language in ad
 - If perceptual framework differs, so does perception of message
- Perception based on tradition and heritage
 - Often renders advertising campaigns ineffective or worse
 - Effectiveness of sex appeals, music, and celebrities can vary
- Subcultures within countries also require attention



Cultural Differences in Advertising

The Message: Creative Challenges 9 of 9

Media Limitations

- Challenges marketer's creativity
 - Diminishes role of advertising in promotional program
 - Forces emphasis on other elements of promotional mix

Production and Cost Limitations

- Budget and access to materials impact choice of media
- Necessity for low-cost reproduction in small markets



Media Planning and Analysis 1 of 6

The Communications Revolution

- Influence of electronic communication media
 - PCs, the Internet, mobile phones
 - Influences everyday life for everyone on the planet



Media Planning and Analysis 2 of 6



Tactical Considerations

- Availability
 - Access to certain types of media vary by country; some banned
- Cost
 - Prices of media susceptible to negotiation in most countries
- Coverage
 - Some sectors of population difficult to reach; information about coverage sometimes not available
 - Multimedia approach increases coverage
- Lack of market data
 - Seems to characterize most international markets

Media Planning and Analysis 3 of 6



Tactical Considerations continued

- Newspapers
 - Competition: lacking in some countries, too much in others
 - Long time lag before ad can be run in many countries
- Magazines
 - Use of foreign national consumer magazines by international advertisers notably low
 - Few have large enough circulation or provide dependable circulation figures

Media Planning and Analysis 4 of 6



Tactical Considerations continued

- Radio and television
 - Major communications media in almost all nations
 - Availability varies between countries; impacted by ad laws
 - Ad skipping and streaming devices reduce coverage
- Satellite TV
 - Expansion of coverage emphasizes global standardized messages
 - Most technology involves government regulation and seldom works long

Media Planning and Analysis 5 of 6



Tactical Considerations continued

- Direct mail
 - Viable medium in increasing number of countries
 - Especially important when other media are not available
 - Subject to odd and novel quirks per country
- The Internet
 - Global growth in company spending on online advertising
 - Reaches large portion of B2B market; limited reach in B2C market
 - Set to become increasingly regulated by countries

Media Planning and Analysis 6 of 6

Tactical Considerations continued

- Social media
 - Increases speed of word-of-mouth advertising
 - Consumer-generated content impacts brands
 - Consumers from different countries interact online
- Mobile phone applications
 - Increasing number of apps available to consumers
 - M-commerce: buying products or services by mobile phone

THIS IS AN AD FOR MEN.

Hire more women in leadership roles. We're all worth it.

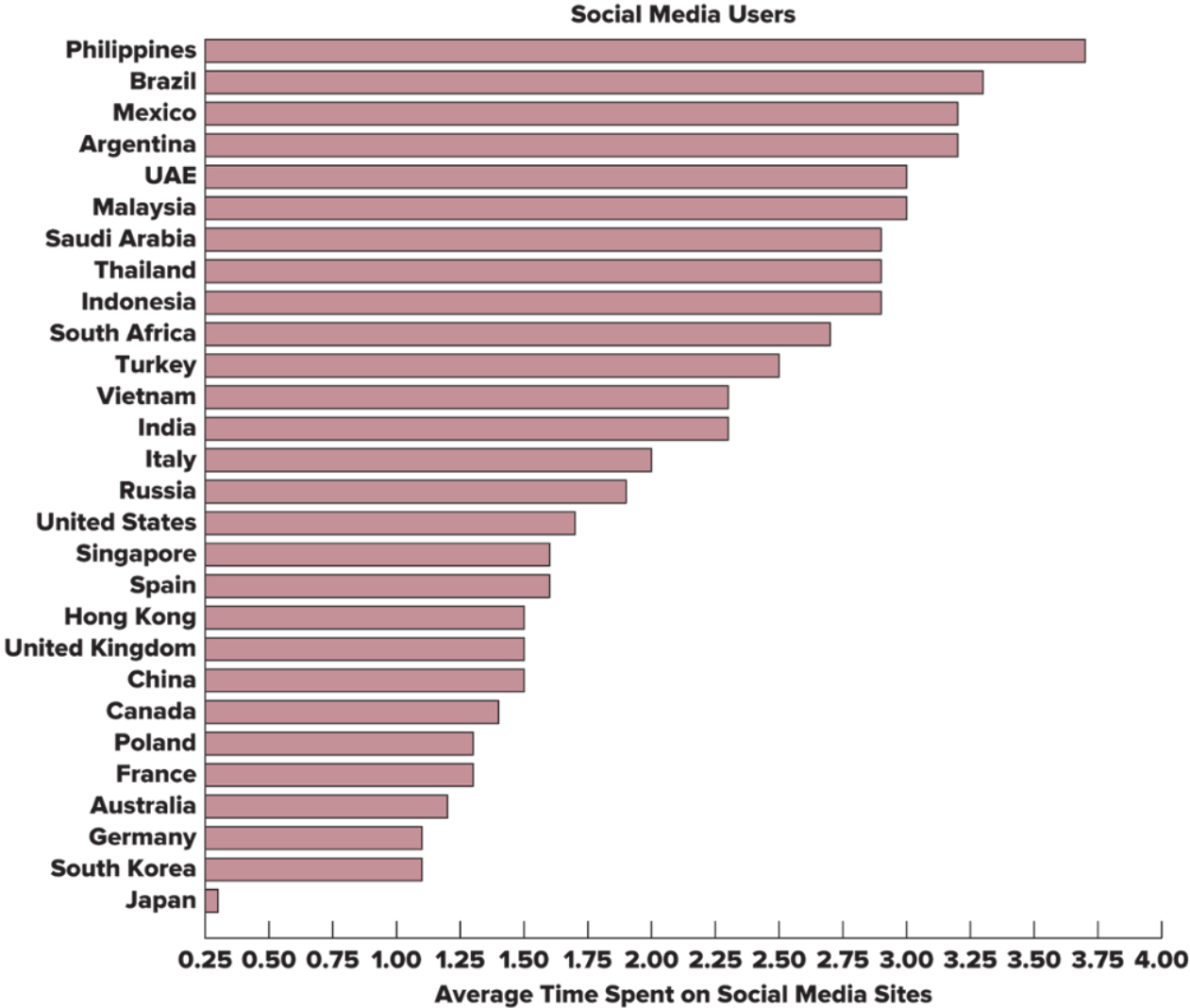
Profitability
+15%*
Revenue with female leaders.

Quota of women: 0%, 10%, 20%, 30%

L'ORÉAL PARIS

* PwC Institute for International Economics, February 2016, "Gender Diversity Profitability Evidence from a Global Survey". Analysis of a global survey of 21,990 firms from 91 countries. www.pwc.com

Exhibit 16.7 Top Social Media Users: Average Time Spent on Social Networking Sites, Fourth Quarter 2015 (hours per user)



[Jump to long description.](#)

Campaign Execution and Advertising Agencies

Advertising Agencies

- Manage development and execution of ad campaigns
- Local domestic agencies
 - Expanding with demand from MNCs
 - May provide best cultural interpretation and best feel for market
- Multinational agency with local branches
 - Sophistication of a major agency with local representation
 - Better able to provide a coordinated worldwide ad campaign



Alternate Forms of Media



©Yuri Kochetkov European Press Agency/Newscom



©Tatsuyuki Tayama/Fujifotos/The Image Works

Two novel media are shown here: (1) Not only do the Russians sell space for space tourists on their rockets; they also sell advertising space! (2) The Japanese beverage company Suntory promotes its products with “Monitor Man” during a football match at National Stadium. “Monitor Man” puts on an LCD display, showing ads for Pepsi and other products, and walks around the stadium. The job requires some muscle, as the equipment weighs about 15 pounds. All this effort is perhaps purposely reminiscent of the Simpson’s “Duff Man.”

International Control of Advertising: Broader Issues

Consumer Criticisms

- Europeans skeptic of advertising; view it as nonreliable
- Non-European countries view ads as entertaining and good sources of information
- Concerns about certain products and industries, use of sex appeal and decency in ads, advertisements to children



Regulation

- Self-regulation versus government regulation

Appendix of Image Long Descriptions

Appendix 1 Exhibit 16.4 The International Communications Process

The Venn diagram shows two circles that overlap in the middle, one labeled Cultural Context A and the other labeled Cultural Context B.

Within Cultural Context A is an information source (a marketer with a product). Through Encoding, the market translates an advertising message into appropriate meaning.

Within Cultural Context B is the message channel, the advertising media and/or personal sales force through which the message is communicated. Through decoding, the encoded message is interpreted into meaning by the receiver or consumer. The receiver then responds to the decoded message.

Where the two cultural contexts overlap is Feedback (the evaluation of the communications process and measure of action by receiver), and Noise (competitive activities, other salespeople, confusion, and so on). Noise impacts all elements in the communication process.

Appendix 2 Exhibit 16.7 Top Social Media Users: Average Time Spent on Social Networking Sites, Fourth Quarter 2015 (hours per user)

The top five users of social media are

Philippines 3.75

Brazil 3.25

Mexico 3.2

Argentina 3.2

UAE 3

The bottom five users are

Japan .3

South Korea 1.1

Germany 1.1

Australia 1.2

France 1.3

The U.S. is near the middle with usage of 1.7.

All numbers are approximate.