


# CHAPTER 21: INTERNATIONAL MARKETING COMMUNICATION

## Chapter Objective

To explore and discuss the issues related to the international management of marketing communications programs.

## Chapter Key Points

A graphic titled "Chapter Outline" with a dark blue vertical bar on the left and a white rounded rectangle containing the title. Below the title is a list of four key points, each preceded by a red square bullet. At the bottom of the graphic is a small copyright notice.

**Chapter Outline**

- How is international marketing different from global marketing?
- How does culture affect marketing communication strategies?
- How are international markets segmented and targeted?
- How do marketers plan international message and media strategies?

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This chapter addresses four key issues:

1. How is international marketing different from global marketing?
  - The chapter defines both concepts and discussed the differences between the two.
2. How does culture affect marketing communication strategies?
  - The chapter identifies some theories that have been developed to help explain cultural differences and discusses their implications for marketing communications efforts.
3. How are international markets segmented and targeted?
  - The chapter identifies and explains several different techniques used by marketers to identify and capitalize on opportunities around the world.
4. How do marketers plan international message and media strategies?
  - The chapter identifies and explains different techniques for developing and placing marketing communications messages in different cultures.

## Chapter Perspective



Businesses are experiencing phenomenal opportunities to expand internationally. The ease of doing so, however, depends on which countries they choose to enter, what products they are selling, and what methods they choose to build brand relationships. International marketers face many challenges related to different cultures, languages, and levels of economic development. Adapting brand messages while at the same time maintaining strategic brand consistency requires a delicate balance. Cross-functional planning becomes all the more important when brand messages are being sent across national borders.

Most companies today are “international” even if they don’t sell outside their national borders because some or most of their raw materials or equipment comes from other countries. And even if all of their customers and materials are domestic, their competitors may very easily come from other countries. All companies today must therefore consider international issues in analyzing their competitive position. This chapter distinguishes between international marketing and global marketing. It goes on to discuss cultural factors in international MC, including cultural sensitivity and social responsibility. Segmenting and targeting are special challenges for international marketers, as are message design and delivery.

## Opening Case: Whiskas

### Opening Case: Whiskas



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### Opening Case: Whiskas

**Challenge:** → Restore declining market share

**Answer:** → An IMC program featuring:  
The “Tiny tiger” campaign theme, delivered via:

- TV, radio, print, outdoor advertising
- In-store promotions and POP activities
- Direct marketing
- Sales force training programs

**Results:** →

- Market share began to grow again
- Won an Advertising and Marketing Effectiveness award

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Challenge: Restore the brand’s declining market share

Answer: An IMC program featuring:

- The “Tiny tiger” campaign theme, delivered via:
  - TV, radio, print, outdoor advertising
  - In-store promotions and POP activities
  - Direct marketing
  - Sales force training programs

Results:

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Discussion Starters:

- 1) Most students can relate to this product category, so a good icebreaker would be to ask how many students' families have cats and who consider themselves "cat lovers."
- 2) Of this group, try to get a rough "market share" estimate by asking which brand of cat food their families usually purchase. If Whiskas doesn't register, probe to see how many have purchased it.
- 3) Of the non-Whiskas cat food group, ask how many would consider switching after seeing this campaign.

## Lecture Outline

### I. International and Global Marketing

#### A. Domestic (or national) marketers



- i. Companies that focus their marketing efforts on their home countries such as the U.S.*

#### B. International marketers

- i. Companies that market products in several different countries*

C. Global marketers

- i. *Companies that consider their market to be just one—the world*

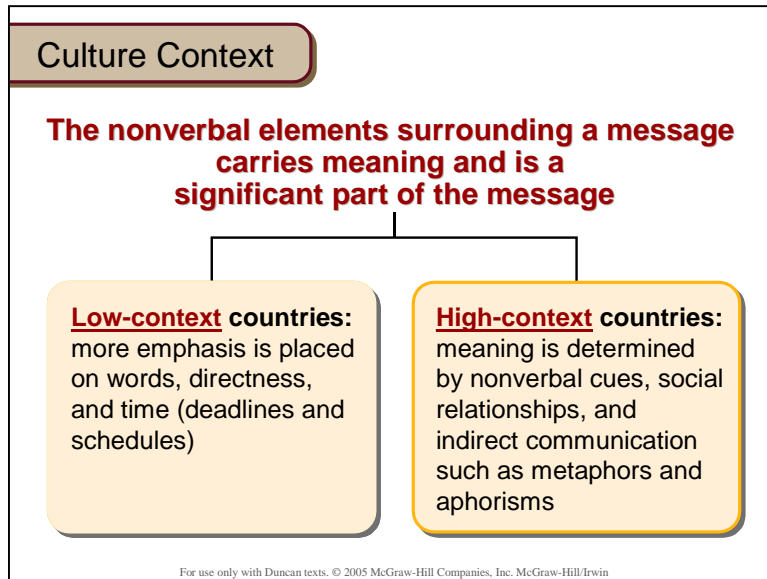
D. Key challenge for international marketing:



i. How does culture influence customer behavior in response to brand messages?

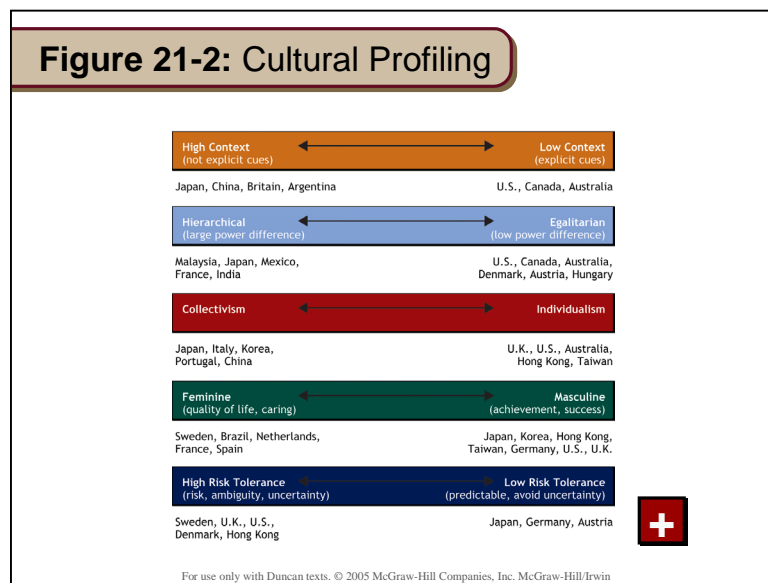
1. Cultural differences are less for products that are:
  - a. New and complex, including many industrial products
    - Examples: computers, medicines, telecommunications
2. Cultural differences are greater for products that are:
  - a. Established, simple, and tied to the local culture
    - Examples: food and fashion

II. Cultural Factors  
 A. Cultural context



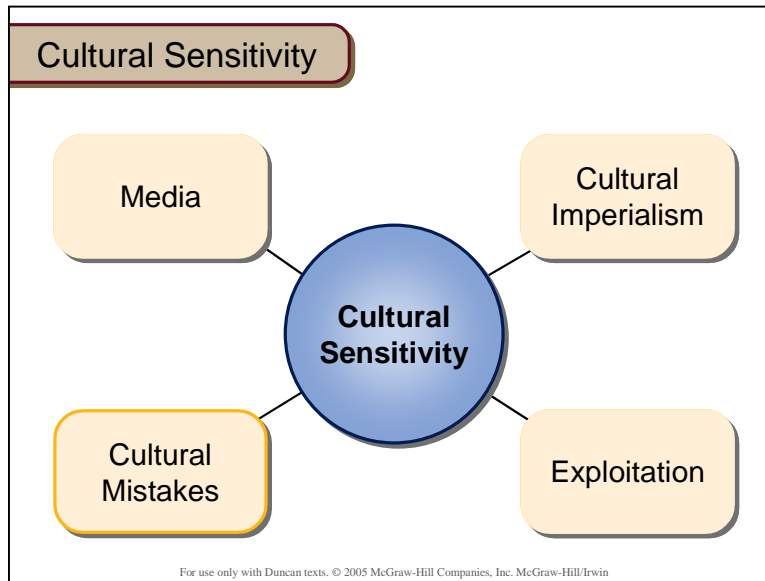
- i. *The nonverbal elements surrounding a message carries meaning and is a significant part of the message*
  1. Low-context countries: more emphasis is placed on words, directness, and time (deadlines and schedules)
    - a. Example: the U.S.
  2. High-context countries: meaning is determined by nonverbal cues, social relationships, and indirect communication such as metaphors and aphorisms
    - a. Example: France, Japan, Italy

B. Cultural dimensions



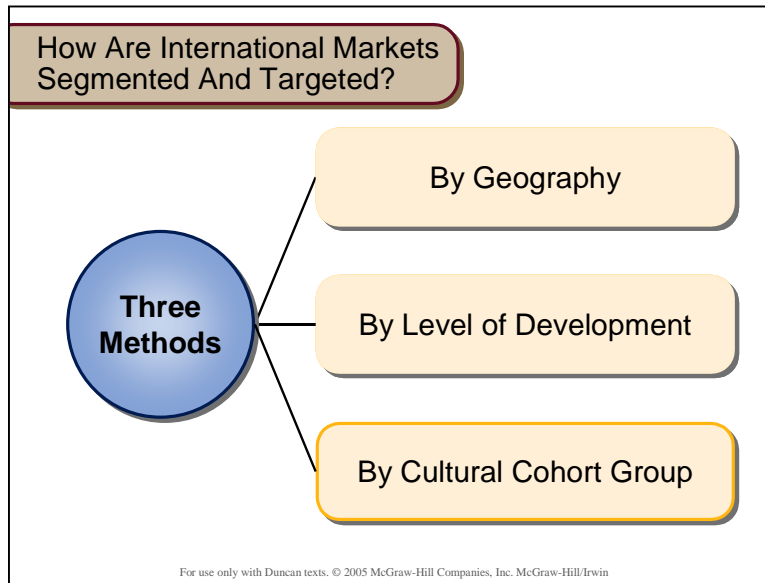
- i. Power distance
  - 1. Large distance (hierarchical) vs. little (egalitarian)
- ii. Uncertainty avoidance
  - 1. Risk taking vs. predictability
- iii. Collectivism vs. individualism
- iv. Feminine vs. masculine

C. Cultural sensitivity



- i. Media
    - 1. Local content is essential
  - ii. Cultural imperialism
    - 1. *The impact that a more dominant culture has on another less dominant culture*
      - a. Flashpoints:
        - American messages promote materialism
        - American messages violate local taboos (liquor, sex)
- iii. Exploitation
- iv. Cultural Mistakes

### III. Segmenting International Target Markets



#### A. Three segmentation methods

##### i. By geography

1. Examples: North America, Europe, Australia

##### ii. By level of development

###### 1. Developed markets

- a. *Markets where consumption patterns are focused more on wants and desires than on basic needs*

- Examples: Europe, North America, Japan

###### 2. Developing markets

- a. *Markets where consumption patterns are clearly expanding from necessities to wants and desires*

- b. Examples: Thailand, Vietnam, India, China

###### 3. Undeveloped markets

- a. *Markets where consumption patterns remain focused on basic needs*

- Example: Africa

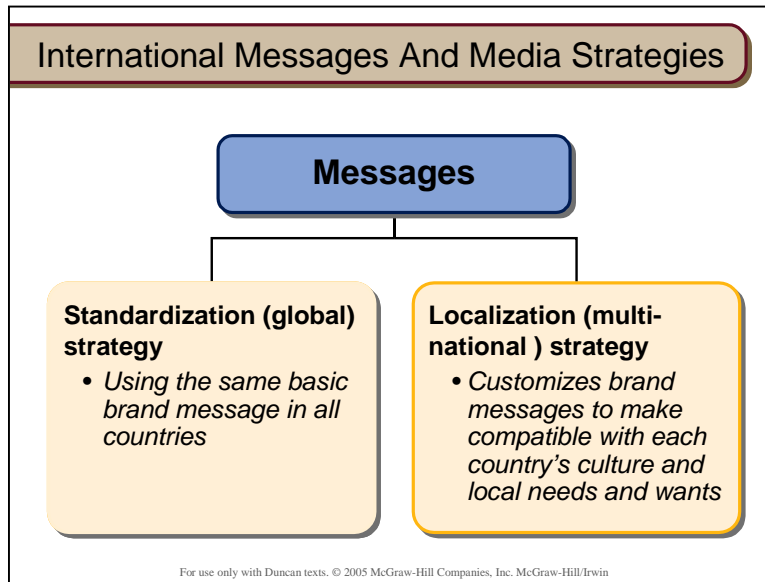
##### iii. By cultural cohort group

1. *A group of people from multiple cultures who share a common characteristic*

- a. Examples: business travelers, young people



#### IV. Message Design: The Same Or Different?



##### A. Two message approaches

- i. Standardization (global) strategy
  1. *Using the same basic brand message in all countries*
- ii. Localization (multi-national) strategy
  1. *Customizes brand messages to make them compatible with each country's culture and local needs and wants*

#### ▷ INSTRUCTOR IN-DEPTH INSIGHT: INTERNATIONAL MC ORGANIZATION

##### Insight: International MC Organization



IBM is a large marketer with operations around the world. Although it has a director of marketing in most major countries, the advertising and promotions used by these directors are tightly controlled by IBM's international headquarters in New York. Local managers can often control the scheduling of their MC programs, however, the look and sound of the messages may not differ much from country to country in order to reinforce brand message consistency—and because computers are not a highly culturally sensitive type of product.

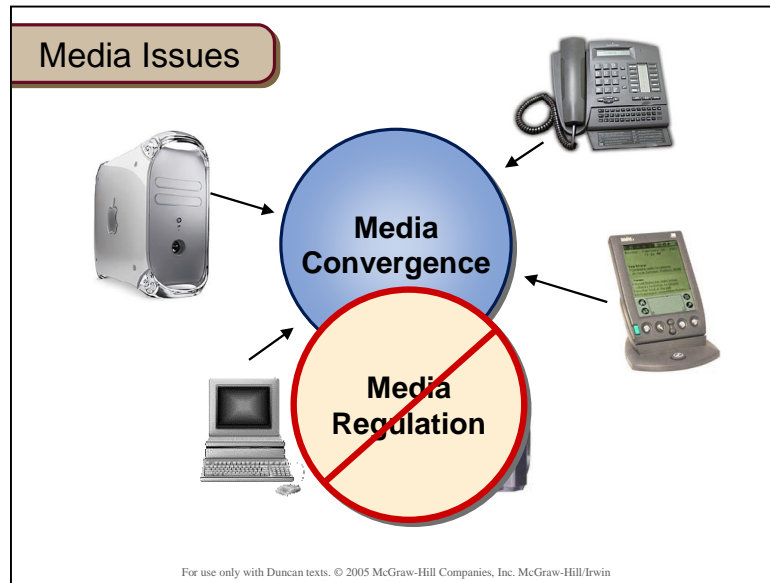
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## B. Media



- i. Three basic strategies
  1. Use localized media available in each country
    - a. Examples: ABC, NBC, CBS, PBS
  2. Use international publications and satellite TV, whose footprints cover regions of the world
    - a. Examples: Time, Playboy international editions; MTV Europe
  3. Participate in programs with global audiences
    - a. Example: Soccer's World Cup and the Olympics

ii. Media issues



1. Media convergence

- a. *The bringing together of phone, television, and the computer, along with a variety of other new technologies, such as smart cards, pagers, personal digital assistants, and satellite navigational systems*

2. Media regulation

- a. Many governments still own and control most broadcast media, and many still do not permit advertising
- b. Many countries also limit or fully prevent the use of direct mail and telemarketing

## IMC In Action: South Africa

### IMC In Action: South Africa



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### IMC In Action: South Africa

#### Challenge:

How to promote brands in a developing nation

#### Answer:

Employ non-conventional media techniques:

- Introduce branded products at local events
- Focus on entertainment, celebrations, and cultural events

#### Results:

- Events get brand contributions at no cost
- Brands introduced to customers who do not have access to traditional media

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Challenge: How to promote brands in a developing nation

Answer: Employ non-conventional media techniques:

- Introduce branded products at local events
- Focus on entertainment, celebrations, and cultural events

Results:

Win-win situation:

- Events get brand contributions at no cost
- Brands get introduced to new customers who have access to very few traditional media vehicles

Discussion Starters:

- 1) Most students probably have little direct knowledge of the marketing environment in South Africa, but some are likely to have traveled to other countries, so a good opening question would be to ask who has traveled internationally and where.
- 2) Ask those who have traveled to provide an example of their experiences shopping or buying things in other countries and how their experiences differed from the U.S.
- 3) As a follow-up, ask the student who have traveled if they can recall any marketing activities like those described in the case.



## TALES FROM THE REAL WORLD

**Tales From the Real World**

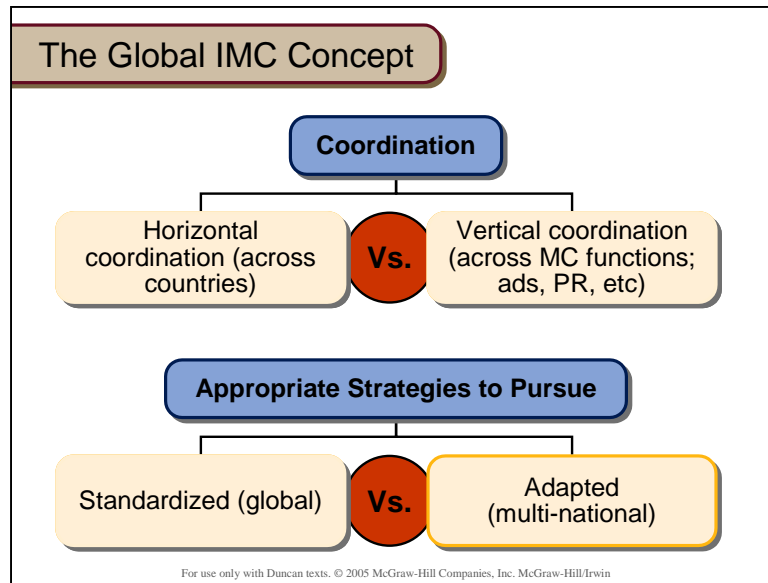
One of the advantages of the large global MC agency networks is the standardized way some approach client problems from country to county.

The J. Walter Thompson agency, for example, has adopted a worldwide strategic approach called “Thompson Total Branding.” Specifically, JWT personnel in Chicago can e-mail a message strategy brief for a client there to the Kuala Lumpur office, and JWT personnel there will know immediately how to develop local creative uniquely suited to the Malaysian audience—but employing the same basic strategy the client uses in America.

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C. The global IMC concept



i. Marries 2 concepts:

1. Coordination

- a. Horizontal coordination (across countries)
- b. Vertical coordination (across MC functions)

2. Appropriate Strategies to Pursue

- a. Standardized (global)
- b. Adapted (multi-national)

V. Final Note



A. The bottom line: *Think global, act local*

## Answers to Review Questions

### 1) Different Types of International Marketing

- a. What are the differences between national, international, and global, marketing? What is a multinational company?

*Answer: Companies that focus their marketing efforts on their home countries are called national marketers. On the other hand, companies that market products in several different countries are said to be international marketers. Most companies engaged in international marketing treat each country as a separate market, and one that is “foreign” from the home country. Then there are the global marketers, companies that consider their market to be just one—the world. Generally speaking, brands sold around the world are called global brands. A multinational company is one that is headquartered in one nation, but does business throughout the world with significant operations in each of the nations in which it does business. Many multinational companies operate with a two-tier MC strategy: global headquarters determine the broad strategic direction for the brand and the regional or country offices execute the strategy as they see best. Such an approach combines the advantages of both strategies—consistent brand image development and successful communication accommodating cultural differences.*

- b. List three of the major trends that are driving the move to international marketing, and explain their impact on marketing.

*Answer: Many factors are encouraging organizations to embrace international marketing efforts. One was highlighted in the chapter’s discussion of McDonald’s international expansion. Specifically, global marketing was a strategic decision for McDonald’s after it saw a slowing of growth trend in the U.S. fast-food industry. As a result, international operations have now become the area driving growth for McDonald’s. A second factor is the unprecedented economic development occurring in many regions of the world, which is opening up huge markets for consumer goods like China and India. Organizations with a global perspective are well-positioned to capitalize on this trend. A third factor is the growing sophistication of media vehicles that are available to marketers throughout the world. Marketers who used to shy away from international expansion due to the lack of viable media alternatives now have more options available than ever before, including the internet, which is a truly global medium.*

### 2) The Impact of Culture

- a. Define culture. Explain where in the planning of a marketing communication program it becomes a factor.

Answer: *The text defines culture as the “learned behaviors of a people that come from traditions passed on from generation to generation” It becomes a factor for MC professionals because culture influences customer behavior in response to brand messages. As a result, prior to developing MC messages for different cultures, marketers should analyze customers’ attitudes and beliefs, motivations, and perceptions as they relate to a product category, the brand, and its usage.*

- b. Summarize the debate about cultural differences and similarities as they apply to creating and delivering brand messages,

Answer: *The debate is over how important cultural differences and similarities are in planning international brand messages. On one side of the debate, some professionals argue that all cultures are different and that, therefore, brand messages should always be customized for the local culture. On the other side of the debate, some professionals argue that there are universals, such as love and happiness, that can be the basis for cross-cultural campaigns. Further, they argue that the more specific the target (business travelers, computer users), the more likely that their needs are similar, regardless of country or culture.*

- c. If you were to summarize the difference in values between Western and Asian cultures, what values would you identify?

Answer: *To summarize some of the dimensions outlined in Figure 21-2, some typical Western values would be the tendency to be lower context than Asian cultures (requiring more explicit MC message cues); more egalitarian (requiring a lower power difference than the more hierarchical orientation than some Asian cultures); and more individualistic than the more collectivist nature of some Asian cultures.*

- d. Explain the difference between a high-context and a low-context culture. How does context affect marketing communication?

Answer: *The text explains a way of explaining the differences found in cross-cultural studies is in terms of the cultural “context” surrounding a message. According to this explanation, some cultures can be seen as either high-context or low-context, depending on whether the context—the nonverbal elements surrounding the message—carries meaning and is a significant part of the message. For example, in low-context countries, where there is less emphasis on the social context, more emphasis is placed on words, directness, and time (deadlines and schedules). On the other hand, in high-context countries meaning tends to be determined more by nonverbal cues, social relationships, and indirect communication such as metaphors and aphorisms (statements of principle).*

- e. Explain the concern that some countries have with cultural or Western imperialism. Find an ad that you think might incite the imperialism issue and explain why you think the ad’s strategy might create a problem in an international marketing plan.

Answer: *The issue of cultural imperialism refers to the impact that a more dominant culture has on another less dominant culture. The criticism is based on the*



*notion that American movies, television programs, and especially advertising, all promote materialism and a heightened consumption culture. Brand messages and program content from the United States also violate local taboos, such as those of Muslim countries against showing women in bathing suits and other revealing clothing. Opposition to cultural imperialism has led to bans and restrictions on certain brand messages in some countries.*

*An MC message that might incite this issue—if it were to appear in cultures outside the U.S.—would be the notorious Coors campaign using the “Swedish Bikini Team,” which could agitate on several different levels: immodest portrayal of women in some more socially-conservative cultures; the promotion of beer in some Muslim countries where alcohol is prohibited, and American exultation of the individual in those countries with a more collectivist culture.*

### **3) Segmenting International Markets**

- a. In what three ways can international markets can be segmented and targeted? Explain how these factors make a difference in an MC strategy.

*Answer: There are three ways to classify global or international markets: by geography, by level of development, and by cohort group. The first classification, geography, can make a difference in an MC strategy because efficiencies can be gained by approaching marketing from a regional in countries that are geographically close, usually within the same continent. In such regions, products are often distributed easily between countries. such as between members of the EU and NAFTA. The second classification, level of development, has an impact because marketers of certain luxury products, for example, might choose to focus upon more highly developed countries in which consumption patterns are focused more on wants and desires than on basic needs. Consumers in developed countries can easily meet their physical needs (food, clothing, shelter) and thus have money to spend on nonessential goods and services. The third classification, cohort groupings, can also make a difference in MC strategy because marketers may be able to target customers with similar characteristics, and therefore common wants and needs, despite national boundaries. Examples include mothers of infants and business travelers.*

- b. What are the characteristics of developed markets, developing markets, and undeveloped markets? How do each of these affect a marketing communication strategy?

*Answer: The text explains the differences between these three types of markets as follows. First, developed markets are identified as Europe, Scandinavia, North America, Australia, and Japan. These markets are characterized by high levels of literacy; a high standard of living; a high level of industrialization; and an infrastructure that supports health care and education. MC programs in these markets can promote everything from everyday items to luxury goods because consumers have relatively high levels of discretionary income. Second, developing markets are identified as Thailand, Vietnam, the Philippines, Indonesia, and China. These are markets in which the consumption patterns are*

*clearly expanding from necessities to wants and desires. MC programs in these markets can capitalize on the great opportunity for growth, because means brand choice is becoming much more important to consumers. The third type, undeveloped markets is identified as much of Africa, outside the big cities. In these markets consumption patterns remain focused on basic needs. Challenges to marketers in these regions include lack of media, a relatively high level of illiteracy, low disposable income, and lack of marketing infrastructure such as distribution systems. As undeveloped countries do modernize, market opportunities will be created for consumer goods, although the consumer orientation will be more focused on meeting basic needs than on wants for some years to come.*

- c. What is a cultural cohort group, and why is this concept important in international marketing communication? Give an example of such a group.

*Answer: A cultural cohort, which is a segmentation concept based on anthropologists' cross-cultural studies, is a group of people from multiple cultures who share a common characteristic. From a marketer's perspective, a cohort's common characteristic is (or results in) a specific need, want, or desire. For example, new mothers around the world want their babies to be happy. Products, such as Pampers disposable diapers, therefore, can appeal to new mothers regardless nationality. A cultural cohort can be thought of as a global community with a unifying interest.*

#### **4) Planning International Message and Media Plans**

- a. What is meant by standardization? By localization?

*Answer: A standardization strategy (also called a global strategy) is using the same basic brand message in all countries. A localization strategy (also called a multi-national strategy) customizes brand messages to make them compatible with each country's culture and local needs and wants.*

- b. What is a combination strategy? How does the standardization continuum in Figure 21-4 explain the differences in this approach?

*Answer: The Figure identifies two possible alternate approaches between the strategy extremes explained in 4 (a). Both of these alternatives represent the approach that many multi-national marketers are employing. Specifically, one alternate approach is the adaptation of a standardized global strategy, but with some discretion allowed to local translation of the messages to address local cultural issues. A second alternate approach is an adaptation of a localization strategy, using distinctly local executions but with some coordination with key elements of the global strategy.*

- c. What does "Think globally, act locally" mean? How does this advice relate to the IMC principle of being strategically consistent?

*Answer: Many multi-national organizations employ a "think globally, act locally" approach which incorporates one of the alternate strategic approaches*

*described in 4 (b) above. A major determinant as to whether messages should be more standardized or localized is the product category. For example, computers and their use is pretty standard world-wide so therefore IBM uses one main agency to have one main message strategy. On the other hand, international marketers of clothes and foods often use more localized strategies because fashion and taste often differ by country or region.*

- d. Describe three media strategies used to reach multinational audiences.

*Answer: The three basic media strategies used to reach multinational and global markets are as follows: the first is to localize media mixes based on what mix of media are available in each country; the second is to use international publications and satellite TV, whose footprints cover various regions of the world; and the third is to participate in programs that have transnational audiences, such as sporting events like Soccer's World Cup and the Olympics.*

- e. What is media convergence? Give an example of it.

*Answer: Media convergence describes the bringing together of phone, television, and the computer, along with a variety of other new technologies, such as smart cards, pagers, personal digital assistants, and satellite navigational systems.*

*An example described in the text is a butcher shop in Stockholm, Sweden, where customers are offered a discount for waving their wireless cell phones through an infrared sensor that records the telephone's number. Near closing time on one particular day, the butcher is anxious to move some prime cuts of Argentine beef. Using the store's customer database, he sends out a special offer by an automated phone message to customers who have ordered Argentine beef before—and who happen to be within, say, three blocks. The mobile phone network finds these customers, pages them, and delivers a message about the special deal, complete with a mouth-watering picture of a sizzling steak. The butcher's wireless company charges a few cents for each message delivered; however, he may recover that cost with the revenue from the Bordeaux ad message delivered at the same time as the beef offer. Customers who buy online get a discount, and the charges are automatically credited against their phone's debit card.*

## Chapter Challenge

### Writing Assignment

Identify a product that is sold in your country and another country. (A good place to start looking is in your school's library in a magazine like *Elle* or *Figaro*.) Collect an ad for that brand in both languages. In a paper, analyze the brand's use of standardization or localization.

### Presentation Assignment

Stage a debate between two teams of students; one team supports the idea that standardization is a useful strategy, and the other team supports the idea that localization is the only way to develop an effective marketing communication plan. Both teams should consider the issue of cultural imperialism in making their arguments.

### Internet Assignment

Pick a product category in which you are especially interested. Then go online and find three companies in that category, one in North America, one in Europe and one in Asia. Compare how these three sites and see to what extent each site reflects the culture of each company's home area.

### IMC Plan Team Assignment

At this stage in their semester-long project, students should be able to determine the geographic scope of their IMC campaign. This assignment asks students to identify the type of international presence they will recommend, and to identify some of the cultural issues they will have to consider in each of the nations they plan to reach with the campaign.

# IMC Final Project Checklist #21

Due Date: \_\_\_\_\_

**Your Agency Name:**

**Geographic scope of the proposed campaign**

~ Domestic market (*campaign is limited to your home country*)

~ International markets (*campaign will run in several different countries*)

~ Global market (*campaign will run worldwide*)

**International cultural issues to be considered**

(*Provide a brief analysis of the key issues for each major planned market*)

~ Market 1: \_\_\_\_\_

- Geographic region:

- Development level:

- Cross-cultural cohort applicability:

- Context level:

- Potential cultural flashpoints

(*i.e. issues with cultural imperialism, alcohol, gender, etc.*)

**Planned international MC strategic approach**

(*Recommend an approach and provide rationale*)

Standardization (global) strategy

Localization (multi-national) strategy