

Global Marketing

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Chapter 13

Launching Global Communication and Advertising

what is communication?

- it is a "Dialogue" between the company and its current or prospective customers (target) aimed at:
 - Create awareness (brand or product **AWARENESS**)
 - Building a positive image (brand or product **IMAGE**)
 - Drive sales & Retain customers (brand or product **LOYALTY**)
- Communication MIX is the integrated and synergistic combination of different forms of communication:
 - brand name
 - packaging
 - - advertising (Above the line or below the line)
 - - sales promotions
 - - public relations
 - - word of mouth or viral mktg
 - -product placement
 - -social media
 - - direct marketing
 - -guerrilla mktg
 - - Internal company channels

L'Occitane en Provence



Source: © Authors.

A regional brand goes international

- Specialized in manufacturing and distributing **perfume, cosmetics and well-being products**: in 2019 total net sales globally amounted to EUR 1,426.9 million.
- Strong **global brand identity**, while conserving its underlining regional roots and the natural origin of its products.
- From **Provence, a region in the Southeast of France**, to New York and Hong Kong (first French company to go public in Hong Kong)
- In 2019, L'Occitane was operating worldwide in 3,420 retail locations of which 1,572 stores were operated directly by the group: 190 stores are located in the richest cities in China, and 36 are in Hong Kong.

Brand Name—L'Occitane en Provence

- For non-francophone people, the word “L'Occitane” is very difficult to pronounce. **Olivier Baussan, L'Occitane founder, tells us that the proper pronunciation is LOX-EE-THAN**
- Country-of-Origin effect: **made in France**
- **Adaptation of the brand in China:** L'Occitane in Chinese is pronounced as “Ou Shu Dan”, which means Europe, pleasure, and a magical medicine in Chinese myth, which keeps people forever young and healthy. This Chinese name communicates the consumers the brand's European origin, its sensoriality and its effectiveness.

products & packaging



Packaging communicates **product information**, **brand concept**, and **company value**. For L'Occitane, as the Provence/France origin is one of its selling points, we can find clues about **COO in the packaging design**.

L'Occitane: Communication through packaging

- **Primary packaging:**
 - **minimize the environmental impact**, by reducing primary packaging.
 - The **pure, simple, and traditional design of L'Occitane packaging** may not be directly associated with France's luxury image, however, its vintage style labels, typical paper wrappers of Savon de Marseille, and linen perfumed sachets keep **reminding consumers of the Provencal legend about L'Occitane**.
 - **"Made in France"** is written on the front side of each pack. L'Occitane keeps the origin French packaging in the Chinese market, combined with a Chinese sticker showing the translation of key information. Even though most people understand nothing in French, the original packaging makes its French story more credible.
- **Gift Pack:** The green keynote indicates its nature ingredient, and the typical Provencal landscape with blue sky, green tree and lavender field in the picture is clearly associated with its origin, where the tradition and inspiration came from.

L'Occitane: place communication and store experience

- **Place Communications:** boutique location in the most important commercial centres
- **Online Promotions:** L'Occitane has local versions of websites for 48 countries or regions.
One of key messages the company wants to transfer to clients is its nature and beauty.
- **Offline Promotion** in numerous offline channels: for example, the promotion or animation in boutiques, the presentation of brands and products in fashion and beauty magazines, face to-face conferences or activities with clients are all examples for this.
- The **use of multiple channels and communication instruments** by L'Occitane is just one example of how companies today need to think about **integrated marketing communications**.

Global Integrated marketing communications

- With many changes in the world related to globalization, digitization, and complexity, it seems that **traditional approaches of marketing communication have exhausted themselves and traditional tools are becoming less effective**
- **Integrated marketing communications combines different media to improve the results of marketing campaigns.** Using direct marketing to follow up an advertising campaign and linking the direct marketing piece to a dedicated website page is an example of integrated marketing communication.
- **Consistency of the message** is one of the most important elements of integrated marketing communication. The copy style and content should be consistent across all media. When prospects read an advertisement, visit a website, pick up a leaflet or take a call from a telemarketing specialist, they should perceive the same product descriptions and benefit statements in each communication.

Promotional Elements in Integrated Marketing Communications

Advertising	Public Relations	Sales Promotion	Direct Marketing	Personal Selling
Newspapers Magazines Journals Television Radio Cinema Outdoor Internet	Annual reports House magazines Press relations Events Lobbying Sponsorship	Rebates and price discounts Catalogues and brochures Samples, coupons, gifts competitions	Direct mail Database marketing Internet marketing Mobile marketing (SMS, MMS) Viral marketing Advertising games	Sales presentations Sales force management Trade fairs exhibitions

Source: Compiled by authors.

Major challenges in the information and communication industry

- Global promotion campaigns would have to **incorporate a number of new channels with global reach**, which have opened up for marketers with satellite and Internet networks, multimedia mobile phones, and popular social networking tools such as Facebook, You Tube, Myspace, Flickr, blogs etc.
- **Digital technologies have nearly erased the distinction between global and local communications:** a promotional video posted on YouTube can be accessible to 20 millions viewers in more than 20 countries every month, but it also increases the chances for misinterpretation across cultures and languages.
- Communications about a brand can be **started by a consumer** as well as by companies.
- **Audience tracking, sales conversion rates, and other measurements** available through digital marketing campaigns provide ROI metrics for communication campaigns.

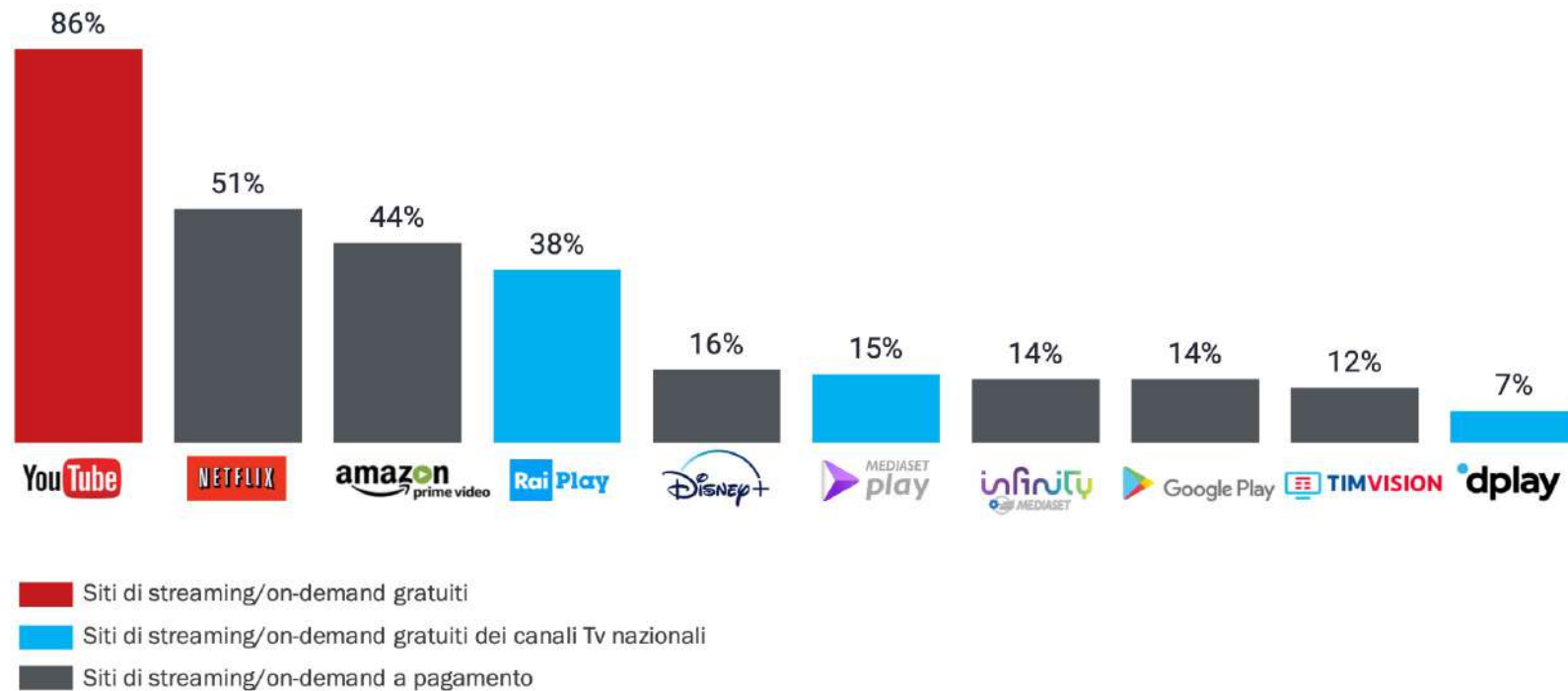
International advertising

- International advertising traditionally has required **different strategies** than domestic advertising, because of the **differences in culture, economic systems, government regulations, and consumer needs**.
- Companies are shifting their spending **from traditional media to Facebook, blogs, and their own websites**, experimenting with advertising on tablet computers, with location-based services on telephones, and real-time information about products and companies.
- With the arrival of the Internet, customers build their own blogs, wikis, videos, etc., and share their views and their brand experiences with other consumers and with the brands themselves. Marketers are learning the importance of these **one-on-one, personalized communications** and are incorporating them into their communication plans. **SELF- GENERATED CONTENT & STORYTELLING**

global advertising



NEW MEDIA



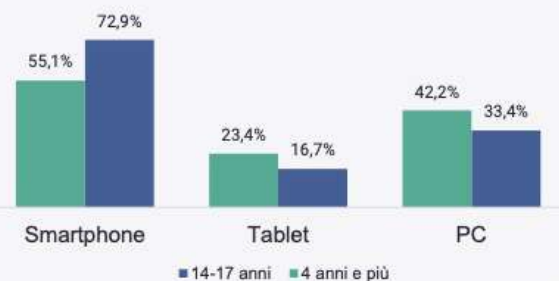
MEDIA BY TARGET

OMG

Young people prefer watching movies on smarsmall and large screen rather than TV



DEVICE UTILIZZATO DA CHI GUARDA
PROGRAMMI TV SU INTERNET
(Valore %)



9,6%

% DI ITALIANI CHE FRUISCONO DI
PROGRAMMI TELEVISIVI LIVE SU
DISPOSITIVI DIGITALI

International Publicity and Public Relations

- It “is a strategic communication process that builds mutually beneficial relationships between organizations and their publics” involving international actors.
- **Anticipating, analyzing and interpreting public opinion, attitudes and issues** that might impact the operations and plans of the organization
- **Counseling management** at all levels in the organization with regard to policy decisions, courses of action and communication.
- Researching, conducting and evaluating, on a continuing basis, programs of action and communication to **achieve the informed public understanding necessary to the success of an organization’s aims**. These may include marketing; financial; fund raising; employee, community or government relations; and other programs.
- Planning and implementing the organization’s efforts to **influence or change public policy**.

International sales Promotions

- **International Sales Promotion:** any paid consumer or trade communication program of limited duration that adds tangible value to a product or brand, involving international players.
- **Price versus non-price promotions**
- **Consumer sales promotions** versus **Trade sales promotions**
- In **low incomes countries** free samples and demonstrations are more likely to be used than coupons or on-pack premiums.
- **Market maturity** can be different from country to country: consumer sampling and coupons are appropriate in growing markets, but mature markets might require trade allowances or loyalty programs.
- **Local perceptions of a particular promotional tool or program** can vary. Japanese consumers, for example, are reluctant to use coupons at the checkout counter.
- Recently, mobile coupons have generated significant interest and development in **mobile marketing**.

sales promotions

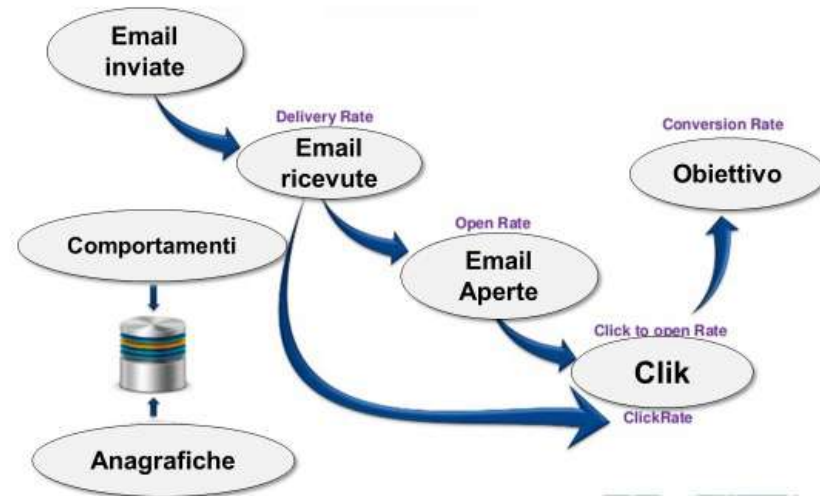


International Direct marketing

- International Direct Marketing refers to **any communication with a consumer or business recipient** that is designed to generate a response in the form of an **order**, a **request for further information**, and/or a **visit to a store or other place of business**.
- Direct marketing is the most efficient way of gaining new customers and retaining existing ones in international markets. **Direct marketing allows a company:**
 - to **align communication concepts with the needs of specific target groups**,
 - to address target audiences using **personalized and individual messages**.
 - a company can **deploy its financial resources precisely where they are needed**
 - to get **valuable information about the needs and behavior of target audiences**

direct marketing

Analisi dei risultati



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E-mail marketing: il funnel



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International personal selling

- Personal selling is an **interpersonal process whereby a seller tries to uncover and satisfy a buyer's needs in a mutually, long-term beneficial manner suitable for both parties**. Thus, personal selling is interpersonal, two-way communication between a buyer and seller whereby the seller employs persuasive communication regarding goods and/or services.
- Interaction in an international environment can be hampered by many factors:
 - **Political risk**
 - **Regulatory hurdles**
 - **Currency Fluctuations**
 - **Language Issues**

Globalized versus localized communication

- Global communication standardization refers to utilizing **the same or similar communication**(same advertising messages); or by adapting, using different advertising messages in separate markets.
- Difficult to do because **many differences among countries still exist, impacting not only on advertising but in general on all the promotional elements of the marketing communication plan**. In addition, differences can **exist also within a country**, because most nations consist of different ethnic groups, and advertising should respect their values, behavior, and language
- Choosing a standardization versus an adaptation strategy depends on many **variables that suggest if each country must be considered part of a global homogeneous market or it represents a separate unit**, requiring adaptations that must be made accordingly to differences in variables such as:
 - Cultural values and consumer preferences
 - Language and symbols
 - Advertising style
 - Religion
 - Economic and social system
 - Stage of the product life cycle
 - Competition
 - Legal constraints
 - Foreign market media.

Cultural values, language, symbols and traditions in advertising

- Culture plays a central role in how people perceive and react to advertising.
- Cultural awareness should be applied in every aspect of marketing: in selling, label-printing, advertising, web contents, and promotion of products. It covers **language, the lifestyle and the behavioral patterns of the people** in the country of interest.
- Some **information and graphics** might cause minor offense, while others could have major consequences.
 - **Content** that should be avoided are national flags, maps which depict national borders, which can lead to misunderstandings.
 - **Icons** are not universal. Pictures and symbols create powerful and different associations in each culture and context.
 - **Religious traditions** can also cause a source of irritation when not properly respected.

Country-Specific advertising styles

Country	Advertising Style
China	Emotional, emphasis on quality, tradition, status, respect.
France	Symbolism, sensuality, humor
Germany	Logic, testimonials, tradition, value for money, authority
Italy	Emotional, lifestyle, use of celebrities, theatrical
Japan	Indirect appeals, soft-sell, entertainment, symbolism
Spain	Indirect appeals, idealistic, pleasant
The Netherlands	Entertainment, realistic, modesty
United Kingdom	Preentational, humor, subtle, testimonials, show class differences
United States	Lecture, direct appeals, hard-sell, argumentative

Source: Adapted from De Mooij, M. (1997/2010). Global marketing and advertising: Understanding cultural paradoxes. 3rd ed. (2010). Thousand Oaks, CA: Sage. pp. 272–283.

Stages of the product life cycle



Illy in a Cafeteria in Germany

Source: © Author.

- Adapted (or localized) communication reflect each market's characteristic also in term of phase of the product life cycle occupied by the product
- The potential difference in the product or brand life cycle **requires differentiation in the company's marketing choices.**
 - E.g. Illy espresso coffee is presented differently in each country depending on the PLC

Competition

- If competitors target consumers with a certain form of marketing communication in terms of messages and choice of media, **a company entering a foreign market has to adapt to local practices.**
- if **a strong local competitor is promoting a low price**, the company should strongly adapt the local considerations to their strategies when defining its communication strategy.
 - E.g. Coca-Cola, Wahaha and Pepsi in China



Wahaha Future Cola in China
Source: © Authors.

Legal constraints

- When planning a global marketing strategy, marketers have to consider the myriad **standards, regulations, and laws** that govern the advertising industry in the different countries and regional jurisdictions.
- Legal issues in advertising are particularly critical for certain **categories of products** such as pharmaceuticals, alcohol, tobacco, and gambling, where consumer protection is important.
- **EU Unfair Commercial Practices Directive**: introduces a general prohibition against unfair commercial practices, specific prohibitions against misleading and aggressive practices.
- As legal issues involving advertising and communications have become so complex over the years, **several law firms have specialized in providing tailored services**. For instance, in Germany, it is illegal to use any comparative terminology; Belgium and Luxembourg explicitly ban comparative advertising, whereas it is clearly authorized in the United Kingdom, Ireland, Spain, and Portugal. Comparative advertising is heavily regulated in Asia as well. And there are many other examples.

Foreign market media

- Standardization versus adaptation of communication has to consider also **consumer preferences related to media usage, taking into consideration differences not only among countries but also within ethnic groups in the same countries**
- Over the generations, there is a **convergence with respect to most of their core values, yet differences in behavior are persistent** in particular with respect to media use.
- **Differences in the use of media** significantly influence companies' communication strategies in different countries
 - Italy and Spain more likely than any other country to own any type of radio set
 - USA world's largest market for TV advertising, but its share of the global market decrease with emerging markets taking an increasingly larger share
- In the next years, **media planning will grow in importance, as identifying the most suitable channel to reach the target audience is becoming more and more complex**

media planning

communication plan

Communication Plan provides for a GANTT with the initiatives, the budget dedicated to the individual initiatives and the relative timelines over a defined period of time

global or local
adapted for each country

[illegible]

media

timing and initiatives

Budget

Product and communications strategy

- **Advertising standardization** refers to utilizing the same or similar advertising messages across different countries or areas;
- **Advertising adaptation** implies using different advertising messages in separate markets, due to differences in culture, language, economic status, legal conditions, and foreign market media.
- **Type of products and services** have to be considered.
- Whether to standardize or not is **not a dichotomous decision**: there are various degrees of international advertising standardization and adaptation
- One of the solutions is to apply **pattern advertising**, where the basic approach of the global advertising strategy is standardized but then adapted to local markets when needed.

For instance, Vodaphone uses the same global approach when it comes to layout, dominant visuals, brand signature and slogan. However, photos and body copy are localized not simply translated which increases the ability to leverage products and know-how across multiple markets

Pattern Advertising: Vodafone in Spain and Germany



Source: © Authors.

international campaign



Alternatives to the product and communication strategy

The most critical decisions are those relative to **the product and its communication**.

- A company has five strategic alternatives:
 - **Strategy 1: Product–Communication Extension (Dual Extension)**
 - **Strategy 2: Product Extension–Communication Adaptation**
 - **Strategy 3: Product Adaptation–Communication Extension**
 - **Strategy 4: Product–Communication Adaptation (Dual Adaptation)**
 - **Strategy 5: Product Invention**
- Dual extension: when a company is selling the same product with the **same communication strategy across different countries**
 - E.g. Walmart / Apple
- Product extension–communication adaptation: used when faced with consumers who **perceive a product's value differently**, or who are using it for a **different purpose and are looking for different benefits** to satisfy different needs
 - E.g. De'Longhi

In Italy the communication is strongly based on emotional benefits. In the rest of Europe, the product value of De Longhi is linked mainly to technical and aesthetic characteristics and attention to detail. In the United States, the most important characteristic is that the product must be easy to use.

Alternatives to the product and communication strategy

- Product adaptation–communication extension: targets a market that can be **similar in the communication approach** but **needs product adaptation** to meet the needs of the local context.

- E.g. McDonald's in India



- Product and communication adaptation: a **mandatory choice** for companies that need to **enter markets that are totally different**

- E.g. Nutella in USA



- Product invention: linked to **satisfying existing needs** with **products accessibly priced to mass markets**

The global advertising agency

- Many companies rely on the **help of global advertising agencies** to find a competitive edge in marketing. The degree to which an agency is integrated into the marketing function of a company can vary, depending on the size of the company, its strategic marketing focus and leadership, its industry or its markets, to name a few factors.
- Most MNCs work with **one or more advertising agencies**.
- Large global advertisers have the following **alternatives**:
 - hire local ad agencies for each market they enter,
 - opt to retain their home market agency,
 - hire a large agency with offices around the world,
 - align themselves with one of the world-wide networks. For example, WPP plc includes in its network companies such as Ogilvy, Groupm, Grey, and Wunderman Thompson.
- There are many reasons why companies choose advertising agencies for their global marketing needs. Some of them are:
 - **Cost-effectiveness**
 - **Market knowledge**
 - **Superior creative work**
 - **Specialized services**

Leading companies in the advertising industry

Company	Headquarters	Countries	Revenues (2018)	Website
WPP plc	London	112	USD 19.8 billion/ GBP 15.6 billion	www.wpp.com
Omnicom Group	New York	More than 100	USD 15.9 billion	www.omnicomgroup.com
Publicis Group	Paris	130	USD 9.94 billion / EUR 8.96 billion	www.publicisgroupe.com/en
Interpublic group	New York	109	USD 8.03 billion	www.interpublic.com

Source: Adapted from MarketLine (2019), Industry Profile: Global Advertising, February. Internet sites of companies.

Communication plan

- A good communications plan will provide a strategic framework to identify the **different goals for brand communication** – the **tasks** – and assign these to **the channels** which are likely to be the most effective.
- To develop a communication plan, both **people from the company marketing team and specialists from advertising agencies work together**. Tasks need to be defined and prioritized, which involves answering the following questions:
 - What is the brand's strategic role in the company portfolio?
 - What are the tasks identified in the brand key?
 - What is the level of priority for the planned activity?
 - How will the activity be affected by the plans for other brand variants or other brands in the product category?
 - What is the total budget for the brand?
 - What was last year's investment?

Evaluate the alternative communication channels

Questions to be answered are:

- What are the options available?
- How could we use them?
- How does a specific target group regards and uses different media?
- What opportunities are there to reach a specific target in specific situations, or at specific moments at which a purchase decision can be influenced, for example potential mobile phone buyers, in a taxi (in a traffic jam)

A **draft plan** needs to be put in place, agreed upon and transferred into a *final plan*.

Creative development

- For a marketing communications manager, briefing an agency is one of the most important things to do. **How you brief determines what you get back.**
- There are **three basic principles** for a good briefing:
 - Be clear about what is needed
 - Provide the critical information necessary to complete the task
 - Inspire or motivate people to do their best
- To provide a best practice guide to constructing a **briefing format**, the follow criteria may be observed:
 - Where are we now?
 - Where do we want to be?
 - What are we doing to get there?
 - Who do we need to talk to?
 - How will we know when we have arrived?

Example of a brief to an agency (1): background headers

The background headers might include:	
Background	Usually covers the business and marketing context and why the task is important
Marketing or Sales Objective	This sometimes includes the business case for the activity
Brand	Remarkably, this is often overlooked. It might include brand identity/brand capsule/brand vision/brand architecture/brand status/brand values/brand personality
Previous Learning	Again a section, which is only used occasionally but may have wider potential.

Source: Joint Industry Guideline. (2011). “Briefing an agency.” www.thegoodpitch.com/wp-content/uploads/2011/09/BriefinganAgency.pdf [accessed August 18, 2019].

Example of a brief to an agency (2):

Main communications brief section headers

The main communications brief section headers might include	
Communications objectives	Sometimes, they might be expressed as communications imperatives/challenges/barriers
Target audience:	Usually this section ask for more than simple demographics and specifically prompts for attitudes or other motivators
Consumer insight	Sometimes, specifically linked to the objectives emotional benefit &rational benefit
Key message / proposition	Unique selling proposition Reason why

Source: Joint Industry Guideline. (2011). “Briefing an agency.” www.thegoodpitch.com/wp-content/uploads/2011/09/BriefinganAgency.pdf [accessed August 18, 2019].

Example of a brief to an agency (3): Implementation and process headers

The implementation and process headers might include:	
Timing/ key dates	May include project timelines as well as timing for response
Budget	May specify if production is included or not
Response mechanisms	On relevant types of brief
Evaluation / success criteria	A critical element for most disciplines
Mandatories / guidelines	May include what must be included and executional considerations
Approvals	Signatures of both those issuing/approving the brief and the agency

Source: Joint Industry Guideline. (2011). “Briefing an agency.” www.thegoodpitch.com/wp-content/uploads/2011/09/BriefinganAgency.pdf [accessed August 18, 2019].