



International Advertising

Session 6



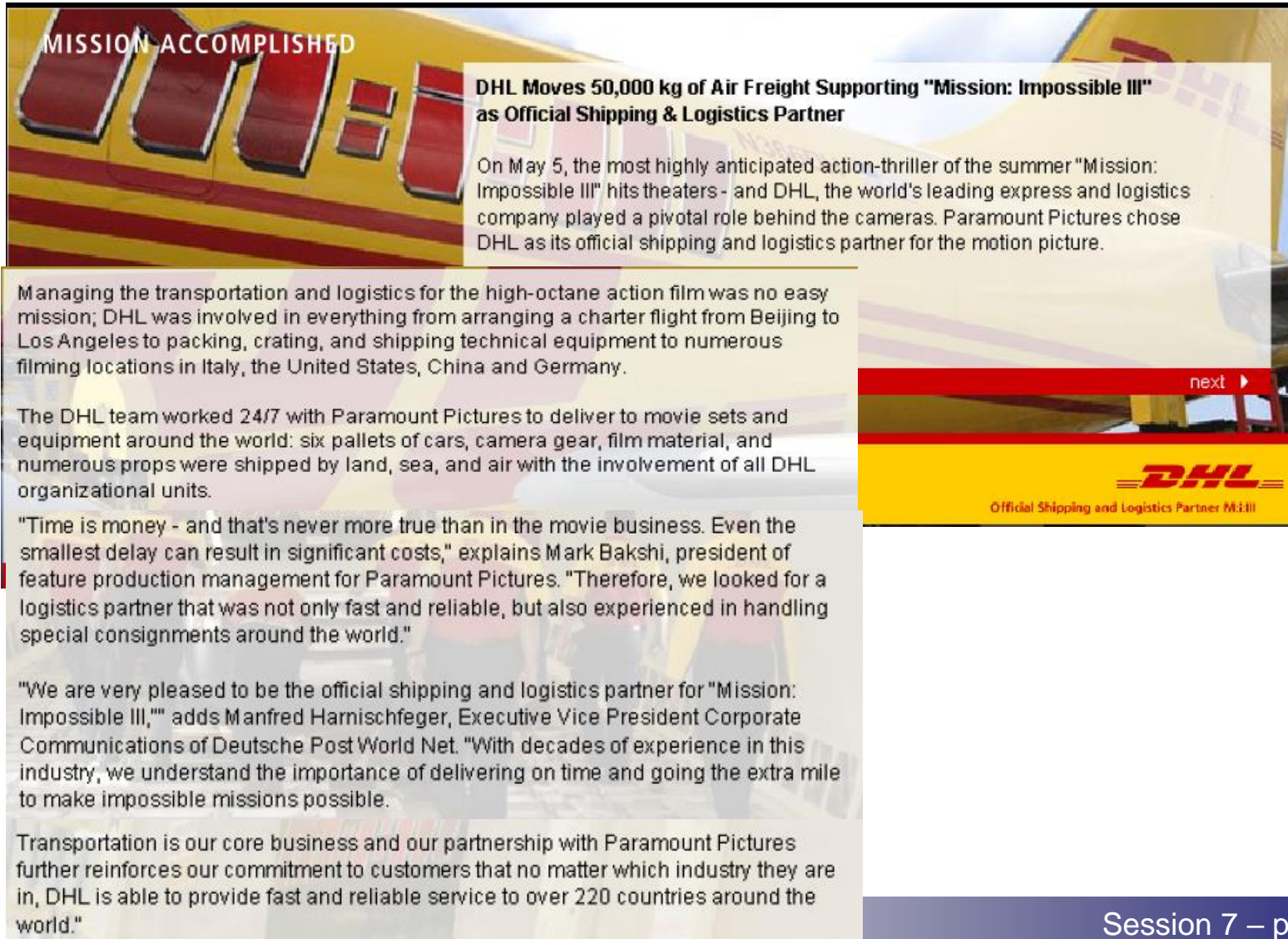
Agenda

- The Global Advertising Task
- The Worldwide Advertising Market Place
 - Global Advertising Expenditures
 - Worldwide Advertising Expenditures Repartition
 - Media Advertising Expenditures Repartition
 - Advertising over the Business Cycle
- Components of a Global Advertising Strategy

The Global Advertising Task

- Finding an optimal balance between
 - Global coordination of the campaigns, building of a consistent brand image and cost saving
 - Adapted communication to the cross-national differences in:
 - Media availability (e.g. Internet access, cable TV)
 - Media effectiveness (e.g. movie theaters in India)
 - Receptivity to ads and message construction (e.g. humor)
 - Regulations (e.g. comparative ads, ads under 12)
- ➔ Tradeoff between ethnocentric global and polycentric multi-domestic campaigns

Example of Global Ads: DHL 2006

The advertisement features a background image of a yellow DHL delivery truck with the words "MISSION ACCOMPLISHED" in large, red, 3D block letters on its side. The text is arranged in a grid-like fashion, with the headline and sub-headline in the top right, followed by a paragraph, a quote, and another paragraph on the left. The DHL logo and "Official Shipping and Logistics Partner Mission: Impossible III" are in the bottom right. A red "next" button with a right arrow is also visible.

MISSION ACCOMPLISHED

DHL Moves 50,000 kg of Air Freight Supporting "Mission: Impossible III" as Official Shipping & Logistics Partner

On May 5, the most highly anticipated action-thriller of the summer "Mission: Impossible III" hits theaters - and DHL, the world's leading express and logistics company played a pivotal role behind the cameras. Paramount Pictures chose DHL as its official shipping and logistics partner for the motion picture.

Managing the transportation and logistics for the high-octane action film was no easy mission; DHL was involved in everything from arranging a charter flight from Beijing to Los Angeles to packing, crating, and shipping technical equipment to numerous filming locations in Italy, the United States, China and Germany.

The DHL team worked 24/7 with Paramount Pictures to deliver to movie sets and equipment around the world: six pallets of cars, camera gear, film material, and numerous props were shipped by land, sea, and air with the involvement of all DHL organizational units.

"Time is money - and that's never more true than in the movie business. Even the smallest delay can result in significant costs," explains Mark Bakshi, president of feature production management for Paramount Pictures. "Therefore, we looked for a logistics partner that was not only fast and reliable, but also experienced in handling special consignments around the world."

"We are very pleased to be the official shipping and logistics partner for "Mission: Impossible III,"" adds Manfred Harnischfeger, Executive Vice President Corporate Communications of Deutsche Post World Net. "With decades of experience in this industry, we understand the importance of delivering on time and going the extra mile to make impossible missions possible."

Transportation is our core business and our partnership with Paramount Pictures further reinforces our commitment to customers that no matter which industry they are in, DHL is able to provide fast and reliable service to over 220 countries around the world."

next ▶

DHL

Official Shipping and Logistics Partner Mission: Impossible III

Outdoor Ads



Sunset LA

next ▶ LAX

◀ back next ▶



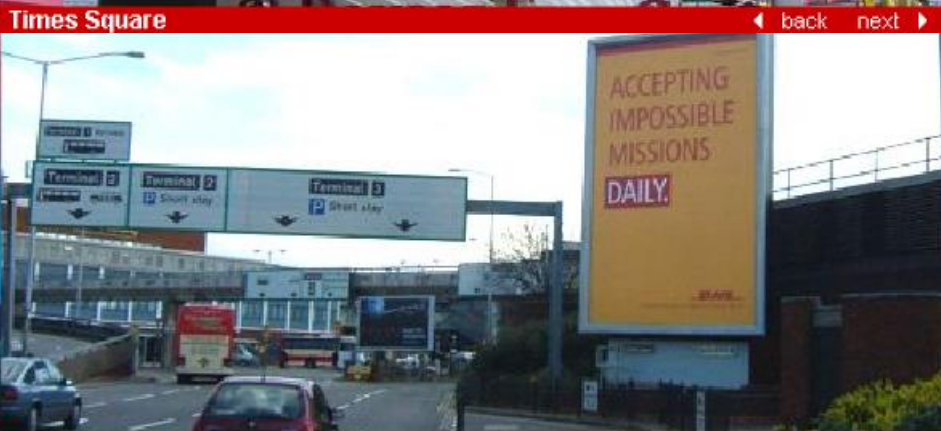
Times Square

◀ back next ▶



Times Square

◀ back next ▶



London Heathrow

◀ back next ▶



Paris

◀ back

Print Ad



Dirk Ravensteiner, ACCEPTING IMPOSSIBLE MISSIONS DAILY.

Mission: Impossible II
IN THEATRES THIS MAY

As the official shipping and logistics partner for Mission: Impossible II, DHL needed a man like Dirk Ravensteiner on the ground. Dirk and his team made sure the props, sets and hi-tech equipment were in place when the cameras rolled. Whether it was in Rome, Shanghai, Berlin or Los Angeles, it was truly an amazing performance. It's the spirit of can-do and the experience of know-how. We call it Do How.[®] www.dhl.com/can-do

DHL
Official Shipping and Logistics Partner M:I II

»» DIRK RAVENSTEINER
»» LOGISTICS MANAGER
REGION: HOLLYWOOD, CALIFORNIA
ASSIGNMENT: KEEP THE CAMERAS ROLLING.



Duracell in the EU

The screenshot shows the Duracell website interface in Dutch. The top navigation bar includes links for HOME, PRODUCTEN, AANBIEDINGEN, BUNNY, and CONTACT. The main content area is divided into several sections:

- Lithium:** A large central image of a Duracell Ultra Lithium battery with the tagline "THE POWER TO DO MORE". Below it, a banner reads "ONTDEK DURACELL ULTRA LITHIUM, ONZE KRACHTIGSTE BATTERIJ DOIT (IN AA)".
- Producten:** A list of product categories, each with an image and a description:
 - LITHIUM:** Nieuwe Duracell Ultra Lithium, onze Krachtigste Batterij ooit (in AA).
 - ALKALINE:** Ultra en Plus, Onze Krachtige Alkaline Batterijen in alle standaardformaten.
 - OPLAADBAAR:** Het uitgebreide assortiment van Duracell batterijen en opladers.
 - CAMERA:** Kies de juiste batterij voor je camera.
 - ZAKLAMPEN:** Breng licht in de duisternis met de nieuwe Duracell Daylite zaklamp.
- Ontdek:** A section featuring the Duracell Bunny mascot and the text "BUNNY Het Duracell konijntje door de jaren heen."

The website is decorated with multiple instances of the Duracell Bunny mascot, appearing to jump and dance around the central content area.

Duracell in the US

[HOME](#) | [CONTACT US](#) | [TECHNICAL OEM](#) | [B2B/PROFESSIONAL](#) | [UNITED STATES/ENGLISH](#)

DURACELL **SMARTPOWER**

Search ...

[[PRODUCTS](#) | [TOOLS & INFO](#) | [SMART POWER](#)] [[COMPARE TOOL](#) | [PRODUCT FINDER](#) | [BUY NOW](#)]




MYGRID™


ALL-PURPOSE
BATTERIES


RECHARGEABLES


POWER RESERVES


FLASHLIGHTS

[« || »]


HIGHER LEARNING
Duracell Smart Power is playing an important role in the education of America's future wind turbine engineers.
[WATCH THE NEW COMMERCIAL](#)


PRODUCT FINDER
Looking for a specific device? Find the right Duracell product for your electronic needs.
[FIND NOW](#)

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Energizer in the US

Energizer.



THE TRUTH IS OUT! DUNKIN' BEAT STARBUCKS

In a recent national blind taste test, more Americans preferred
the taste of Dunkin' Donuts coffee over Starbucks.
It's just more proof it's all about the coffee (not the couches or music).



SPREAD THE TRUTH



LEARN THE TRUTH



FIND A DUNKIN' DONUTS NEAR YOU

Enter your ZIP code:

SEARCH



WATCH THE
COMMERCIAL



The Global Advertising Task (II)

■ Questions:

- ☐ What are the objectives of the advertising campaign in the various countries?
- ☐ How to allocate a given advertising budget across countries?
- ☐ What message to use in the various countries?
- ☐ What media to select in the various countries?

Creating Awareness



WORLDWIDE AD GROWTH: 1990-2008

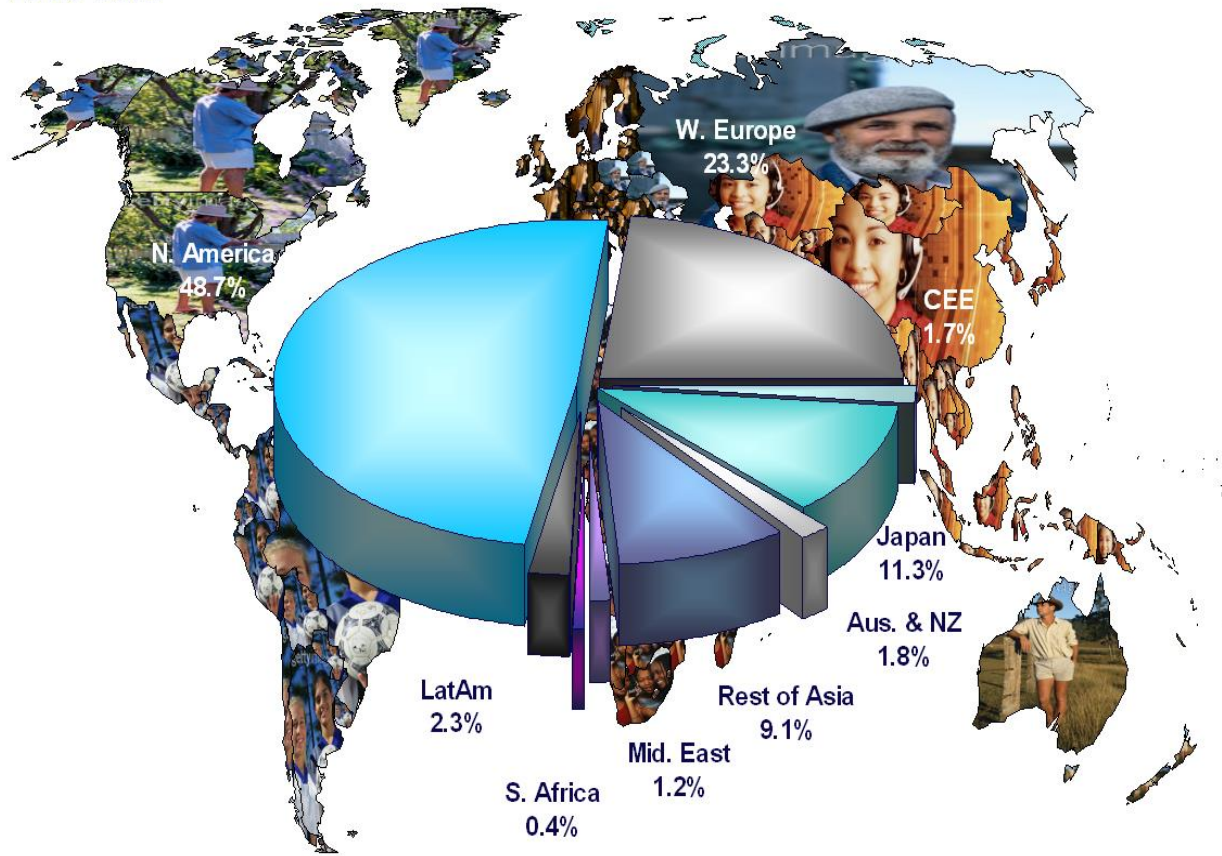
	U.S.A.		OVERSEAS		TOTAL WORLD	
	BILLION US\$	% CHANGE	BILLION US\$	% CHANGE	BILLION US\$	% CHANGE
1990	\$130.0	+3.9%	\$145.9	+11.8%	\$275.9	+7.9%
1991	128.4	-1.2	153.9	+5.5	282.3	+2.3
1992	133.8	+4.2	165.4	+7.5	299.2	+6.0
1993	141.0	+5.4	163.2	-1.3	304.2	+1.7
1994	153.0	+8.6	179.0	+9.7	332.0	+9.1
1995	165.1	+7.9	205.9	+15.0	371.0	+11.7
1996	178.1	+7.9	212.1	+3.0	390.2	+5.2
1997	191.3	+7.4	210.0	-1.0	401.3	+2.8
1998	206.7	+8.0	205.2	-2.3	411.9	+2.6
1999	222.3	+7.6	213.8	+4.2	436.1	+5.9
2000	247.5	+11.3	226.8	+6.1	474.3	+8.8
2001	231.3	-6.5	209.6	-8.6	440.9	-7.9
2002	236.9	+2.4	213.6	+1.9	450.5	+2.2
2003	245.5	+3.6	244.4	+14.4	489.9	+8.7
2004	263.8	+7.4	279.8	+14.5	543.6	+11.0
2005	271.1	+2.8	298.0	+6.5	569.1	4.7
2006	281.6	+3.9	323.0	+8.4	604.6	+6.2
2007	279.6	-0.7	360.1	+11.5	639.7	+5.8
2008*	285.1	+2.0	382.8	+6.3	667.9	+4.4

* In current local currencies

The International Repartition of Advertising

Distribution of Advertising Expenditure by Region

2003 data



Source: Initiative Futures Worldwide Spheres of Influence 2004



The International Repartition of Advertising

(Percent change over prior year in nominal currencies)

COUNTRY	2006	2007	Forecast 2008
Japan	+1.0%	+1.1%	+1.7%
Germany	+2.7	+2.2	+2.6
United Kingdom	+1.0	+4.0	+3.0
France	+3.5	+2.9	+3.0
Italy	-0.2	+1.1	+1.7
Spain	+7.1	+5.9	+5.3
Canada	+7.7	+4.1	+3.7
Brazil	+15.5	+12.0	+10.0
Mexico	+12.3	+5.0	+4.0
Australia	+5.0	+4.6	+4.6
Netherlands	+5.3	+4.5	+5.1
United States	+3.9	-0.7	+2.0

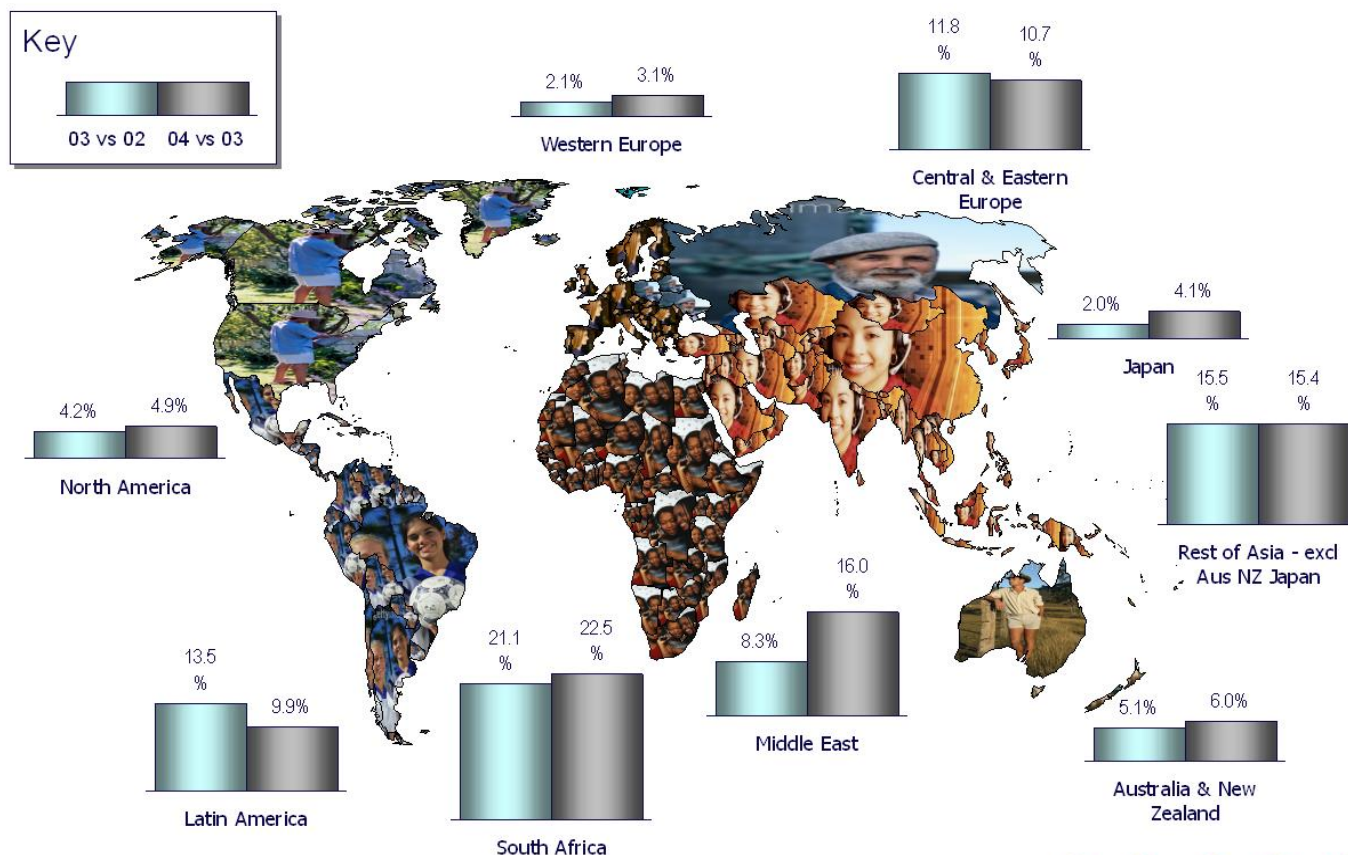
The International Repartition of Advertising

(Percent change over prior year in nominal currencies)

COUNTRY	2006	2007	Forecast 2008
Austria	+4.9	+9.7	+5.1
Norway	+9.2	+10.4	+8.4
Greece	+6.4	+13.8	+6.1
Denmark	+18.3	+7.6	+5.4
Poland	+13.0	+12.8	+8.2
Philippines	+5.0	+10.0	+8.0
China	+10.6	+9.0	+12.0
India	+19.0	+10.0	+8.0
Russia	+24.0	+26.0	+23.0
Argentina	+36.0	+35.0	+30.0

Growth in Ad across Regions

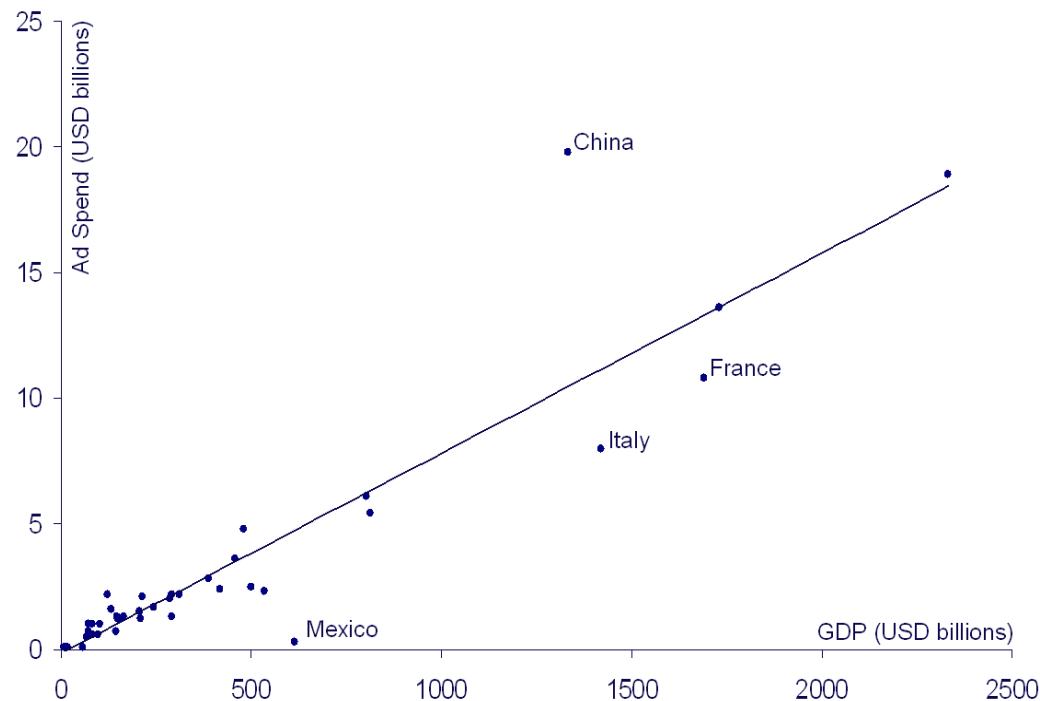
Annual % Change in Advertising Expenditure by Region



Advertising and the Economy

Correlation of GDP with Advertising Expenditure

2003; outliers labelled; US and Japan omitted for clarity

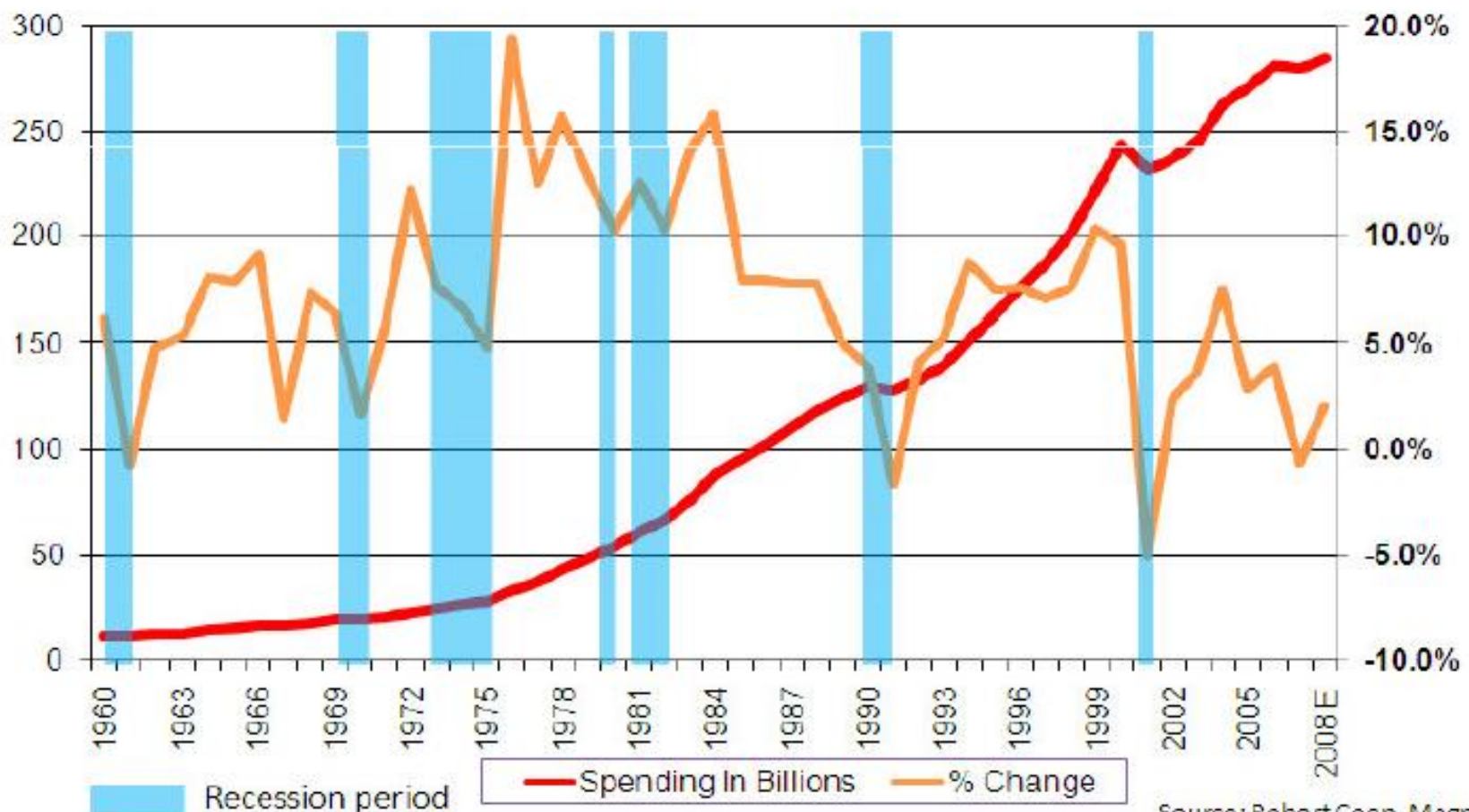


Source: Initiative Futures Worldwide Spheres of Influence 2004

- Advertising as a percent of nominal GDP is a good barometer of the general strength in advertising demand.
- “Above normal” ad spending
 - Brazil, US, and now China
- “Below normal” ad spending
 - Muslim countries, e.g. Indonesia, and now France, Italy and Mexico

Advertising and the Economy

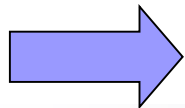
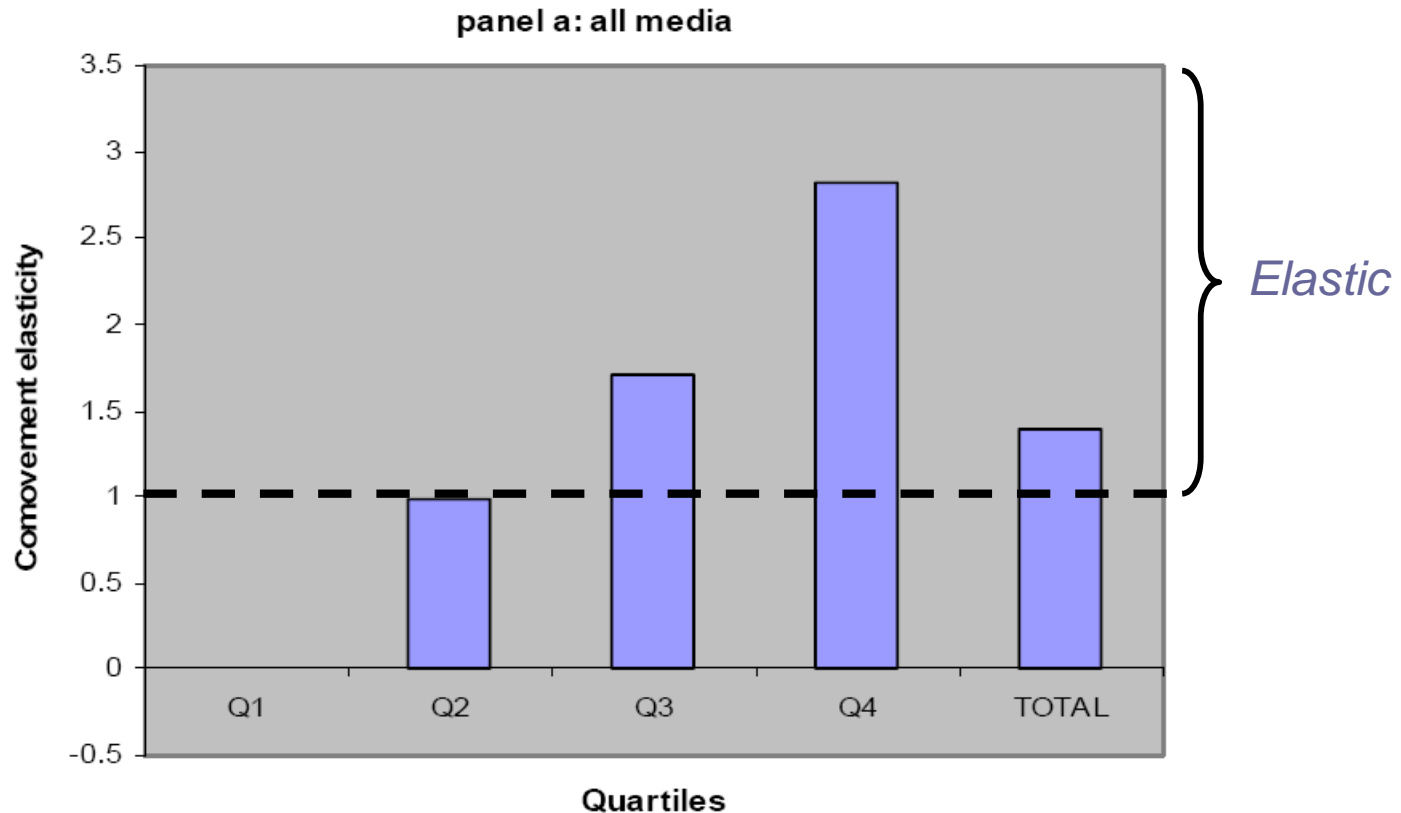
Historical Ad Spending 1960-2008



Source: Robert Coen, Magna

Advertising over the Business Cycle

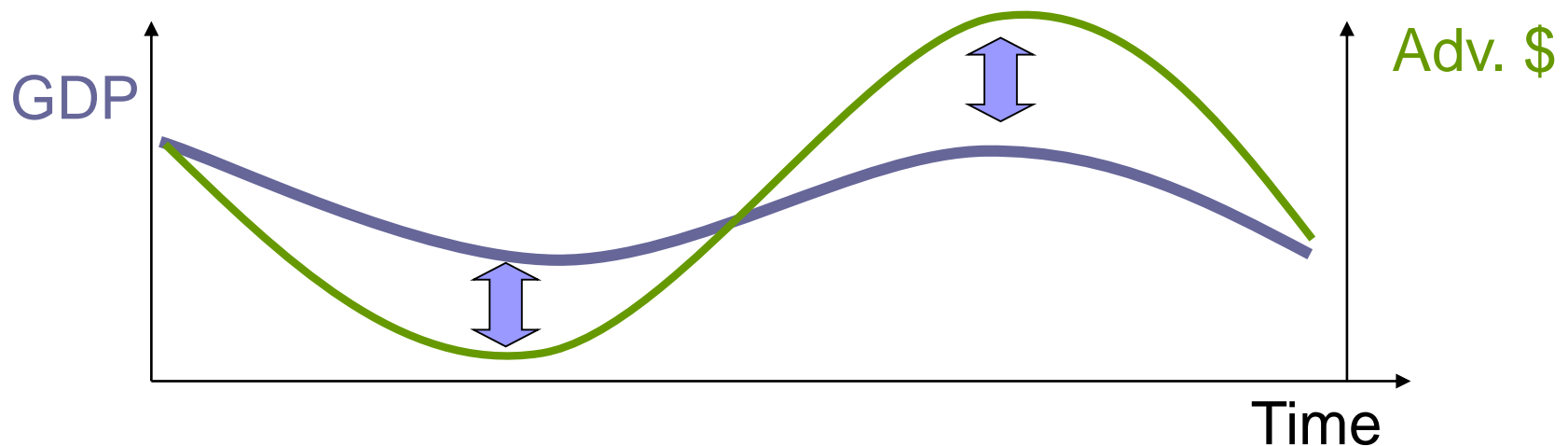
- Advertising elasticity to business cycles among 37 countries



Business-cycles fluctuations get *amplified* in advertising spending

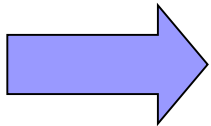
Advertising over the Business Cycle (II)

- *Worldwide cyclical sensitivity* = 1.4



Advertising over the Business Cycle (III)

- In difficult economic times, advertising budgets are usually reallocated to promotional activities
 - Long-term vs. short-term effects
- Also, the number of firms going bankrupt increases



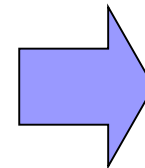
Advertising spending tend to decrease more than expected

- BUT some countries' reactions are stronger than others...

International View on Advertising

■ *Expense vs. strategic investment*

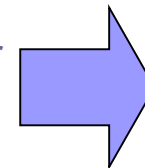
- Short-term vs. long-term view
- Cost to pay off vs. brand building tool
- Relation with cultural dimensions:
 - Long-term orientation → *strategic view*
 - Power distance → *strategic view*



Lower sensitivity to BC

■ *Herding behavior vs. individual evaluation*

- Contagion, imitation behavior among firms vs. rational, thoughtful behavior
- ! Opportunity for an increase share-of-voice
- Relation with cultural dimensions:
 - Uncertainty avoidance → *herding behavior*
 - Collectivism → *herding behavior (n.s.)*

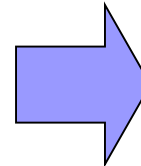


Higher sensitivity to BC

International View on Advertising (II)

■ *Stock market presence and pressure*

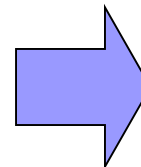
- Oriented towards short-term profits
- Pressured by bankruptcy risks



Higher sensitivity to BC

■ *Share of foreign-owned businesses*

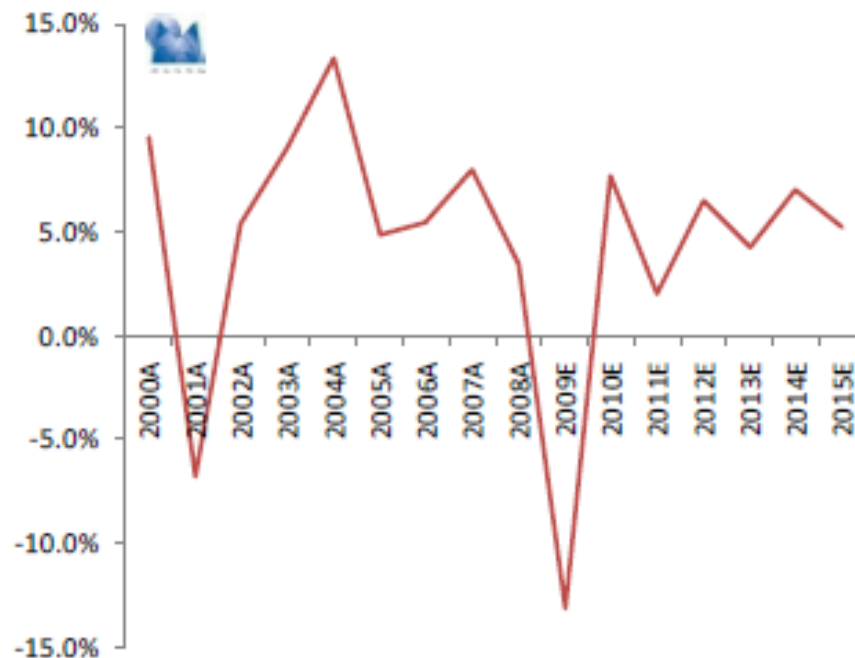
- Downplay local conditions
- Global view



Lower sensitivity to BC

Time Evolution per Medium: Worldwide

TV Advertising Annual Growth

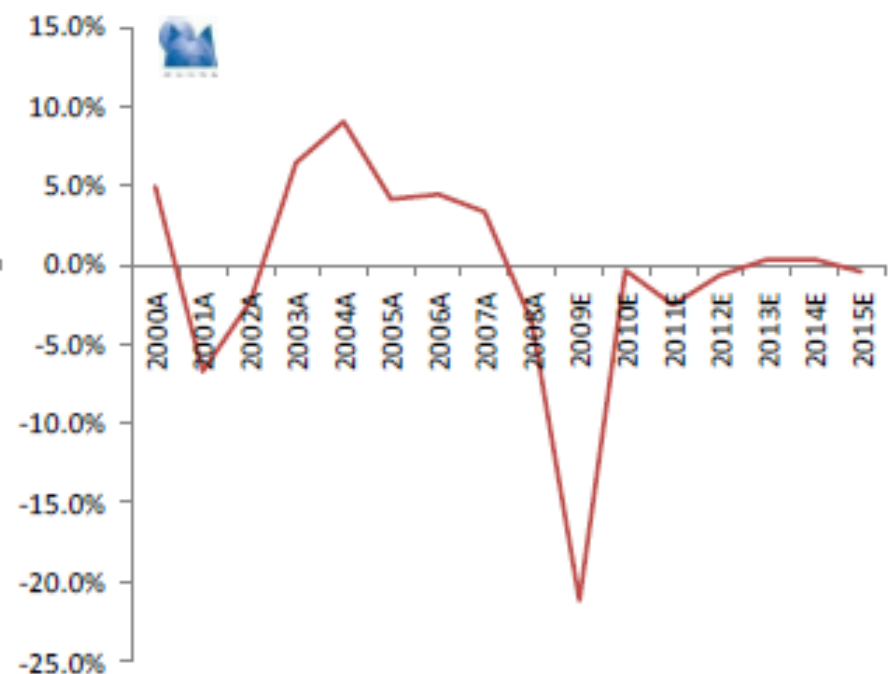
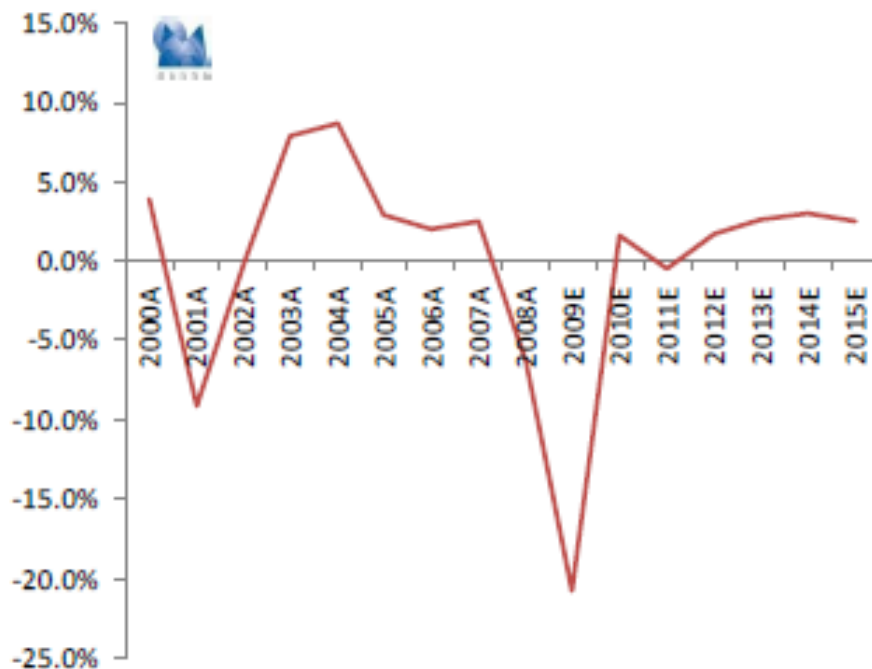


Magna Insights 2009

Time Evolution per Medium: Worldwide

Newspaper Advertising Annual Growth

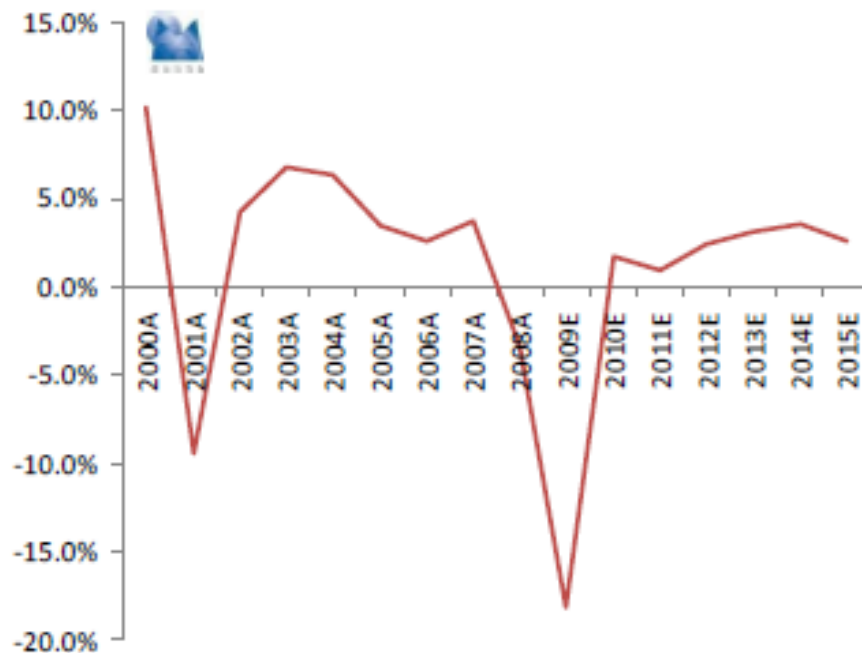
Magazine Advertising Annual Growth



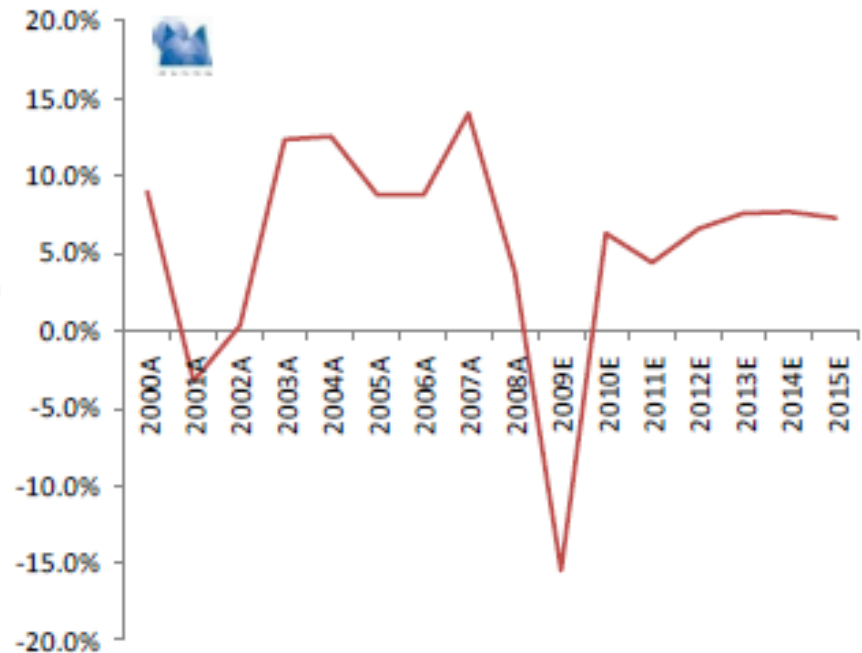
Magna Insights 2009

Time Evolution per Medium: Worldwide

Radio Advertising Annual Growth



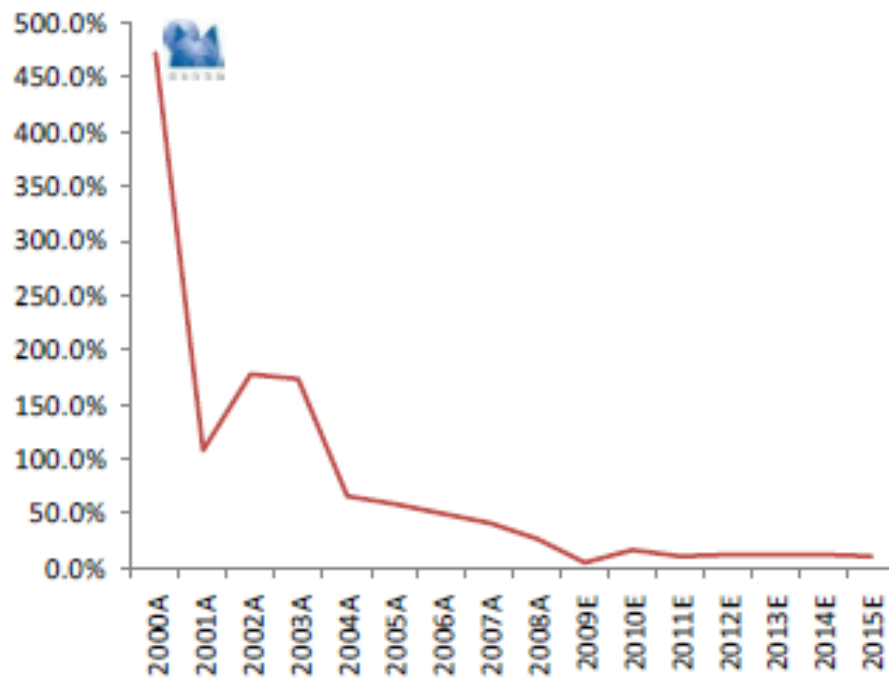
Outdoor Advertising Annual Growth



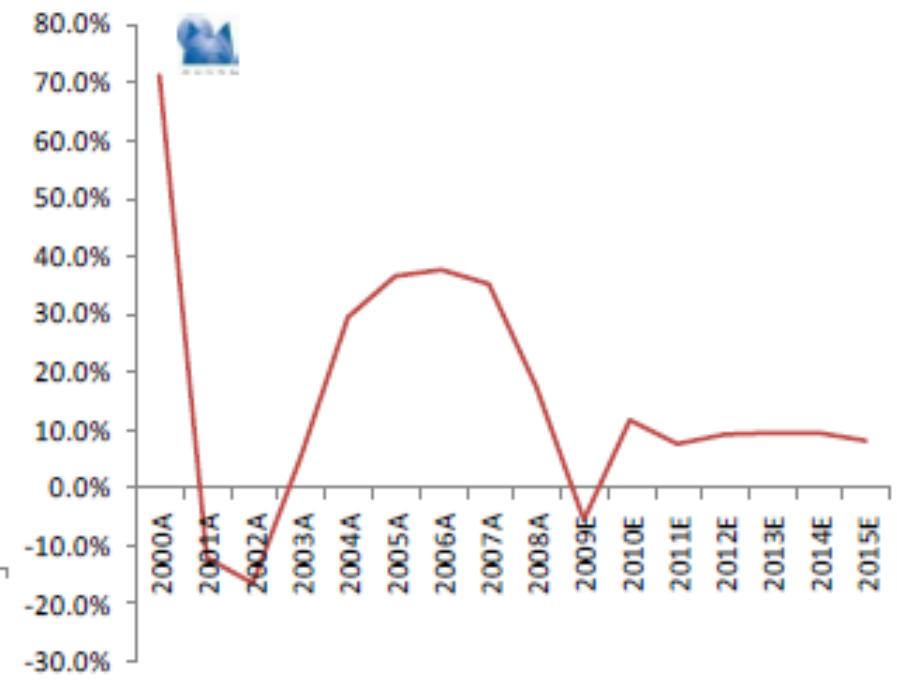
Magna Insights 2009

Time Evolution per Medium: Worldwide

Search Advertising Annual Growth

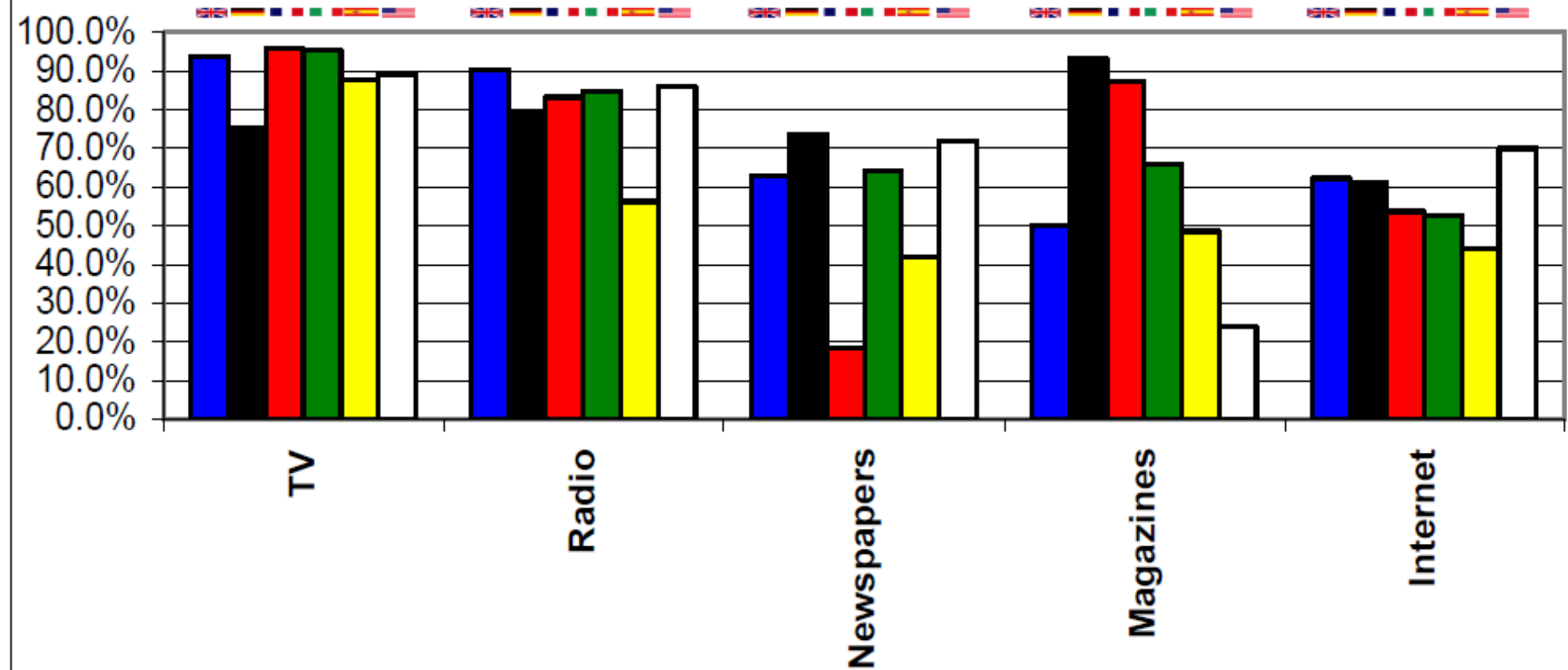


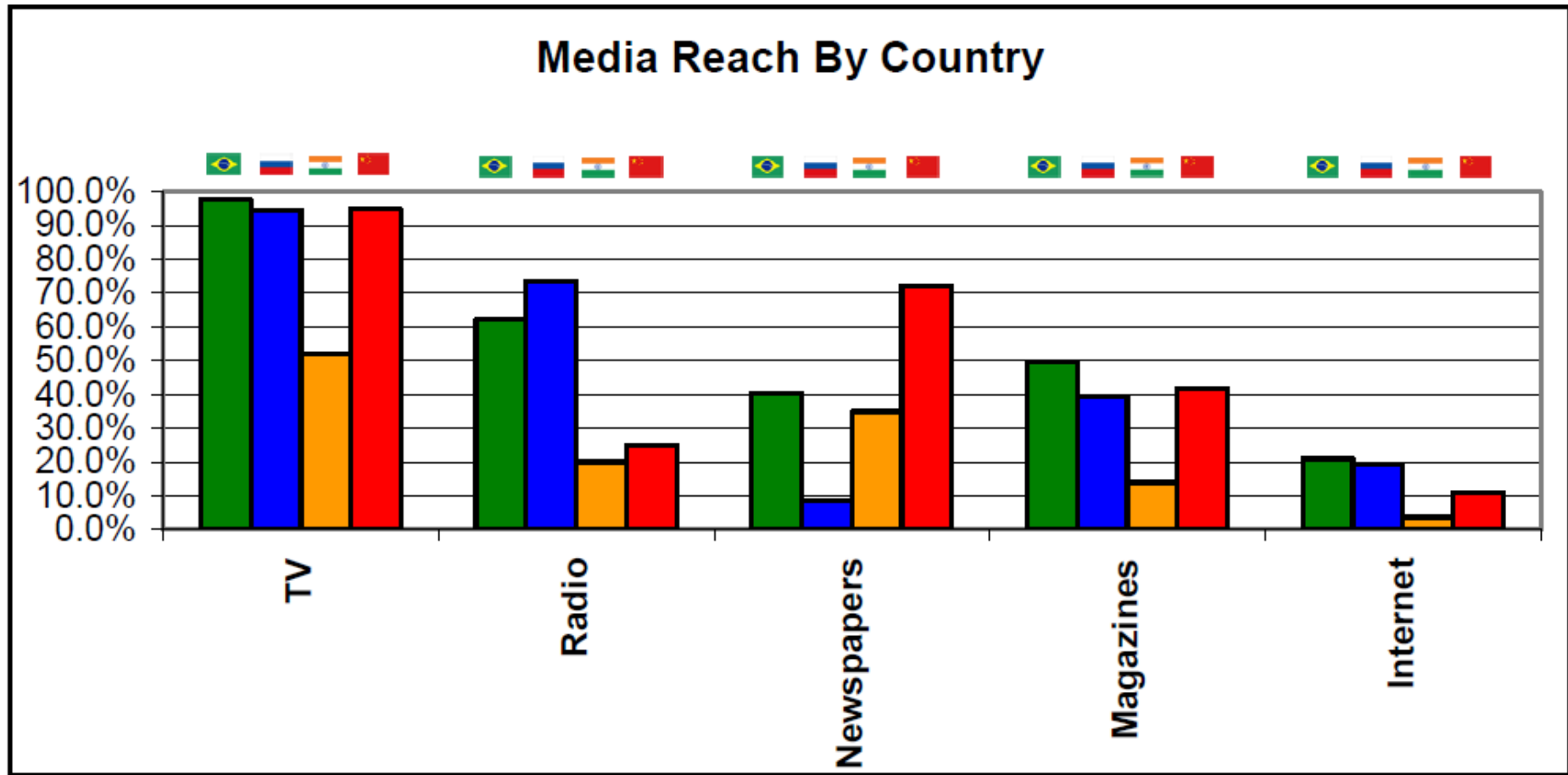
Other Online Advertising Annual Growth



Magna Insights 2009

Media Reach By Country





Media Preferences across Countries

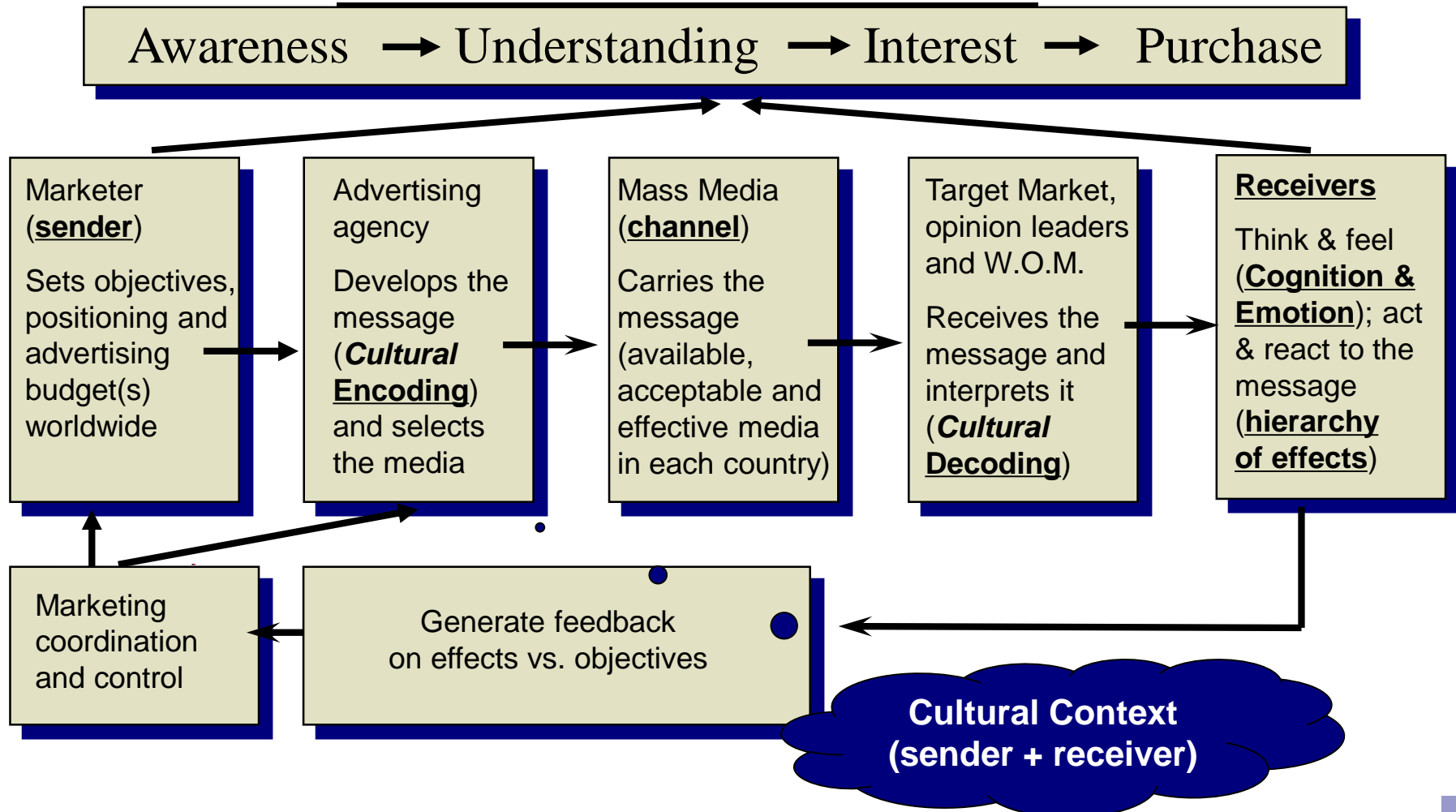
- Outdoor
 - Japan and South Korea
 - Large audience
- Cinema
 - Argentina and India
 - High theater frequentation
- Print
 - France, Germany, Sweden and United Kingdom
 - High literacy rate, limited commercial broadcasting on public TV
- Radio
 - Not much in Europe
 - Regulated in most countries
- TV
 - US, Asia (Japan) and South America
 - Not used to read, attracted by audiovisual media

Outdoor Opportunities in Tokyo



Components of a Global Ad Strategy

International Communication Process



Components of Global Ad Strategy (II)

■ Standardized strategy

- ☐ Standardization of (some) product components
- ☐ Identical or recognizable brand name



■ Corporate mentality

- ☐ Global or multinational advertising agencies
- ☐ E.g. McCann-Erickson, Ogilvy and Mather

■ Media with global reach

- ☐ TV: e.g. CNN
- ☐ Magazines: e.g. Time, Newsweek, Cosmopolitan
- ☐ Newspapers: e.g. The Financial Times, The Wall Street Journal
- ☐ Internet, WWW, electronic commerce
- ☐ in addition to local media that convey a global message !!!

■ Message (content) and creative (form- the way the message gets across) standardization

Types of Global Advertising Strategies

■ Identical ads

- Language adaptation only (or no text, no translation or subtitles)
- E.g. Marlboro, [many commercials](#) (because of the high costs)

■ Prototype ads

- Language and/or visual adaptation to match local culture
- Usually the same story (script) and message (e.g. slogans, often not translated) but adapted creative aspects (e.g. layout, colors, ...)
- E.g. L'Oreal [US](#) - [Asia](#)

■ Pattern standardization

- Uniform positioning theme
- Local execution and creativity
- Most common approach
- E.g. Ford Focus [UK](#) - [US](#)



Conditions for Global Advertising

- Same brand image
- Same symbols' interpretation, e.g. role of colors
- Same preference in terms of product features or attributes, e.g. mobile phones (look vs. functionalities)
- Same usage conditions, e.g. bikes (leisure or mobility)
- Same media availability and effectiveness
- Uniform regulations

Example of Symbols: Colors

■ In general:

Happy - Yellow
Pure - White
Good Luck - Green
Good-tasting - Red (tomato)
Dignity - Purple
High Technology - Silver
Sexiness - Red (tomato)
Mourning - Black
Expensive - Gold
Inexpensive - Brown
Powerful - Red (tomato)
Dependable - Blue
High Quality - Black
Nausea - Green
Deity - White
Bad Luck - Black
Favorite Color - Blue
Least Favorite Color - Orange

<http://www.colorcom.com/research.html>

■ Specifically, Asian Symbolism

Red: Happiness, marriage, prosperity
Yellow: Against evil, for the dead, geomantic blessings
Green: Eternity, family, harmony, health, peace, posterity
Blue: Self-cultivation, wealth
Purple: Wealth
White: Children, helpful people, marriage, mourning, peace, purity, travel
Gold: Strength, wealth
Gray: Helpful people, travel
Black: Career, evil influences, knowledge, mourning, penance, self-cultivation

Importance of Colors



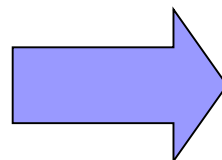
Humor in International Advertising

■ Universal cognitive structure

- Humor is created by **incongruity** (contrast) and potential resolution features to this incongruity
“People develop expectations based on the category norms that are violated in the ad”
- *Contrasts include actual/not actual, expected/unexpected, possible/impossible*
- E.g. [Seda \(Brazil\)](#)
- E.g. [Zazoo's \(Belgium\)](#)

■ Culture-dependent specific contents

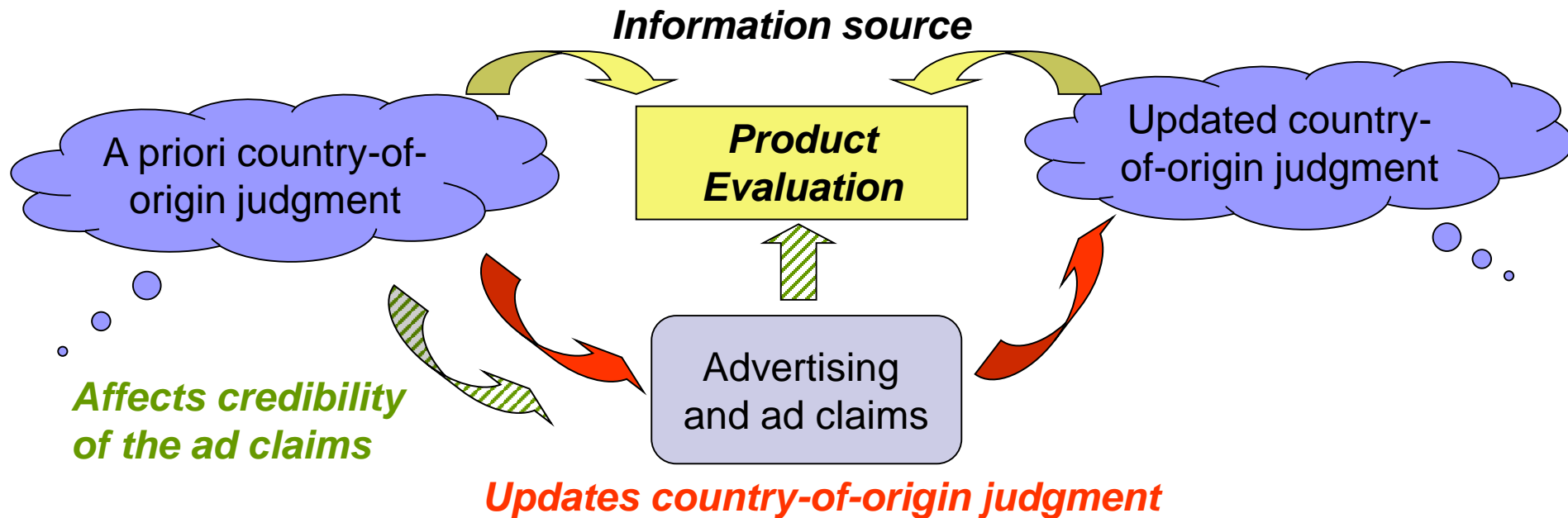
- Number of “characters” (collectivism)
- Equality among the “characters” (power distance)



Humor enhances recall, evaluation and purchase intentions
if humor is integrated with ad objectives and viewed as appropriate with the product category

Country-of-Origin Effects in Ads

- Influence product evaluation (product quality signals)
 - Affect consumers' interpretation of ads claims (ad claims' credibility)
- ➔ *ADAPT CLAIMS TO COUNTRY-OF-ORIGIN JUDGMENTS*



Our brands

Food brands

- ▶ Home care brands
- ▶ Personal care brands
- ▶ Nutrition
- ▶ Health, hygiene & beauty
- ▶ Our advertising
- ▶ Unilever Foodsolutions

Bertolli



Bringing the Mediterranean lifestyle into your home.

The pleasure principle

Everything we do at Bertolli is rooted in the pleasures and principles of Italian cuisine. Like the Italians, we take fine ingredients, combine them with specially selected olive oil, and produce foods that are deceptively simple and totally delicious. So add some Bertolli magic, with pasta and bruschetta dishes that form an important part of Italian cooking.



Italian heritage

In 1865, in the town of Lucca, in the Tuscan heart of Italy's olive growing region, Francesco Bertolli opened a small storefront business selling regional foods such as olive oil, wine, cheese and olives.



From its beginnings in olive oil, Bertolli today has grown to include a broad range of restaurant-quality pasta sauce and meals. While the Bertolli portfolio of products is constantly evolving to meet changing consumer needs, it continues to stay true to its Italian origins of culinary craftsmanship and trademark values of guaranteed quality, consistency and authenticity.