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Lecture – 27 Communicating with the World Consumer – Part II

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Welcome to this course on Global Marketing Management, and we are talking about communicating with the world consumers, so a module 26 and 27 they are dedicated to this topic. Now we will talk about the module 27 and we will be talking about how to go about choosing an advertising agency one, second how to go about Coordinating International advertising. So the problem is that a company may have to choose different advertising agencies in different parts of the world. So they, they need to co-ordinate amongst those advertising agencies.

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And then in addition to advertising, there are several other forms of communication and so we will see, what are the other forms of communication for global marketing.

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Now look at this, 18 year olds in Paris have more in common with 18 year old in New York than with their own parents. They buy the same products, go to the same movies, listen to the same music, sips same colas. Global advertising merely works on this premises. So that is said by William Roedy, who is the director of MTV, Europe.

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Introduction

- Marketing communications, the Promotion P of the marketing mix refers to all forms of communications used by organizations to inform, remind, explain, persuade and influence the attitudes and buying behaviors of customers and other persons.
- The primary purpose of marketing communications is to tell customers about the benefits and values that a product or service offers. The elements of the promotion mix are Advertising, Public relations, sales promotion, direct marketing, mobile marketing, etc.
- All of these elements can be utilized in communicating with the world consumer, either alone or in varying combinations.



Now see that we are talking about another element of the marketing mix that is promotion. So communication or the promotion the P, of the, of promotion refers to all form of communication used by organization. So the product also speak something, the price also speak something. But promotion specifically does this job of communicating with, with the customers. So all forms of communication that are used for the organisation to inform, remind, explain, persuade and influence. So this is what this promotion is supposed to do. First is to inform, keep them reminding, explain to them, persuade them to use the product and then influence the attitude and buying behaviour of customers and other persons.

The primary purpose of marketing communication is to tell customers about the benefits and values. So these are these are the two things which are important, that that a product or service offers. The element of the promotion mix are, so these are the various elements of promotion mix, or the communication mix, so they are, advertising, public relations, sales promotion, direct marketing, mobile marketing, and several other forms including digital marketing, etc.

All these elements can be utilized in communication with the world consumer either alone or in varying combination. So but generally what happens is that, we have companies use a variety of these, these tools, depending upon, depending upon their, their overall objectives. So these are the various tools available advertising, public relations, sales promotion, direct marketing,

mobile marketing. And they want to communicate benefits and values. Now how to go about choosing an advertising agency.

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One of the Global Advertising issues company face is whether to create ads within the company that is, in house or use an outside agency or sometimes a combination of both these strategies. So some of them are created, some component of the ads created in within and then they also had an advertising agency. So although some companies like Benetton, Diesel, Avon and Hugo Boss develop their advertising campaign in-house, but most of the firm rely on expertise of an advertising agency, because advertising agencies they have a competence in developing ads for various kind of products.

So several companies they hire advertising agency for this purpose, while there are also companies which have their in-house advertising agencies. So Coca-Cola has it own agency but also uses the service of outside agency. When one or more outside agencies are used, they can serve, they can serve product accounts on a multi country or a global basis. Now you see now comes the problem when when more than one agencies are being used. Over the years, the advertising agency industry has consolidated through mergers and globalised leading to global mega agencies.

So because now companies are also becoming global, so therefore their advertising agencies have also started becoming global, by way of, by way of mergers etc. Now what to do when when a company needs to select an advertising agency?

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So the international market has several options for that, the first is work with the agency that handles the advertising in the firm's home market. So that is the obvious choice and the safest choice, for you work with the agency, that is already handling your account, pick or go to a foreign market and pick up purely local agency. So these are two different options available. The third option is choose the local office of a large international agency. So you may not be choosing the same agency or the same agency may not be available in in the foreign company foreign country, therefore the company chooses the local office of a large international agency.

And the fourth option is select an international network of ad agencies that spans the globe. So you choose a network of companies, therefore you remain in the network, and the companies will look after your account all through the world. When screening the ad agencies, how when, when you are dealing, when you want, to to come up with an ad, so there can be any number of options, now how to go about screening those ad agencies?

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Choosing an Advertising Agency When screening ad agencies, the following set of criteria can be used: Market coverage: Does the agency cover all relevant markets? What is the geographical scope of the agency? Quality of coverage Expertise with developing a central international campaign Creative reputation Scope and quality of support services: Agencies are also expected to deliver support services like marketing research, event sponsorships, PR events, etc.

The first, so the first indicator or the first factor, that can be used for this purpose is the market coverage. Does the agency cover all relevant markets? and what is the geographical scope of the agency? Now the advantage is that, you can pick one agency that can cover all relevant markets or you can have different agencies to cover the different markets. Then what is the quality of coverage? Expertise with developing a central international campaign. Whether they have done that earlier or not and what is their creative reputation and the last one is the scope and quality of support services.

Agencies are also expected to deliver support services like Marketing research, Event sponsorship, PR events, etc. because if that agency is not giving all these support services, then there is another task of selecting agencies that can do marketing research, or can look for events, for its sponsorships and for and look for public relation events.

Then the other factors that can affect the choice of the agency are the desirable image. So whether the advertising agency has a Global or local image. The size of the agency, so generally large agencies have more power than small agencies. On the other hand, many award winning ad campaigns have been designed by small boutique like agencies. So now the again there is a choice whether you look for a large agency or a small agency, they both have their advantages and disadvantages and then they you also have to this company has to look at, what are the

conflicting accounts that this agency handles. So does the agency work on an account of one of our competitors this may lead to confidential confidentiality issues.

Now after having chosen the agency, the another job that this company has to do is to coordinate international advertising. Because you see that, the company does not want, to send a different kind of image to the same target segment or difference different segment across the world.

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So it is very important that we co-ordinate, international advertising. The global or Pan regional advertising approaches require a great deal of coordination across and communication among various subsidiaries. So the mechanism that can facilitate this coordination include: the first one is the monetary incentives, that is cooperative advertising. Cooperative means between the company and their, and their channel partners. So the efforts can vary but there may be little consistency in the message conveyed.

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Then the second is, that they can come up with advertising manuals, that can, so the advertising manuals, are like user manuals, so, they write down all the things that needs to be done. Then the third method is to lead country concept. The details of the campaigns are summarized in a bundle which is sent to various subsidiaries. And the fourth is global or pan regional meetings, guidelines to implement a global or pan-regional advertising approaches they include first the top management, must be dedicated to, going global.

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The third party, that is, that is the ad agency can help to sell key managers the benefits of a global advertising approach. The global brief based on cross-border consumer research can help persuade managers to think in terms of global consumers. Find product Champions and give

them a charter for the success of global marketing programs. So every product may not be a product champion. So the company has to find product Champions, those products that can be taken, that, that are open for global marketing programs. Convince local staff that they have an opportunity in developing a global campaign. And get local managers on the global marketing team, have them do the job themselves.

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So this was about advertising, now let us look at the other forms of communication. Another form of communication is sales promotion. It refers to the collection of short term incentive tools, so keep in mind that we are talking of short term incentive tools, to kick start a campaign to kick start the sale, that leads to quicker or and or larger sales of a particular product by consumers or the trade. So this sales promotion can be directed towards, towards the trade, or towards the consumers.

So the trade means the channel partners, the retail, the distributors and the retailers or it can be directed towards the consumers, the end consumers. For the majority of multinationals, the sales promotion policy is generally a local affair, that is, a specific to a specific country. The rationale explaining the local character of promotions, that include, economic development, market maturity, cultural perceptions, trade structure, that means push vs pull and government regulations.

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Key: $Y = permitted X = not p$	permitted	l? = may	be per	mitted						
Promotion Technique	UK	NL	В	SP	IR	IT	$F \cdot$	G	DK	
On-park promotions	Y	Y	?	Y	Y	Y	?	Y	Y	
Banded offers	Y	?	?	Y	Y	Y	?	Y	Y	
In-pack premiums	Y	?	?	Y	Y	Y	? ? ? Y Y	Y	?	
Multipurchase offers	Y	?	?	Y	Y	Y	?	Y	Y	
Extra product	Y	Y	Y	Y	Y	Y	?	? X	Y	
Free product	Y	?	Y	Y	Y	Y	Y	X	?	
Reusable/other use packs	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Free mail-ins	Y	Y ?	?	Y	Y	Y	?	Y ?	Y	
With purchase premiums	Y	?	? Y X Y	Y	Y	Y	? ? ? Y Y	?	?	
Cross-product offers	Y	Y	X	Y	Y	Y	?	Y	Y	
Collector devices	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Competitions	Y	?	?	Y	Y	?	Y	Y	?	
Self-liquidating premiums	Y	Y	Y ?	Y	Y	Y	Y	Y	Y	
Free draws	Y	X Y X Y	?	Y Y Y	Y	Y	Y Y ?	Y	Y	-
Share outs	Y	Y	?	Y	Y	?		Y	?	
Sweepstake/lottery	?	X	?	Y	X	?	? Y Y	Y	X CONTRACTOR OF THE PARTY OF TH	
Money off vouchers	Y	Y	Y	Y	Y	Y	Y	?	Y	
Money off next purchase	Y	Y	Y	Y	Y	Y			Y	
Cash backs	Y	Y	Y	Y	Y	X	Y	X	Y	
In-store demos	Y	Y	Y	Y	Y	Y	Y	Y	Y	-

Now you see which techniques are allowed in Europe, so the key, let us first look what what Y means, Y means permitted, X means not permitted. So the various promotional techniques. Now you see these can be the number of different kind of promotional techniques that are there on the left hand side. So, on park promotions, banded offers, in pack premiums. So somewhere in UK for examples some of these of these techniques may be permitted, while in several other countries they may not be permitted, but here the interesting point is that you see that within the sales promotion also there can be so so many different and this is just an indicative list and not an exhaustive list. So so this can be, so there can be, so many sales promotion techniques that are available to, to the, to the company.

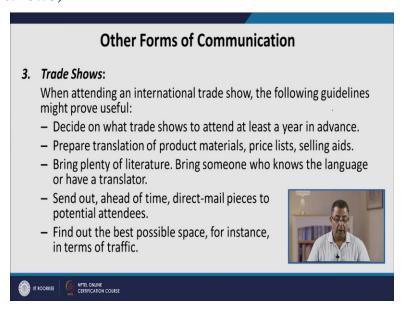
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Another form of communication is direct marketing. So in direct marketing the company uses various type of media that enables it to get Direct Access to the consumers based on, one on one, relationship. So as the name suggests, it is directly between the company and the consumers. The most prominent form of direct marketing are direct mailing. So the company send emails, mails, email or or otherwise to the customers. Then, there is telemarketing, telephoning the customers directly, door to door selling, internet marketing and catalogue selling. So internet marketing will also include websites and catalogue selling.

So this catalogue selling is is quite popular in Europe but not so in India. So it is a hybrid mix of promotion and distribution. Keep in mind, that this direct marketing, is somewhere between promotion and distribution. For companies, such as, Avon, Dell, Amazon, Amway, Mary Kay, direct marketing is more of a business model. So they survive on this business model.

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The another form of communication is Trade Shows. So when attending an international trade show the following guidelines might might be useful. The first is to decide on what trade shows to attend at least a year in advance. So there may be several different kinds of trade shows, happening across the world, and a company obviously would not like to be attending all those trade shows. So what the company needs to do is to decide on what trade shows they will attend and that should be done at least a year in advance, so that, they can make proper preparation for attending related trade show.

Prepare translation of product material, price list, and selling aids. Trans, translate, translate them in the local language, where the trade show is being happening, is supposed to happen. Bring plenty of literature, bring someone who knows the language or have a translator. Send out ahead of time direct mail pieces to potential attendees. So the people so you so you send a mail directly to people who who you want to attend attend the trade show. Then find out the best possible space in terms of traffic, now within, within that area, you have to choose which is the best place for you to be located in, so that you can get maximum in terms of traffic.

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Then some of the other forms of communication, plan the best way to display your product and to tell your story, where within that outlet, where which product will be displayed, and how to go about telling the story. Do your homework on potential buyers from other countries. So from the list of the potential attendees, that where you have send an invitation, you, you do your homework, on those bias and your homework means that you try to work out what may be their requirement, well in advance.

Assess the impact of trade show participation, on the company's bottom line. Now after you have done all that and spent lots of money, there is a need to assess the impact of what, what this, is this trade show on your bottom line. Performance benchmarks may need to be adjusted when evaluating trade show effectiveness. So the different kinds of trade shows in different countries

will have the different kind of effectiveness, therefore same kind of performance benchmarks will not work across the world. There is a need to adopt the performance benchmark.

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Another kind of, of communication is Event Sponsorship. Ideally, the sponsored event should reinforce the brand image, that the company is trying to promote. So there is a need, that there should be a clear, one to one, relationship between the brand image of the company and the event that they are sponsoring. But the major risk includes organizers may not let non-sponsors in. So, only sponsors may get in. Too many sponsorships may be sold. So this will create lots of clutter. Lack of adequate protection of the sponsorship and then measurement of the effectiveness of event effectiveness is very hard.

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Other Forms of Communication

5. Product Placement.

- Product placement is a form of promotion where the brand is placed in the context of a movie, television show, video games, or other entertainment vehicles.
- It can be a very effective tool to target audiences that are less exposed to traditional media advertising.
- Products that are often featured are cars, luxury goods, consumer electronics and computers.





Next form of communication is Product Placement. So product placement is a form of promotion, where the brand is placed in the context of movie, a television show, video game, or other entertainment vehicles. So now the audiences are viewing a movie, or a television show, or playing a video game or some another kind of entertainment vehicle and there they see your brand, so that that, is what product placement is.

So it can be very effective tool to target audiences that are less exposed to traditional media advertising. So they may not be reading newspapers. So in that case, when, when the target audience are less exposed to the traditional media advertising, this product placement can be, can be very important source of communication. So products that are often featured are cars, luxury goods, consumer electronics, and computers.

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Other Forms of Communication

6. Viral Marketing:

- Viral marketing refers to tools that try to achieve marketing objectives such as increased brand awareness by boosting a selfreplicating viral process through a social network, similar to the spread of a real world virus.
- The social network can be virtual (facebook) or offline(or some combination). Also known as buzz marketing or word-of-mouse marketing.
- The message can be spread through text messages images music or video clips, or games.



Next form of communication is Viral marketing. So viral marketing refers to tools, that try to achieve marketing objective, by an increased brand awareness, by boosting a self-replicating viral process through a social network similar to the spread of a real word, real world virus. So as the name suggest we are saying that like you have viral infections, so they keep on spreading themselves, so similar is the situation here in viral marketing.

So the tools that try to achieve marketing objectives, and the objectives can be increased brand awareness, how by boasting a self-replicating viral process through the social media or the social networks. So, the social network work can be virtual, that is a Facebook or WhatsApp or it can be offline, some combination of of all those.

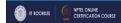
So these are also known as buzz marketing or word of mouse marketing. So this viral marketing is also known as Buzz marketing, buzz creating a buzz, and word of mouse. So all those communication that spread through the mouth through the mouse, that is termed as word of mouse. So the message can be spread through text messages, image, music or video clips or games.

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Other Forms of Communication

7. Mobile Marketing:

- The combination of web and advances in portable device technology has spurred a new communication approach: mobile marketing or brand-in-the-hand marketing.
- It's a communication strategy that leverages the benefits of mobile devices to communicate with the target customers.
- It differs from traditional marketing in two ways:
- a) It can be customized to the consumer's location or consumption context.
- b) The marketer is able to interact with the target customer.



Yet another form of communication is mobile marketing, which is a combination of web and advances in portable device technology. So that can be a smart phone, it can be a tab, it can be it can be a laptop, has spurred a new communication approach that is called as mobile marketing or brand in the hand marketing. It is a communication strategy that leverages the benefit of mobile devices to communicate with the target customers. So it differs from traditional marketing in the following two ways: the first is, it can be customized to the consumer's location or consumption context and the second is the marketer is able to interact with the target customers.

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Other Forms of Communication

7. Global Public Relations and Publicity:

- For global marketers building up good relationships with various stakeholders is an important part of their communication strategy.
- Public relations consist of managing the flow of information between an organisation and its publics. It is spreading information about a product or company to gain awareness.
- Most of the communication is "free" although most companies often engage a PR agency to manage the information flow.
- A well executed PR campaign should be creative and be based on insights about the target audience derived from solid research.



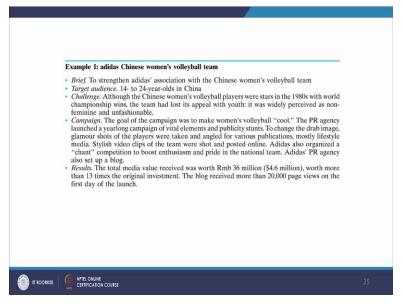
Next we come to Global Public Relations and Publicity, which is yet another form of communication. So for global marketers, building up good relationships with various

stakeholders, is an important part of the communication strategy. So now we are talking about building relationships with various stakeholders, anybody who has any kind of stake, in the company, they can be shareholders, they can be partners, they can be customers, employees in so on & so forth. So in with public relation and publicity we have we are trying to build a good relationship with all of them.

So public relation consists of managing the flow of information between an organisation and its public, so important in this public relation is the flow of information between the organisation and the various stakeholders. So it is spreading information about a product or a company to gain awareness, and we are trying to gain awareness not only with the customers but with all kind of stakeholders. So, most of the communication is free, although most companies often engage a PR agency to manage the information flow.

So, now you see the dichotomy, the communication is free, but companies they have to hire a PR agency, which means that the company will pay the PR agency for this kind of communication. So a well-executed PR campaign should be creative and be based on insights about the target audience derived from solid research.

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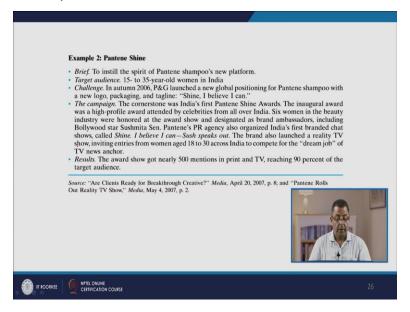


So, let us look at this example, Adidas Chinese women's volleyball team. The brief was to strengthen Adidas Association with Chinese women's volleyball team; the target audience was

14 to 24 years old in in China. The challenge was although the Chinese women Volleyball players were stars in 1980s, with World Championship wins, the team has lost its appeal to the youth, with the youth, it was widely perceived as non-feminine and unfashionable. Therefore, they came up with a campaign and the goal of the campaign was to make women volleyball cool.

The PR agency launched a year long campaign of viral elements and publicity stunts. To change the drab image, glamour shots of the players were taken, and angled for various publications mostly lifestyle media. Stylish video clips of the team were shot and posted online. Adidas also organised a giant competition to boost enthusiasm and pride in the national team. Adidas' PR agency also set up a blog. The result was, the result was, the total media value received was worth Rmb 36 million that is equivalent to dollar 4.6 million worth more than 13 times the original investment. The blog received more than 20,000 page views on the first day of the launch.

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Next example is that of Pantene Shine: The brief was to instill the spirit of Pantene shampoo's new platform. The target audiences were 13 to 15 to 35 year old woman in India. The challenge was that in autumn 2006 PNG launched a new Global positioning for Pantene Shampoo with a new logo, packaging and tagline, Shine, I believe I can. The campaign the corner store of the campaign was India's first Pantene shine award. The inaugural award was a high-profile award

attended by celebrities from all over India. 6 women in the beauty industry were honored at the award shows and designated as brand ambassadors including Bollywood star Sushmita Sen.

Pantene's PR agency also organised India's first branded chat show called Shine. "I believe, I can"-Sush speaks out. The brand also launched a reality TV show inviting entries for women aged between 18 to 30 across India to compete for the dream job of TV news anchor, the result was the award show got nearly 5000, 500 mentions in the print and TV, reaching 90% of the target audience. So this is, this campaign was highly effective, because it was able to reach 90% of the target audience.

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So now let us look at what Globally Integrated Marketing Communication is. So since advertising is only one element of the global communication, many firms are now pursuing, what is called as Integrated Marketing Communication Program. The goal of this program is to coordinate all the communication efforts of the firm.

So now the idea of having a Globally Integrated Marketing Communication Program is that, all the different kind of, different kind of tools of communication, all the different kind of media that are used, so they should all be integrated and they all should come and say the same thing. So a globally Integrated Marketing Communication program goes one step further and strategically co-ordinate global communication in all of its components parts, vertically and

horizontally. So GMIC may coordinate activities vertically that is across tools or horizontally, across countries.

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Globally Integrated Marketing Communications (GIMC) Integrated Marketing Communications (IMC): IMC coordinates different communication vehicles – mass advertising, sponsorships, sales promotion, packaging, point-of-purchase displays, so forth. An IMC campaign can convey one and the same idea to the prospective customers with a unified voice.

- · Globally Integrated Marketing Communications (GIMC):
 - GIMC is a system of active promotional management that strategically coordinates global communications in all of its component parts, both horizontally (country-level) and vertically (promotion tools).



So IMC coordinates different communication vehicles, so that the mass advertising, sponsorship, sales promotion, packaging, point of sales display, and so forth. And IMC campaign can convey one and the same idea to the prospective customers with the unified voice. So they will, the customers, the target audience, will listen the same thing across medias and across countries. So that sends that sends the unified image of the company. So GIMC is a system of active promotional management that strategically coordinates global communication in all of its component parts but both horizontally and vertically.

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Conclusion

- In this chapter we focused on choosing an advertising agency, and forms
 of global promotion which includes public relations, personal selling,
 sales promotion, direct marketing, trade shows and sponsorship, mobile
 marketing, viral marketing and product placement
- Corporate communications must be designed to foster goodwill and provide accurate, timely information, especially in the event of crisis.
- Each technique is rapidly gaining acceptance around the world and can alter a company's marketing strategies for directly reaching the customer leading to creation of Global Integrated Marketing Communication (GIMC).





To conclude, in this module, we focused on choosing and how to go about choosing an advertising agency, and the criteria for choosing an advertising agency. Forms of global promotion that includes, public relations, personal selling, sales promotion, direct marketing trade shows, and sponsorship, mobile marketing, viral marketing, buzz marketing, product placements. So the, but the corporate communication must be designed to foster goodwill and provide accurate timely information especially, in the event of crisis.

Each technique is rapidly gaining acceptance around the world and can alter a company's marketing strategies for directly reaching the customer leading to the creation of Global Integrated Marketing Communication. Now the whole idea of this Global Integrated Marketing Communication is that, across the world there may be different kinds of advertising agencies, there may be different kind of media available. So in order to, in order that all of them should be speaking the same thing, in the unified voice, so there is a need to come up with the Globally Integrated Marketing Communication. So everything, every, all sorts of communication, that is the P, all components of those of that P, they are integrated.

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Kotabe M and Helsen K(2012), Global Marketing Management, Wiley India, Fifth Edition Terpstra V and Sarathy R, International Marketing (2003), Thomson South Western, Eighth Edition. Keegan W J, Global Marketing Management(2004), Pearson Education. Seventh Edition

And these are the three books that have been used for designing this module. Thank you.

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