International advertising campaigns in fast-moving consumer goods companies originating from a SMOPEC country

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A B S T R A C T

A particularly interesting area of research concerns how international fast-moving consumer goods (FMCG) companies from small and open economies that operate in turbulent markets plan successful advertising campaigns for international markets. The objective of this research was to determine how they are planned and what factors affect this planning. The theoretical part of the study reviews literature related to the internationalization of firms, international advertising campaigns, and standardization versus adaptation of international advertising. Based on the literature, a theoretical framework and propositions regarding the international campaign planning process for FMCG companies were developed. The empirical part uses the multiple-case study method to examine four FMCG companies that were founded in Finland. The empirical results show that five stages are especially important in the international campaign planning of FMCG companies. Moreover, the companies need to consider a number of factors when deciding on international advertising campaigns. The study presents a number of theoretical contributions and managerial implications. A novel finding relates to the importance of understanding the impact of the internationalization/globalization phase of the company. During internationalization often within the home continent, companies increasingly adapt advertising campaigns to different countries, whereas globalization to other continents calls for increased standardization across countries. Another interesting finding was that FMCG companies from small and open-economy (SMOPEC) countries often use innovative non-traditional campaigns to overcome the resource limitations.

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1. Introduction

The highly competitive market place and rapidly changing consumer trends in the fast-moving consumer goods (FMCG) field require these companies to introduce new products at an increasing rate and effectively promote them in their target segments of the international market. The turnover rate for inventories in this field is especially high. Understanding the impact of globalization and finding the right advertising strategy, campaigns, and media worldwide are important in this area (Kitchen, 1993).

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FMCG can be found in many fields such as high fashion clothes, design articles, many consumer electronic fields, and the food industry. Companies such as Zara, Luhta, Wilson, Finlandia Vodka, Fazer, and Lumene, all of which are well-known brands, are included in this field. In this study, special emphasis will be on international advertising for high-fashion clothes, cosmetics, and spirits.

International advertising research has focused on standardization of international advertising (Agrawal, 1995; Laroche, Kirpalani, & Pons, 2001; Peebles, Ryans, & Vernon, 1977; Solberg, 2002), consumer responses to international advertising (Pae, Samiee, & Tai, 2002; Zhou & Belk, 2004), the content of international advertising (Harris & Attour, 2003; Mueller, 1991), social/ethical issues (Borgerson & Schroeder, 2002), cultural values (Aaker & Williams, 1998), and international advertising agencies (Aydin, Terpstra, & Yaprak, 1984; Cheung & Leung, 2007; Walters, Whita, & Davies, 2008). Nevertheless, research on the international advertising campaign process has been relatively scarce (see e.g. Zou, 2005). Several authors have, however, stressed the importance of understanding the steps involved in international advertising campaign management (Peebles, Ryans, & Vernon, 1978; Taylor, 2005). This is especially important, as international advertising is a complicated process that often involves company headquarters (HQ), company subsidiaries, agency head offices, and local agency branches (Vardar, 1992, p. 7). More research is required for an understanding of the factors affecting international advertising campaigns (Taylor, 2005). In this context, the impact of internationalization and globalization on international advertising campaigns is an especially neglected research area. Researches on international advertising of companies from small and open-economy (SMOPEC) countries or advertisement in these countries have been very limited with only a few exceptions (see e.g. Chung, 2005; Hoeken et al., 2003; Shoham & Albaum, 1994; Solberg, 2002; Solberg & Durrieu, 2006).

As investments in advertising are large for often relatively small companies in SMOPEC countries, it is important to plan and execute international promotion campaigns effectively in order to stay competitive, and this is particularly so in the FMCG field. Based on this discussion, the main research question may be formulated as follows: How are international advertising campaigns planned in FMCG companies from SMOPEC countries and what factors have an impact on this planning?

This research is limited to the FMCG field and especially to companies that originate in Finland, a typical SMOPEC country, and produce high-fashion clothing, cosmetics, and spirits. FMCG companies are those that manufacture and market goods with a short shelf life either as a result of high consumer demand or because the products become obsolete relatively fast (see e.g. Vyas, 2005). The research method selected for conducting the investigation is qualitative and the multiple-case study method in particular was used (see Yin, 2003).

2. International advertising and the framework for FMCG companies

2.1. Internationalization of FMCG companies from SMOPEC countries

The concept of internationalization is described as the process of a company’s increasing involvement in international markets. Research shows that companies develop in a stepwise manner (Johanson & Vahlne, 1977; Luostarinen, 1979). The globalization process, however, has been studied less. Previous literature has described globalization as a change in the management orientation towards a geocentric orientation (Perlmutter, 1969) and also as the development of strategies of globalization companies (Douglas and Craig, 1989; Yip, 1989). Douglas and Craig (1989) found that companies evolve through three phases in the global market: initial entry, the local market expansion phase, and the global market rationalization phase. The management orientation also appears to evolve during globalization. The orientation of the firm may be described as ethnocentric, polycentric, or regiocentric/geocentric, depending on the viewpoint of management (Perlmutter, 1969; Wind, Douglas, & Perlmutter, 1973). In the present study, the term globalization is understood as a process in which the firm (A) expands its markets geographically from the domestic continent to other continents and (B) develops towards increasing global alignment of activities across countries. The measures of globalization based on geographical market expansion have been found particularly useful in earlier studies conducted in SMOPEC countries and hence they are also used in this study. They are the internationalization degree, that is the percentage of sales outside the home country, and the globalization degree, that is the percentage of sales outside the home continent (Luostarinen and Gabrielsson, 2004). During internationalization/globalization, companies need to decide on issues related to products, markets, and operations, but they also need to decide on elements related to marketing such as advertising (De Mooij, 1994, pp. 470–485). Mastering of international campaigns has become increasingly important during the internationalization/globalization process in FMCG companies. It is expected that the stage of the company in the internationalization/globalization process and the management orientation have an impact on the international advertising campaign processes of FMCG companies.

2.2. International advertising campaign process

Earlier research has proposed steps needed in advertising campaign planning (Davies, 1993; De Mooij, 1994; Parente, VandenBergh, Barban, & Marra, 1996; Peebles et al., 1978). However, empirical research is very scarce in this field. Peebles et al. (1978) propose a six-step framework. The model is based on the assumption that individual subsidiaries develop proposals related to objectives, campaign concepts, creative work, testing, and budget, which are reviewed with the home office for comment and final approval in relevant phases. De Mooij (1994, pp. 470–485) depicts a more detailed ten-step
model regarding whether to standardize or adapt an advertisement is addressed in the model by Peebles et al. (1978) and is seen as a very important one. Based on this discussion, the campaign planning process can be seen to consist of the following main steps: (1) marketing communication strategy and objectives setting, (2) budget decisions, (3) message creation and determination of the standardization alternative, (4) media decisions, and (5) implementation and evaluation (see also Davies, 1993; De Mooij, 1994, p. 472; Peebles et al., 1978). Advertising agencies are often selected for an extended period and then used for a number of campaigns. Hence, agency selection is not shown as a separate step in the process.

2.3. Standardization versus adaptation in international advertising

The question whether to standardize international advertising across countries or to adapt it to countries is a highly debated area in international marketing literature. Proponents of standardized advertising (Elinder, 1965; Fatt, 1967; Levitt, 1983) argue that global market segments are emerging and standardized advertising may be applied across countries, bringing advertisers a number of benefits such as cost reduction in advertising planning and control, a consistent brand image, and support for rapid global product launches. Opponents favoring a more localized approach (Britt, 1974; De Mooij, 1994, p. 203; Wind, 1986) argue that there are still differences among countries, including culture, consumer needs, languages, legislation, media availability, and stage of country development. Some recent studies have recognized that neither complete standardization nor adaptation of advertising is always necessary and the advertiser can select from a continuum based on the situation (Quelch & Hoff, 1986). Research has found a number of factors affecting standardization decisions (Buzzell, 1968; Jain, 1989). Some studies have also indicated that the international management orientation (Wind et al., 1973) or export ratio (Sandler & Shani, 1992) may have an impact on the advertising standardization decision. Peebles et al. (1977) have proposed an interesting perspective on advertising standardization by presenting two alternatives for the company to consider: prototype standardization and pattern standardization. International companies in multiple markets may use prototype standardization, which is a highly standardized approach consisting only of the appropriate translations and possibly a few idiomatic changes. When the pattern standardization form is used, the campaign, consisting of the overall theme and its individual components, is originally designed and developed for use in multiple markets to provide uniformity in direction, but not necessarily in detail. This can be seen as a modified standardization alternative in which certain elements are standardized while flexibility is provided for adaptation to country differences. We may conclude that a company may choose from a standardized, modified, or an adapted (localized) standardization alternative and several factors need to be considered.

2.4. The framework for international advertising campaign planning in FMCG companies and proposition development

The campaign planning process can be seen, as discussed, to consist of the following main steps (Davies, 1993; De Mooij, 1994, p. 472; Peebles et al., 1978): (1) marketing communication strategy and objectives setting, (2) budget decisions, (3) message creation and determination of the standardization alternative, (4) media decisions, and (5) implementation and evaluation. The factors affecting advertising campaign planning can be divided into (A) the external factors of the company, (B) the internationalization stage of the company, (C) internal strategy, standardization levers, and resources, and (D) factors related to the advertising agency. See Fig. 1 for a framework of the international advertising campaign planning process in FMCG companies.

The external factors that can be expected to affect international campaign planning are international prospects, competition, brand positioning, and similarity of cultural and consumer needs across countries (see e.g. De Mooij, 1994, p. 471). As discussed earlier, there has been a long debate on whether it is feasible to standardize advertising and on what factors impact this decision. As this issue is still unsettled, it merits further research. Earlier research has found that the similarity of consumers and their needs across countries (Elinder, 1965; Levitt, 1983; Sorensen & Wiechmann, 1975; Theodosiou & Leonidou, 2003) and other environmental factor such as competition and laws (Jain, 1989) favor a standardized advertising campaign. It may be postulated as follows:

**Proposition 1.** The more similar the environment across the countries, the higher the degree of standardization of the advertising campaign of an FMCG company.

Also, the internationalization and globalization stage of the company can be expected to have an impact (Douglas & Craig, 1989; Luostarinen, 1979; Perlmutter, 1969). Earlier research has found that a higher export ratio increases the advertising adaptation (Sandler & Shani, 1992). Research has also found that the global market development phase (Douglas & Craig, 1989; Gabrielson & Gabrielson, 2004) and management orientation (Akaah, 1991; Jain, 1989; Wind et al., 1973) may be expected to have an impact on marketing program standardization. In the initial entry phase the ethnocentric orientation prevails and the internationalization degree is often low. The ethnocentric management orientation favors a more HQ-directed standardized marketing promotion approach (Wind et al., 1973). For purposes of entry, the company often identifies countries where minimal adaptation of marketing promotion strategies is required without incurring incremental marketing cost other than those required to obtain distribution (Douglas & Craig, 1989). In this phase, the company is expected to select a standardized advertising campaign approach due to simplicity and resource
constraints. When the company moves to the international penetration (local expansion) phase, the management orientation shifts towards a polycentric orientation and the internationalization degree starts to increase due to penetration of international markets. The polycentric management orientation allows local country management freedom in decision making and favors a country-specific promotion policy (Akaah, 1991; Wind et al., 1973). In each country, attention is directed on making strategy modifications that will broaden the local market base (Douglas & Craig, 1989). Thus it is expected that the company selects an adapted campaign approach in order to be able to penetrate local country markets. When the company has moved to the global rationalization phase, it operates globally and a geocentric management orientation that strikes a balance between decision making by HQ (seeking global integration) and local country responsiveness becomes common. Promotional policy is developed worldwide to project a uniform image of the company and its products (Wind et al., 1973). A considerable part of sales often comes from outside the home continent and the globalization degree is thus relatively high. Global and regional market segments or target customers are identified. Integration of marketing promotion across countries facilitates realization of potential economies of scale (Douglas & Craig, 1989). In line with earlier research (Akaah, 1991) it is expected that standardized advertising campaigns will become increasingly important, thus favoring the modified or standardized campaign approach. This expected development in the standardization of advertising campaigns is also supported by earlier research on the degree of control exerted by MNC HQ over their subsidiaries and its impact on advertising standardization (Laroche et al., 2001). The following may be postulated:

**Proposition 2.** In the initial international entry phase the FMCG company will select a standardized campaign approach, in the international penetration phase an adapted campaign approach, and in the global rationalization phase a modified or a standardized campaign approach.

Internal factors such as the company strategy and structure, standardization benefits and drawbacks, and available resources are expected to influence international advertising campaign planning (De Mooij, 1994; Solberg, 2002). Successful companies can be expected to integrate their brand building as part of their strategic plans. Clarifying the brand identity and communicating consistently in innovative ways are particularly important. (Joachimsthaler & Aaker, 1997) FMCG companies originating in small and open economies often lack budgets comparable to those of their global competitors for creating visibility and differentiating with traditional mass media. It is therefore expected that these companies use innovative creative strategies and implementations in their campaigns.

**Proposition 3.** Limited resources of FMCG companies from SMOPEC countries favor the use of non-traditional innovative advertising campaigns and executions.
Moreover, decisions on whether an international agency or a national agency is selected in a target market may be expected to affect international campaign planning (Peebles et al., 1977, p. 574). Large international advertising agencies with a global network of offices have the ability to design, implement, and manage global communications campaigns for their customers (Tharp & Jeong, 2001). The more complicated the product and the greater the need for adapting to different cultures, the greater the degree of local advertising expertise required (De Mooij, 1994, p. 457). The use of an international advertising agency is expected to favor a standardized advertising campaign while a national advertising agency would favor a more adapted advertising campaign. The following proposition may be postulated:

**Proposition 4.** The use of an international advertising agency in contrast to the service of national advertising agencies is expected to favor a more standardized advertising campaign in an FMCG company.

3. **Research methodology, case descriptions and analysis**

3.1. **The research method and justification**

Multiple-case study methodology was selected for this research. The method selected is particularly appropriate as the research questions are of the “how” and “why” types and the study focus on contemporary events (Yin, 2003, p. 5). The evidence from multiple cases is often considered more compelling and the overall study more robust. Moreover, the method is appropriate for this paper, as there has been very little research on international advertising campaigns in FMCG companies in the area of high fashion clothes, cosmetics and spirits. The purpose of this research is a deep understanding of selected cases in this very narrow field of research. The selected case study utilizes a holistic design, which means that a single unit of analysis has been selected. (Yin, 2003, pp. 42–46) The multiple-case study design allows for logical replication and the results altogether are expected to be more convincing. Four cases were selected. As the information would have become saturated after this point, the number was seen to be adequate. The first case company is Nanso, which is a Finnish high-fashion-design clothing company, the second case company is L-Fashion Group, which is a Finnish high-design sports clothing company, the third one is Lumene, a Finnish cosmetics company, and the fourth is Finlandia Vodka Worldwide, a manufacturer and marketer of spirits originating from Finland. It was previously part of the Altia Group, but is now part of the global Brown Forman conglomerate. These companies are interesting as they have international operations and advertising and other promotion campaigns are important for their success.

The multiple-case study research design in this research used many of the principles presented by Yin (2003) and Eisenhardt (1989) regarding selection of cases, data collection, and analysis. To select the case companies, the authors familiarized themselves with the companies included in the Directory of the Association of Fashion Retailers in Finland 2006. The case companies for the studies were selected to meet the following criteria: (1) they meet the definition of FMCG companies; (2) they are from the high-fashion clothing, cosmetic or spirits sectors and are Finnish companies by origin (or business units of the companies studied that originated in Finland); (3) they have considerable international sales; over 20% of sales come from outside of Finland; and (4) they had international campaigns in 2005–2006. In addition to advertising campaigns consisting of newspaper, magazines, radio, television, cinema, and outdoor advertisements, other promotional campaigns such as point of sale and event-related campaigns were also included in the scope of the empirical part. A summary of the background of the four selected case companies, including sector, sales turnover, and internationalization degree can be found in Table 1.

In empirical data gathering the data triangulation method was applied by using multiple sources of evidence in all cases. Most of the primary data for the analysis have been collected from in-depth interviews with the directors responsible for marketing in the case companies. The interviews were recorded, transcribed, and a database was created to help maintain the planned case study protocol and to ensure validity. The interviews were semi-structured, starting with open questions. In addition, two researchers participated in all interviews and used an interview form as a supportive tool to ensure that all relevant issues were covered. The interviews of the case companies were conducted at the end of 2006 and during 2007. Moreover, company presentations, financial data, and news releases were used to provide additional support. Samples of advertising used in different international markets were collected and analyzed from all companies. The validity increases by applying multiple sources of evidence as this provides multiple measures of the same phenomenon. (Yin, 2003) This produces a more complete, holistic, and contextual portrait of the object under study (Ghauri & Gronhaug, 2005, p. 222). Data displays proposed by Miles and Huberman (1994) were used to illustrate the findings.

<table>
<thead>
<tr>
<th>Company</th>
<th>Field</th>
<th>Year, turnover (million euros)</th>
<th>Internationalization degree (foreign sales %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nanso Group</td>
<td>Clothing, tights, and socks designer and manufacturer</td>
<td>2006, 75.3</td>
<td>22.6</td>
</tr>
<tr>
<td>L-Fashion Group</td>
<td>Clothing apparel and accessories designer and manufacturer</td>
<td>2005, 156.5</td>
<td>~70 (Sport brands)</td>
</tr>
<tr>
<td>Lumene Group</td>
<td>Skin care, color cosmetics, and hygiene products manufacturer</td>
<td>2005, 136</td>
<td>54</td>
</tr>
<tr>
<td>Finlandia Vodka Worldwide</td>
<td>Spirits manufacturer</td>
<td>2005, 112.8</td>
<td>98–98</td>
</tr>
</tbody>
</table>
3.2. Background of the case companies

3.2.1. Nanso Group

Nanso Group was established in 1921. Its sales revenue in 2006 totaled EUR 76 million, of which exports accounted for 22.6%. There were slightly more than 900 employees and with agents included nearly 1000. Nanso Group manufactures over six million articles of clothing, over 14 million pairs of tights, and over 5.3 million pairs of socks a year. Brands like Nanso, Lempivaate, Finnwear, Black Horse, Hyvón, Vogue, Amar, Norlyn, Elisabeth, KS socks, and Finnwear socks belong to the conglomerate. Nanso Group spends around 1.5 million euros of its turnover on marketing.

The most international brand is Nanso, with a little over 40% of production going to foreign markets. Nanso Group bought Black Horse and Finnwear in 2001 and Vogue Group in the summer of 2005. It started exports in the middle of the 1970s, first to Sweden and then to Germany. The first exports went through representatives who sold Nanso clothes to Sweden. At the same time it started foreign marketing through special journals. Nanso Group sells its clothes straight to retailers. Furthermore, it has a subsidiary and agents in Germany, which is the most important export country. Scandinavia is basically a home market for the company. Hence, Sweden, Norway, and Denmark are important export countries; Sweden is the most important. Denmark accounts for most of the Lempivaate brand clothing sales. Russia is the third area where Nanso Group is currently focusing. Switzerland, the Netherlands, and Austria are also very important export countries.

3.2.2. L-Fashion Group

L-Fashion Group specializes in the designing, marketing, and production of apparel and accessories. It consists of four divisions, each operating in its own business areas, which are high-fashion clothing, sportswear, trading, and retailing. It is one of the biggest clothing companies in Scandinavia. Its sales revenues amounted to 156.5 million euros in 2005. The oldest and best-known brands of the group are Luhta, Rukka, Skila, IcePeak, Torstai, Ril’s, Story, Big-L, Beavers, and O.i.s. The group has its own production in Finland, Portugal, Estonia, and Russia, and distribution centers in Finland, Portugal, and Germany.

The company entered the international market at the end of the 1950s by exporting mainly to Russia and soon started exporting to the western markets as well. At that time it did not have its own brands and sold mainly production capacity, which was less costly than in Western Europe. Actual penetration of the international market took place in the mid 1960s. At that time the company also started to focus on international markets with its own designs and Luhta brand. Luhta's unique design was well suited to the fashion trends of those days; the skiwear assortment in particular did well on the international market.

In the early 1990s the collapse of trade with the Soviet Union, the new outdoor trend in sportswear, and the recession in Finland hit sales of the Luhta brand hard and as the production of clothing shifted to the Far East, the number of personnel decreased from 6000 to 3000. The company responded by buying a number of other well-known Finnish brands and thus continued to increase its turnover. By then, the group was already exporting to over 40 countries. Luhta, Rukka, Skila, and Ice Peak brands in particular are sold on the international market. Around 70% of the sales revenue from these sportswear brands is sold to the international market, although mainly to European countries and Russia. Sales outside these areas account for less than 10%. The most significant export countries are Germany, Russia, and France, followed by Italy, the Netherlands, Spain, Austria, Switzerland, Slovakia, and the other Nordic countries. The company also sells to South Korea and Japan, and will soon open some 20 shops in China in addition to the four existing shops; so sales outside Europe appear to be increasing rapidly. Due to customs formalities, the company has sales subsidiaries in non-EU countries such as Norway and Switzerland. The active sales companies are in Germany and China and one was started at the beginning of 2007 in Russia.

3.2.3. Lumene

Lumene Group develops, manufactures, markets, and sells high-quality skin care and color cosmetics as well as cleaning and hygiene products. By combining nature, science, and technology, they promote daily well-being. The history of Lumene Group dates back to 1948, when the pharmaceutical company Orion founded a company called Noiro (Orion backwards), which was renamed Lumene in keeping with the new strategy adopted in February 2005. From the very beginning, the cornerstone of their success has been innovative product development, pure ingredients, and knowledge of Nordic conditions.

The cosmetics products were launched on the Nordic market in 1970. Lumene became the market leader in Finland in a few years and was also received well in Sweden and Norway, the markets of which were handled by using importers at that time. The Soviet market was entered at the turn of 1970 and 1980s by concluding a contract with a large local partner. Further penetration of the international market led Lumene to establish its own subsidiaries in 2005 in Russia, and then also in Estonia and Latvia. The latest subsidiary was established in Norway in 2006. Detergents and cleaning products were added to the company's product range in 1985. This became an important addition particularly for the Western markets such as the USA, which was entered in 2006 by establishing a separate sales and manufacturing company. In 1997–1998, sales activities were also started in Asia, and currently China is a growing export market, whereas operations in Japan have ceased.
To mention some key figures the personnel in 2005 was 1021 and the turnover 136 million euros. With respect to the distribution of turnover, Finland accounts for 46%, Russia 23%, the United States 12%, and other markets 19%. The other markets include for instance the Baltic States, Ukraine, Belarus, Hungary, and China. Hence, the company is indeed international as over 50% of its revenue is generated in Finland. This limit was reached in 2000–2001 in revenue and in 1996–1997 in volume.

3.2.4. Finlandia Vodka Worldwide

The company’s history goes back to 1888, when an excellent spring was discovered in Rajamäki municipality. Since then one of the most sophisticated distilleries in the world was established in the small village of Koskenkorva, which started to produce Finlandia Vodka. In 1970, Finlandia Vodka was introduced in the US and Scandinavian duty-free market and the firm first launched Premium Finlandia Vodka. In 1994 the first line extension was launched with the introduction of Finlandia Arctic Cranberry Vodka. In 1996 the American Brown Forman Corporation started to import Finlandia Vodka to the US. In 2000 it formed a joint venture, Finlandia Vodka Worldwide Ltd, with Altia Corporation by acquiring 45% of Finlandia Vodka. The aim was to market and sell Finlandia Vodka. In 2002, Brown Forman acquired an additional 35% of Finlandia Vodka and in 2004 the remaining 20%. Thus, Finlandia Vodka originated in Finland, although Finlandia Vodka Worldwide Ltd now owns the trademark.

Finlandia has become the world’s sixth largest vodka brand. In the duty-free channel it is the third largest vodka brand. By 2005, Finlandia was the No. 1 imported vodka in Poland, Puerto Rico, Bulgaria, Israel, Romania, Hungary, Ukraine, and Belarus. Today Finlandia Vodka is 42nd of the top 100 premium spirits brands worldwide. It is the only product brand under which it sells its product range consisting of 300 products. This product range includes six flavored vodkas and Finlandia classic premium vodka, which is sold in three different strengths—50%, 40%, and 37.5%. The mother company Brown Forman Corporation has 36 brands of which the three international ones are Jack Daniels, Saloon Comfort, and Finlandia Vodka.

The market is divided into the local economy and duty-free markets. The company sells Finlandia Vodka to about 100 countries and in addition there are the duty-free markets; so altogether Finlandia Vodka Worldwide Ltd operates in 150 markets. Finlandia is a very global brand and the company regards this as an asset. After entering the US and Scandinavia, the company expanded rapidly into eastern Central Europe, the former Soviet Union, and also expanded strongly into other international markets. Its business has grown all over the world, primarily due to entrepreneurial zeal. The entrepreneurs have been importing distributors, who have created huge growth for the company.

Sales are distributed so that 65–70% come from Europe, 20% from the US and 10% from the remaining countries. Exports from Finland account for some 96–98%, including sales on passenger ferries. Only 2–3% stay in the domestic market. Poland is the single biggest country for exports, accounting for 25% of total sales.

3.3. Cross-case analysis of the international campaign process

The main empirical results of the international campaign process are discussed next. A pattern in the steps of the international campaign process could be found on the basis of a cross-case analysis as the campaign process included the following steps in this order.

3.3.1. Marketing communication strategy and objectives phase

All the companies had set their marketing communication strategy and objectives in the first phase. In two of the companies, the strategies and communication objectives were based on the brand in question (Nanso Group, L-Fashion Group), while in Lumene Group the communication objectives were set as an integral part of the process. Finlandia Vodka Worldwide belongs nowadays to the Brown Forman conglomerate and Finlandia Vodka Worldwide participates in its global strategy process. The communication strategy is set for each campaign by Finlandia Vodka Worldwide and is approved by the HQ in USA. An interesting finding was that as many as three companies were of the opinion that either the Finnish origin or the arctic origin is an integral part of their marketing communication strategy (L-Fashion Group, Lumene Group, and Finlandia Vodka Worldwide). L-Fashion group used the “I Love Finland” campaign, Lumene Group the arctic berry ingredients in their campaign theme, and Finlandia Vodka the “Mid summer party” theme. This was commented on as follows by one interviewee:

The clean arctic ingredients and technology create superior effectiveness for our products, and these are differentiators compared with Procter & Gamble and other competitors. (Lumene Group)

Also the fourth case company (Nanso) used a sub-brand in Finnish language that links it with the identity of Finland although it was not explicitly emphasized. See Table 2.

3.3.2. The budgeting decision phase

This was the second phase in the international campaign process in all of the case companies. The sales and campaign objectives in the cases determined the amount budgeted for the campaign. The importance of the choice of partners at this stage was stressed, as it would have a major impact on the budget. The amount invested in the marketing campaign varied
Table 2  
Summary of main findings on international campaign processes in the case companies.

<table>
<thead>
<tr>
<th>Company</th>
<th>Nanso Group</th>
<th>L-Fashion Group</th>
<th>Lumene Group</th>
<th>Finlandia Vodka Worldwide Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing communication</td>
<td>● Strategies and communication objectives set for each brand, not per campaign</td>
<td>● Strategies and communication objectives set for each brand, not per campaign</td>
<td>● Marketing communication objectives part of campaign process</td>
<td>● Based on conglomerate’s strategy ideation process, including European strategical ideation meetings</td>
</tr>
<tr>
<td>strategy and objectives</td>
<td>● Special focus on new growth from international markets and international</td>
<td>● Finnish origin emphasized</td>
<td>● Brand content and arctic ingredients very important</td>
<td>Global campaign objectives and projects created for Finlandia Vodka in Finland and approved in US</td>
</tr>
<tr>
<td></td>
<td>sales targets</td>
<td>● Targeting with different brands separate retail channels</td>
<td></td>
<td>Finnish country of origin emphasized</td>
</tr>
<tr>
<td>Budget decisions</td>
<td>● The firm first considers the necessary advertising and media agencies for</td>
<td>● Decisions depend on the brand and the campaign objectives</td>
<td>● Budget decisions are based on sales and campaign objectives, 15–20% of campaign sales expectations, may be exceeded depending on objectives</td>
<td>Local budgets based on a program that allocates budgets to each country</td>
</tr>
<tr>
<td></td>
<td>the campaign. Then it plans cost and budget</td>
<td>● Before the decision how much sales a campaign will generate is estimated</td>
<td></td>
<td>Global budgets for campaign and concept development based on research on market gaps and global campaign targets of Finlandia</td>
</tr>
<tr>
<td></td>
<td>● Budget impacts message creation and photographing scope</td>
<td>● 2–5% of sales, varying per brand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Message creation and</td>
<td>● Advertising agency creates the message based on brand/sub-brand objectives</td>
<td>● Separate internal advertising and communication department to plan and create each campaign</td>
<td>● Brand guideline given that advertising agency must follow</td>
<td></td>
</tr>
<tr>
<td>defining standardization</td>
<td>● Rather standardized advertising material across countries with photos as main material, Russia more adapted</td>
<td>● Adapted campaigns across countries based on retail customer needs. Content, language, and media differ</td>
<td>● Campaign message is created with help of advertising agency</td>
<td></td>
</tr>
<tr>
<td>alternative</td>
<td></td>
<td>● Modified campaigns across countries based on standardized campaign concepts and elements, but adapted by selection of different campaign elements and media in countries</td>
<td>● Rather standardized campaigns. Same slogans and pictures, argumentation may differ, and language is localized</td>
<td></td>
</tr>
<tr>
<td>Media selection</td>
<td>● Mainly trade marketing in events and other trade publications. Together with retail customers, advertising in periodicals on smaller scale</td>
<td>● The media related to point of sales most important (POS material), also billboards in certain countries</td>
<td>● International and local media used</td>
<td></td>
</tr>
<tr>
<td></td>
<td>● POS material such as poster and gifts to retail customers in Germany</td>
<td>● TV, radio, and magazines used and only together with retail customer</td>
<td>● TV, periodicals, magazines, and billboards used widely</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>● Media vary somewhat per country</td>
<td>Media selected for each campaign</td>
</tr>
<tr>
<td>Implementation and</td>
<td>● Follows mainly sales development after campaign implementation</td>
<td>● Implementation internally with separate department</td>
<td>● Evaluates by following product sales and margin and achieved brand recognition</td>
<td>Event marketing and trade press most important, in some countries TV, radio, and print advertising</td>
</tr>
<tr>
<td>evaluation</td>
<td></td>
<td>● Evaluation based on customer feedback and by product sales</td>
<td></td>
<td>Legislation limits media alternatives</td>
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for each company. L-fashion Group invested 2–5% in marketing campaigns depending on the brand while Lumene Group invested 15–20% or more. It can be concluded that the more consumer targeted the campaigns are, including often TV and printed advertising, the larger the budget required. Finlandia Worldwide seemed to use the most sophisticated process for determining the optimal country budgets.

3.3.3. Message creation and defining the standardization phase

The key question in the message creation phase was whether the companies used an advertising/campaign agency. As many as three case companies used agencies to develop the message (Nanso Group, Lumene Group, Finlandia Worldwide Ltd), while one of the case companies (L-Fashion Group) used its own communication department to develop most of the campaigns. The extent to which the company standardized the marketing campaigns across countries varied a lot. Nanso Group and Lumene Group ran the most standardized campaigns. Interviewees at these companies commented on this as follows:

The language in advertisements is certainly the same because there is no text in any advertising. There are only pictures (Nanso Group)
The campaigns have to comply with the visual brand guide and be based on the picture bank’s campaign materials and picture rights. Local aspects that require adaptation are language and media selection. (Lumene Group)

Finlandia Vodka Worldwide used a modified campaign approach across countries, while L-Fashion Group had selected a highly adaptive approach. It was commented on as follows:

We have taken as a starting point that we do not standardize anything. We base all material on customer requirements so that we can get into the shops if the customer sales potential is big enough. (L-Fashion Group)

3.3.4. Media selection phase

Media selection was an important step in the campaign process, although it varied considerably across companies. It became evident that Lumene Group used the widest variety of media alternatives—TV, periodicals, magazines, and billboards. Finlandia Vodka Worldwide used mainly event marketing, but also other media when legislation allowed. L-Fashion used a great deal of POS marketing in co-operation with channel members and Nanso Group used mainly trade marketing in events in addition to small scale advertising together with channel members. The conclusion here seems to be that the higher the internationalization degree and the more consumer focused the marketing, the more varied the portfolio of media used.

3.3.5. Implementation and evaluation phase

The campaign results were systematically evaluated in all of the companies. Finlandia Vodka Worldwide Ltd and Lumene Group underwent the most extensive evaluation. Both L-Fashion Group and Nanso Group relied heavily on tracking sales development. The more international and global the company is, the more sophisticated the systems used to evaluate campaign results.

3.4. Cross-case analysis on factors affecting the international campaign process

The factors affecting the international campaign process were analyzed in the case companies. See Table 3 for a summary of impacting factors.

3.4.1. External-environment-related factors

Analysis of the external environment shows that the international market potential, globalization impact, competition/positioning, and similarity of cultural and consumer needs have an impact on international campaigns. One finding is that globalization and a trend towards more similar cultures and consumer needs tend to increase the use of more standardized campaigns. In two of the cases (Nanso Group, Lumene Group), the differences related to cultural and consumer needs were very small across countries, which was also reflected in the use of more standardized campaign approaches. The following comment was made by an executive at these companies:

The cultures in different target countries are enough similar to enable international marketing campaigns (Nanso Group)

However, in the cases where there were still differences across countries in these factors, an adapted or modified campaign approach was applied. Finlandia Vodka Worldwide still experiences strong national cultures in drinking habits and L-Fashion Group still sees some differences in the cultural compatibility of products and available media across countries. Another interesting finding was that there is also some evidence that market and customer size influence the degree of adaptation. The smaller the customer or market size, the more limited the adaptation of the campaign material to that particular country. For instance for large retail channels, L-Fashion Group often prepares tailor-made campaigns, whereas for smaller customers standard campaigns are offered. Market size also seems to limit the budgets for campaigns
Table 3
Factors impacting on international campaigns in the case companies.

<table>
<thead>
<tr>
<th>Company</th>
<th>Nanso Group</th>
<th>L-Fashion Group</th>
<th>Lumene Group</th>
<th>Finlandia Vodka Worldwide</th>
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</thead>
<tbody>
<tr>
<td><strong>External environment</strong> (international prospects, globalization impact, competition, brand positioning, similarity of culture &amp; consumer needs, product characteristics)</td>
<td><em>Big potential drives to the international markets, but due to small company size it must co-operate with distribution in advertising</em></td>
<td><em>Market potential and customer size influence the degree of campaign standardization</em></td>
<td><em>International prospects promising, success requires focus on selected markets and differentiation</em></td>
<td><em>Size of the target market limits the campaign size that can be run in a given country</em></td>
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<td></td>
<td><em>Globalization impacts towards more similar markets, and the same advertising materials used in many countries</em></td>
<td><em>Globalization contributes to spread of retail chains over borders allowing use of standardized campaigns</em></td>
<td><em>Globalization harmonizes advertising communication across the world</em></td>
<td><em>Legislation impacts campaign content and media selection</em></td>
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<td></td>
<td><em>Tough competition increases focus on differentiated offerings and this position is reflected in campaigns</em></td>
<td><em>Customer tastes still differ but increasing similarity in long term means opportunities for standardized campaign messages</em></td>
<td><em>Tough competition increases focus on image and quality of products and communication</em></td>
<td><em>Premium positioning requires global campaigns and guidelines in campaigns</em></td>
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<tr>
<td></td>
<td><em>Similarity of cultures and tastes enable standardized target segments and campaign material</em></td>
<td></td>
<td><em>Similar needs of customer, some differences in product references, and benefits in campaigns</em></td>
<td><em>Cultural differences in drinking influences campaign content</em></td>
</tr>
<tr>
<td><strong>Internationalization stage of the company</strong> (number of foreign countries, geographical spread, International experience, international management orientation)</td>
<td><em>Large number of export countries (16) and limited campaign budget favor co-operative marketing together with retail channels and product-centered campaigns</em></td>
<td><em>International penetration of a large number of countries (40) has meant different messages. Further expansion done with consistent message</em></td>
<td><em>Number of countries has decreased lately from 30 to 15–20, impacting on more systematic campaign process</em></td>
<td><em>Large number of countries (around 100 countries and in addition 50 tax-free markets)</em></td>
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<tr>
<td></td>
<td><em>Internationalization degree 22% and globalization degree close to 0%</em></td>
<td><em>Internationalization degree 70% and globalization degree somewhat below 10%</em></td>
<td><em>Internationalization degree 54% and globalization degree over 10%</em></td>
<td><em>Internationalization degree 96–98% and globalization degree over 30%</em></td>
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<tr>
<td></td>
<td><em>Limited experience of international business forces reliance on distributors who emphasize products rather than Nanso brand</em></td>
<td><em>Long international experience gives easy access to joint campaign planning with customers</em></td>
<td><em>Increased international business experience means better understanding of target segments, sharpened communication, and media selection</em></td>
<td><em>Understanding of international business and trends impacted on the use of Finnish origin in campaigns</em></td>
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<tr>
<td></td>
<td><em>International channel expansion justifies increasing investment in advertising and gives bigger brand and media visibility</em></td>
<td><em>Polycentric management orientation as countries and customers impact campaign decisions</em></td>
<td><em>Geocentric management orientation, including brand guidelines from HQ, but also local decision making in campaigns</em></td>
<td><em>Geocentric management orientation as foreign campaign proposals are evaluated on equal basis. US campaigns influenced by parent company</em></td>
</tr>
<tr>
<td></td>
<td><em>Ethnocentric management orientation prevails, HQ determines campaigns in Sweden. Polycentric towards Russia</em></td>
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<tr>
<td><strong>Strategy, standardization levers and resources</strong> (company strategy &amp; structure, standardization benefits &amp; hinders, available resources)</td>
<td><em>Emphasis on brand strategy leads to advertising of lead collections and brands resulting in scale advantages in international campaigns</em></td>
<td><em>Divisions with different retail target segments and brand strategies influence campaign messages</em></td>
<td><em>Vision focuses attention on strengthening key brands</em></td>
<td><em>Strategy and ownership means that international campaigns planned from Finland except those in US</em></td>
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<td></td>
<td><em>Scarce resources favor initial testing of campaign concepts in Finland and later introduction in international markets</em></td>
<td><em>Financial resources and personnel in own communication department influence campaigns</em></td>
<td><em>Relatively limited resources tend to increase use of standardized campaign process, prioritization of campaigns, and avoidance of risky campaigns</em></td>
<td><em>The channel strategy of using distributors decreases control of campaigns</em></td>
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<tr>
<td><strong>Agency-related factors</strong> (national agency versus international, other)</td>
<td><em>International advertising agencies bring benefits from large agency networks that know how to communicate and execute campaigns</em></td>
<td><em>Own communication department handles almost all campaigns. Enabled adapted campaigns, may limit type &amp; number of campaigns</em></td>
<td><em>International advertising agency creates main message and local agencies do localization</em></td>
<td><em>US advertising agency used for TV, while local agencies for events allow speed and local knowledge</em></td>
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run in a particular country; for instance Finlandia Vodka Worldwide has much larger campaigns in the US than in smaller countries.

3.4.2. Internationalization and globalization stage of the company-related factors

Analysis of the internationalization stage of the company shows that management orientation, geographical spread, number of foreign countries, and international experience have an impact on international campaign planning. The international management orientation varied in the companies from ethnocentric (Nanso Group) to polycentric (L-Fashion Group) and to geocentric (Lumene Group and Finlandia Vodka Worldwide). Two geographical market expansion measures were used in this research: the internationalization degree (percentages of sales outside the home country) and the globalization degree (percentages of sales outside the home continent/Europe; see Luostarinen & Gabrielsson, 2004).

It is evident that Nanso is still in the international entry phase. It was the least international company with 22% internationalization degree and almost no sales outside Europe. The management orientation was ethnocentric as marketing campaigns for countries were determined by HQ. Nanso used a standardized approach to campaign planning. L-Fashion Group appeared to be in the international penetration phase as it had a high internationalization degree of approximately 70%, but a low globalization degree (below 10%). It also applied a polycentric management orientation as the campaigns were determined to a large extent by markets and customers. They applied an adapted campaign approach.

Lumene and Finlandia Vodka would seem to be approaching the global rationalization stage. They had high internationalization degrees and increasing global presence. Lumene Group had 54% internationalization degree and over 10% globalization degree and Finlandia Vodka Worldwide a 96/98% internationalization degree and over 30% globalization degree. Both these companies also applied a geocentric management orientation balancing between campaign guidelines determined by HQ and country responsiveness. Finlandia Vodka Worldwide had selected a modified approach and Lumene a standardized campaign approach.

It seems to hold that as the companies internationalize and penetrate deeper into countries, often within the home continent, they have to increasingly adapt their campaigns to different countries. However, as they start to globalize to other continents and the number of target countries increases, they must standardize their campaigns to a certain extent and select a modified or a standardized campaign approach across countries.

One interesting finding is that as the number of countries increases rapidly the available budget that can be allocated per country often diminishes. Here the trend seems to be towards planning campaigns together with the retail channel, which is a less costly endeavor than separate campaigns (Nanso Group and L-Fashion Group). Limited international experience also seemed to increase the importance of co-operating with distributors and retailers (Nanso Group). On the other hand, long international business experience also made it easier to co-operate with channel members (L-Fashion Group).

3.4.3. The strategy, standardization levers, and resource-related factors

The strategy, standardization levers, and resources also affect international campaigns. The impact of the company strategy, brand strategy, or vision on the content of international campaigns, which could be seen in all the case companies, was the most evident. The impact of standardization levers (the advantages of standardization) was typically emphasized in those companies that had selected a standardized campaign approach (Nanso Group), whereas in firms using a more adapted approach these were not mentioned. Both financial and personnel resources also influence the type and number of campaigns. Due to limited budgets, all the case companies used new innovative campaign approaches. Arctic origin or Finnish origin were an important part of their creative strategies. The companies that were not well known abroad could differentiate themselves and gain more awareness through these campaigns. For example, L-Fashion Group used “I Love Finland” as the main theme and Lumene used Finnish berries as a central element in their campaigns. Finlandia Vodka used the association with Finland in the brand “Finlandia Vodka”, in the campaign theme “midnight summer party” and by emphasizing that the raw materials were from Finland. This was commented on by an executive as follows:

We have started experimental, self-experienced, activity event marketing type of global initiatives, such as the Midnight Sun campaign where the idea is to bring the midnight sun to different countries...we are inviting about 400 people from 40–60 countries to the main event in Finland. (Finlandia Vodka Worldwide)

Also, many of the case companies had started to apply the latest Internet technology in distributing pictures of their advertisements to their partners at low cost. The media selection was heavily affected by the resource constraints. Innovative new non-traditional low–cost media selections were sought. As discussed above, Finlandia Vodka Worldwide used event marketing widely, L-Fashion used a great deal of POS marketing in co-operation with channel members, and Nanso Group mainly used trade marketing in events. Lumene used a wider set of media alternatives, but also emphasized the importance of focused selection of media.

3.4.4. Agency-related factors

Agency-related factors have an impact on international campaign processes. Three of the case companies used an advertising agency (Nanso Group, Lumene Group, Finlandia Vodka Worldwide) and only one (L-Fashion Group) used its own communication department. Nanso Group used an international advertising agency that also had an international
network of agencies. Lumene Group used an international lead advertising agency, but used also national agencies for localization of the campaign. Finlandia Vodka Worldwide used a US-based advertising agency for TV advertisements and local agencies for organizing event marketing. L-Fashion’s use of its own communication department differed from that of the other cases. This enabled fast and flexible adaptation of campaigns to customer needs, but may have limitations on the type and number of campaigns.

3.5. Examination of the propositions

Next, the four propositions developed in the theoretical discussion will be examined based on the findings of the empirical analysis. Proposition 1 asserted that the more similar the environment across the countries, the higher the degree of standardization of the advertising campaign. Evidence was found in the cases that similar cultures, consumer needs, and legislation across countries tend to promote more standardized international advertising campaigns. In the cases that used rather standardized campaign approaches (Nanso Group and Lumene Group), it was evident that the culture and consumer needs were to a great extent similar across countries as expected. Likewise in the cases that used adapted or modified international campaigns (L-Fashion and Finlandia Vodka Worldwide) it was evident that there were still differences with regard to either cultural issues or consumer needs. For instance, in the Finlandia Vodka case there were still considerable differences in legislation across countries. We can thus conclude that Proposition 1 received support in this research.

Proposition 2 stated that in its advertising campaigns, the FMCG company will select a standardized campaign approach in the initial international entry phase, an adapted campaign approach in the international penetration phase, and a modified or a standardized campaign approach in the global rationalization phase. The case analyses showed that the market development phase, the management orientation, and the internationalization/globalization degree had an impact as expected in all the cases (Nanso Group, L-Fashion Group, Lumene Group, and Finlandia Vodka Worldwide). The companies were at different stages in their evolution. It was evident that Nanso was still in the international entry phase (ethnocentric management orientation, low internationalization degree, and globalization degree nil) and as expected it used a standardized approach for campaign planning. L-Fashion Group appeared to be in the international penetration phase (polycentric management orientation, high internationalization degree, and low globalization degree) and it used an adapted campaign approach. Both Lumene and Finlandia Vodka were seemingly approaching the global rationalization stage (geocentric management orientation, high internationalization degrees, and increasing globalization degrees). Finlandia Vodka Worldwide had selected a modified approach and Lumene a standardized campaign approach in line with the proposition. Based on the above discussion it can be concluded that Proposition 2 received support.

Proposition 3 asserted that limited resources of FMCG companies from SMOPEC countries favor the use of non-traditional innovative advertising campaigns and executions. The case analysis supported this proposition. All case companies had used low-cost innovative campaigns driven by the resource limits. The use of arctic and Finnish origin in the creative designs was an innovative way to build the brand identity by associations to Finland. This helped to build the awareness of the advertised brand and offering, and to differentiate the offering although the budgets were limited. Moreover, the innovative use of non-traditional low-cost media alternatives such as point of sales, trade marketing, and event marketing was evident in the cases. Also, new Internet possibilities were used in the sharing of advertisement material with partners and channel members. Hence, Proposition 3 received support in this research.

Proposition 4 asserted that the use of an international advertising agency in contrast to national advertising agencies services is expected to favor a more standardized advertising campaign. The impact of the use of advertising agencies was analyzed. Nanso Group had selected an international advertising agency and used standardized international advertising campaigns as expected. Lumene Group used an international lead agency and national advertising agencies for localization, which was partly in line with the use of rather standardized advertising campaigns. Finlandia Vodka Worldwide used a US lead agency for television advertising and national agencies for event advertising, which is partly in line with the modified advertising campaigns used. The L-Fashion Group did not use an advertising agency and did in-house work. As many of the case companies used both a national and an international advertising agency, interpretation was more difficult, and it can be concluded that Proposition 4 received only partial support and more research is needed for verification. The proposition was supported to the extent that the use of an international advertising agency was found to influence the standardization degree of the advertising campaigns. However, the proposition did not apply to cases in which both a local and an international advertising agency or neither of them were used. When both a local and an international agency were used it seemed to lead to either standardized or modified advertising campaigns based on the division of work between the two types of agencies. This is an interesting future research area.

The support received in this study for particular propositions should be taken as indicative, as only four FMCG case companies were examined in one SMOPEC country. Altogether the study relies on analytic generalization, in which a particular set of results is generalized to broader theory, contrary to statistical generalization to population (Yin, 2003, p. 37). The study results are expected to be most relevant for FMCG companies originating from SMOPEC countries. However, despite this conclusion, one should be cautious about generalization beyond the companies and the country studied. It is up to future research to prove whether such generalization is possible.
4. Summary and conclusion

A particularly interesting research question concerns how FMCG companies from small and open economies plan international advertising campaigns and what factors affect this planning. The international campaign process for FMCG companies was first developed on the basis of the literature (see e.g. Davies, 1993; De Mooij, 1994, pp. 470–485; Peebles et al., 1978). Then a theoretical framework was developed to describe the main factors affecting the international campaign process. Four international fast-moving consumer goods (FMCG) companies of Finnish origin were selected in the empirical part and the multiple-case study research method was used to collect data and conduct analysis.

The theoretical contributions of this research can be seen from the framework and propositions developed. First, there has been little research on the factors affecting the international advertising campaign process (see e.g. Taylor, 2005) and this is particularly true of the factors related to the impact of the internationalization/globalization phase. Earlier research in this area has merely recognized the impact of the export ratio (see e.g. Sandler & Shani, 1992) and presented somewhat conflicting findings on the influence of management orientations (see e.g. Wind et al., 1973; Akaah, 1991). This research has contributed to the theory by asserting the impact of internationalization and globalization on international advertising campaigns and their standardization. During internationalization, often within the home continent, companies increasingly adapt advertising campaigns to different countries, whereas globalization to other continents calls for increased standardization across countries. Research on international advertising of companies from SMOPEC countries or advertisement in these countries has been very limited with only a few exceptions (see e.g. Chung, 2005; Hoeken et al., 2003; Shoham & Albaum, 1994; Solberg, 2002; Solberg & Durrieu, 2006). Earlier studies of Danish consumer companies have found preliminary evidence of a relationship with internationalization degree and extent of advertising transference (Shoham & Albaum, 1994). Also, a study of Norwegian companies found support for the contention that increased international commitment leads to increased marketing control in the form of standardization and centralization (Solberg & Durrieu, 2006). It has also been found that companies from New Zealand that have globalized and entered Europe used a standardized promotion strategy in line with our findings, although the study in question did not investigate what strategies these companies had used while they were still international (Chung, 2005). Hence, the present study has further deepened understanding of development of advertising standardization and its antecedents. Secondly, this research provides support from the FMCG field for earlier research (see e.g. Quelch & Hoff, 1986), according to which companies need to see standardization as a continuum from adapted to standardized international advertising campaigns. Some parts of the campaign (e.g. the campaign theme) may be highly standardized while adaptation is possible in other parts (e.g., language, media selection). Thirdly, an interesting result is that FMCG companies from SMOPEC countries need to overcome their resource limitations by using innovative non-traditional ways of planning and executing their international campaigns (c.f. Joachimsthaler & Aaker, 1997). It was found that the companies had used the arctic origin and Finnish origin as part of their campaign themes (c.f. Moon & Jain, 2002), and that they had selected non-mass-media alternatives and used new opportunities offered by the Internet in the execution.

Several managerial implications for FMCG companies can be drawn from the results of this research. It has described the stages in the international campaign process in the FMCG companies that the managers must decide on. In each phase there is specific learning based on this study. Firstly, in marketing communication strategy, it appears to be especially important to decide on a strategy that builds brand awareness instead of focusing only on product-based campaigns. The brands and sub-brands should be named carefully so that they can be used in all markets. Use of associations with arctic or Finnish origin in campaigns may be useful in building brand identity. Secondly, the more TV and print advertising is included in consumer-focused marketing, the larger the budget should be for campaigns as consumer marketing is especially expensive compared to trade marketing. Thirdly, the message creation phase varies greatly depending on whether companies use an advertising agency or do their own campaign development. Moreover, companies need to determine the degree of standardization in their international advertising campaigns. Fourthly, in addition to conventional advertising campaigns, media alternatives such as TV, magazines, and billboards, companies also need to consider other promotional types of campaigns at point of sales or events. These alternatives were even more common than conventional advertising media among these FMCG companies. Finally, the importance of evaluating the campaign results should be emphasized.

The generalizability of case study research is a much-debated area and therefore one should be cautious about generalization beyond the case companies. The relatively few cases studied may be seen as a limitation. However, a thorough analysis of the cases in this study will provide a deep understanding of international advertising campaigns and the factors affecting the development. This will allow “naturalistic generalization” (see Stake, 2000), meaning that other managers reading the results and understanding the similarities and differences of the case companies compared to their own companies may take advantage of the findings and recommendations that suit their company also. Development of a theoretical framework and propositions that were examined in real-life case companies will also allow theoretical generalization, in other words generalization back to theory instead of generalization to a larger population (see Yin, 2003).

A number of suggestions for future studies may be identified. It would be interesting to examine the advertising strategies of companies originating from SMOPEC countries that are culturally dissimilar to Finland such as Belgium and the Netherlands and to investigate whether the results also hold in these countries. Moreover, it would be interesting to extend the research from the international FMCG companies studied in this research to truly global FMCG companies and to investigate their campaign processes. A comparison of international companies with truly global ones might bring
interesting findings with regard to these processes. Also, it would be interesting to study whether the results of this study also hold in other fields.

References


