International marketing promotion/communication
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The Role of Promotion

- Promotion
  - **Communication** to build and maintain **relationships** by informing and persuading one or more audiences
  - Overall role of promotion is to **stimulate** demand by
    - building and enhancing customer relationships.
    - focusing customers on information about company activities and products.
    - promoting programs that help selected groups to build goodwill.
    - sponsoring special events that generate positive promotion of an organization and its brands.
Integrated Marketing Communications

- Coordination of promotion and other marketing efforts for maximum informational and persuasive effect
- Major goal is to send a consistent message to customers
Integrated Marketing Communications (IMC)

- Adapted or standardised?
  - PRODUCT
  - PRICE
  - PLACEMENT

Promotion
  - Personal Selling
  - Sales Promotion
  - Public Relations
  - Direct Promotion
  - Advertising
The Communication Process

what to adapt or standardize in intern. MKT?

Cultural context A

Cultural context B
Promotion and the Communication Process: Key Terms

- Communication
  - A sharing of meaning; the transmission of information
  - **Source** is a person, group, or organization with a meaning it tries to share with an audience
  - **Receiver** is an individual, group, or organization that decodes a coded message
  - **Coding process (encoding)** is the converting meaning into a series of signs or symbols
  - **Medium of transmission** is the means of carrying the coded message from the source to the receiver

WHAT PROBLEMS CAN OCCUR WITH THESE ISSUES ABROAD?
Germany, Brazil, Spain, Great Britain, India, Thailand – December 2012
- **Decoding process** is the conversion of signs or symbols into concepts and ideas.

- **Noise** is anything which reduces a communication’s clarity and accuracy (news in the country and abroad, competitors…)

- **Feedback** is the receiver’s response to a message.

- **Channel capacity** is the limit on the volume of information a communication channel can handle effectively.

What differences can occur with these issues abroad?
GOALS OF PROMOTION:

<table>
<thead>
<tr>
<th>GOALS</th>
<th>SAME OR DIFFERENT ABROAD?</th>
</tr>
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<tbody>
<tr>
<td>Create awareness</td>
<td>SAME</td>
</tr>
<tr>
<td>Stimulate demand</td>
<td>OR</td>
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<tr>
<td>Encourage product trial</td>
<td>DIFFERENT</td>
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<tr>
<td>Identify prospects</td>
<td>ABROAD?</td>
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<tr>
<td>Retain loyal customers</td>
<td></td>
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<tr>
<td>Facilitate reseller support</td>
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<tr>
<td>Combat competitive promotional efforts</td>
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<td>Reduce sales fluctuations</td>
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Awareness ➔ knowledge ➔ liking ➔ preference ➔ conviction ➔ purchase

SAME OR DIFFERENT ABROAD?
Push and Pull Channel Policies

- **Push Policy**
  - Promoting a product only to the next institution down the marketing channel

- **Pull Policy**
  - Promoting a product directly to consumers to develop stronger consumer demand that pulls products through the marketing channel
“6 M’s of Marketing Communication”

Major Decisions in Advertising

SAME OR DIFFERENT?

Mission

Money

Media

Objectives setting
- Communication objectives
- Sales objectives

Budget decisions
- Affordable approach
- Percent of sales
- Competitive parity
- Objective and task

Message
- Message decisions
  - Message strategy
  - Message execution

Media decisions
- Reach, frequency, impact
- Major media types
- Specific media vehicles
- Media timing

Measurement
- Campaign evaluation
  - Communication impact
  - Sales impact

“Market” (target segment)
International promotion and Positioning

**KRONENBOURG**
France = massmarket
UK = up market

**BUDWEISER**
UK = young, premium
US = fathers’ drink

**TETLEY TEA**
France = up market
UK = massmarket

**HEINZ BAKED BEANS**
UK = staple
Russia = luxury
<table>
<thead>
<tr>
<th>Region</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>Great market penetration, but minor share</td>
</tr>
<tr>
<td>Continental Europe</td>
<td>Major market share, but idea of instant coffee was new</td>
</tr>
<tr>
<td>Tea-drinking Countries</td>
<td>Conversion not only to coffee, but to instant coffee</td>
</tr>
<tr>
<td>Latin America</td>
<td>Preferred coffee couldn’t be duplicated with instant version</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>Ingrained habit of keeping coffee on stove all day long</td>
</tr>
</tbody>
</table>
Message and Four Major Difficulties

1) The message may not get through
2) The message may not be understood
3) The message may not induce action
4) The effectiveness may be impaired by noise
CONSTRANTS OF INTERNATIONAL PROMOTION

- Languages - communication and encoding messages
- Government controls and regulations (products, cost, message)
- Nationalism
- Media availability
- Economic differences
- Local distributors – design of channel
- Agency availability
- Tastes and attitudes
- Consumer(customer) behavior pattern and attitudes
- Brand name recognition
International Demographic Environment as potential barriers

Demographic environment
- Size of population
- Number of households
- Household size
- Age distribution
- Occupation distribution
- Education levels
- Employment rate
- Income levels

International Marketing And Promotional Decisions
Other barriers

Cultural environment

- Language
- Lifestyles
- Values
- Norms and customs
- Ethics and moral standards
- Taboos
Advertising Subject to Regulation

- Products that may be advertised
- Content or creative approach used
- Media advertisers are permitted to use
- The amount of advertising one may do
- Use of foreign languages in ads
- Use of materials from outside the country
- Use of local vs. international ad agencies
- Specific taxes levied on advertising
International Media Selection Issues

Widely Differing Characteristics

- Availability
- Reliability
- Circulation
- Audience
- Cost

Media Information Problems

- Quality
- Coverage
- Restrictions
- Availability
- Cost
EXAMPLE – MEDIA - NEWSPAPER

- Norway – 4mil.inh.
  1 daily morning newspaper
- Uruguay – 3 mil. inh.
  21 daily newspaper
- Turkey
  380 daily newspaper – political position of each of them
- Japan
  5 national daily newspaper

Geograph. cover - national vs regional/local,
Character – serious vs ??????????

Separation between editorial and advertising content
Advertising – TV and radio

- Prime time
- State(national) channels vs private vs satellite vs digital
- Law – regulation and restrictions
  (EU – misleading advertisement)
- Share and reach - TV vs radio
Personal selling - example

- „A Briton visits a Saudi official to convince him to expedite permits for equipment being brought into the country. The Saudi offers the Briton coffee, which is politely refused (he had been drinking coffee all morning at the hotel while planning the visit). The latter sits down and crosses his legs, exposing the sole of his shoe. He passes the documents to the Saudi with his left hand, enquires after the Saudi’s wife and emphasises the urgency of getting the needed permits.“ (GHAURI, P., CATEORA, P., 2006).

- 5 MISTAKES OF SILENT LANGUAGE
Selling orientation

(USUNIER, J.C., 2006)

- Hard vs sell approach
  collective solution or individual benefit?

Concern for achieving the sale

Concern for the customer

Concern

Order taker

Soft sell

Customers´ friend

Problem solver

Hard sell
Examples of pers. selling approach

- **Germany** – hard sell – be persistent, mak visits, offer trials, be very visible, have numbers and facts

- **UK** – sof sell – do not be pushy, try to chat and convince – but also with hard facts

- **Italy** – hard sell – argue strongly

- **Japan** - sof sell – no win arguments but modest, rational and down-to earth points
Types of Consumer Sales Promotion Activities

- Coupons
- Price discounts (cents off)
- Buy this, get that packs
- 25 percent more free

- Contests
  - Consumer
- Premiums
- Samples
  - Free use in B2B
- Loyalty rewards
Types of Trade Sales Promotion Activities

- Temporary price reduction
- Increased margin
- Trade deals “buy 6 ship 8”
- Annual sales volume rewards
  - Be careful about anti-trust

- Contests (sales force)
Sales promotion - examples

- Italy – authorizes lotteries and sweepstakes where prizes are not in cash but in kind
- France – no purchase is allowed to enter the competition
- Scandinavia – every promotion has to be approved by an official body
- Inflation rate and value of coupons
- Free sample – a sign of poor quality?
- Free sample and gifts – theft in channel?
Christmas commercials round the world – standardisation or adaptation?

- [http://www.youtube.com/watch?v=Gj0edeveIOQ&feature=related](http://www.youtube.com/watch?v=Gj0edeveIOQ&feature=related) Merry Christmas from Tide Phillipins
- [http://www.youtube.com/watch?v=t5pj82RcP5c&feature=related](http://www.youtube.com/watch?v=t5pj82RcP5c&feature=related)
- [http://www.youtube.com/watch?v=x5DzG_oPl8s](http://www.youtube.com/watch?v=x5DzG_oPl8s) Stella Artois
- [http://www.youtube.com/watch?v=FOtVbLvAgyw](http://www.youtube.com/watch?v=FOtVbLvAgyw) Mameshiba
- [http://www.youtube.com/watch?v=XcuS3_USDi4&feature=related](http://www.youtube.com/watch?v=XcuS3_USDi4&feature=related) Pedigree Christmas greeting
- [http://www.youtube.com/watch?v=JY9jVd2wvq4](http://www.youtube.com/watch?v=JY9jVd2wvq4) Skoda Vánoce
- [http://www.youtube.com/watch?v=7dI7hLB5Tbs](http://www.youtube.com/watch?v=7dI7hLB5Tbs) Orange Poland
- [http://www.youtube.com/watch?v=mTqwzrewcSY](http://www.youtube.com/watch?v=mTqwzrewcSY) Alitalia Christmas attack
- [http://www.youtube.com/watch?v=fW5Xo4QrSBw](http://www.youtube.com/watch?v=fW5Xo4QrSBw) Spanair – unexpected luggage
- [http://www.youtube.com/watch?v=dj6S_XM4RqA](http://www.youtube.com/watch?v=dj6S_XM4RqA) Moet et Chandon Christmas light switch on