

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

- **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**
-

**Adapted or
standardised?**

Promotion

PRODUCT

COMPANY

PRICE

PLACEMENT

Integrated
Marketing
Communications
(IMC)

Personal
Selling

Sales
Promotion

Public
Relations

Direct
Promotion

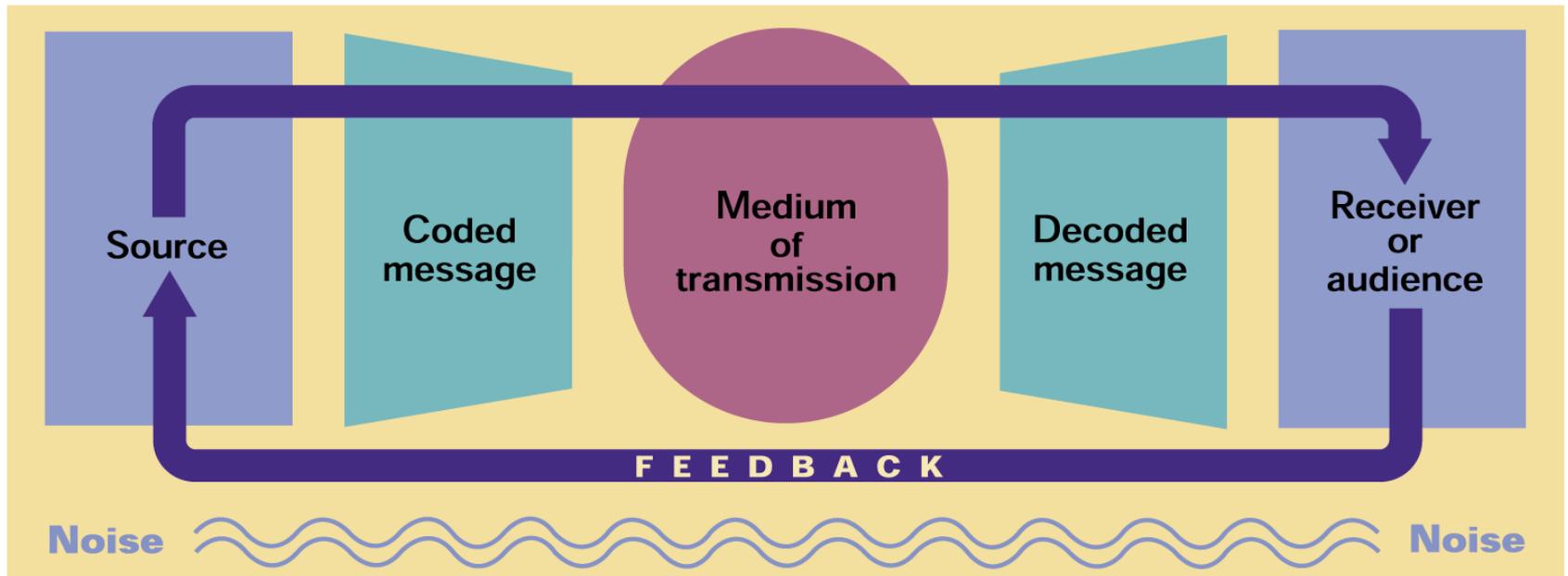
Advertising

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 the means of carrying the coded message from the source to the receiver

WHAT PROBLEMS CAN OCCUR WITH THESE ISSUES ABROAD?

SOURCE...SENDER



Germany, Brazil, Spain, Great Britain, India, Thailand – December 2012

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- ❑ **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:

- Create awareness
- Stimulate demand
- Encourage product trial
- Identify prospects
- Retain loyal customers
- Facilitate reseller support
- Combat competitive promotional efforts
- Reduce sales fluctuations

SAME

OR

DIFFERENT

ABROAD?

Awareness ▶ **knowledge** ▶ **liking** ▶ **preference** ▶ **conviction** ▶ **purchase**

SAME OR DIFFERENT ABROAD?

Push and Pull Channel Policies

■ Push Policy

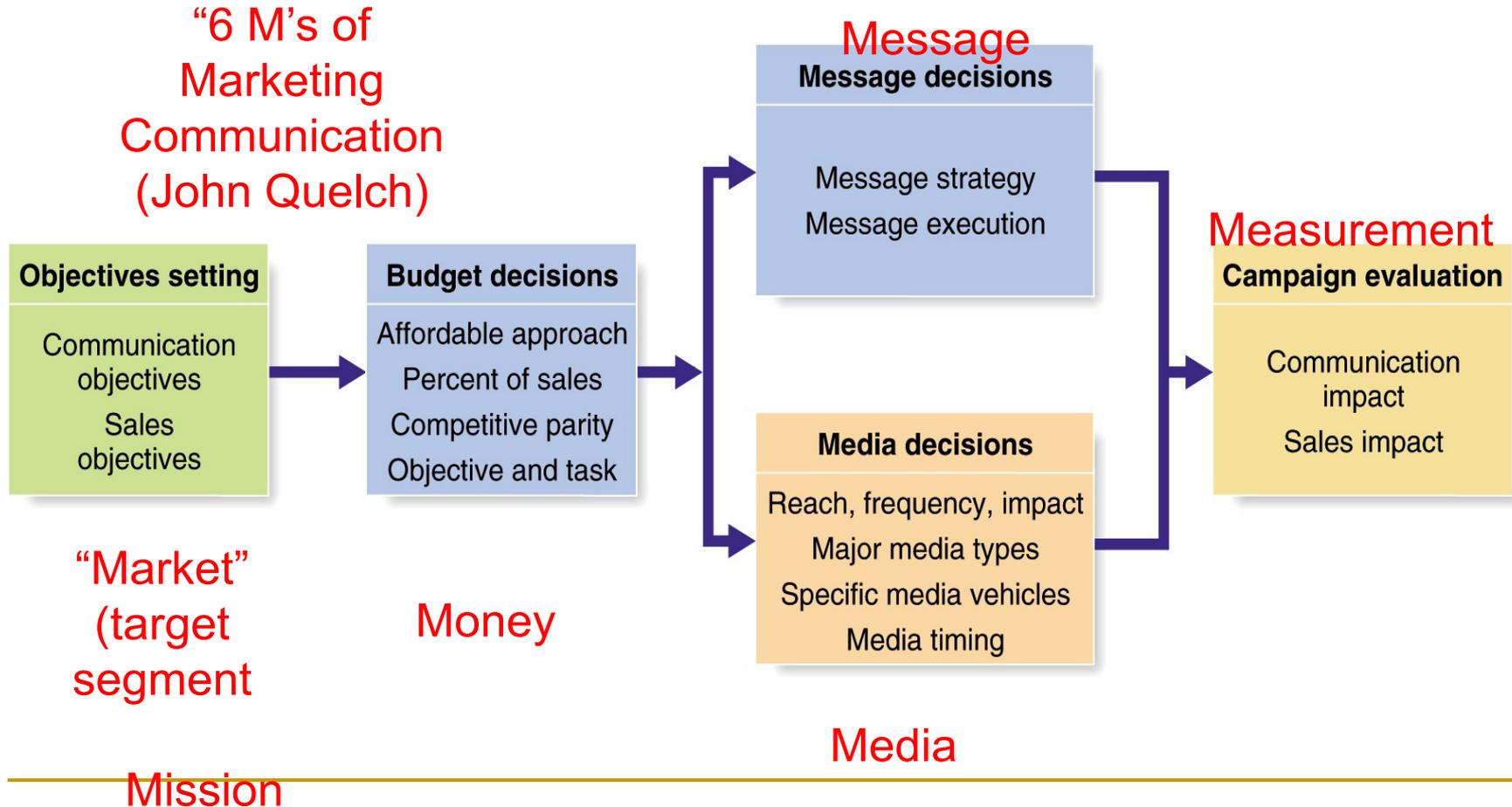
- Promoting a product only to the next institution down the marketing channel

■ Pull Policy

- Promoting a product directly to consumers to develop stronger consumer demand that pulls products through the marketing channel
-

Major Decisions in Advertising

SAME OR DIFFERENT?



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

Setting promotion objectives: example - Consumer Usage Patterns & Perceptions

Nescafé Instant Coffee

United States

Great market penetration,
but minor share

Continental
Europe

Major market share, but idea
of instant coffee was new

Tea-drinking
Countries

Conversion not only to coffee,
but to instant coffee

Latin America

Preferred coffee couldn't be
duplicated with instant version

Scandinavia

Ingrained habit of keeping coffee
on stove all day long

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
-

CONSTRAINTS 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

International Marketing And Promotional Decisions

Demographic environment

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

Other barriers

Cultural environment

- Language
- Lifestyles
- Values
- Norms and customs
- Ethics and moral standards
- Taboos

**International Marketing
And Promotional Decisions**

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graph TD; A[Cultural environment] --> B[International Marketing And Promotional Decisions];
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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

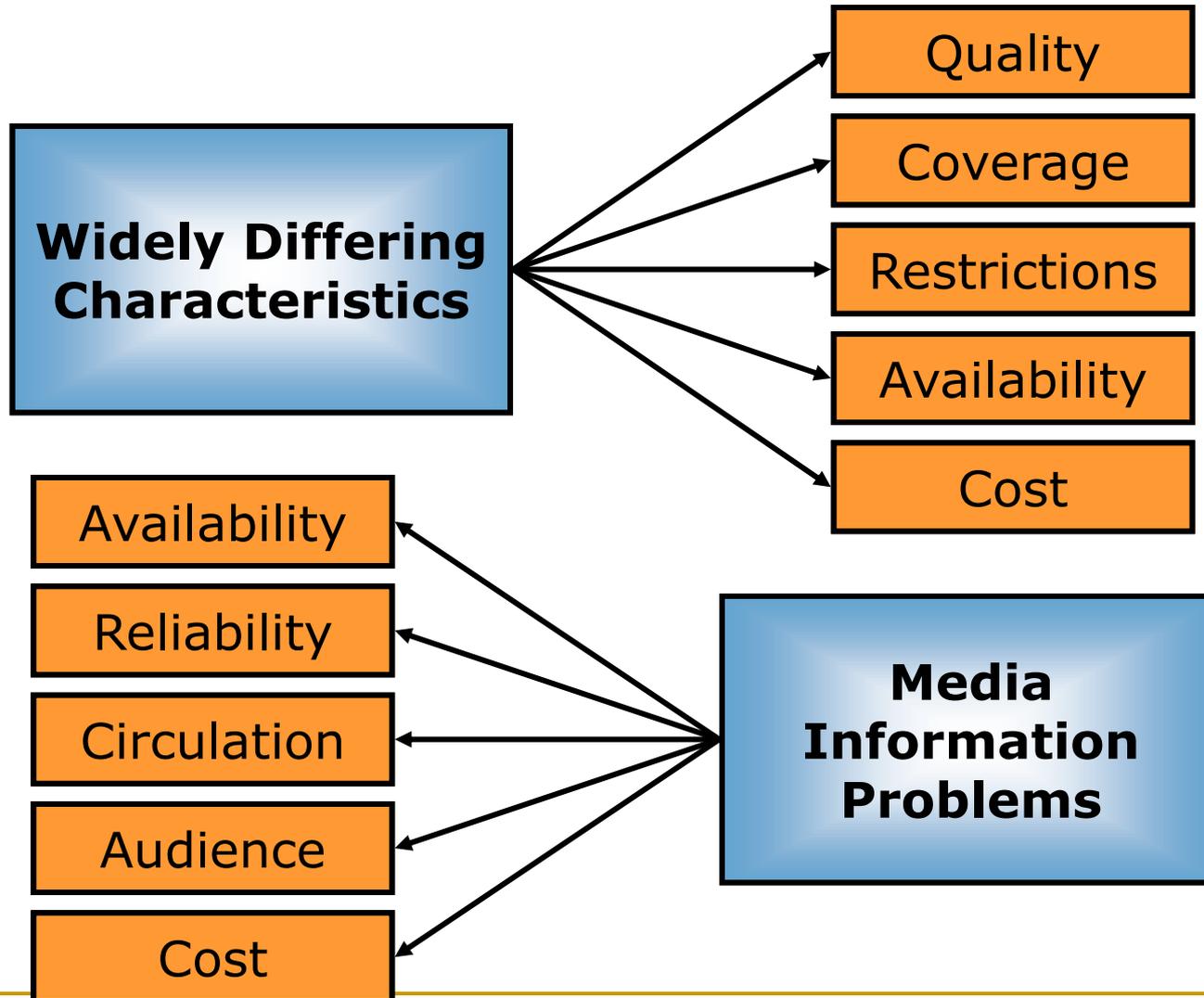
Use of foreign languages in ads

Use of materials from outside the country

Use of local vs. international ad agencies

Specific taxes levied on advertising

International Media Selection Issues



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

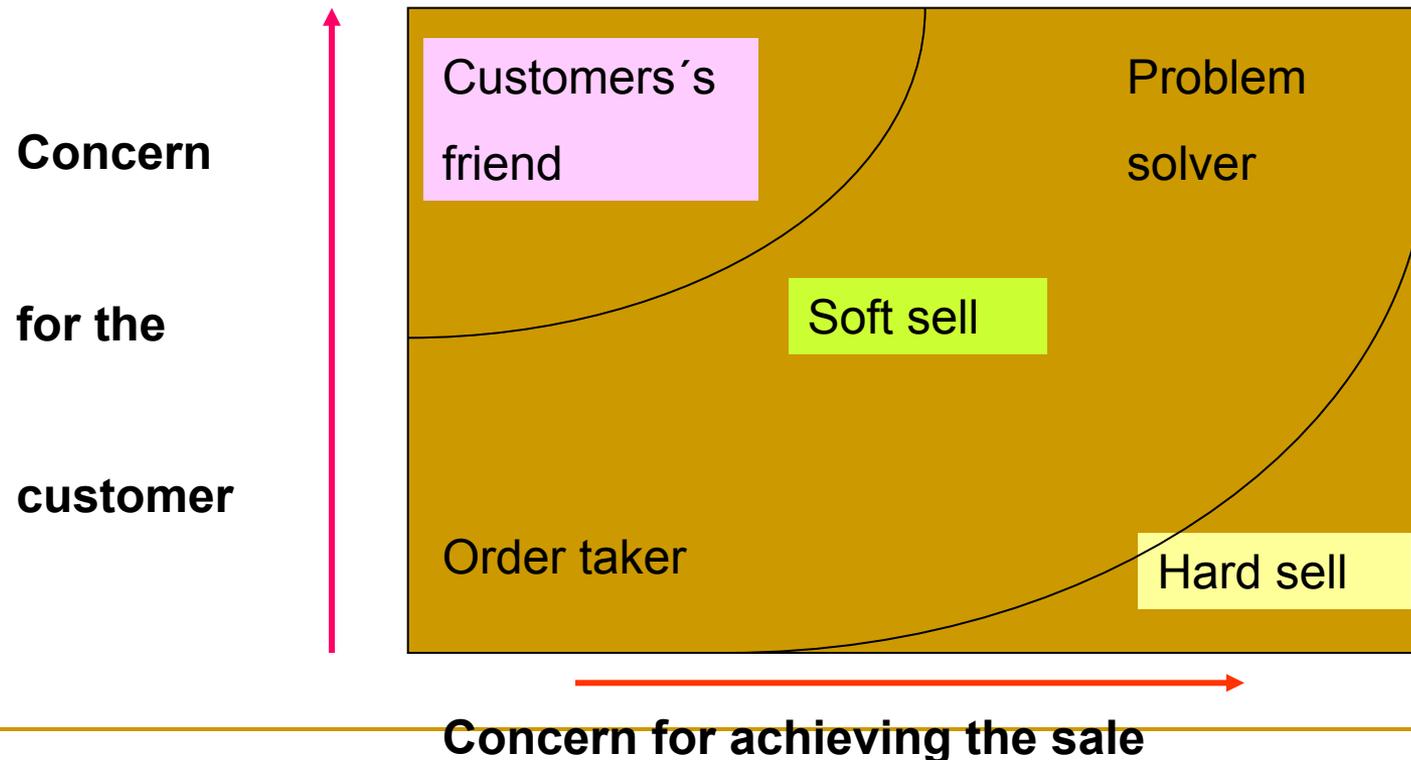
- „A Briton visits a Saudi official to convince him to expedite permits for equipment being brought into the country. The Saudi offers the Briton coffee, which is politely refused (he had been drinking coffee all morning at the hotel while planning the visit). The latter sits down and crosses his legs, 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 aproach

collective sollution or and individual benefit?



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

ADAPTATION?

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)
- 
- ADAPTATION???**
-

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=Gj0edevel0Q&feature=related>
 - <http://www.youtube.com/watch?v=t5pj82RcP5c&feature=related> Merry Christmas from Tide Phillipins
 - http://www.youtube.com/watch?v=x5DzG_oPI8s Stella Artois
 - <http://www.youtube.com/watch?v=FOtVbLvAgyw> Mameshiba
 - http://www.youtube.com/watch?v=XcuS3_USDi4&feature=related Pedigree Christmas greeting
 - <http://www.youtube.com/watch?v=JY9jVd2wvq4> Skoda Vánoce
 - <http://www.youtube.com/watch?v=7dl7hLB5Tbs> Orange Poland
 - <http://www.youtube.com/watch?v=mTqwzrewcSY> Alitalia Christmas attack
 - <http://www.youtube.com/watch?v=fW5Xo4QrSBw> Spanair – unexpected luggage
 - http://www.youtube.com/watch?v=dj6S_XM4RqA Moet et Chandon Christmas light switch on
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