IMPACTS OF DIVERSITY ON INTERNATIONAL ADVERTISING STRATEGIES

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To my husband, Mehmet …

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1.   The material included in this thesis has not been submitted wholly or in part for any academic award or qualification other than that for which it is now submitted.

2.   The program of advanced study of which this thesis is part has consisted of:

i)   Research Methods course during the undergraduate study

ii)   Examination of several thesis guides of particular universities both in Turkey and abroad as well as a professional book on this subject.

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ABSTRACT

Nesibe Nur ŞANAL   **June 2008**

IMPACTS OF DIVERSITY ON

INTERNATIONAL ADVERTISING STRATEGIES

The purpose of this study is to examine how diversity affects international advertising strategies and to contribute information for effective marketing by providing awareness of diversity influences on international advertising strategies. International marketing strategies (ethnocentric, geocentric, polycentric, regiocentric) and their advertising strategies (standardization, adaptation) must be debated primarily for better understanding the influence of diversity. So there is an increased need for information about whether standardization or adaptation strategies should be chosen when acting in international marketing. This study intend to provide these informations.

Key words:

international advertising strategies   standardization
adaptation   diversity

KISA ÖZET

Nesibe Nur ŞANAL   **Haziran 2008**

FARKLILIKLARIN ULUSLARARASI

REKLAM STRATEJİLERİNE ETKİSİ

Bu çalışmanın amacı, farklılıkların reklam stratejilerine etkisini incelemek ve bu etkinin farkındalığını sağlayarak daha etkin bir pazarlama için bilgi katkısında bulunmaktır. Bunun daha iyi anlaşılabilmesi için öncelikli olarak uluslarası pazarlama stratejileri (etnosentrik, geosentrik, polisentrik ve regiosentrik) ve onların kullandığı reklam stratejileri (standardizasyon ve adaptasyon) ele alınmalıdır. Uluslarası reklam stratejisi olarak standardizasyonu mu yoksa adaptasyonu mu kullanmak gerektiği bilgisine artan bir ihtiyaç söz konusudur. Bu çalışma da bu bilgileri sağlamayı amaçlamıştır.

Anahtar kelimeler:

uluslararası reklam stratejileri   standardizasyon
adaptasyon   farklılıklar

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INTRODUCTION

We have all heard the expression that our world is shrinking. To a large extent, the strength of our economy depends on our ability to do business with countries in other parts of the world. To stay competitive in the world market, the countries must design products that meet the needs of people from all over the world and advertise the goods with awareness of the diversities. So, just producing products isn't a sufficient ticket for serving our products to the world consumers. 'How you serve' is becoming more important as well as 'what you serve'. In addition, we must develop strategies for the right advertising to the target audience. If we want to sell our products and make profitable business deals with people from other countries, it only makes good business sense to develop and understanding and appreciation of their diversities.

The aim of this study is to contribute information for effective marketing by providing awareness of diversity influences on international advertising strategies.

Chapter one, titled "Diversity", presents the definition and types of diversity (Demographic, Cultural, Economic, Political / Legal) which have direct influence on international advertising strategies. It is also mentioned here with some examples that each market, country or region has their own characteristics and they differ from each other.

Chapter Two, titled "International Marketing Strategies", introduces the International Marketing Strategies; Ethnocentric Advertising, Geocentric Advertising, Polycentric Advertising, Regiocentric Advertising. Also, which of the international marketing strategies suits which level of diversity is examined in this chapter.

Chapter Three, titled "International Advertising Strategies", explains Standardization and Adaptation as International Advertising Strategies. Various definitions of the terms "standardization" and "adaptation" exist. Also comprehensive discussions about the issue of standardized advertising versus adaptation advertising in both academic literature and marketing practice are available. Whether to standardize or to adapt a company's advertising is one of the most important issues in international marketing. Therefore, the constraints within which standardization or adaptation avaiable prefered are also discussed in this chapter.

Finally Chapter 4, titled "Impacts of Diversity on International Advertising Strategies", examines degree of diversity influences degree of standardization and degree of adaptation. Then comparison of the marketing strategies in terms of diversity levels and these levels' requirements of advertising strategies are examined. Beside, the influence of each diversity dimension on international advertising strategies. Yet, marketers face several constraints to standardize or adapt advertising campaigns, such as their inability to account for the specific characteristics

of each country, different target consumers, and possible legal regulations. In France, for example, marketers are obliged by national legislation to use the French language, and advertisers face severe restrictions with respect to alcohol advertising, which is less stringently regulated in other European countries. Therefore, advertising managers strive to implement an advertising campaign to prevent international competition.

In the conclusion part, two polar ends, "complete standardization" and "complete adaptation" is defined. If you want to succeed, moving from one polar end of standardization to the other polar end of adaptation is inavoidable and necessary while acting in international markets. It is also shown that success depends on awareness of the diversity existing between countries, markets etc.

CHAPTER 1

DIVERSITY

This chapter focuses, firstly, the definition and forms of diversity, then dimensions of diversity which are uncontrollable environmental constraints of a firm in international marketing.

1.1. What is Diversity

Diversity is the subject of various fields but each of them defines diversity from its own perspective. Commonly diversity is the idea of difference. It implies the existence of a number of objects, species, people, and groups of people, all of which exhibit differences between each other. The scope of diversity can be observed through some of the popular definitions of diversity:

- Diversity "refers to differences between individuals on any attribute that may lead to the perceptions that another person is different from self" (Van Knippenberg, De Drue, & Homam, 2004, p. 1008).

- Diversity is "a mix of people in one social system who have distinctly different, socially relevant group affiliations (Cox & Beale, 1997, p. 1).

- Diversity is "any characteristic used to differentiate one person from others" (Joplin & Daus, 1997, p. 32).

- Diversity is concerned with differences and similarities (Thomas, 1996), and as such, a truly diverse group is one with many different characteristics represented in the group.

1.2. Forms of Diversity

Harrison, Price, and Bell (1998) identified two forms of diversity: "surface-level" diversity (e.g. differences in gender, ethnicity, nationality) and "deep-level" diversity (e.g. differences in knowledge and differences in cultural values).

1.2.1. Surface-Level Diversity

Surface-level diversity includes dimensions of diversity that can be readily observed, such as differences based on sex, race, age, and in some cases physical ability, socioeconomic status, and language. These differences are important because people make judgments as to how similar they are to others based on these characteristics.

Similarly, cues about these differences are continually present in face-to-face interactions because of others' outward appearance.

1.2.2. Deep-Level Diversity

The second form of diversity is termed deep-level diversity, which comprise differences among people based on psychological characteristics.

These psychological characteristics might include differences based on attitudes, beliefs, values, culture, or preferences. In general, deep-level differences only become apparent through interaction with others.

1.3. Types of Diversity in Marketing

Marketing environment is an important concept for success of marketers which act in international platform. Demand of different markets for the marketers' products, understanding advertising message by target markets can only be possible when technological, legal, economical and cultural environments are recognized. The uncontrollable environmental constraints of a firm, widely affect the firm's financial sources, capacity, and success of the business operations. Even though such external factors can't be controlled, recognizing them will provide competitive advantage.

International markets differ in many ways from the domestic markets. The diversity in the environments of these factors is to be considered before planning any strategy of international marketing.

Following are the major diversity dimensions that act as determinants of the international marketing policies:

i. Demographical Diversity

ii. Cultural Diversity

iii. Economic Diversity

iv. Political / Legal Diversity

1.3.1. Demographical Diversity

Demographics are the statistical characteristics of human populations, such as age, income, sex, occupation, education, family size, ages of the children, geographic location, income levels etc that are used by businesses to identify markets for their goods and services.

The demographic environment is of major interest to marketers because it involves people, and people make up markets. Demographics are used to identify who your customers are now and in the future, where they live, and how likely they are to purchase the product you are selling. The changing population characteristics, life styles, habits and tastes of the population have potential for marketers. For example, when both husband and wife are employed, the demand for fast foods, electronic home appliances and the need for crèches increase. By studying your customers and potential customers through demographics, one can identify changing needs in the marketplace and adjust to them. For the businessperson, identifying the demographic groups that will be most interested in your product can mean the difference between success and failure.

Each country, region or population has their own demographic characteristics; therefore, recognizing demographic diversity among countries can be very helpful in shaping marketing campaigns and other business efforts for different populations because analysis indicates a high

correlation between certain lifestyle characteristics and their buying patterns.

Basic demographic analysis is used for two reasons: to identify population characteristics in order to determine just who your potential customer is and to serve as a means of locating geographic areas where the largest number of potential customers live. For example, if you were interested in selling a new denture cream, it is likely that you would want to identify the counties or cities in the country that had the largest concentration of elderly consumers. Once you identified those areas, you would want to know more about the elderly people who lived in those counties: What are their buying habits? How many wear dentures? How many are on a fixed income? These are the types of questions that demographic studies can help answer.

Once these questions have been answered, a company can use demographics to compile a customer profile of their target audience. Factors that should be considered in the profile include:

Ethnic background: It is important to make a distinction between ethnicity and race.

Income: In general, income tends to increase with age as people obtain better-paying jobs and receive promotions. Married couples often have a higher income because both spouses are working. Income is defined as all money and public assistance that is earned before taxes and union dues are

taken out. Personal income is money plus noncash benefits such as food stamps. Disposable income is the money that is left after taxes are taken out, and discretionary income is the amount of money left after taxes are paid and necessities such as food and shelter are paid for. It is often this last type of income that marketers are most interested in. Income can be reported for households or individuals.

Education level: This is an increasingly important factor as technology becomes more important to day-to-day living. Generally, the more education a person has, the greater the income they earn, thus the more money they have to purchase products. Education is most often measured by level of schooling completed. As a rule of thumb, college-educated people are among the most desirable consumer groups, but studies show that they also tend to be the least brand loyal. This means a business may have to work harder to reach and keep those customers.

1.3.2. Cultural Diversity

Culture is defined as "a learned, shared, compelling, interrelated set of symbols whose meanings provide a set of orientations for members of a society" (Kale, 1990). Cultural diversity is the variety of human societies or cultures in a specific region, or in the world as a whole. Cultures are more than language, dress, and food customs; they encompass the religious aspects, language, customs, traditions and beliefs, tastes and preferences, social satisfaction, social institutions, buying and consumption habits, race,

ethnicity, or nationality, but they also arise from cleavages of generation, socioeconomic class, sexual orientation, ability and disability, political and gender etc.

Although national culture encompasses the collective values, attitudes, beliefs and customs of the nation's population, these socially accepted normal values and expectations may vary hugely from one country to another. Socio-cultural values become the distinguishing factor between domestic and international marketing. A service provider must rethink every element of the service and how the marketing of that service is conducted with a cultural knowledge of the country he/she is operating in. Before stepping in the international market in any way, it is essential to understand the cultural dynamics of these foreign markets. One of the most important reasons for the failure of a number of companies in foreign markets is their failure to understand the cultural environment of these markets and to suitably formulate their business. For a business to be successful, its strategy should be the one that is appropriate in the socio-cultural environment. Thus for a successful international marketing, proper understanding of the culture is essential. Knowledge of a culture can be gained by probing its various aspects. Social institutions and organizations of the foreign market should be analyzed.

A comprehensive socio-cultural analysis should include the population size, growth rates, sex, geographical and age distribution, family size,

gender and family roles and migration/immigration rates. The level of education, its influence on society and literacy rates needs to be considered. Research on the existing social classes, ethnic diversity and subcultures should improve the chances of success for any international marketer. The country is religious beliefs and customs need to be recognized so as to prevent offending any of their traditions or beliefs. The diet and eating habits of people change considerably from country to country also. Aesthetics relates to cultures collective perceptions on beauty and taste. Social variables such as living conditions (types of accommodation) and home ownership levels may also provide insights as to the needs and wants of that society. One of the most obvious cultural variables is language. This can be subdivided into verbal (spoken/written) and non-verbal (body language and social distance/behaviors).

If there was only one type of culture worldwide, international marketers job would be easier; there would be no need to think of differences. However, there are various degrees of cultural differences between countries. For example, there are large language and value differences between Switzerland and China. There are much smaller differences between Spain and Italy than the previous example. Although cultural diversity reminds us of the differences between countries, it is not true to restrict culture into a country's boundaries because there may be different cultural values between the regions of the same country. Turkey is a good

example to illustrate the cultural differences among regions in a country, because eastern and western regions of Turkey have cultural differences from each other.

1.3.3. Economic Diversity

The rapidly changing economic environment, encompasses wealth, income, productivity, inflation, credit, employment, etc. which affect markets and opportunities. It causes international marketing efforts to be more complex than domestic marketing efforts.

Economic factors play a large influence on decisions regarding the internationalisation process. Every market is characterised by many economic conditions and it is vital that these characteristics are identified and assessed before investment is committed to that market. Once an investment has been made in a foreign market, the primary economic factors must continually be monitored to enable the company to respond to changing market conditions.

Firms in international markets must continually study the economic environment, analyse economic indicators, deduce economic results to have success and reduce risks. Importance and complexity of the issue increases because of economic indicators, industrial structure, retail trade, foreign capital, market structure, the level of economic development, competition, distribution etc. which differ from country to country. Especially industrial structure and income affect countries' demand. The strength of the foreign

economy and its prospects for future economic growth are crucial variables that must be carefully considered.

The implications of economic variables are many and can vastly change the attractiveness of the market to potential exporters. Economic statistics such as gross national product and gross domestic product are important indicators as to the strength and performance of the economy. The labour-force size, structure, average salaries and unemployment rates impact on the attractiveness of a foreign market. Personal income per capita, average family income and the distribution of wealth provide information about the purchasing power and levels of discretionary expenditure of the country. The countries reserves of natural resources, principal industries (by sector, that is, primary, secondary and tertiary) and relative importance of each industry are important considerations. The industry growth trends and ratio of private to public ownership may provide insights also. The significance of currency values and foreign currency exchange rates cannot be underestimated. An economic analysis before expansion to foreign markets is not complete without an analysis of the trade statistics of that foreign market. The balance of payments and recent trends, along with the currency rate of exchange must be taken into account. Any economic trade restrictions such as embargoes, quotas, import taxes, tariffs, licensing or customs duties need to be researched thoroughly. Therefore economic analysis' are highly needed for each country and market.

Technology is a critical factor in economic development. Because of the advances of international communication, the increasing economic interdependence of nations, and the serious scarcity of vital natural resources, the transfer of technology has become an important preoccupation of both industrialized and developing countries. For many industrialized countries, the changes in the technological environment over the last 30 years have been immense particularly in such areas as chemicals, drugs, and electronics. It is vital that organizations stay abreast of these changes - not only because this will allow them to incorporate new and innovative designs into their products, but also because it will give them a firmer base from which to anticipate and counteract competition from other organizations.

The emergence of technology is eliminating the borders and distance issues that once separated different parts of the world and organisations. The trading environment is becoming a "borderless World" (Ohmae, 1989, p.152). The type of technology in use, the level of technological developments, the speed with which new technologies are adopted and diffused, the type of technologies that are appropriate, the technology policy etc. are important to business. Advances in technology may also cause relocation of production. For example, several companies in the advanced countries had shifted the T.V. production to developing countries to take advantage of the cheap labour. However, when further technological

developments reduced the labour content of the T.V. some firms relocated their production back to the developed countries.

Technology helps improve the service offering through the strengthening of relationships with customers, the offering of new services and adapting to employee and customers needs. Developing the service offering, supplying more service delivery choices and good communication can all lead to a superior relationship with the customer. Technological tools such as the Internet are making the worldwide market accessible to organisations in what is termed a "market-space". "The use of computerized communication allows the service marketer to establish an ongoing relationship with the customer at each stage of the consumption process. Online databases of customers can show consumption patterns and help track demand fluctuations" (Fisk, 1999, p.315). However one must consider the limitations that still exist regarding technology. Many undeveloped and developing countries have extremely limited access to technologies. They often have particularly low levels of technological literacy (skills, abilities and knowledge) and may be very slow to adapt to technological change. Slow diffusion rates allied with poor technological infrastructure (such as mobile phone masts, broadcasting stations, telecommunication lines etc) can pose many challenges to service operating relying on technology to export their service.

1.3.4. Political / Legal Diversity

The political environment in which the firm operates (or plan to operate) will have a significant impact on a company's international marketing activities. The political environment consists of laws, government agencies, and pressure groups that influence and limit various organizations and individuals in a given society. Marketing decisions are strongly affected by developments in the political environment. The greater the level of involvement in a foreign markets, the greater the need to monitor the political climate of the countries business is conducted. Almost every marketing activity is subject to a wide range of laws and regulations. Changes in government often result in changes in policy and attitudes towards foreign business. An exporter that is continuously aware of shifts in government attitude will be able to adapt marketing strategies accordingly.

Nearly all governments today play active roles in their countries' economies. Of primary concern to a marketer should be the stability of the target country's political environment. A loss of confidence in this respect could lead to a company having to reduce its operations in the market or to withdraw from the market altogether. One of the surest indicators of political instability is a frequent change in regime. Although a change in government need not be accompanied by violence, it often heralds a change in policy towards business, particularly international business. Such

a development could impact harshly on a firm's long-term international marketing programs.

The legal environment is derived partly from the political climate in a country and has three distinct dimensions to it:

- The domestic laws of your home country

- The domestic laws of each of your foreign markets

- International law in general

Legal systems vary from country to country. You are likely to find that the legal systems in operation in the buyers' country are in many respects different from another one.

Domestic laws govern marketing within a country, e.g. the physical attributes of a product will be influenced by laws (designed to protect consumers) relating to the purity, safety or performance of the product. Domestic laws might also constrain marketers in the areas of product packaging, marking and labeling, and contracts with agents. Most countries also have certain laws regulating advertising, e.g. Britain does not permit any cigarette or liquor advertising on TV.

The legal systems of most of the non-socialist countries can be grouped into common law and code law. Common law is generally based on precedents or past practices while a code, which is a comprehensive set of

volumes having statutory force and covering virtually the whole spectrum of the country's law, is established by arbitrary methods.

All organizations doing business abroad should be aware of the fact that what they do could be the object of some political action. Marketers need to be able to recognize the political and legal differences for each country. Hence, they need to recognize that their success or failure could depend on how well they cope with political decisions, and how well they anticipate changes in political attitudes and policies.

CHAPTER 2

INTERNATIONAL MARKETING STRATEGIES

International advertising is a branch of international marketing. In the course of international marketing, a strategy of international advertising must be utulized. It is necessary to review international marketing strategies before international advertising strategies to understand which marketing strategy uses which advertising strategy.

Company strategies must suit the international marketplace. Strategies, or the mindset, used in the international marketplace have been categorized as below;

1. Ethnocentric Strategy

2. Geocentric Strategy

3. Polycentric Strategy

4. Regiocentric Strategy

2.1. Ethnocentric Strategy

Ethnocentrism study began last century with social psychologists such as Sumner (1906), who defines ethnocentrism as the tendency to view one's own group as the center of everything. An ethnocentric strategy tend to view the world from a home-country perspective, assumes that home country values, beliefs, and ways of doing things are superior to those of

other cultures. Thus, ethnocentric business decisions will reflect this type of perspective. It accepts things that are culturally similar and rejects things culturally dissimilar (Samovar and Porter, 1995). It means that company personnel see only similarities in markets and assume the products and practices that succeeded in the home country will, due to their demonstrated superiority, be successful anywhere.

In the ethnocentric company, overseas operations are viewed as secondary to domestic operations and primarily as a means of disposing of "surplus" domestic production. The top management views domestic techniques and personnel as superior to foreign and as the most effective in overseas markets. Plans for overseas markets are developed in the home office, utilizing policies and procedures identical to those employed in the domestic market. An export department or international division most commonly administers overseas marketing, and the marketing personnel are composed primarily of home country nationals.

For example, Nissan's ethnocentric orientation was quite apparent during its first few years of exporting cars and trucks to the United State. Designed for mild Japanese winters, the vehicles were difficult to start in many parts of the United States during the cold winters. Until the 1980s, Eli Lilly and company operated as an ethnocentric company in which activity outside the United States was tightly controlled by headquarters and focused on selling products originally developed for the U.S market.

Although ethnocentrism is strong in many countries, an ethnocentric approach may not be effective in highly diverse international situations. Marketers cannot afford to judge others by their own cultural values and rules.

2.2. Geocentric Strategy

Geocentric strategy views the entire world as a single market; project a uniform image of the company and its products for the global market. Firms with a geocentric strategy view the world as a whole and build practices and processes that maximize the benefits of its presence in each country or region around the world. It accumulates knowledge and experience about culture, political and legal systems, business practices, organizational behaviors, and many other aspects of doing business in other countries.

Understanding similarities and differences among and between countries and their cultures is important. As international managers gain more experience in the international environment, their attitudes and behaviors are affected by these interactions. The accumulation of knowledge and experience from countries and cultures around the world improves the geocentric marketers' communication competencies across cultures and enables them to adapt to the variety of settings faced when marketing to various countries.

In a geocentric firm, there is strong integration of operations and activities across countries globally. Host-country subsidiaries do not operate

independently of others. Instead, there is cooperation, interdependence, and communication among subsidiaries. Each country subsidiary is assessed for its strongest competitive advantage, which becomes the strategic focus for decisions in that country. In the aggregate, country advantages create a strong global position of the firm. Decisions made by geocentric managers must take into account the globally standardized strategy of the firm. The home country is perceived as being on an equal basis with all other countries in which the firm operates.

2.3. Polycentric Strategy

Polycentrism involves the assumption that each country is unique. Thus entirely unique marketing strategies are required for each new market a firm enters (Keegan and Schlegelmilch, 2001). Thus polycentric strategy is opposite of ethnocentric strategy.

For many firms, a polycentric approach to international expansion was beneficial in developing a global learning and knowledge advantage. International managers from a polycentric firm are typically the most knowledgeable people in the firm regarding the host countries and their respective cultures. Managers readily adapt business processes and behaviors (as well as products and services) to fit the needs in the host countries.

Decisions are made on a country by country basis, and the needs of the host-country subsidiary supersede the needs of the home-country

headquarters. As global competition increases, however, the redundancy of activities from one country to another hinders competitiveness due to increased costs, variability in brand identity, and lack of coordination and integration between country markets. Thus a firm's worldwide activities may seem somewhat fragmented.

As the company begins to recognize the importance of inherent differences in overseas markets, a polycentric strategy emerges. In the polycentric stage, subsidiaries are established in overseas markets. Each subsidiary operates independently of the others and establishes its own marketing objectives and plans. Marketing is organized on a country-by-country basis, with each country having its own unique marketing policy.

2.4. Regiocentric Strategy

Regiocentric strategy considers different regions within countries to be unique, and hence develop an integrated regional strategy (Keegan and Schlegelmilch, 2001).

A regiocentric company views different regions as different markets. A particular region with certain important common marketing characteristics is regarded as a single market, ignoring national boundaries. Strategy integration, organizational approach and product policy tend to be implemented at regional level. For example, a U.S. company that focuses on the countries included in the North American Free Trade Agreement (NAFTA) – the United States, Canada, and Mexico – has a regiocentric

orientation. Similarly, a European company that focuses its attention on the EU or Europe is regiocentric.

A regiocentric firm will select a single manager to oversee and coordinate operations and activities in all countries within a geographic region. Thus regiocentric managers will have marketing responsibilities in many countries, and marketing strategies will encompass the regional needs of the firm. In this case, marketers would need to have the ability to adapt marketing activities to fit a specific regional situation. In other words, marketer would need to understand the cultural values and behaviors of each country in which they operate and have the ability to determine which behaviors to integrate into marketing involving more than one country from the region.

CHAPTER 3

INTERNATIONAL ADVERTISING STRATEGIES

Developing strategies for global marketplace and managing operations in diverse country markets have become critical tasks for managers. Managers decide an advertising strategy to disseminate the firm's commercial message to target audiences in more than one country. Target audiences differ from country to country in terms of diversity. Therefore international advertising strategy can be viewed as a communication strategy that takes place in multiple cultures and demographical properties of different audience groups. It is also bussiness activity among demographical, cultural, economical and legal differences of the countries or markets.

The debate on global marketing mix strategy is ongoing, standardization and adaptation in advertising has received most attention as two main approaches to international advertising.

Standardization and adaptation refer to distinct and opposite perspectives, meaning that a higher degree of adaptation results in a lower degree of standardization (Cavusgil & Zou, 1993). The extreme positions are complete standardization, when every element of the advertising campaign is standardized all over the world, and complete adaptation, when elements are adapted to the conditions on the local market (Harris, 1996). In light of the above discussion, it has become clear that managers are

faced with a complex task when deciding to what degree to standardize or adapt an international marketing strategy.

According to a survey by Kanso and Nelson (2002), 77 percent of the investigated companies use some sort of standardization in the advertising message. However, only out of 95 respondents stated that they always used standardized advertising messages. In fact, around two thirds reported that they principally use an adaptive approach. To continue, the majority of the investigated subsidiaries seemed to rely on a modified form of standardization. Out of the 77 percents that used some sort of standardization, most companies still changed all materials but the central theme, or just modified copy and illustrations.

Not only will managers have to make choices of whether a firm should focus on economies-of-scale or consumer-related strategies, but with the growth of the contingency perspective, managers also need to closely monitor all internal and external conditions to be able to react to any situation-specific drivers for strategic migration. Most studies focus on the factors that influence the choice of a particular strategy, identifying a range of forces driving standardization or adaptation of marketing programs.

Since standardization and adaptation represent two extremes, impacts of diversity on international advertising strategies will be regarded.

3.1. Standardization

The standardized advertising approach, sometimes known as the "uniform." "universal" or "global" approach, is defined as the practice of advertising the same product or brand in the same way everywhere. This view holds that basic human needs and emotions are the same in every society (Levitt. 1983). Proponents of the standardization school of thought contend that differences between countries are more a matter of degree than direction and therefore advertisers must instead focus on the similarities of consumers around the world (Fatt, 1967; Levitt, 1983). The emergence of similarities in consumers needs and interests creates an opportunity for using universal appeals such as "mother and child," "freedom from pain," "glow of health" and "the desire to be beautiful" in advertising (Fatt. 1967). It is also claimed that benefits from standardization are cost reductions in planning and control, the building of an international brand, and company image.

International advertising standardization refers to using a common approach or common advertising messages to promote the same product across national boundaries. According to Levitt(1983), corporations should take advantage of economies of scale in producing and marketing the same product at the same price with the same message all over the world at the same time. This school of thought looks for similarities across segments and countries to find a common thread to capitalize in advertising. Proponents

of the standardization approach argue that a single advertising message with only minor modifications, or even advertisements with proper translations, can be used in all countries to reach consumers. The rationale behind this position is that buyers everywhere in the world share the same, or very similar, wants and needs and, therefore, can be persuaded by universal advertising appeals.

Standardization may be preferred;

• to avoid high costs of adaptation

• primarily for industrial products

• if convergence and similar taste in diverse country markets exist

• in marketing to predominantly similar countries

• if centralized management is sought

• if there are economies of scale in production, R&D and marketing

• to meet competition when competitors produce standardized products

• for mobile consumers

• if positive home country image (country of origin) effects exist.

The benefits of standardization are many. The first advantage is cost savings resulting from economies of scale in creating a uniform idea and producing art work, films, and other advertising materials for a universal campaign to use in different markets. Second is the consistency in dealing

with customers by establishing a common image worldwide. A uniform brand and/or corporate image worldwide helps to build recognition among and avoids confusing consumers who travel frequently between countries and in areas where media overlap. Third, standardization helps to exploit good ideas that are difficult to find worldwide. Finally, standardization provides advantages to organizational management in terms of simplified planning, coordination, and control (Mooij. 1994; Sorenson & Wiechmann. 1975).

Evidence shows that standardized campaign can work across borders. It is widely accepted that Esso's "Put a Tiger in Your Tank" is a campaign that traveled around the globe from Southeast Asia to Switzerland, with minor changes in art and wording. Recently, McCullough (1996) states that the IBM subtitles campaign is a global campaign that acts locally. The company uses the same advertisements to communicate a single message across the 47 countries. The underlying message of this campaign is that 'IBM delivers solutions that are simple and powerful enough to manage information anywhere, anytime, and for anyone' (McCullough, 1996, p.14). To retain home cultural accents and enhance communication in each country, the company uses local subtitles to translate the 'foreign' language of the commercial.

In this study, the term "standardization" means that the practice of using the same advertisement, the same underlying concept or positioning and

the same execution including format and other execution elements to advertise their products or brands across borders except translation into local languages.

3.2. Adaptation

Adaptation, sometimes called "customization" or "non-standardization" is defined as using different advertising to fit with specific markets. Proponents of the adaptation school of thought argue that advertisers must consider differences among countries, including – but not limited to – culture, stage of economic and industrial development, stage of product life cycle, media availability, and legal restrictions (Nielsen, 1964). They cite the many international advertising blunders attesting to the dangers of not adapting advertisements to a foreign culture.

Business practitioners and academic researchers who advocate adaptation of advertising for foreign markets support that separate messages should be used to reach buyers in different markets by fitting the message to each particular country. The rationale behind this idea is rejecting the concept of homogeneity of consumers around the world and pointing to the many obstacles to standardization.

According to this approach, there are insurmountable differences (e.g. cultural, economic, legal, media and consumer dissimilarities) between countries and even between regions in the same country and 'it is not right for a marketer to ignore cultural differences' (Rutigliano, 1986 p.30). Different

cultures generate different sets of values, forms of social organization, roles, and status positions which usually work against standardized advertising. For instance, Procter & Gamble experienced miserable performance when it introduced Cheer laundry detergent into Japan without adapting the advertising message to the local market. Cheer recovered after the irrelevant advertising message (which was that the detergent was effective in water of all temperatures) was changed because the Japanese usually wash clothes in cold water. Moreover, the company used hard sell advertising emphasized on product benefits and user testimonials that Japanese consumers were not comfortable with. It is suggested that businesses get greater returns when products and advertising strategies are adapted to specific. Furthermore, these differences necessitate the adaptation or development of new/different advertising strategies because diversity around the world makes it impossible for standard advertisements to be successful.

So adaptation occurs when message content, copy and illustrations and advertising themes are used in foreign markets to suit conditions in those markets.

Where adaptation is preferred;

• differences in technical standards

• primarily consumer and personal use products

• variations in consumer needs

• variations in conditions of use

• variations in ability to buy, differences in income levels

• variations in technical sophistication, skill levels of users

• strong cultural differences

• local environment induced adaptation, differences in raw materials availability, government required standards and regulations

• use by competitors.

• variations in national habits (clothes are worn longer between washings than in US; in some European countries boiling water is used for washing; washing by stream)

In this study, the term "adaptation" refers to the practice of changing the underlying advertising concept or some or all of advertising presentation elements or both of strategic message elements for advertising products or brands in one or more countries around the world.

CHAPTER 4

IMPACTS OF DIVERSITY ON INTERNATIONAL ADVERTISING STRATEGIES

A generalized market approach will not reach many pockets of diverse groups of customers. Appreciation of the rich mosaic of diversity within the customer markets can be a great opportunity for the seller firms. As in the case of marketing in general, a coherent strategy needs to be formulated for all advertising activities, and as managers develop international marketing strategies, the decision must be made whether to compete with standardized advertising communication or to use messages adapted to suit characteristics in a specific market or country. Furthermore, in decisions to standardize or adapt an international advertising strategy firms are faced with the challenge of selecting which components of the strategy these should be applied to. Adaptation and standardization strategies in advertising (in promotion) are studied in this chapter.

Degree of diversity in market is a factor to determine the advertising strategy as emphasized before. The dependent variable here is the degree of standardization which ranges from complete standardization to complete adaptation. Complete standardization refers to the practice of using the same advertisement worldwide, and complete adaptation means the practice of changing both advertising concept and all of creative executional

elements in specific markets. It means, if the degree of diversity is low, standardized strategy is used; if it is high, adaptation strategy is used.

Degree of diversity influences degree of standardization and degree of adaptation. They require the utilization different advertising strategies. For example; ethnocentric and geocentric strategies uses standardization. Ethnocentric companies that do conduct business outside the home country adhere to the notion that the marketing that succeeds in the home country is superior and, therefore, can be applied everywhere without adaptation. A geocentric company views the entire world as a single market and develops standardized marketing mix, projecting a uniform image of the company and its products, for the global market.

Polycentric and regiocentric strategies use adaptation according to the degree of diversity among countries versus regions. Polycentric companies look at each country/culture as a unique entity and adapt strategies and behaviors to fit the unique characteristics and needs of the foreign entity. Regiocentric companies identify common threads throughout the cultures within a region and try to adapt to them in a manner that will maximize the strategic goals of the firm for that region.

The main difference, and arguably an important factor, between these two strategies, is the fact that one is mandatory and the other is discretionary. Although both influence, either directly or indirectly, a firm's international business operations, standardization affects mostly the

tangible (or physical) attributes of a strategy because it focuses on environmental conditions of various markets. Adaptation on the other hand is mostly affected by such factors as cultures. (Medina and Duffy, 1998).

In this regard, the following aims to discuss and analyse both mandatory and discretionary changes are of great importance as they both can influence a firm's decision to standardize or adapt its international advertising strategy. As it was pointed in chapter 1, diversity consists of several dimensions. Examining the impacts of each diversity type on international advertising strategies and degree of these strategies will help managers to determine the right advertising strategy worldwide. So, arguments for standardization and adaptation will be presented below.

4.1. Impacts of Demographic Diversity (Consumer Profile) on International Advertising Strategies

Consumer profiles encompass the demographic, psychographic, and behavioural characteristics of consumers in the host country (Onkvisit and Shaw, 1987). International marketing and advertising strategies have always been based on consumers' perceptions, attitudes, consumption patterns and usage habits. Arguably, without customers a firm cannot survive in any market. As such, customer issues should be the focal point of a firm's decision to migrate. In fact, customer issues significantly impact every component of a firm's international marketing strategy.

Proponents of standardized international advertising have repeatedly pointed out that it is feasible to standardize advertising across markets because, consumer needs and wants have become so universal. According to Levitt, "the world's needs and desires have been irrevocably homogenized and everyone in the increasingly homogenized world market wants products-features that everybody else wants" (Levitt, 1983 p.93). Bechtos (1975) also contends that human needs and wants around the world are becoming more and more universal and that national differences are merely a reflection of the level of the national economy. Having this kind of contention, proponents of standardization then argue that a well planned and executed advertising campaign can "strike responsive chords in consumers of every nation". Similarities between customer requirements and evaluative criteria accommodate standardization efforts (Douglas and Wind, 1987). The implication is that if an advertiser has an advertising idea that is highly successful in one country, it could be wasteful to change it without giving consideration to its likely success in another country.

Supporters of standardization also contend that basic human nature is the same everywhere. Due to this similarity in basic human nature, they argue that there is no reason why it should not be possible to standardize advertising across markets. According to Fatt, who was Chairman of the Board & CEO of Grey Advertising, Inc., "a growing school of thought holds that even different people are basically the same and an international advertising campaign with a truly universal appeal can be effective in any market" (Fatt, 1967 p. 61).

An empirical study conducted by Donnelly & Ryans (1969) corroborated, from a management point of view, the claim of the universality of basic human nature. In this study, two thirds of managers surveyed were in agreement with a questionnaire item which stated that "basic human nature is the same everywhere... the traditional advertising appeals of economy, comfort, advancement and social approval are applicable in all markets" (Donnelly & Ryans, 1969 p. 59). The notion of basic human nature, from the perspective of proponents of standardization, seems to suggest that there are similarities in the things that people strive for irrespective of differences in culture. Other writings, Sorenson & Wiechman (1975) and Levitt (1983) also endorse the contention that basic human nature is the same everywhere and that on this basis standardization of advertising campaigns across markets is feasible.

Those who advocate standardization further argue that there is a trend toward an increasingly mobile consumer who travels frequently between countries (Levitt, 1983). Great improvement in technology over recent years has come to mean that people no longer live in solitude behind their respective national boundaries. Rather, people have become highly mobile, crossing boundaries in search of new opportunities and challenges or just for the sake of leisure. Sorenson & Wiechman (1975) pointed out that this phenomenon emerged quite visibly in Europe in the 1970s. According to (Levitt, 1983), increased mobility of people has generated a flow of information that helps establish common reception of product ideas over wide geographic areas. So

then, advocates of standardization argue, if an advertisement of a product is standard, the traveler's re-exposure to an advertisement similar to the one back home would reinforce his or her loyalty to the company and the product. In essence, a standardized approach would help the company guard against confusing increasingly mobile consumers and thus heightening the level of consistency in consumer service (Onkvisit & Shaw, 1987).

In making their case for a homogenized world market, supporters of standardization have also de-emphasized the significance of cultural differences across markets and have cited the disappearance of national economic boundaries (Levitt, 1983)

While advocates of standardization espouse the theory that consumers around the world have been homogenized, its opponents quickly argue that the existence or evidence of the diversity of needs and wants of consumers worldwide is good reason to render the theory of standardization untenable (Douglas & Wind, 1987). Opponents of standardization concede, however that few global brands have caught the attention of a global consumer segment. Yet, they do contend that a limited number of global products for a small segment of global consumers amounts to lack of evidence of homogenization of consumer needs and wants around the world.

Marketing standardization efforts frequently fail when firms neglect to identify clearly defined, researched, and delineated intermarket segments. Customer purchasing differences across markets are likely to require

adaptation of marketing program components. In rejecting homogenization of consumers around the world, Douglas & Wind (1987) pointed out that "the similarities in customer behavior are restricted to a relatively limited number of target segments, or product markets, while for the most part, there are substantial differences between countries" (p. 22). Empirical studies in the 1960s and 1970s seem to support these arguments. For example, Green and Langeard (1975) found that French and American innovators differed in their demographic characteristics and media habits for grocery products and retail services. Green *et al.* (1975) showed that product attributes are perceived differently in terms of their importance by consumers in the USA, France, India and Brazil. Japanese parents, for example, demonstrate a preference for changing their infants' diapers more frequently. Thus, Procter & Gamble and others had to design a less absorbent diaper and modify their host market promotional programs accordingly.

4.2. Impacts of Cultural Diversity on International Advertising Strategies

The cultural environment is the complex set of beliefs, values, norms and attitudes acquired by consumers as part of their national heritage. It has long been considered to have a significant influence on international advertising. The international business literature highlights customer values, beliefs, and attitudes, education, and aesthetic preferences, along with

conditions and patterns of product usage, as factors that influence the degree of marketing strategy standardization (Aydin and Terpstra, 1981).

Synodinos et al. (1989), in their study of advertising practices across 15 countries, found striking dissimilarities in these practices. They attributed such dissimilarities to cultural factors, among other determinants. Kanso (1992) examined the international advertising strategies of the Fortune 500 largest corporations. His findings suggest that advertising messages should fit the beliefs and traditions of the citizens in each country. Thus, a standard approach to advertising may not be the most suitable. For example, an effective advertising campaign in the US will not necessarily be well received in Saudi Arabia due to differences in culture, language and the economic situation. Therefore, the common needs of people belonging to different nations do not necessarily mean that the same products will be appreciated in the same way. This may mean that a standardized advertising will not work globally.

Hornic (1980) studied the degree of transferability of American print advertisements for well-known American products distributed in Israel. He found that, in most cases, an adaptive advertising strategy was followed and suggested that the creative aspects of advertising should be adapted to the cultural and marketing characteristics of each foreign market.

Graham et al. (1993), examined the influence of values on international marketing decisions made by executives in China, Hong Kong, and Canada.

They found significant differences that could be attributed to the cultural norms of these countries. In addition, in their study of how the home-country culture influences a firm's marketing strategies in foreign markets, found that German and Japanese companies adapt their advertising strategies to foreign markets, albeit to different degrees.

Meuller (1987) found that traditional cultural values have an impact on advertising message appeals. For example, Japanese magazine advertisements tend to use more "soft-sell" and status appeals and fewer information appeals, and to show more respect towards elders than American counterpart advertisements. These results are consistent with those of a study by Lin (1993) that demonstrated the importance of stressing status symbols in Japanese advertisements and emphasizing individual determinism in American advertisements. They replicated Mueller's results by finding that Japanese TV advertisements are less informative than their US counterparts. Further, Miracle *et al.* (1992) concluded from their study of Korean and US television advertisements that cultural variables account for the differences identified in advertising executions in the two countries. In a follow-up study, Mueller (1987) examined the degree to which Japanese advertising is "westernized". She concluded that Japanese advertisements are still far from being westernized and, hence, that using western advertising techniques in Japan would be inappropriate. Finally Graham *et al.* (1993) studied the content of humorous

television advertising in Korea, Germany, Thailand and the USA. They found that the content (i.e. humour) of the advertisements varies among those countries according to cultural dimensions.

Mueller (1991) studied the effects of "cultural distance" by examining the cultural differences between the USA and Germany, on the one hand, the USA and Japan on the other. Cultural distance is the degree of difference between message senders and message receivers (Samover *et al.*, 1981). She found that a standardized approach to advertising was more likely when cultural distance was small (i.e. when the cultures were similar). Hence, standardized advertising messages were more common for advertisements transferred between the USA and Germany than for advertisements transferred between the USA and Japan. In the latter countries, we have the hard-sell and soft-sell approach in advertising, respectively. In addition, the primacy of individual gratification prevails in the USA, while in Japan the emphasis is on group norms (Mueller. 1987). Finally, Zandpour *et al.* (1992), in a study concerning a lot of countries, found that cultural traits such as individualism-collectivism, uncertainty avoidance, power distance and perception of time independently affect creative strategy and tactics.

The findings from the last set of studies cited seem to suggest that an interesting and perhaps useful approach to determining the degree of international advertising standardization may be to cluster countries on the

basis of their cultural similarities. Sriram and Gopalakrishna (1991) identified six groups of countries and argued that advertising standardization could be attempted within each group by employing similar but not identical advertising messages. Support for this position is provided by Whitelock and Chung (1989) who studied print advertisements for perfume and beauty products in France and the UK, two countries that are classified as dissimilar in cultural terms in the Sriram and Gopalakrishna study (1991). They found little evidence of fully standardized advertising strategies even though the two countries are similar in their stage of economic development. However, Katz and Lee (1992) failed to show that the USA and the UK, two countries considered to be culturally similar in the Sriram and Gopalakrishna study, have similarities in advertising messages. They attributed the finding that US television advertisements are "people-oriented" whereas UK advertisements are "product-oriented" to cultural differences. Despite the contradictory empirical findings, searching for bases/criteria to identify clusters of countries within which advertising can be standardized is an intriguing area for future research.

Boote (1982), in his empirical comparative study of value structures in the UK, Germany and France concluded that the underlying similarity in the value structure of these three societies suffices to warrant a standardized advertising strategy. He further suggested that any differences between

those countries could be accommodated by "minor thematic variations" in the advertising messages or by avoiding the elements of difference.

Language is one of the most formidable barriers to effective advertising communication. The problem involves not merely the different countries or even different languages in the same country, it also involves linguistic nuances and semantics, literacy rate, prevalence of idioms and dialects etc. Illiteracy for example, severely limits the number of people in a country who can be reached through print media like newspapers, magazines, etc. Many countries are multilingual such as India, Canada, Switzerland, Israel, Russia, with different communication media for people speaking different languages. This linguistic pattern in a country creates serious problems for economic and effective advertising communication.

Another culturally-oriented factor concerning standardization versus adaptation of international advertising strategies is cross-cultural media habits. In a study comparing US and French consumers' media habits, it was found that US consumers rely considerably more on television and print advertising than French consumers for information regarding new products and services (Green and Langeard, 1975). Furthermore, French consumers were reported to watch less television and subscribe to fewer magazines than US consumers. Consequently, differences in media habits found between French and US consumers make the development of different advertising strategies in France and the USA necessary. A more recent

study found that compared to consumers in North America, Latin American consumers are exposed to more radio and less print media, while Asian consumers spend the highest proportion of their media time on television, and less on radio and newspapers (World Advertising Expenditures, 1986).

As a result, the differences existing among inhabitants of different countries with respect to their media habits may lead to different effectiveness for different media. Finally, Lee and Tse (1994), in their study of changes in the media habits of immigrant consumers, found that though immigrants do not increase their total media consumption, their consumption across different media types follows both assimilation and ethnic affirmation models.

4.3. Impacts of Economical Diversity on International Advertising Strategies

The economic conditions prevailing in the host country are of major concern in influencing international strategy (Onkvisit and Shaw, 1987). Understanding the economic environments of foreign countries and markets can help managers predict how trends and events in those environments might effect their companies' future performance there. Dunn (1976) identified 31 environmental variables as important determinants of the transferability of advertising strategies. Among them are many economic-oriented variables, such as rate of economic growth, per capita income and distribution of income, attitudes toward wealth and monetary gain, import

duties and quotas, and development and acceptance of international trademarks.

Hite and Frazer (1988) surveyed successful US multinational companies to determine the importance of factors influencing the transferability of advertising strategies. Overall, their results substantiated those reported by Dunn (1976). However, they found changes in the relative importance of several factors. One of these factors was the rate of economic growth, which seemed to have diminished in importance. Perhaps major world markets and economies had reached a level of "economic similarity" that made the distinction between "rich" and "poor" countries difficult.

Kaynak and Mitchell (1981) analysed marketing communication strategies in Turkey, Canada and UK and found them to be influenced significantly by the stage of economic development and other market-based variables of the host country.

Finally, James and Hill's (1991) survey findings suggest that advertising standardization is more likely in less affluent countries than in more affluent countries because of undersupply economies, less competition and less sophisticated consumers.

The intensity of competition in host markets can significantly influence a firm's international marketing strategy. Researches in international advertising examined the effect of competition on international advertising strategy. For example, Cavusgil et al. (1993) report that competitive

intensity leads to greater adaptation to host markets by exporting firms. Likewise, Subramaniam and Hewett (2004) find that competitive intensity is a significant predictor of the decision to adapt or standardize products in international markets.

In particular, when a competitor internationally standardizes its marketing approach for greater efficiency and lower costs to gain a competitive advantage position, others are likely to follow the same path. However, faced with greater competitive intensity and a desire to be more market-oriented, local managers are under pressure to adapt marketing strategies to the local market environment. It's argued that the industry structure (e.g. oligopoly vs monopoly), the influence of suppliers, the company's market position (e.g. leader or follower), and the consumers' bargaining power are all important variables that could affect the degree of advertising standardization. In the same vein, the presence of local and international competitors may necessitate a higher degree of adaptation simply to match local conditions. Competitive forces may dictate different advertising objectives in different countries, thus precluding advertising standardization. In fact, Hite and Frazer (1988) suggested that, through competitive analysis, multinational corporations can gain a "competitive advantage" for the role of advertising in their marketing strategies in foreign markets. However, the exact way competition affects the degree of

international advertising standardization has not yet been established, and additional empirical research is warranted on this issue.

Similarity between marketing infrastructures plays a critical role in making standardization a viable strategy (Özsomer and Simonin, 2004). Advertising infrastructure of a country consists of the institutions and functions essential to the advertising process, such as availability of media, the structure of media, availability of technical equipment, local advertising experience and staff talent. The availability, performance and cost aspects of the advertising infrastructure can affect the degree of advertising standardization. For example, a company may use television advertisements to reach the target market in one country, but it may be forced to use print media in another, because TV cannot reach the target audience or perhaps because it is too expensive. A higher degree of standardization is likely when there is similarity in institutions within the markets targeted. Similarity in intermediary services, research firms, media, and logistical support in host markets accommodates standardization. In contrast, differences in the availability, cost, and competencies of these institutions from one country to another hamper the use of standardized strategies (Douglas and Wind, 1987). Variation in the number, size, and dispersion of distributive outlets may necessitate a certain degree of adaptation in distribution strategy, promotional methods, prevailing wholesale and retail margins, price and discount structures, and product design and packaging (Samiee, 1993).

Advertising standardization is most feasible in countries that have a well-developed advertising infrastructure. Similarly, Mueller (1991) found that advertising standardization was more likely for television advertisements than for print advertisements.

4.4. Impacts of Legal/Political Conditions on International Advertising Strategies

In many countries, particularly in the developed countries, advertising is closely regulated, requiring modifications of the creative approach from country to country. Law pertaining to advertising may restrict the amount spent on advertising, the use of particular media, advertising of certain kinds of products, the use of certain types of copy and visuals, comparative advertising, misleading and unfair advertising, use of foreign-made commercials and the like. The German advertising legislation, for instance, is considered as the world's `strictest and most specific'. There are more than 50 central institutions and organisations monitoring German advertising practices. The other countries which are restrictive in advertising legislation include: UK, USA, Canada, France, Sweden, Austria, Belgium, Italy, D6nmark, Finland, Australia, Argentina and Mexico.

One of the main objectives of statutory regulations of advertising is to promote the interest of the consuming public against factually misleading and unfair advertising. Consumer movements and consumer organisations

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have become stronger and better organised. It is felt, this movement has had profound impact on the advertising industry and consumer legislation.

Apart from legislative measures, advertising practices are also subjected to voluntary code or self-regulatory action in many countries adopted by the advertising industry itself. In some countries large advertising agencies and media have their own standards for judging the content of advertisement. Some broad-based, self-regulatory codes on worldwide advertising practices also exist in many transnational corporations. To guide the worldwide advertising practice, the International Chamber of Commerce (ICC) has formulated the "International Code of Advertising Practice" The ICC code is designed primarily as an instrument for self-discipline but it is also for use by the Courts as a reference document within the framework of the appropriate laws. The basic principles of ICC Code are:

- All advertising should be legal, decent, honest and truthful.

- Every advertisement should be prepared with a due sense of social responsibility and should conform to the principles of fair competition, as generally accepted in business.

- No advertisement should be such as to impair public confidence in advertising.

Laws regulating advertising practices differ among countries. Similarity in laws and regulations is a factor conducive to the pursuit of standardized

strategies; however, laws and regulations governing marketing activities vary significantly across countries. In fact, it's reported that multinational corporations face greater advertising regulation by foreign governments today than ever before. Such laws and regulations can affect the applicability of a standardized advertising strategy. The literature suggests that differences in laws and regulations across markets are a key obstacle to deploying uniform strategies (Cavusgil, Zou, and Naidu, 1993).

Kreutzer (1988) suggested that multinational corporations should analyse the host country's regulatory policies towards multinational corporations in developing their marketing mix strategies. For example, comparative advertising is not allowed in many countries. Some countries (e.g. France and Germany) have made corrective advertising a standard practice.

CONCLUSION

"Complete standardization" which is the one polar end of the international advertising strategy continuum can take place in the international advertising industry when mainly:

- there is a great similarity in cultural environment across different countries;

- there is a great similarity in the economic conditions across different countries;

- there is no great uniqueness in the consumer profile across different countries;

- the strategic orientation of the corporation is not very culturally-oriented;

- the decision-making process of the organization is very centrally controlled;

- it is more about industrial products more than about consumer products and consumer durable products;

- the products are at the same stage of PLC across different countries;

- it is about non-culture-bound products than culture-bound products;

- there is a great similarity of legal conditions across different countries;

- the presence of local and international competition is not high in the host countries;

- a well-developed advertising infrastructure exists in the host countries;

- the organization experiences great difficulties with respect to its financial position;

- the objectives of advertising are centred on information and memorability rather than persuasiveness;

- the previous experience of advertiser and of advertising agency on how to handle the barriers hindering the international advertising standardization is high;

- little power is in the hands of the regional country-managers;

- there is a great similarity in the media scene across different countries;

- there is a high degree of overlapping regarding the number of national media across different countries;

- there is a high degree of orientation with respect to the development of a standardized communication mix across different countries; and

- there is, to a great extent, a presence of support activities (e.g. clear strategic vision, access to reliable information, economies of scales, etc.)

and an absence of barriers (e.g. great difference in communication signals in the non-verbal sector, etc.).

"Complete adaptation" which is the opposite polar end of the international advertising strategy continuum's specified conditions are that:

- it is, first, about consumer non-durable products and, second, about consumer durable products rather than industrial products;

- advertising objectives centre on persuasiveness rather than information and memorability; and

- all the other determinants, which are mentioned in the standardized state, exist in a high degree but in the opposite direction.

This means that all these determinants make the use of different creative strategies and tactics across different countries necessary. A requirement of this strategy state is that we have:

- exactly the same product across different countries, but in different stages of the PLC;

- a product relaunch in certain host countries on the basis of changes in the product;

- an introduction of a new product in certain host countries; and

- a geographical expansion of the market.

In addition, obviously, moving from one polar end of standardization to the other polar end of adaptation indicates a strategy continuum. This conceptualization, in turn, raises the question of the different ways and degrees international advertising strategies can be adapted, as one moves from "complete" standardization to "complete" adaptation. To answer this question, we can describe the route one can take along this continuum, from left complete standardization to complete adaptation as much as the degree of diversity.

A firm desirous of entering international market must consider these factors and it should also evaluate the degree of influence and involvement of these factors, on the decision of international marketing policies.

De Mooij (1994) agrees, stating that since people are similar regarding basic needs, many appeals such as happiness, fun and experiences work well in all countries, and that the advertiser standardize what is said, but still often needs to adapt how it is said. The author concludes his findings by stating that companies should not use the same theme or similar appeals and symbols in different countries.

Taylor (2002) states that language and nationality are two elements that seldom are standardized and emphasizes the importance of consideration for foreign habits, tastes, abilities and prejudices. Additionally, Taylor (2002) argues that multinationals often standardize broad levels of the advertising strategy, such as positioning and main selling point, while

creative theme and elements of the advertisement's creative execution are

seldom standardized.

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