



**SILESIA
UNIVERSITY**

SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

International Communication Policy

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International Marketing/subject code

OUTLINE OF THE LECTURE

1. Defining marketing communications.
2. Differences in communication in an international environment.
3. Marketing communication mix.

JAPANESE KITKAT



Cheese



vanilla



Milk



Matcha



Chocolate



Pudding



Cranberry



Original



Pumpkin

1. DEFINING MARKETING COMMUNICATIONS

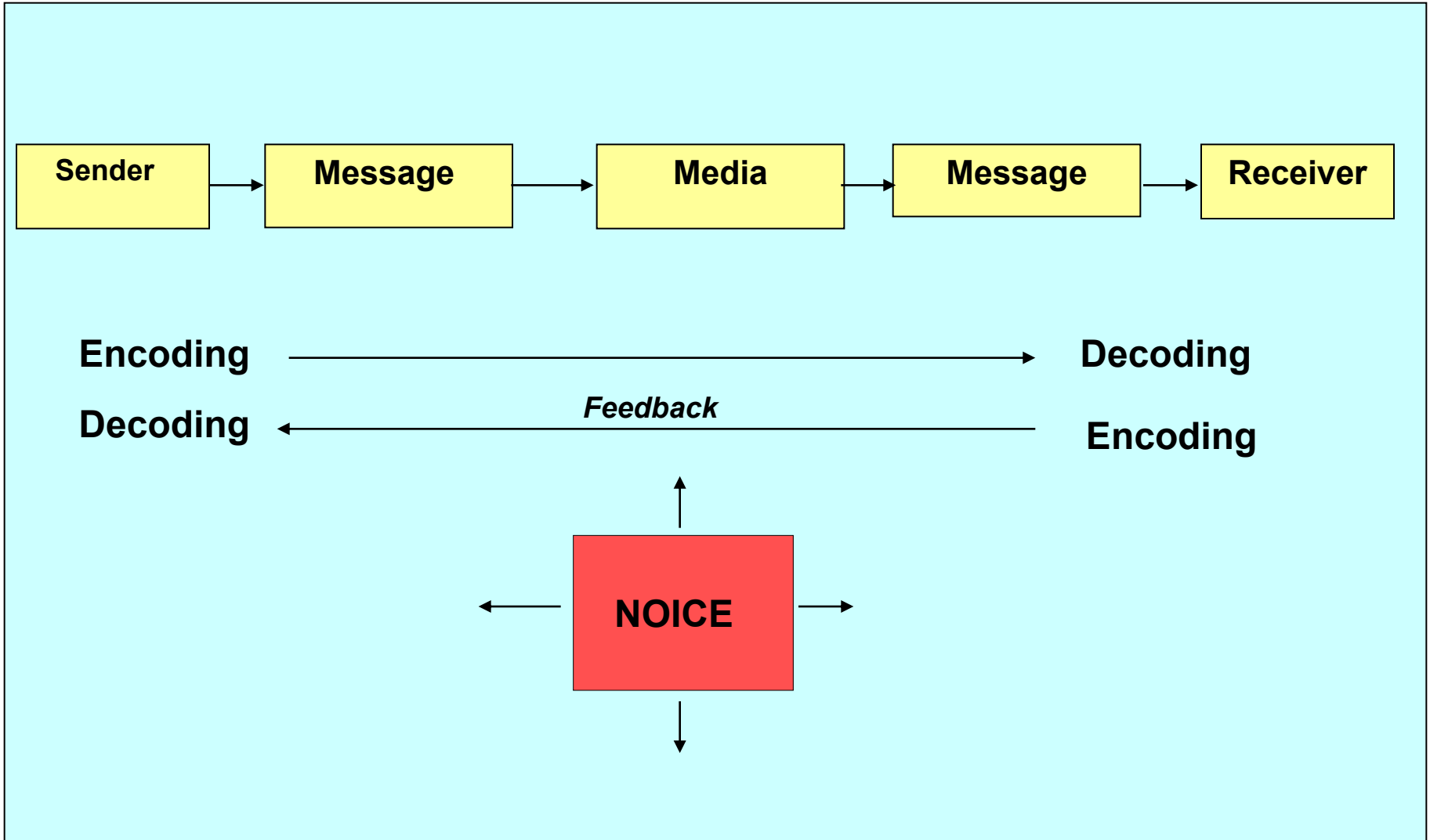
- **Broader concept:** all the planned and unplanned communication at all points of contact with the organization's current and potential customers (brand perception, price, place of distribution, advertising, employee behavior, traditions, organization etc.).
- **Narrower concept:** marketing communication mix.
- **Communication** = transactional process between two or more parties whereby meaning is exchanged through the intentional use of symbols.
- The **communication process** is seen by marketing as a mutual exchange of information (communication) between the source (manufacturer, exporter), which determines which message will be posted, how it will be encoded, and how it will address through media the recipient (customer, influencer) and trigger his positive response.

2. DIFFERENCES IN COMMUNICATION IN AN INTERNATIONAL ENVIRONMENT

- The communication process in the international environment is more complicated than in the national environment, since there are more obstacles and variables.
- International communication process is limited by the following factors:
 - Image of the creator of the communication message.
 - Competition, which causes a variety of so-called „noise levels" in the markets, due to clashes with the communication messages of other businesses.
 - Recipients perception filters (selective perception), which the message has to penetrate.
 - Barrier of different points of origin and impact of the message.
 - Cultural differences in individual markets.

CYBERNETIC COMMUNICATION MODEL

Who says What to Whom through Which channel with What effect? (Laswell)



SELECTION OF COMMUNICATION TOOLS IS INFLUENCED BY:

- Economic development of the country,
- social structure of society and the influence of the authorities,
- the literacy rate of the country and level of education,
- culture (language, religion, ethics, morality),
- the degree of nationalism and national consciousness in the country,
- attitudes to risk and attitudes towards health,
- various media coverage of the country,
- independence of the mass media on the state,
- legislative restrictions on forms of marketing communication,
- international acceptance of a trade name (brand),
- the image of the country of origin.

COMMON PROBLEM - LEGISLATIVE RESTRICTIONS

- Advertisements intended for children or child-specific.
- Comparative advertising.
- Regulation of advertising of pharmaceuticals, medical supplies and pharmacies.
- Banning or regulating advertising of tobacco, alcohol and drugs.
- Regulation or self-regulation of advertising of food products.
- Regulation of outdoor advertising, mostly billboards (such as their ban in Italy).
- Restrictions on gifts, lotteries, contests and other sales promotion.
- Responsibilities to use the official language in advertising, instruction manuals and elsewhere in the marketing communication.
- Ethical codes of communication (e.g. the need for self-regulation).

PROCESS FOR CREATING COMMUNICATION CAMPAIGN 1

- 1. Consideration of the differences between the domestic and foreign market for all relevant factors.
- 2. Selection of target customer groups and creating a profile of each target segment (for each country).
- 3. Assessing that the advantages and characteristics of the offered products or services. The selection of these special factors, which will be the content of communication messages must be made for each market segment.
- 4. Determination of the budget for the communication strategy. Concluding with some variations depending on the strategic use of various instruments of communication mix.
- 5. Creating the basic communication message (advertising slogan), which should be universal in a given market for all media.

PROCESS FOR CREATING COMMUNICATION CAMPAIGN 2

- 6. Selection of the optimal variant of the communication strategy, shares of the various instruments of communication mix (media), including decisions about the schedule of the entire communication campaign.
- 7. Choice of advertising agencies (either large international with branches in many countries or local agencies).
- 8. Implementation of the chosen communication strategy.
- 9. Evaluation of effectiveness and control of the results of the whole communication strategy according to predetermined and quantified objectives and criteria.
- 10. Corrections of the campaign.

COMMUNICATION STRATEGIES IN AN INTERNATIONAL ENVIRONMENT 1

- **Global communication strategy** - used by global companies, founded on the principle of transferring successful communication concepts abroad.
- At the global level, the company creates its unified communications strategy, which is adapted in each country only in the details (language, choice of media) – done by subsidiary offices of advertising agency.
- It uses the same themes and slogans throughout the world.
- Suitable for communication of the whole company, communication of symbols (corporate image), and only for certain products (unbound to the socio-cultural differences).

COMMUNICATION STRATEGIES IN AN INTERNATIONAL ENVIRONMENT 2

- **Adapted communications strategy** - fully adapted to the conditions of the foreign market. Usually done through subsidiary of the contracted communications agency for each market.
- The most commonly used is mixed form - headquarters proposes a basic concept, the main theme and uniform style, and subsidiaries process this concept and scale it with respect to the cultural peculiarities of the market.

THE CHOICE OF COMMUNICATION MIX ELEMENTS AND MEDIA

- We have to choose what elements of marketing communication mix (advertising, sales promotion, direct marketing, public relations, personal selling) we want to use for each segment in each market.
- Subsequently we have to choose the media (tv, radio, internet, newspapers, magazines etc.) that will be used for each of the communication elements.
- This has to be adapted for each market as it differs greatly!

COMMUNICATION MIX - ADVERTISING

- Advertising is a paid form of impersonal presentation of goods, ideas and services through various media.
- Advantages: attracts attention and achieves immediate effect, gives impulse to a purchase. It is flexible, versatile and can be easily combined with other com. elements.
- Disadvantages: impersonal, can not show the product, can not force to immediate purchase, difficult measurement of response.
- Information vs. emotions (various types). Social advertising. Referrer (various types). Intercultural Communication.
- Product, brand, company.
- Informative, persuasive, reminding.

COMMUNICATION MIX – SALES PROMOTION

- Sales promotion is a form of impersonal communication and includes all means of communication leading to short stimulate sales.
- Advantages: attract attention and achieve immediate effect, increase sales NOW. It is flexible, versatile and can be well combined.
- Disadvantages: easy to imitate by competitors, short-lived, lowers profits and image.
- Target audience - customer, distributor, retailer.
- Tools - discounts, samples, coupons, bonuses and benefits, packages, loyalty rewards, contests, rebates, trade fairs and exhibitions, events, POP, "3D advertising,, merchandising.

COMMUNICATION MIX – PERSONAL SELLING

- Personal selling is the process of influencing the customer through personal contact.
- Advantages: allows a flexible presentation and getting an immediate response, the possibility of using non-verbal communication, interactivity.
- Disadvantages: the cost of contact significantly higher than other forms, difficult to obtain and educate skilled traders, small range of customers surveyed, more difficult control of traders.
- Tasks: sell - income, prospecting!, plans and forecasts, monitor competitors, new product development, transfer of information / image, counseling, follow-up services.

COMMUNICATION MIX – PUBLIC RELATIONS

- P.R. is a form of indirect communication, which aims to build and consolidate the prestige and image of the company as a whole, i.e. create good relations between the company and all market participants such as suppliers, customers, competitors, distributors and the public (media, financial, local, general, internal, professional).
- Advantages: high degree of credibility, individualization of action. Long-term effects.
- Disadvantages: PR can not be controlled as easily as other forms of communication.
- Tools: external - annual reports, charity, press conference / news, interviews, newsletters, open days, road shows, events. - Internal - training sessions, conferences, journal mailbox proposals, teambuilding, corporate days, health care.

COMMUNICATION MIX – DIRECT MARKETING

- Direct marketing transmits advertising messages directly to an existing or future consumers so that they provoke an immediate response. Also it includes the creation of a database of respondents.
- Direct marketing uses mail, telephone, e-mail, direct advertising, personal contacts etc. to find its customers.
- Advantages: effective targeting thanks to using a database, flexibility of advertising messages, measurable response.
- Disadvantages: costs associated with the acquisition of the database.
- Active vs. Passive. Addressable vs. Unaddressable.

MISTAKES IN INTERNATIONAL ADVERTISING 1

- Communication errors in translation, literal translations in international marketing communications are not working.
- Too much stress on emotions or information in advertising (in developed countries, the share of information component in advertising is around 16 %).
- Errors in the choice of colors or symbols used (for example, an ad for men's perfume Drakar that presented a strong masculine hand with a bottle of perfume, which rests on a woman's hand with red manicured nails, not allowed for Arab countries).

ADVERTISEMENT TYPES 1

- **Informative** - this is most commonly used in the introduction phase of the product lifecycle, when it is important to raise consumer awareness that a new product, service or company comes to market. The main objective is to provide basic information about the performances and benefits of the product.
- **Persuasive** - it is associated particularly with the aim of expanding demand and empowerment of the product and the company on the market. It is used in the growth phase and early stages of maturity of the product. One form of persuasive advertising is defense advertising, which provides consumers with information or opinions that may be in conflict with public opinion.

ADVERTISEMENT TYPES 2

- **Reminding** – used usually at the maturity stage (saturation) and the beginning of the decline phase, it helps to maintain the position of the product (s) in the market as it reminds the customer about the value of the product.
- **Comparative** - it compares products and services that meet the same needs. The problem is legislation – can not raise doubts about who is the advertiser and a competitor. In some countries its illegal, or you cant use the competitors brand.
- **Institutional (corporate)** - the goal is to create positive public acceptance of the company as well as by its own employees, the publication of positive results (enter new markets, increase market share, etc.), or facts about the company's tradition, employee care, the environment, etc.

MISTAKES IN INTERNATIONAL ADVERTISING 2

- Errors in the choice of media - in emerging markets is television a source of information and entertainment, but in more mature markets such as Western Europe or the US, young people under 25 years feel increasingly fed up with mass media and prefer the Internet. Advertising in cinema is, unlike television, taken as part of entertainment and not disturbing.
- Deciding on the timing of advertising campaigns (not every country celebrates Christmas).
- Deciding on the frequency of placing ads – incredible differences in what is perceived as enough or too much (might be tens a day).

MISTAKES IN INTERNATIONAL ADVERTISING 3

- State intervention - ban on the promotion of certain products, rules on the content and style of advertising.
- Deciding on an advertising agency - related to deciding on advertising standardization, such as when selecting large multinational agency or local advertising agencies. "Think globally, but act locally!".
- Ignoring the product life cycle – new products require far greater advertising support than already mature ones.
- Lack of product differentiation - if you want a company to differentiate their products, which are very similar to other (food, beverages), it is necessary to invest in advertising far more money and creativity, so that consumers see the product as something special, and thus sufficiently differentiated from competition.

EMOTIONS AND INFLUENCERS IN ADS

- Emotional appeals attempt to stir up some negative or positive emotions that will motivate purchase
- **Negative emotional appeals:** fear, guilt, shame, drama, etc.
- **Positive emotional appeals:** humour, love, pride, joy, erotic, music, warmth, etc.

- **Experts** who have specialized knowledge - doctors, scientists, professors etc.
- **Celebrities** who are familiar to the audience (singer, actor/actress, sportsman/sportswoman etc.).
- **Users** of the product who are not well-known persons, but they are representatives of the audience so that the target markets can identify with them .

THE MOST COMMON PR TASKS 1

- Creating a **corporate identity** i.e. A comprehensive picture of the company shaped by philosophy, history, principles of management and operations of the company.
- Creating a uniform **corporate culture** by means of internal communication is extremely important, and difficult, especially for companies that have a large number of employees and subsidiaries in many countries with different cultural backgrounds. Internal communication must take into account cultural differences and be understandable to all employees.
- Targeted campaigns and **crisis communication**, which are the foundation of relations with the media and journalists (accidents, calamities, scandals). Tries to save the reputation in the eyes of the public.
- **Lobbying** - representing the interests of organization in board meetings, both on the government and on the regional or local level, the goal is acquiring or giving information.

THE MOST COMMON PR TASKS 1

- **Sponsorship** of cultural, sporting and humanitarian event is typical for large multinational companies.
- Marketing **events** - organizing various cultural, social or sporting events. The goal may be, for example, notice for certain corporate anniversary, granting significant award, business meetings or performances to the general public in the country.
- Organizing international **conferences and seminars**, which will affect the professional public.
- Promoting the **country of origin** or residence of the company and products together - some countries have also created a global image, such as Germany with its thoroughness and reliability, Japan with its progressiveness.

PUBLICITY

- PR information component.
- The way the media inform the public about the activities of the company and its products.
- Can be positive. But more often it is negative (see main evening news - 29 minutes of bad news, 30 seconds cute animal at the end).

REAL LIFE EXAMPLES OF DIFFERENCES IN MC 1

- In 2012, the Saudi Arabian version of the IKEA catalog photos were the same as in the Swedish version, but all women figures have been deleted. Saudi Arabia applies a strict segregation of men and women who have fewer rights (should not drive a car or be in public with uncovered hair). A modified version of the catalog shocked the Swedes because Sweden promotes gender equality.
- In Germany, people mix soft drinks with beer, for example Radler which is beer mixed with lemonade. Pilsner Urquell campaign was based on the slogan: "Ohne Lemon. Ohne cranberry. Ohne bullshit., ("Without a lemon. Without cranberry. Without nonsense."). It should inform consumers that Pilsner Urquell beer needs no additives to be good.

REAL LIFE EXAMPLES OF DIFFERENCES IN MC 2

- Advertisement with doctors - in the Czech Republic used for toothpaste, toiletries. In Western Europe forbidden, considered a betrayal of the customer who believes in doctors.
- IKEA in January 2014 came under fire from critics of Christian activists (namely NGO Alliance for Family) in the Slovak Republic because its weekly magazine published an article about the coexistence of two women with her son. Article advised about living in a small space and took to the story of two women who, along with their year-old son, live in the attic of a house. According to critics this article challenged the traditional family model.

THE END

Thank you for your attention.

