



Advertising Management

# Why Brand became Global:ization

- Produk atau merek memiliki siklus hidup. Meski pasar di negara berkembang masih besar, tetapi secara alamiah pasar akan mengalami “diminishing return” sehingga penurunan permintaan tidak mungkin dihindari
- Seiring pasar semakin kompetitif bagi barang bermerek, dan margin keuntungan semakin menipis, di mana konsumen banyaj beralih ke merek lokal. Sebaliknya di banyak negara sedang berkembang justru pasar akan barang bermerek akan meningkat seiring pendapatan yang semakin baik
- Semakin terbukanya pasar : GLOBALISASI, dalam konteks terkini adalah MEA
- Perkembangan media yang juga ikut mengglobal – McLuhan : Global Village
- Globalisasi : global commonality of taste (Ted Levitt)

*“In any event, there is no doubt that global marketing and advertising are becoming very important today because major companies and brands have begun to see the need to grow in countries outside their traditional domestic bases, and because the globalization of markets, media, and customer tastes is beginning to allow for the production, marketing, and advertising of brands on a truly global basis”*



# Global

- Global and international advertising are alternative communication strategies that companies employ to drive demand for goods and services in foreign markets. International advertising strategies are tailored to reflect regional, national, and local market cultural differences and preferences. Global advertising embraces standardized strategies in which advertising content is the same worldwide under the premise that the entire world is a single entity
- Globalism as a concept in marketing and advertising was first introduced by the late Ted Levitt, marketing professor at Harvard Business School. In a 1983 "Harvard Business Journal" article entitled "The Globalization of Markets"

- Levitt observed that despite deep-rooted cultural differences, people were becoming globally homogenized. In consequence, he proposed a new paradigm: standardize products and advertise globally to take advantage of what he saw as huge economies of scale.
- Companies would gain sales volume and market shares.
- Consumers would enjoy lower prices. Levitt foresaw globalization as giving companies economies of scale in both production and distribution.
- Centralized marketing command and control would simplify the coordination and execution of marketing and advertising programs to decrease costs while delivering a consistent brand or company message worldwide

# Economic of Scale

- By having larger volumes of the same product manufactured and sold over a larger market area such a global company can produce and market them at a lower cost per unit than a smaller scale competitor
- It means : LOWER
  - Packaging Cost
  - R&D Cost
  - And Marketing Cost

# When Global Advertising Works

- Marketers generally agree that global advertising can work under certain conditions. Philip Kotler, marketing professor at Northwestern University, says that global strategies work best in categories where the trend toward global integration is strong and local cultural influences are weak, such as the consumer electronics market.
- According to an international marketing study guide from Villanova University, global advertising may be appropriate for brands that use image campaigns with universal appeals based on similar tastes, interests, needs and values.



## + Critical Issues: Dove



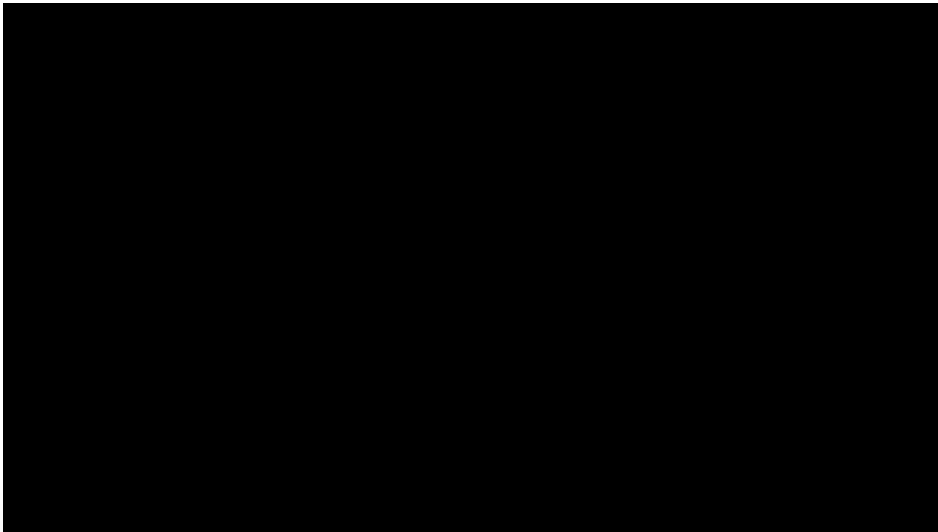
- Dove's advertisements have been controversial among audience including issues of racism, nudity, and hypocrisy







Dove bertanya kepada para wanita,  
bagian tubuh mana yang paling kamu **tidak sukai**?



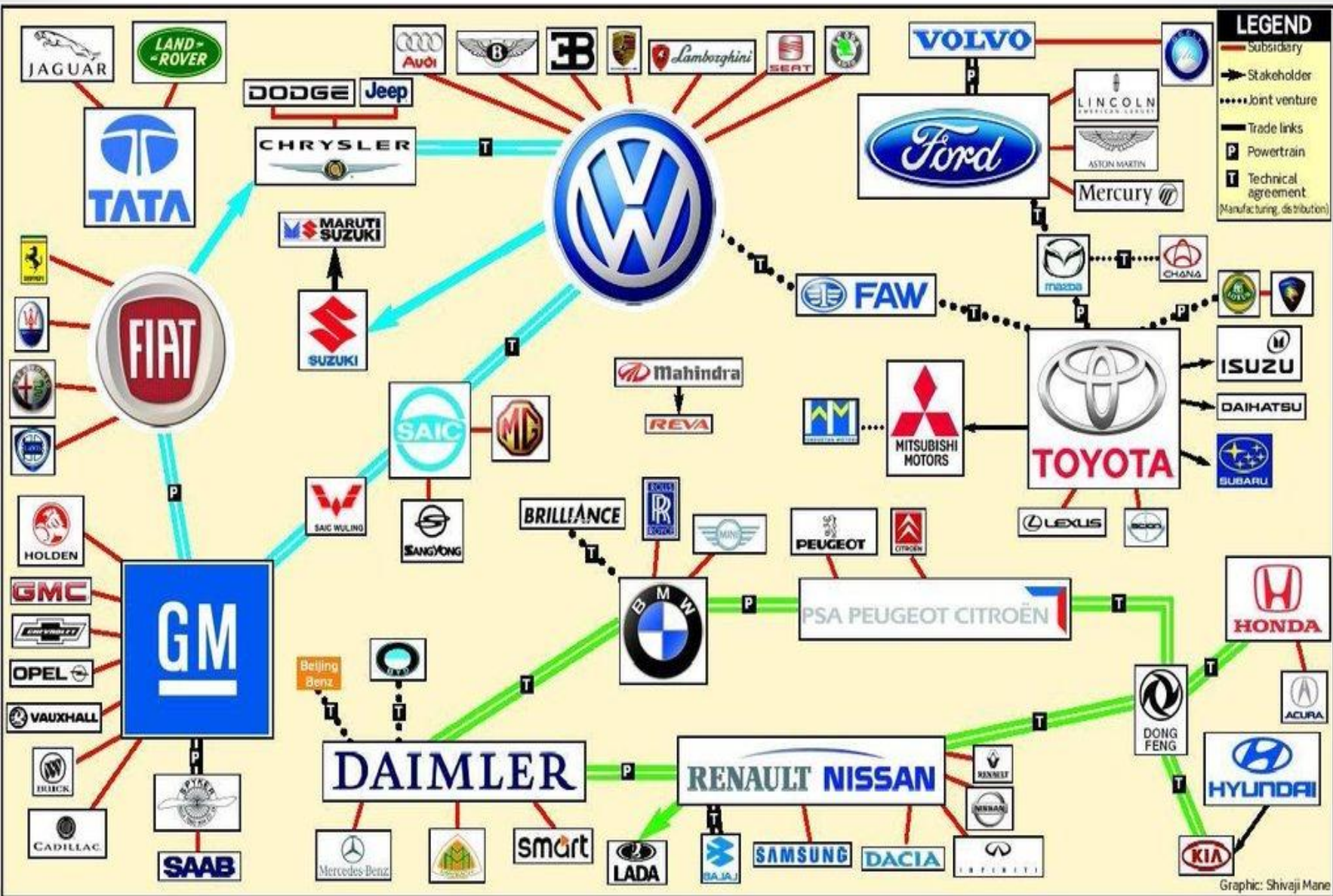
UNILEVER BRANDS



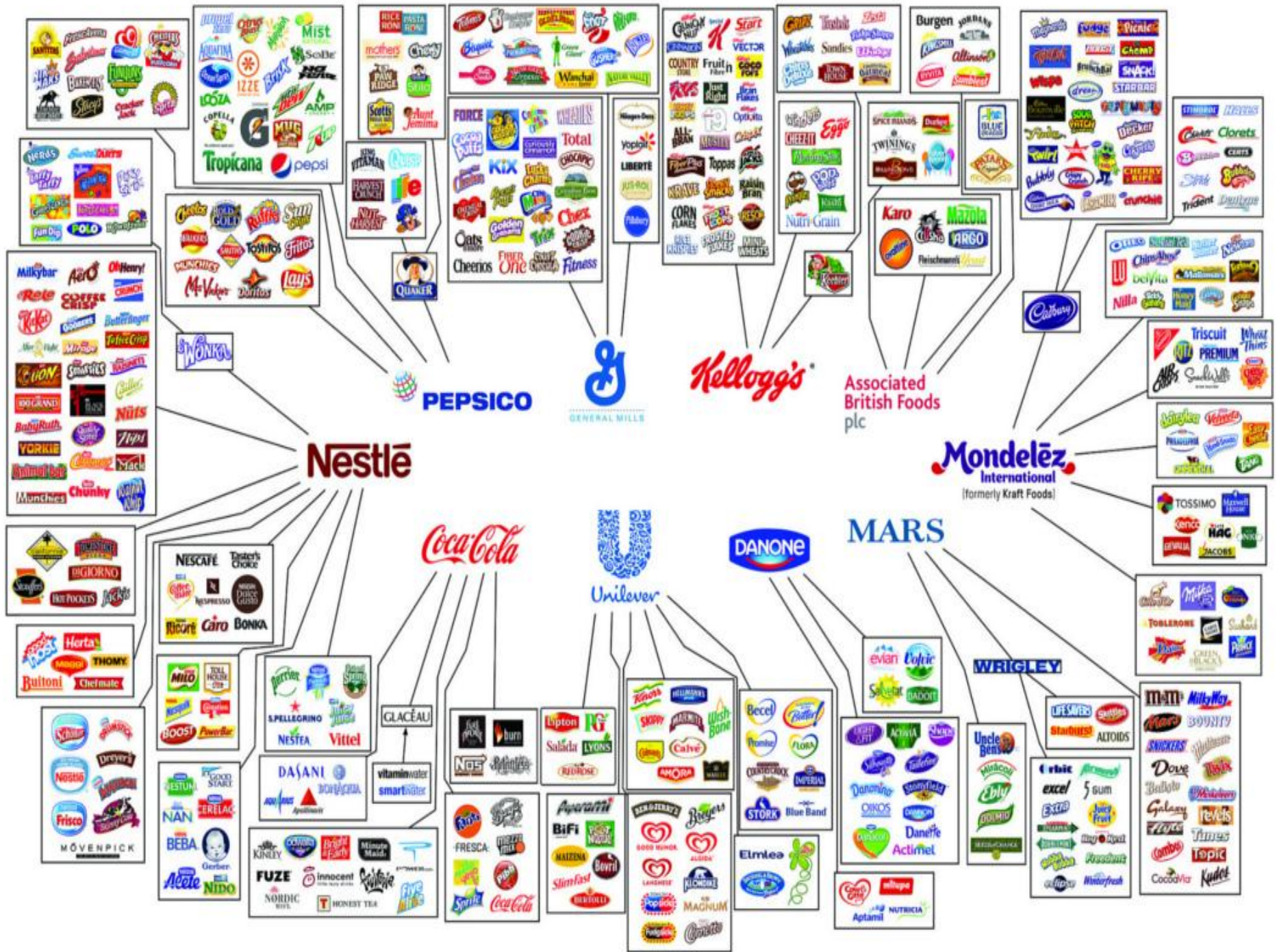
PROCTOR & GAMBLE BRANDS







Graphic: Shivaji Mane



# Local :Think and Act Locally

- Despite the allure of global advertising benefits, market variances do exist in terms of cultural differences, differing rates of economic and market development, media availability, and legal restrictions.
- Many companies, upon producing unwanted results from executing global campaigns, have reverted back to international advertising strategies.
- For example, Douglas Daft, former Chief Executive Officer of Coca Cola, was quoted: "The world was demanding greater flexibility, responsiveness and local sensitivity, while we were further consolidating decision making and standardizing our practices."
- Upon assuming the Coke leadership in 2000, Daft introduced a new regime, "think locally and act locally," which is the essence of international advertising. Local market managers were empowered to introduce new products, set pricing, and adapt advertising campaigns to host cultures.

# Glo+cal

## Glocal Advertising

- Many multinational marketers embrace a compromise between global and international advertising, which is often called "glocal" advertising. Glocal advertising is best captured in the phrase, "think global and act local."
- Glocal marketers standardize certain core elements of the advertising strategy while incorporating local cultural influences into advertising executions.
- According to Wind, Sthanunathan and Malcolm in their "Harvard Business Review" article, "Great Advertising Is Both Local and Global," an effective glocal strategy requires a global appeal that inspires universal motivation, a brand vision "that respects local nuances," and an organizational structure that encourages collaboration between the global advertising strategists and local implementers.