

Global Advertising Issues and challenges

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ABSTRACT:- Advertising is an important component of the integrated marketing communication mix that also includes public relations, personal selling, direct marketing, and sales promotion-- all of which constitute a comprehensive approach to reach and interact with potential buyers in order to convince them of the need for, and the superiority the company's product or service. To a large extent, scholars like Woodcock 2018); Braun-LaTour, M. LaTour, Pickrell and Loftus (2004); Kitchen (1994); and Farook (2016), as well as marketing practitioners, attribute the creation of consumer awareness, interest, desire, and motivation for action in the form of buying a particular product/brand to well- planned and executed advertising campaigns. This paper examines the issues and challenges marketers face in global advertising campaigns. Its contributions to the literature include the identification and analysis of key issues that international marketers/advertisers encounter, and some of the mistakes made in advertising-related decisions. It is intended to be of particular benefit to students of international business and to new entrants in the world market.

Keywords:- Integrated marketing communications, advertising standardization, and advertising localization/customization.

I. INTRODUCTION

Businesses spend more than \$550 billion annually on their worldwide advertising. American businesses alone spend over \$200 billion every year advertising their products and services domestically and in the international market (Statista, 2019). To a great extent, larger economies and major corporations account for the largest share of the world's advertising expenditures (Table 1). Also corporations that operate in highly competitive markets spend more on advertising than those that are not challenged by intense competition at home or abroad. For example, Proctor and Gamble and Coca Cola that face intense competition, wherever they go, spend \$10 billion and \$4 billion, respectively, on a yearly basis, on advertising activities at home and abroad, according to Investopedia (2018) and Statista (2019).

Table 1 Largest Advertising Markets in 2018

Market	Total Spending
United States	\$217.97 Billion
China	\$ 85.72 Billion
Japan	\$ 42.51 Billion
United Kingdom	\$ 25.74 Billion
Germany	\$ 27.02 Billion
Brazil	\$ 15.75 Billion
France	\$ 12.74 Billion
South Korea	\$ 12.55 Billion
Australia	\$ 12.46 Billion
Canada	\$ 10.76 Billion
Indonesia	\$ 9.76 Billion
India	\$ 9.73 Billion
Italy	\$ 8.47 Billion
Russia	\$ 8.03 Billion
Spain	\$ 6.23 Billion

Source: Statista, 2019

Advertising as a Concept and a Process

Advertising is both a concept and a process. As a concept, Piana (2005) defines it briefly as a kind of "paid communication of firms directed towards consumers and the broad society". In the meantime, the Management Study Guide (MSG) outfit, which is a provider of business and management training, has identified a number of key steps in the advertising process. Those steps include:

1. Determining the objective of the process and the message to be delivered

2. Identifying the target consumers in each target market
 3. Identifying the appropriate media mix in each market
 4. Setting the advertising budgeting
 5. Selecting the agency or agencies that would be responsible for the artistic designs
 6. Determining when the campaign should be in each market and how long it should last
 7. Beginning the execution phase (with the help of contracted agency or agencies)
 8. Evaluating the outcome, and determining if any further actions need to be taken
- Piana (2005) also notes that businesses expect their advertising campaigns to have multiple positive outcomes such as the following:
1. Increased revenues and profits
 2. Greater understanding of product/brand features and functions by potential buyers
 3. Improved product, brand, and company image
 4. Greater consumer emotional attachment to the product/brand
 5. Re-enforcement of the perception of the social implications of buying the company's particular product/brand
 6. Greater recognition of brand value in comparison with other brands
 7. Increased market penetration/share
 8. Greater knowledge of locations of product availability
 9. Positive consumer action in the form of purchasing the product/brand
 10. Consumer recognition of the extent the product can solve an annoying problem or satisfy previously unmet need.

In spite of the benefits to be gained from advertising by both buyers and seller, advertising, as a concept, has its critics. One criticism is that it creates, or contributes to the creation of, a consumption culture that has some negative social, psychological, and economic implications, particularly in less developed countries, the vast majority of whose populations are poor or near-poor. In addition, those countries do not have the resources to produce or import luxuries that some advertisers succeed in turning them into necessities in the minds of people in all economic classes. Some critics also criticize the low ethical standards of some advertisers who hide some negative information about the products, and what the products do or don't do. Critics even accuse some advertisements of degrading the society's moral values and encourage vulnerable individuals to turn into compulsive buyers. Mathenge (2013) summarizes the views of many critics by observing that "advertising can celebrate and encourage materialism, (excessive) consumption, (and negative) stereotypes; takes advantage of children; (and) manipulates our behavior".

On the other hand, most observers see it as an essential and indispensable business activity in all modern societies. Without it, buyers would act blindly in the marketplace because they would lack sufficient information about the products they need to buy. Britt (1984), for example, has compared the introduction of a new product without advertising to a young man "winking at his lover in the dark". He knows what he is doing, but neither his lover nor anyone else does.

Global Advertising Issues and Challenges

Advertisers encounter many issues and challenges in the highly diverse and dynamic global market, including different and contradictory cultures and sub-cultures; and a range of consumer buying habits, economic systems, purchasing powers, political ideologies, competing firms of all sizes, marketing systems, social structures, laws and regulations, and lifestyles. This diversity in markets and their environments complicates the planning and execution of global advertising campaigns. Following are some key challenges and issues that are too risky for global corporations and other actors in the world market to ignore:

(1) Standardization Versus Customization of Advertising Themes, Stories, Appeal Tactics, Mass Media Mixes, and Displayed Art: As Wang and Yang (2011) indicate, the alternatives to consider should not be limited only to one of the extreme alternatives since additional alternatives reflecting different degrees or levels of standardization or customization may work better for many global companies, depending on the products/services involved and market conditions. According to Douglas (2002), some companies adopt middle of the road strategies by devising "global umbrella campaigns combined with local country advertising". Meanwhile, as Noreen Janus (1983) notes, a global culture is growingly noticeable all over the world market alongside traditional diverse local cultures, and in some cases competing with local cultures in influencing lifestyles and demand for global brands. She associates the rise of a global culture to "technological innovations, increased international trade, global mass communication and jet travel". This trend may support the standardization strategy in regard to some products, and in approaching some segment of the world market, but can be counter-balanced by forces that push societies and markets in the opposite direction, resisting changes in lifestyles and buying habits.

Table 2 Features of Advertising Standardization/Globalization versus Customization/Localization

Feature	Standardized/Global Strategy	Customized/Localized Strategy
Global Consistency	Yes	No
Economies of Scale	Yes	No
Adaptation to Local Cultures, Habits, Norms	No	Yes
Translation Issues	Yes	No
Duplication of Effort	No	Yes
Close Central Control	Yes	No
Adjustment to Local Competitive Environment	No	Yes
Universal Recognition	Yes	No
Giving the Product Local Character	No	Yes
Benefits from Home Country Prestige and Image	Yes	No
Adaptation to Local Advertising Standards	No	Yes

As Table 2 indicates, advertising standardization/globalization ensures consistency in the intended message, non-duplication of effort, economies of scale, and greater central control over the provided information about product features and functions. On the other hand, advertising customization/localization takes place when local advertising companies in the targeted markets are commissioned to plan and administer advertising campaigns, taking in consideration local cultures, regulations, competitors, life=styles, values, taboos, stereotypes, accepted humor, customs, expressions, etc.

(2) **Different Levels of Tolerance to Puffery:** Puffery, which is used by some advertisers to attract buyers' attention and interest, is an issue that negatively impacts the credibility of advertisements in some parts of the world market. Yet it is expected, accepted or, at least, tolerated in some markets as well. Attitudes toward puffery, therefore, should be taken into account in designing advertising campaigns.

(3) **Comparative Advertising:** Comparative advertising is morally and legally accepted in some markets, but is illegal and unacceptable in others. Thus, it becomes an issue if it is used uniformly in the global market.

(4) **Deceptive and Inaccurate Information:** Imparting inaccurate information can become a major issue not only in regard to the buyer's attitude and loyalty but also in regard to compliance with governmental regulations.

(5) **Inappropriate, Offensive, or Culturally Unacceptable Humor:** Using inappropriate or offensive humor can be an issue, particularly in socially conservative societies.

(6) **Emphasis on the Product's Wrong or Less Appealing Features and Functions:** Some advertising themes deceptively emphasize the wrong product features that buyers don't particularly care much about. For example, if the product is engineered as a high quality product, the emphasis in the message should not be on its price relative to other brands but on its quality and reliability. Similarly, if the product is designed to compete on the basis of its low price, the emphasis of the message should not ignore its low price relative to similar products.

Table 3 Quality and Advertising Focus

Quality Level	Focus of Advertising Theme
High	Durability-Prestige-Reliability-Social Meaning-Financing Ease
Middle	Product broadly Appealing-Good Value relative to Others in the Same Class-Widely Available
Low	Price Affordability
Standard undifferentiated commodity	Standard Prices-Available in desired quantity- How and Where to Buy

Based on Piana (2005)

II. ONLINE ADVERTISING

Online advertising has grown substantially since its emergence in the 1990s. Its growth has accompanied the growth of ecommerce, which has been growing in popularity at the expense of traditional marketing channels. According to Statista (2019), worldwide retail ecommerce reached \$2.8 trillion in 2018, and is expected to exceed \$4 trillion by 2020. This will lead to further growth in web advertising, which has the advantage of having no geographic boundaries. As Evans (2009) observes, “web-based sellers use online advertising to drive consumers directly to their sites where they can browse for goods and services, and purchase them with a few clicks”.

Mistakes Made that can Easily Be Avoided

Ricks (2006) observed that “we often hear of business success stories. Mistakes....are seldom admitted, (but) are easily remembered”. Following are some mistakes that can negatively impact advertising in the global market:

1. Disregarding or undermining the importance of cultural differences
2. Misrepresenting product features, functions, and possible flaws
3. Manipulating children, the sick, and the elderly
4. Encouraging anti-social, risky, and irresponsible behavior
5. Ignoring taboos
6. Misrepresenting the competitors’ products
7. Encouraging political dissent
8. Using culturally unacceptable humor, expressions, gestures, or symbols
9. Withholding information of importance to customers
10. Providing a confusing message, and using the wrong advertising media mix

As Ricks (2006) also notes, “sometimes companies are caught off guard by an unavoidable turn of events. Other times, though, they are unhappily surprised by outcomes that they could have avoided”, He further emphasizes that managers and some advertisers make mistakes when they under-estimate the reality that buyers may differ from country-to-country “in what they buy, why they buy, how they buy, when they buy, and where they buy”.

Implications of Communication Styles

The communication style used can contribute or detract from the effectiveness of an advertisement, depending on the culture and the expectations in each target market. For example, some markets prefer the explicit over the implicit style of communicating. Others prefer the opposite, and are offended by the explicit style. Attitudes in different markets also differ in their appreciation of the aggressive, assertive, comparative, and emotional styles of communication. Thus, it is essential for advertisers to do the necessary background research in order to know their audience think about the different styles of communication (Guang, T. and Trotter, D., June 2012).

The Translation Challenge

The literature has many examples of global corporations that have been negatively impacted by translation problems. For example, a Pepsi Cola’s ad in which the slogan “Pepsi brings you back to life” was once mistakenly-translated into Mandarin as “Pepsi brings your ancestors back from the grave”. Similarly, Kentucky Fried Chicken was surprised when its slogan “Finger likin’ good” was translated into “eat your fingers off”(Brooks, October 7, 2013). Ricks (2006) attributes translation errors to (1) carelessness, (2) multiple meaning words in different languages and dialects, and (3) literal translations that reflect in misunderstanding idioms and expressions.

Differences that Should Make a Difference

Variations in consumer priorities, needs, and expectations may necessitate emphasizing different product features and functions in the message provided in every market. As Ricks (2006) points out, “products sell better when the promotions emphasize what the consumer considers important”. Using the promotion of tires as an example, he observes that Goodyear has succeeded in selling the same tire in England, the United States, and Germany by using different messages. because the British consumers when they buy tires, they give priority to tire safety, while the Americans emphasize durability and the Germans give importance to agile performance.

Key Characteristics of Successful/Effective Global Advertising Practices

The diversity in the global market constitutes a major challenge in the planning execution and evaluation of advertising plans. However, there are some broad criteria, such as the following, that helps in assessing the effectiveness of global advertising:

1. Extent of being Informative
2. Leads to the desired action (consumers starting to buy the product)
3. Creates an emotional attachment to the product/brand
4. Improves product/brand image
5. Persuasive and leaves the target consumer with a good feeling about the product/brand
6. Reflects product feature and functions clearly and truthfully
7. Shows how the product solves at least one of the consumer's nagging problems
8. Does not make deceptive or unsubstantiated claims
9. Respects local cultures, traditions, values, and aspirations
10. Contributes to the sustenance of consumer loyalty
11. Attracts attention of target groups/buyers without arousing undesirable emotions like fear, hate, revenge, etc.
12. Attracts consumers to the company's particular product/brand
13. Results in increased sales/revenues
14. Eliminates consumer doubts about the value of the product/brand
15. Has some degree of novelty and creativity (without being offensive to local cultures, values, and living styles)

III. CONCLUSION

The importance of advertising cannot be over-emphasized in today's modern societies and intensely competitive markets. No company can depend on word-of-mouth to promote its product and services in the 21st century; hence, the need for businesses to spend globally over \$550 billion on this activity. Yet, advertising, as a concept, has its critics who blame it for perpetuating a "consumption culture" that contributes to over-spending, particularly in low income and resource-poor countries that chronically suffer from escalating foreign debt as well as imbalances in their trade and payments balances -- not to mention high personal debt at the personal or household level.

At the global company level, multiple issues and challenges impact the success or failure of advertising campaigns. Many of them stem from the failure to take into consideration diverse cultures, economic conditions, buying habits, government regulations, competitors and socio-political realities in the targeted segments of the global market. One of the challenges is determining the extent of advertising standardization versus localization or customization. Product and market-related factors should help companies in this determination as opposed to corporate leadership personal preferences or ethnocentrism. What matters after all is said and done is the long-term returns on the company's advertising dollars. Suggested future research includes further analysis of the growing importance and impact of web-based advertising on international marketing.

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