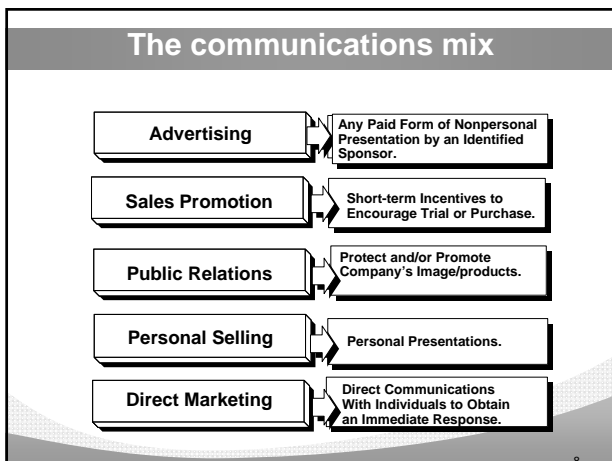
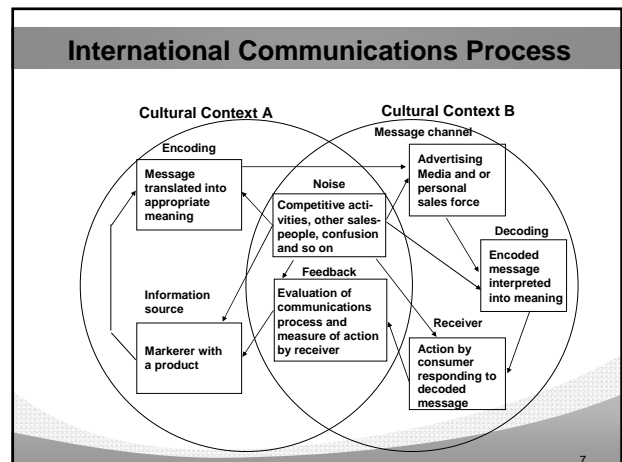
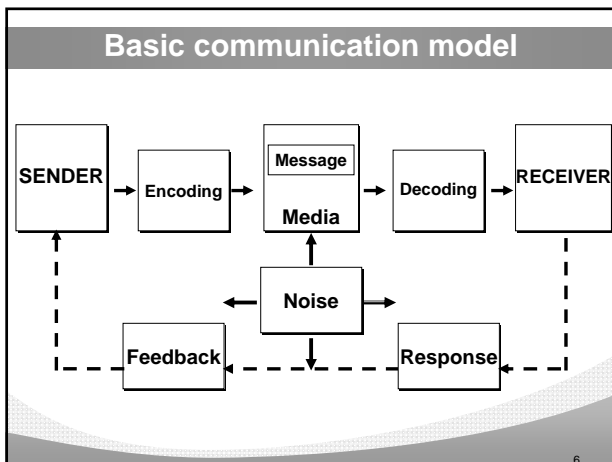


Session objectives

- Communication process
- Local market characteristics that affect the advertising and promotion of products
- The strengths and weaknesses of international communication
- Global advertising: Problems and opportunities
- Misfires in advertising



Advertising	Sales promotion	Public relations	Personal selling	Direct marketing
Print & Broadcast ads	Contents, games, sweepstakes, lotteries	Press kits	Sales presentation	Catalogues
Outer packaging	Premiums & gifts	Speeches	Sales meetings	Mailings
Packaging inserts	Sampling	Seminars	Incentive programmes	Telemarketing
Motion pictures	Fairs & trade shows	Annual reports	Samples	Electronic shopping
Brochures & Booklets	Exhibits	Charitable donations	Fairs & trade shows	TV shopping
Posters and leaflets	Demonstrations	Sponsorships		
Directories	Couponing	Publications		
Reprints of ads	Rebates	Community relations		
Billboards	Low-interest financing	Lobbying		
Display signs	Entertainment	Identity media		
POP displays	Trade-in allowances	Company magazine		
Audiovisual material	Trading stamps	Events		
Symbols and logos	Tie-ins			

Exhibit 16.1 Top 20 Global Advertisers (\$ millions)*

2001	2000	Advertiser	Headquarters	2001	Percent Change
1	2	Procter & Gamble Co.	Cincinnati	\$3,820.2	6.6
2	1	General Motors Corp.	Detroit	3,028.9	-20.1
3	3	Unilever	London/Rotterdam	3,005.5	2.6
4	6	Ford Motor Co.	Dearborn, MI	2,309.0	3.0
5	5	Toyota Motor Corp.	Toyota City, Japan	2,213.3	-3.1
6	8	AOL Time Warner	New York	2,099.8	9.5
7	4	Philip Morris Cos.	New York	1,934.6	-19.0
8	7	DaimlerChrysler	Stuttgart	1,835.3	-12.4
9	9	Nestlé	Vevey, Switzerland	1,798.5	3.2
10	10	Volkswagen	Wolfsburg, Germany	1,574.1	-2.0
11	13	Honda Motor Co.	Tokyo	1,426.0	5.6
12	11	McDonald's Corp.	Oak Brook, IL	1,405.3	-3.6
13	14	Coca-Cola Co.	Atlanta	1,402.4	6.5
13	12	L'Oréal	Paris	1,348.8	-2.1
15	16	Walt Disney Co.	Burbank, CA	1,260.4	-1.6
16	18	Johnson & Johnson	New Brunswick, NJ	1,227.3	-0.4
17	17	Nissan Motor Co.	Tokyo	1,224.0	-3.8
18	15	Sony Corp.	Tokyo	1,218.9	-4.9
19	20	GlaxoSmithKline	Greenford, Middlesex, U.K.	1,130.1	6.0
20	21	PepsiCo	Purchase, NY	1,025.8	8.3

*Figures are U.S. dollars in millions and are Advertising Age estimates.
Source: "Special Report Global Marketers," Advertising Age, Supplement to the Ad Age Special Report, November 11, 2002. Copyright, Crain Communications Inc. 2002.

Exhibit 16.2 Top 100 Advertiser's Global Spending by Category (\$ millions)

Category	2001	Percent Change from 2000	Percent Total
Automotive	\$19,334.4	-3.3	27.3
Food	11,220.7	-6.9	15.8
Personal care	10,300.2	5.2	14.5
Electronics, computers	6,557.5	-8.0	9.2
Media and entertainment	6,285.4	3.2	8.9
Pharmaceuticals	5,655.8	3.6	8.0
Fast food	2,989.4	-2.3	4.2
Household cleaners	2,203.5	6.6	3.1
Telecommunications	1,733.0	-19.7	2.4
Financial services, credit	1,156.3	-14.8	1.6
Retail	987.3	-6.4	1.4
Beer, wine and liquor	951.3	1.5	1.3
Toys	529.2	-12.2	0.7
Photo film	490.4	4.9	0.7
Miscellaneous	556.3	-10.7	0.8

Source: "Special Report Global Marketers," Advertising Age, Supplement to the Ad Age Special Report, November 11, 2002. Copyright, Crain Communications Inc. 2002.

Exhibit 16.3a Russia's Top Ten Advertisers (\$ millions)

Advertiser	2001	Percent Change from 2000
Procter & Gamble Co	\$105.32	22.4
Nestlé	61.19	48.7
Mars Inc.	54.85	25.4
Unilever	50.44	51.0
PepsiCo	45.88	62.2
Wm. Wrigley Jr. Co.	42.80	-3.7
Danone Group	38.08	227.9
Wimm-Bill-Dann	35.53	46.0
Henkel	31.23	328.9
Coca-Cola Co.	23.88	48.5

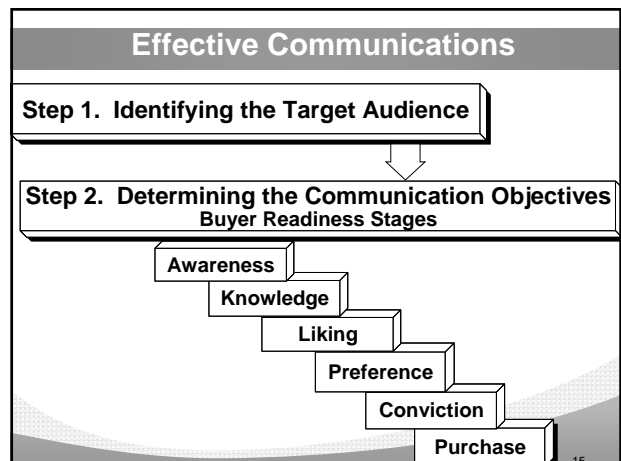
Source: "Special Report Global Marketers," Advertising Age, Supplement to the Ad Age Special Report, November 11, 2002. Copyright, Crain Communications Inc. 2002.

Exhibit 16.3b China's Top Ten Advertisers (\$ millions)

Advertiser	2001	Percent Change from 2000
Procter & Gamble Co	\$102.45	114.9
Taita Pharmaceutical	56.54	98.6
Diapal	55.41	153.4
Naobajin Pharmaceutical	52.66	-15.6
Changjia	50.96	240.4
Medical Treatment Information	50.54	9.1
Sanjing Pharmaceutical	44.85	-38.5
Hutong Pharmaceutical	42.68	NA
Danwang Pharmaceutical	41.91	NA
Neptunus	37.52	2305.5

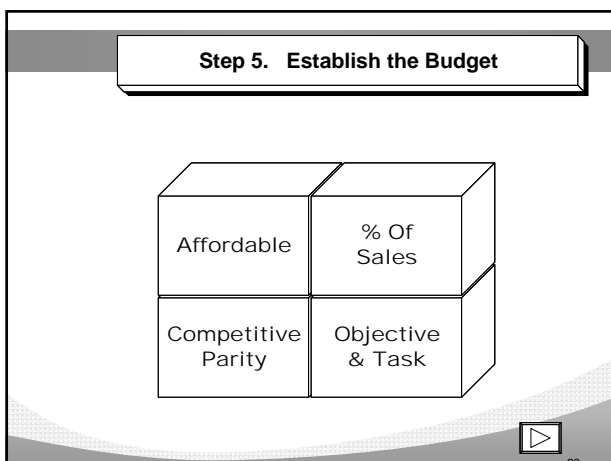
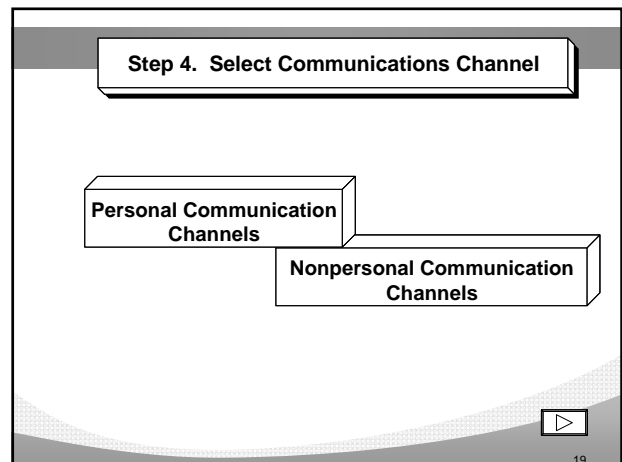
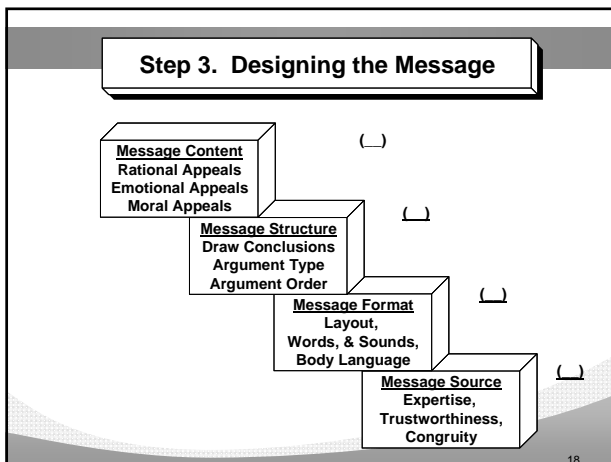
Source: "Special Report Global Marketers," Advertising Age, Supplement to the Ad Age Special Report, November 11, 2002. Copyright, Crain Communications Inc. 2002.

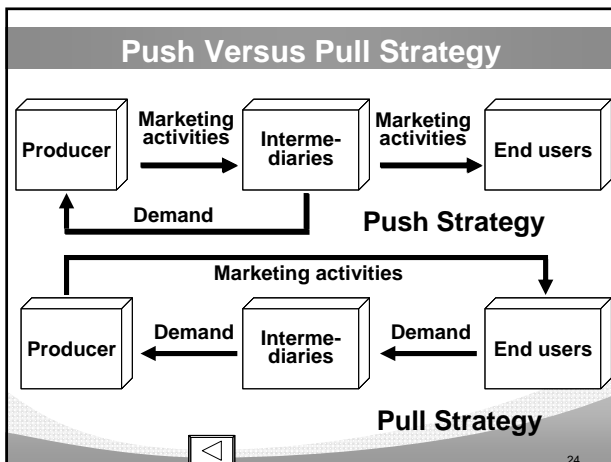
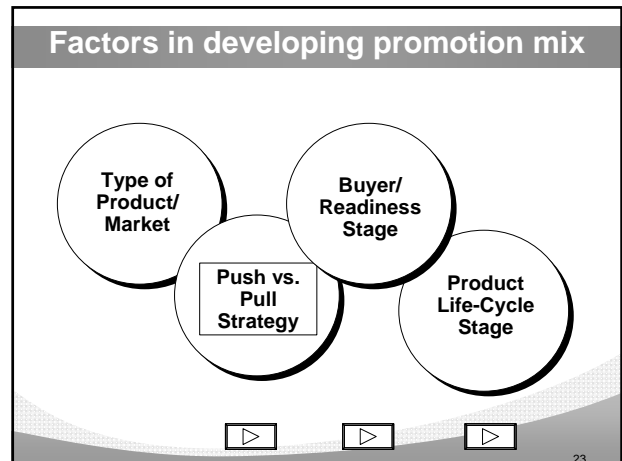
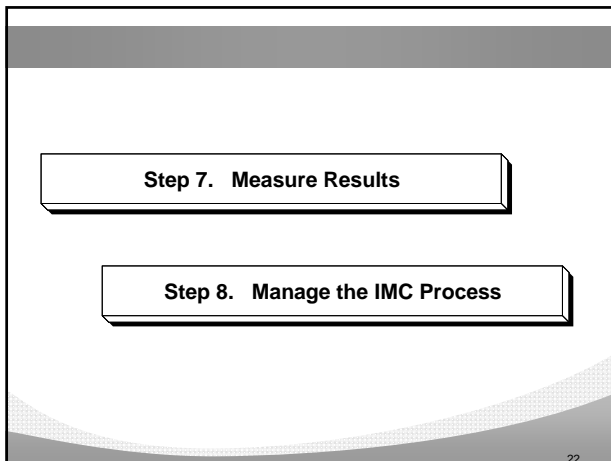
- Why communicate?**
- Inform
 - Persuade
 - Image creation (..)
 - Reassure



Response Hierarchy Models				
Stages	AIDA Model ^a	Hierarchy-of-Effects Model ^b	Innovation-Adoption Model ^c	Communications Model ^d
Cognitive Stage (Learn)	Attention	Awareness ↓ Knowledge	Awareness	Exposure Reception Cognitive response
Affective Stage (Feel)	Interest ↓ Desire	Liking ↓ Preference ↓ Conviction	Interest ↓ Evaluation	Attitude ↓ Intention
Behavior Stage (Do)	Action	Purchase	Trial ↓ Adoption	Behavior

- Learn – Feel – Do
 - High involvement – High differentiation
- Do – Feel – Learn
 - High involvement – No/little differentiation
- Learn – Do – Feel
 - Low involvement – No/little differentiation





Buyer Readiness Stage

	Advertising	Personal Selling	Sales Promotion
Awareness	High	Low	Low
Comprehension	High	Low	Low
Conviction	Medium	High	Low
Ordering	Low	High	High
Reordering	Medium	High	High

PLC Stage

	Advertising	Personal Selling	Sales Promotion
Introduction	V. High	High	Medium
Growth	High	Medium	Low
Maturity	High	Medium	High
Decline	Medium	Medium	High

- ### Communication constraints
- Campaigns must comply with legal regulations around the world
 - Comparative advertising is heavily regulated in many parts of the world
 - A variety of restrictions on advertising of pharmaceuticals is restricted in many countries
 - Advertising on television is strictly controlled in many countries, e.g., in Germany, for example, commercials must be spaced at least 20 minutes apart and total ad time may not exceed 12 minutes per hour. Commercial stations in the United Kingdom are limited to 7 minutes per hour

Communication constraints

- Cultural Diversity
- Media Limitations
- Production and Cost Limitations
- Coverage
- Lack of Market Data
- Direct Mail
- The Internet

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Exhibit 16.5 Media Penetration in Selected Countries (per 1000 persons)

Country	Color TV	Cable TV	Satellite TV	Telephone Lines	Internet Users	Newspapers (per day)
United States	842	268	64	703	501	153
Canada	666	294	68	709	434	236
Argentina	255	176	34	210	88	96
Germany	605	252	172	634	374	388
Poland	411	108	150	333	98	194
Israel	359	190	75	508	281	250
South Africa	216	58	36	124	71	31
China	165	49	8	142	11	49
Japan	701	140	102	590	440	462
Australia	617	74	78	526	371	241

Source: Euromonitor, World Bank 2003. Reproduced with permission of Transaction Pubs via Copyright Clearance Center.

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Exhibit 16.6 World's Top 10 Advertising Agency Organizations

2002	Agency	Headquarters	Global Expenditures 2002	Percent Change from 2001	U.S. only Expenditures 2002	Percent Change from 2001
1.	Omnicom Group	New York	\$7,536.3	9.4	\$4,284.6	15.3
2.	Interpublic Group of Cos.	New York	6,203.6	-8.7	3,491.1	10.0
3.	WPP Group	London	5,781	-0.3	2,448.2	-3.7
4.	Publicis Groupe	Paris	2,711.9	24.3	1,179.9	27.2
5.	Dentsu	Tokyo	2,060.9	-8.0	44.5	37.5
6.	Havas	Suresnes, France	1,841.6	-9.8	804.5	-8.4
7.	Grey Global Group	New York	1,199.7	-1.4	520.5	3.0
8.	Hakuhodo	Tokyo	860.8	-1.1	1.3	14.8
9.	Cordiant Communications Group	London	788.5	-9.6	227.2	17.2
10.	Asatsu-DK	Tokyo	339.5	15.1	3.8	18.8

Source: "Special Report Global Markets," AdvertisingAge, Supplement to the Ad Age Special Report, November 11, 2002. Copyright, Crain Communications Inc. 2002.

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Media Planning & Analysis

- Tactical Considerations
- Availability
- Cost
- Coverage
- Lack of Market Data

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Media Selection

- Newspapers
- Magazines
- Radio & Television
- Satellite and Cable Television
- Direct Mail
- Other Media

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Misfires in Advertising

- Phonetic Problems with Brand Names
 - Bardok (Sounds like Brothel in Russian)
 - Coca Cola (Sounds like bite the Wax Tadpole)
 - Misair (Sounds like Misery in French)
- Translations
- Intent Translation
 - Stepping Stone - Stumbling Block
 - Car Wash - Car Enema
 - Highly Rated - Over Rated
- Symbols
 - Owl - Bad Luck in India
- Other Countries make mistakes too
 - Zit (Chocolate from Germany)
 - Koff (Beer)

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