GLOBAL ADVERTISING IN THE INTERNET ERA: THE STANDARDIZATION-CUSTOMIZATION DEBATE REVISITED

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Abstract
Advertising is a huge worldwide industry growing in importance due to the high penetration rate through mainstream media channels and the internet, reflecting social values worldwide. While the standardization versus localization debate has quite matured in the case of traditional advertising, it has not yet touched upon most critical issues related to digital marketing. The paper reviews the literature, compares both the strategies, and conclude with recommendations for global advertising decision makers.

Key words: *global advertising, adaptation, standardization, e-marketing, digital, culture.*

JEL Classification: *M37*

I.   INTRODUCTION

Promotion is an important component of the marketing mix, consists of advertising, sales promotion, public relations, personal selling and direct marketing tools which a company uses to communicate customer value and build customer relationships (Kotier & Armstrong, 1996). International advertising entails dissemination of a commercial message to target audiences in more than one country. Promotion or the communication mix may be adapted to suit different target market with different cultures or standardized, creating one effective message worldwide (Keegan & Schlegelmilch, 2001). Global advertising is a communication means taking place in multiple regions with varying cultures in terms of values and consumption patterns. In 2015 global advertising spending amounted to 512.7 billion U.S. dollars with 4.2% growth, television being the biggest advertising medium, with 40% of all advertising revenue and the internet with 15% ad revenue growth (Statista, 2015). The numbers show that advertising is a huge worldwide industry of growing importance (Craig & Douglas, 2005) due to the high penetration rate through main stream media like television and in an ever growing technology era through digital media channels, reflecting social values worldwide. It therefore becomes paramount to understand the reasons behind the dilemma of standardization versus localization, specifically within the virtual world of digital marketing.

The first part of this paper reviews past literature regarding the standardization/ localization debate. Three factors; consumers, culture, and technology leading to divergence or convergence of the advertising strategy are discussed followed with an analysis of the standardization versus localization debate specifically within the digital era and finally a conclusion is extrapolated from the analysis.

II.   STANDARDIZATION VS ADAPTATION

Since the 60s, the standardization/adaptation debate has been a subject for research in international marketing. The debate favoring standardization is supported with arguments such as economies of scale to reduce costs, and using one message for stronger branding. Yet this point of view is bounded with cultural issues and varying consumer values. Literature in the past 5 decades has tried to cover not only product but all elements of the marketing mix, amongst many are; (Fatt 1967; Levitt 1986; Papavassiliou and Stathakopoulos 1997; Yip 1989; Quelch & Hoff, 1986).

Promotion standardization is defined as using the same promotion in all countries without changes (Onkvisit & Shaw, 2004), based on the assumption that means of globalization such as media, technology, travel and education has homogenized consumer tastes despite cultural differences (Levitt, 1986). Many companies use the standardized advertising strategy introduced by the late Ted Levitt. Companies through this strategy can offer consumers lower prices, increase sales volume and gain market shares through economies of scale in both

production and distribution. Furthermore, promotion standardization simplifies coordination and execution of advertising programs creating a cost efficient consistent brand & message for the company (Hercher, 2015). Companies with global brands reap clear benefits (Aaker, 1999). IBM, for example, enjoys the benefits economies of scale provides through one single advertising campaign done by one global advertising agency (Aaker, 1999).

III.   ADAPTATION AS THE NEW STANDARD

Despite of the many benefits reaped by companies with a standardized advertising strategy, existing market variances may push companies to venture into the strategies once not treaded but now a possibility. Coca Cola's former CEO, Douglas Daft (2000), when the world was demanding "higher flexibility and local sensitivity", responded with a think local and act local strategy. Local market managers were empowered to introduce new products, set pricing, and adapts advertising campaigns to accommodate culture differences, availability of media and legal restrictions (Milovanovic, 1997). Many multi-national companies have followed suit when their profits declined because of centralized decision making and standardized practices turning from a global approach to advertising to a more localized one (DeMooij, 2003), regardless of the coordination challenges they may face (Onkivist & Shaw, 1999).

Consumer Value systems

Most global brands are not absolutely identical in the entire world, for example Heinken has a different meaning in the Netherlands than abroad (Aaker & Joachimsthaler, 1999) and the reason is consumers worldwide have different value systems. Take Europe, showing signs of economic convergence but value systems are yet resistant to change. Findings indicate differences between consumers' perceiving of the same product attributes (Bhattacharya & Sen, 2003). International advertising entails dissemination of a commercial message to target audiences in more than one country. But, to what extent then should advertisers designing for international markets change their messages from one country to the other? Target audiences differ from country to country in terms of how they perceive or interpret symbols or stimuli; respond to humor or emotional appeals, as well as in levels of literacy and languages spoken. When global integration is high and local influences are low, international advertising strategies work better as the effect of consumer value systems is minimal or neutral as in the consumer electronics market (Kotier & Armstrong, 1996). In this case, global advertising campaigns use images with a universal appeal based on similar tastes, needs and values.

Culture

Culture variety is a persisting boundary to standardizing advertisement, Europe itself being a very good example, with one successful advertising approach not necessarily working for all countries (De Mooij, 2013). In France for example, it would be unacceptable to show an advertisement showing cheese placed with beer, as cheese and wine are cultural inheritance (Milovanovic, 1997). It is for this reason that advertising messages are customized to accommodate the cultural background of the target market. Introducing new products from one country to another may result in radical lifestyle changes, creating new consumption patterns and ultimately raising expectations. This has often raised questions from critiques that feel that advertising may promulgate certain beliefs, values and morals that are alien to the target society. A good example would be American advertising for American goods in Islamic societies in the Middle East (Yalcin and Cimendag, 2012). There is an equal strong negative reaction from French consumers to American advertisements imposing US values, and using the English language. Promotion of tobacco products by US and UK companies in countries where there is no legislation regulating or banning cigarette advertising has also been criticized. (Craig & Douglas, 2005). Localization of advertising campaigns can easily influence beliefs, values, custom and psychographics (Cheon et. al, 2006). Localized advertising can be global in its essence, through modifications in the advertising message from one country or region to the other, the demand of different cultures may be met (Milovanovic,1997).

Technology

In an era where nearly a billion people are connected daily on the Internet (Okazaki, 2005) and 160% growth in the last decade and an estimated annual growth of 37% (CISCO, 2015), the challenges for global marketing arise mainly from geographical variations but never the less from the continuous disruptive changes of technology (Desavelle et. al, 2007). Over the last decade the Internet has evolved from a communication medium used by IT experts to a commercialized matrix used by a public growing exponentially in number (Fairweather, 2003). Web-presence is now both inevitable and crucial for improving international marketing and the overall business (Vivekanandan and Rajendran 2006). Yet it's not about simple accessibility but about reaching the online customers without being too close to the customers and distanced from the market and fall into what is called the "virtual trap" (Sinkovics et. al, 2007). Multinational companies maneuver through this complex environment trying to find a balance between adaptation and standardization to achieve effective advertising. Parallel to the debate is the dilemma of adapting or standardizing online content as the more effective strategy. The debate doesn't conclude at that, for exploiting market potentials cannot be achieved through the simple

translation of web platform content (Sinkovics et. al, 2007) in an era where technology has introduced many disruptive models of internet marketing.

Global Internet Advertising

The evolution of the Internet has opened doors to the world of digital marketing, internet advertising, mobile and social media marketing. International internet advertising reached $117 billion in 2015 with mobile advertising revenues alone at $35.5bn in 2015. Experts are announcing that the future is mobile marketing with for-casts to reach $59.67billion, going from 30% of all digital advertising to 55% by 2019 (Statista, 2015). Other trends include digital video and social media advertising, which are both predicted to rise by 38% this year to $15.4 billion and $22.7 billion respectively (Hercher, 2015). Of course, such communication activity cuts across borders and helps in homogenizing culture, yet individuals from diverse cultures show different expectations and varying customer values even in the virtual world homogenized by technology. Digital marketing is therefore challenged between two approaches, one that is cultural bound and another which is cultural and flexible enough to enable it cultural peculiarities of different business scenarios (Almeida, 2014). Amazon is a good example of high standardization of its platform while Coca-Cola's online presence is more cultural bound for its different target market (Cateora, 1990). While Internet has assumed to cross culture barriers, people in different countries use it in different ways (Cateora, 1990) and therefore local strategies and adaptations cannot be ignored.

Glocal as a Strategy

Many multinational marketers embrace a compromise between global and international advertising, which is often called "glocal" advertising, best explained by the phrase, "think global and act local." In this strategy certain core elements are standardized while incorporating local cultural influences into advertising executions. Sony is a good example of that, while standardizing most parts of the marketing mix, its message differs from one region to another to accommodate cultural differences. Sony adapts the same "glocal" strategy for its online presence. In this approach firms may centralize advertising decisions and budgets using a limited number of agencies worldwide, or decentralize budgets and using more local advertising agencies. A glocal strategy requires a global appeal with a brand vision that that respects local differences (Wind & Mahajan, 2001) and an organizational structure that encourages collaboration between the global advertising strategists and local implementers (Boykin, 2015).

IV. DISCUSSION

Coca-Cola, McDonalds, Sony and Pepsi Cola are all examples of multinational firms that succeeded in developing global brands with accommodation to local variances in culture and customer values. They have successfully standardized all parts of the marketing mix while adapting their advertising program to an array of local markets. While consolidating all advertising may bear many advantages yet can also prove ineffective in culturally bound markets or where language is a barrier, France for example being a very clear case. In such cases, economies of scale and cost reduction, the main advantages to standardizing advertisement become elusive. A considerable number of marketing literature supports that consuming good depends so much on local demands that it's impossible to use any element of mix marketing on foreign markets (Milovanovic, 1997). While durable tech products may require a converged global advertisement message, the way targeted customers use the products may differ from one region to another which requires a globally localized message as in the case of Samsung for example.

Customers in target markets differ not only in the language they speak, but also in the level of literacy, their openness to the world, the permeability of their nature, the way they perceive value, the way they interpret symbols and the overall way they respond to stimuli. All this within the boundary of their culture. Convergence or divergence of the global advertising message is related to the past relayed factors.

Technology also plays a big role in respect to the level of influence of each of these factors. Although the idea of a global culture is inherent to the digital era, yet some local cultural roots seem to be perennial in a number of societies even in the virtual world of not existing boundaries. While digital marketing with its many faces plays a great role in global branding, yet advertising messages still need to be localized to accommodate the cultural, political and economic differences between countries.

Standardizing the advertising program will require a very creative team, with a massive amount of information about each region, its customer's values and traditions and its overall culture which is in itself a challenge. Experts in the local targeted markets with knowledge of the market's cultural, economic, political status are therefore needed, Local national advertising agencies, which have the access to the global network, can be a lucrative solution for effective and cost efficient advertising that is both local in essence and global in positioning.

V.   CONCLUSION

Advertising, a vital component of the marketing mix, is a branding tool with an impact by integrating societies, crossing borders, unifying symbols and communications amongst people. Bounded by cultural and economic differences, messages communicated through this tool have therefore a different appeal in different countries. Yet with increased use of technology and increasing internet penetration those hard lined boundaries become softer in a virtual reality making it easier to standardize certain aspects but not all of advertising. Standardized organizational structures and processes may be used to create global synergies, and to develop a global brand strategy that coordinates and leverages country brand strategies and has a localized appeal.

To conclude, global products need global advertising. Yet, localizing to adapt global campaigns to local markets is always needed. Global digital marketing professionals must pay attention to the significant differences among markets that can affect the e-marketing strategy. Marketers planning for the future must not underestimate the opposing powers of disruptive technology bringing the world closer, and culture. They must also plan bearing in mind the new disruptive marketing models, such as mobile marketing, being the inevitable future in an expanding mobile internet era.

VI.   REFERENCES

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