A Survey of Korean Advertisers Using Standardization and Localization Global Advertising Campaigns

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February 4, 2018

Abstract

The purpose of this paper was to review the previous published research on standardized and localized approaches and to study the possibility of using the two approaches in a survey of international advertisers. Samples for this survey were drawn from the Korean economic yearbook and data were gathered through a mailed self-administered questionnaire. The questionnaire was composed of three sections: description of the sample company, international advertising strategies used in a global market, and difficulties using a standardized international advertising strategy. The survey was conducted between December 2016 and March 2017. The findings of this study showed that a majority of the Korean international companies use combined campaigns, integrating standardization and localization campaigns. The results indicated that Korean international advertisers do not rely on extreme approaches of international advertising, not engaging in a fully standardized or localized approach. The other important finding of this study showed that barriers to employ standardization strategies in global persuasive campaigns included cultural differences in global markets, differences in economic situations, language diversity, differences in consumer and market data, government
regulations, and the availability of media. Based on these results, practical implications are discussed, along with several directions for future research.

**Key Words:** International advertising, Advertising strategies, Standardization approach, Localization approach, Survey

1 **INTRODUCTION**

With the recent attention given to global marketing, international advertising has become a source of increased focus in the literature since the 1960s. To date, however, international advertisers are still divided on the recommendation of using either standardized or locally tailored global advertising campaigns. The question of whether standardized messages in international advertising campaigns is a matter of great importance, not only for global enterprises, but for companies anywhere that want to maintain growth and increase profits from international marketing (Pagani, 2015).

The considerable growth in international advertising appears to come from several factors. First, a major influence in the development of international advertising has been the rise of multinational companies. Second, the development of global brands has led to the growth of global marketing communications. Third, the increase in foreign commerce has boosted global marketing communications. Fourth, there have been improvements in the living standards around the world. Finally, the advancements of online communication and exchange could be a reason for growing international advertising (Cavallone, 2013; Dunn and Barban, 1986).

Thus, global companies must decide how to organize advertising messages in global markets. Two opinions exist regarding international advertising strategies. Advertising scholars who support the standardization of advertising strategies insist that customers anywhere in the world have the same basic needs, values, and motivations, and customers can be persuaded with the same or comparable advertising campaigns. This school of thought seeks out fundamental similarities across countries in the world and capitalizes on these similarities by suggesting universally appealing advertising claims. In contrast, advertising scholars who support the localized approach believe that customers with different cultural backgrounds differ
from culture to culture, and thus must be reached by an advertising message that is appropriate for their respective cultures. Advertising theorists maintaining the localization of advertising strategies insist that even though human nature is universally similar, international advertising is one of the most arduous factors to standardize, not only because of legal issues that require alteration in message, but also because of cultural distinction (Mueller, 1987). Therefore, advertisers need to prepare heterogeneous advertising messages to use for customers from diverse countries or cultures. This paper will first review the previous published research on standardized and localized approaches and will then study the possibility of using the two approaches in a survey of international advertisers.

Standardized International Advertising purports that countries around the world are becoming a common market, in which consumers in the West and East want the same products and services. Global corporations must abjure idiosyncratic differences between cultures and instead focus on accessing universal and general drives. Scholars of this school of thought maintain that an effective advertising campaign is valuable, regardless of the cultural background of origin. A product could be promoted everywhere with similar advertising appeals (Cavallone, 2013). Standardized international advertising was primarily argued by two leading scholars in international advertising. One explained that people around the world are moving towards a uniform Western style of persuasion. Similarities in global consumption customs are more valuable than cultural differences and substantial efficiencies can be achieved using the standardized international advertising approach (Elinder, 1966). The other also insisted that a global uniform advertising appeal with a universal message could be effective across cultures and maintained the importance of a global advertising approach. The necessity of effective persuasive messages is fixed, and cannot change with time, place or form of persuasion. Many empirical studies have demonstrated reasons for using a standardized advertising approach (Futt, 1967).

By employing this approach, global companies save a significant amount of money, and the presentation of similar advertising appeals is improved by the planning process and control over diverse countries. There are six reasons in support of the wide use of standard international advertising claims: (1) political borders do
not constrain psychological attitudes or cultural values; (2) planning will become more efficient and thus be regarded with greater objectivism; (3) the acceleration of innovation and coinstantaneous introduction expand the need for a standard persuasive message; (4) a successful advertising campaign in a country can be equally effective in other countries in the world; (5) curtailment of expenditure effectiveness will be increased; and (6) the increased use of global media platforms leads to the advantage of a standardized advertising approach (Kaynak and Mitchell, 1981).

The results of a survey showed the effectiveness of the standardization of advertising approach. Of the global companies employing a standardized approach, half indicated their reasons for standardization were cost reduction. Thirty-eight percent of companies indicated that maintaining similar brand image around the world was their reason for standardization of advertising appeals. Thirty-one percent of companies indicated that the advantage of the standardization approach was in the ability to coordinate and control their persuasive communications in the world. The primary reason for utilizing standardized advertising campaigns in foreign countries is the potential cost savings. The cost savings are derived from scale economies achieved through standard commercial executions and copy concepts. It is obvious that a single campaign for several countries lowers production costs.

The second important reason for using the standardized approach is to maintain a consistent image for a company. By presenting the same trademarks, brand names, and logotypes across varied markets, the advertiser can maintain the same corporate image in every country and prevent confusing border crossing tourists as they seek the firm’s product in a different market. Because many large corporations are now manufacturing products in different countries, which are sold under the same trade names, the issue of the same product image becomes important. However, the use of standardized advertising campaigns is not without controversy. Some scholars and executives criticized this school of thought in global advertising approaches (Cavallone, 2013). In contrast to the school of standardized advertising approach, with the total transferability of persuasive appeals around the world, supporters of the localized international approach insist on a tailoring of these advertising claims. This approach focuses on the idea that consumers
in different countries tend to have heterogeneous needs and wants, although some basic necessities might be very popular across cultures. Therefore, more than one international advertising message is required to reply most efficiently to the cultural differences that exist among diverse cultures in the world (Pagani, 2015; Cavallone, 2013).

This school of thought was typified in the 1960s (Lenormand, 1964), who focused on the problem of creating a common denominator around the world to persuade and communicate universally. This scholar insisted that difficulties come from the multiplicity of cultural values, religious beliefs, economic situations, media environments, and advertising industry structures. The above factors are barriers for using standardized international advertising campaigns. This school of thought about international advertising appeals emphasizes the idea that customers differ from culture to culture and must accordingly be persuaded by international advertising messages matched to their respective countries. Cultural, economic, and social factors differ from country to country, which prevents the effective use of one advertising message in the world. After researching groups of consumers from Western and Eastern countries, one study found that there are consistent differences between consumers from different cultures (Han and Shavitt, 1994; Mortimer and Grierson, 2010). They suggested the inadvisability of standardized global advertising and recommended the use of localized global advertising.

A global market and culture is not one sight and one sound. To communicate and persuade brand values to target consumers, it is good to employ different strategies in diverse cultures. Although products and services can be developed similarly, advertising messages and executions cannot be standardized. The reason for this is that cultural differences are important factors in the communication process. It is the role of advertising to communicate and inform target customers and to persuade them toward buying and using the advertised brands. This can only be successful in a culture with localized tailored messages. Understanding cultural differences is very important in the process of international advertising. The distinction between low-context versus high-context cultures has important implications for employing the localized international advertising strategies. In high-context cultures, the significance of a
message is understood with its context; in low-context cultures, the words of a message can be segregated from the context in which it occurs and explained as a separate entity. These differences indicate that messages in advertising content created for low-context cultures might not have the same influence in high-context cultures and vice versa (Teng and Yu, 2014).

Cross-cultural marketers must also consider the products or services they launch into a culture in the context of that culture’s a priori values and habits to determine their compatibility with cultural orientations. In addition to variability among cultures, many other facets of persuasion could be considered when employing international advertising in global settings. These factors include the degree of standardization of communication that can be performed in diverse countries, possible media platform availability, government regulations, and various social, economic and cultural natures of customers in global markets (Teng and Yu, 2014).

The different natures of advertising media platform usage in diverse countries are another ground for tailored international advertising. International advertising campaigns are often not successful due to the misuse of media selections. Levels of literacy in developed and underdeveloped countries might restrict the practical selection of print media, such as newspaper and magazines. Acquisition of proper media platforms varies widely across global markets. A global company should surmount the complexity of the media industry structures in the world. In addition, global marketers are faced with a complicated job of acquiring essential data on media circulation; this is because in some underdeveloped countries, it is not possible to acquire print media circulation and television program rating data.

The translation of international advertising into other languages creates problems when using the standardization of advertising. The translation of international advertising to other languages connotes wordings with ambiguous meanings and definitions, of which it is difficult to create direct equivalences in other languages. For instance, a certain concept within a language might not exist in foreign countries. Since there are distinctions in cultures, traditions, customs, and religious factors among various cultures, an international marketer must bear in mind that the meanings of words might not have the same meanings in different countries.
Advocates of this school of thought in the international advertising approach point out the importance of dissimilarities across diverse cultures. Thus, the international marketer must think about these differences before he or she employs these similarities successfully. Knowledge of local culture, customer, and market is essential because persuasion is only possible one person at a time in one culture at a time.

It is obvious, as explained in the above literature review, that global advertising scholars are divided in two opposing schools of thought, standardization and localization strategies. Moreover, there are few studies using a managerial survey to address these in a Korean market. This paper examines the recognition and opinion of international advertising strategies in Korea, and addresses the following two research questions:

Research question 1: What proportion of Korean companies use standardized and localized global advertising campaigns?

Research question 2: What are the critical difficulties that prevent the use of standardized global advertising campaigns as employed in global markets?

2 METHODS

2.1 Samples and sampling process

Samples for this study were drawn from the Korean economic yearbook since a complete list of global marketers in Korea was not obtainable. All companies conducting global marketing were selected, and the individual in charge of global marketing was contacted. Using this methodology, a total of 204 companies had intentions to answer the questionnaires. We sent questionnaires to 204 firms and 65 companies returned the questionnaires, of which 62 questionnaires were usable for the study. The response ratio was 30.4%. A description of the 62 companies was shown in Table 1.

TABLE 1. DESCRIPTION OF THE STUDY SAMPLE
2.2 The questionnaire

Survey data were gathered through a mailed self-administered questionnaire. Prior to the main survey, a questionnaire was developed to test the research questions. The questionnaire was composed of three sections: (1) description of the sample company, (2) international advertising strategies used in a global market, and (3) difficulties using a standardized international advertising strategy. The survey was conducted between December 2016 and March 2017. During the survey period, the sample companies were encouraged to complete the questionnaire as early as possible.

3 RESULTS

3.1 Use of the international advertising strategy based on company sales volume

Research question 1 addressed the proportion of Korean companies using standardization and global localization advertising campaigns. As shown in table 2, out of the 62 participating companies, 13 companies (21.0%) prefer to use standardized international persuasive communication campaigns, while 13 companies (21.0%) favor the use of localized international advertising strategies. A majority of the Korean international companies (36 firms, 58.0%)
like to employ a campaign that combines standardization and localization campaigns. The findings of the survey show an obvious tendency toward the use of the combined approach by Korean companies.

The data were analyzed based on sales volume of companies. Small and large companies were divided based upon the total sales of global markets. Companies with less than $5 billion in sales were classified as small companies, and those with more than $5 billion were labeled as large companies. The results also show a similar trend with the total sample. Both small and large companies prefer to use the combined strategy, with 62.5% and 50.0% of companies preferring that approach, respectively.

TABLE 2. PROPORTION OF THE INTERNATIONAL ADVERTISING STRATEGY

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Small companies</th>
<th>Large companies</th>
<th>All companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardization strategy</td>
<td>7 (17.5%)</td>
<td>6 (27.3%)</td>
<td>13 (21.0%)</td>
</tr>
<tr>
<td>Localization strategy</td>
<td>8 (20.0%)</td>
<td>5 (22.7%)</td>
<td>13 (21.0%)</td>
</tr>
<tr>
<td>Combination of two strategies</td>
<td>25 (62.5%)</td>
<td>11 (50.0%)</td>
<td>36 (58.0%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>22</strong></td>
<td><strong>62</strong></td>
</tr>
</tbody>
</table>

- Small companies (Total sales of global markets is less than $5 billion)

- Large companies (Total sales of global markets is more than $5 billion)

- $\chi^2 = 18.6; df = 1; p<0.01$

3.2 Barriers to employing a standardization campaign

Research question 2 posited the critical difficulties that prevent the use of standardized global advertising campaigns as employed
in global markets. The results of this analysis are summarized in table 3. Obstacles to the use of a standardization strategy in global persuasive communications were arranged in the following order: Forty-one companies (66.1% of the sample) responded that the main reason that impedes using standardization strategies is cultural differences in global markets. Twenty-two companies selected differences in economic situations. Language diversity, differences in consumer and market data, government regulations, and the availabilities of media were the third, fourth, fifth, and sixth most important factors, respectively, that prevent the use of standardization strategies in international advertising.

<table>
<thead>
<tr>
<th>Factors against standardization</th>
<th>Number of companies</th>
<th>Percent of companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural differences</td>
<td>105</td>
<td>30.3</td>
</tr>
<tr>
<td>Differences in economic situations</td>
<td>25</td>
<td>15.9</td>
</tr>
<tr>
<td>Government regulations</td>
<td>42</td>
<td>12.1</td>
</tr>
<tr>
<td>Availability of media</td>
<td>52</td>
<td>9.2</td>
</tr>
<tr>
<td>Differences in consumer and market data</td>
<td>53</td>
<td>15.3</td>
</tr>
<tr>
<td>Language diversity</td>
<td>46</td>
<td>13.3</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>3.8</td>
</tr>
<tr>
<td>Total number of responses</td>
<td>346</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### 4 CONCLUSION

The subject of standardization versus localization in the international advertising area has received considerable attention in the literature since the 1960s. Yet, global advertisers are still divided on the wisdom of employing either standardized or localized international advertising. Theorists of the standardization school of thought maintain that disparities in cultures or countries are not of degree, but of direction. Therefore, the same products or services could be advertised with similar persuasive messages. Reasons for this belief are that similarities in object perceptions occur among
people from diverse cultures around the world and that budgets of international advertising campaigns can be minimized. The opposing perspective, the localized international approach, maintains that although some basic needs and wants may popular across cultures, different cultural values construct consumers’ dissimilar wants and needs. In this argument, multiple appropriate advertising appeals are advisable to cope effectively with the cultural distinctions among diverse communities.

The findings of this study showed that a majority of the Korean international companies use combined campaigns, integrating standardization and localization campaigns. The results of the survey indicated that Korean international advertisers do not rely on extreme approaches of international advertising, not engaging in a fully standardized or localized approach. The other important finding of this study showed that barriers to employ standardization strategies in global persuasive campaigns included cultural differences in global markets, differences in economic situations, language diversity, differences in consumer and market data, government regulations, and the availability of media.

The regular use of a combined strategy in overseas markets couples the strengths of the two opposing strategies. Although scientific research and theorists in international advertising recommend the use of either standardized or localized strategy in foreign markets, industrial circles prefer to use a safer approach of combining aspects of both standardized and localized campaigns.

Further research is needed to investigate the effectiveness of using a combined strategy, as well as what is uniformly used and what is differentiated in global markets. Future studies can further examine how global companies define and evaluate localization and standardization. Finally, it is valuable to study in-depth the barriers to employing a standardization strategy in global persuasive campaigns, such as cultural differences in global markets, differences in economic situations, language diversity, differences in consumer and market data, government regulations, and the availability of media.
References


