

## Chapter 18

### Special Advertising Situations

#### ❖ WEB REVIEW QUESTIONS

1. **What is cooperative advertising? How does it benefit the retailer? The manufacturer?**

In cooperative (co-op) advertising the national brand reimburses the retailer for part or all of the advertising expenses. Co-op funds, sometimes called ad allowances, have become so common that most retailers won't even consider taking on a new brand without receiving some support. Retailers may also seek reimbursement for local advertising from suppliers as part of a retailer's vendor support program.

2. **What is a public communication campaign and how does it differ from product advertising? Give an example.**

Public communication campaigns are undertaken by nonprofit organizations as a conscious effort to influence the thoughts or actions of the public. The text provides an example of a public communication campaign: the Partnership for a Drug Free American has used advertising and public relations to fight teen drug use.

Product advertising is designed primarily to sell a specific product. A retail ad promoting a specific brand of shampoo would be an example.

3. **Explain cause marketing. How does it differ from mission marketing?**

**Cause marketing** means adopting a good cause and sponsoring its fund-raising and other community-oriented efforts.

In addition to societal marketing, other companies display a corporate commitment to the community, the environment, a relevant target market cause, and positive employee relations. If this commitment reflects the company's core business strategy, it is called mission marketing. Mission marketing links a company's mission and core values to a cause that connects with the company's interests.

4. **Why would an exporter of goods nationalize its operations in another country?**

Some companies prefer to appoint a local distributor who knows the language and the distribution system and can handle customers and government better than a foreigner would.

**5. Give three examples of global brands and support your reasoning as to why they are global.**

Student answers may differ but need to consider that the definition of a global brand is one marketed in two or more of the four major regional market blocs: North America, Latin America, Europe, and Asia-Pacific. Typical answers might be Coca-Cola or McDonald's.

**6. What belief does Professor Levitt hold about international advertising? What belief does Professor Kotler hold? Compare and contrast these two points of view.**

A classic *Harvard Business Review* article by Harvard Business School professor Theodore Levitt ignited a debate over how to conduct global marketing. Levitt argued that companies should operate as if there were only one global market because he believed that differences among nations and cultures were not only diminishing but should be ignored because people throughout the world are motivated by the same desires and wants. Levitt argued further that businesses would be more efficient if planned for a global market. The point is that some cultural habits and values cut across national and regional boundaries. Other scholars, such as Philip Kotler, marketing professor at Northwestern University, disagreed with Levitt. Kotler felt that Levitt misinterpreted the overseas success of Coca-Cola, PepsiCo, and McDonald's and pointed out that they did not offer the same product everywhere.

**7. How does culture relate to the decision to globalize or localize a campaign?**

The cultural-orientation approach emphasizes the cultural differences among peoples and nations. This school of thought recognizes that people worldwide share certain needs, but it also stresses the fact that these needs are met differently from culture to culture.

How do cultural differences relate to advertising? Although the same emotions are basic to all humanity, the degree to which these emotions are expressed publicly varies.

According to the high-context/low-context theory, although the function of advertising is the same throughout the world, the expression of its message varies in different cultural settings. The major distinction is between **high-context cultures**, in which the meaning of a message can be understood only when contained within

context cues, and **low-context cultures**, in which the message can be understood as it stands.

Advertising messages constructed by writers from high-context cultures might be difficult to understand in low-context cultures because they may offer too much detail to make the point clearly.

In addition, businesses can choose a standardized, localized, or combination strategy for advertising. Each strategy makes culture a part of the consideration.

- **Standardization:** The standardization school of thought contends that differences between countries are a matter of degree, so advertisers must instead focus on the similarities of consumers around the world. Product category is important: There are enough similarities in certain categories, such as high-tech products and high-fashion cosmetics, that their advertising can be largely standardized across borders.
- **Localization (adaptation):** The localization or adaptation school of thought argues that advertisers must consider differences among countries, including local culture, stage of economic and industrial development, stage of life cycle, media availability, research availability, and legal restrictions.
- **Combination:** This school of thought reasons that a combination of standardization and localization may produce the most effective advertising. Some elements of brand identity and strategy, for example, may be standardized, but advertising executions may need to be adapted to the local culture.

**8. Is Arabic a high-context or low-context language? French? English? How can you tell the difference?**

Arabic is a fairly high-context language while French and English are lower. In a high-context language, meaning is more dependent on surrounding sentences. Figure 18.5 provides a list of countries and context.