**Chapter 10**

**Review questions**

Why is internationalisation an important strategy for brand managers?

What is standardisation and discuss the three main questions surroundings its use

What are the two leading reasons which prevent the standardisation of marketing communications?

Critically assess the usefulness of global marketing programs? Use examples to support your choices.

Why should makers be concerned with the country of origin effect in devising an international marketing plan?

**Solutions**

While globalization and the culturescapes it is influencing intensify, multi-national companies and brand managers face significant challenges in their international marketing endeavours. This especially concerns the management of their brands. In fact, an organisation taking its brand to an inter-national level offers great opportunities both for the survival of the firm and its expansion. In today’s world, geographic and cultural borders are permeablebecause of the internet, cable and satellite television. Globalisation and increased geographical mobility means that even regional advertising has to attend to the different cultural frames of reference of non-indigenous populations. This in return can create potential foreign markets for domestic producers and increases competition in the market. However, at the same time, the organisation is confronted with different options concerning its strategic and operational marketing decisions. For example, challenges are inherent in how organisations can communicate with a range of messages about value, quality, reliability and brand image to a whole variety of global audiences, and their ability to develop a brand that means something to the target audience.

Global standardisation in marketing is a standardised marketing approach that can be used internationally. This type of marketing strategy conforms to work across different cultures and countries to promote a product. A good example of a company that uses global standardization in marketing is Coca-Cola as it uses relatively standard brands, formulations, packaging, positioning and distribution in its global markets. The three main questions surrounding standardisation focus on; when to employ such an approach, why embrace it, and how. Table 10.1 (p. 194) highlights some of the issues pertaining to these lines of enquiry. It is important that marketers fully explore are consider each the key questions. Failure to do so can be detrimental to the successful implementation of such an approach and harm the organisation’s reputation, revenue and even survival.

The two reasons that can prevent the standardisation of marketing communications are market differences and consumer differences. Market differences relate to issues which differ depending on the country, sector and brand. Possible examples that can be identified are the media environment, country specific laws and regulations, barriers to becoming competitive in particular markets, and economic factors such as consumer levels of affordability. Consumer differences refer to the disparities between individuals which have the ability to influence the way in which marketing communications are understood and processed. Examples include how consumers understand and engage with the brand, the differing values and social habits which characterise a country or region, and cultural differences. Students should make reference to the diagram in Figure 10.1 (p. 195).

A number of benefits of global marketing programs should be identified. These include economies of scale in production and distribution, lower marketing costs, greater power and scope, consistency in brand image, and ability to leverage good ideas quickly and efficiently. On the other hand, there are some challenges to global marketing programs that make the approach complex. These include differences in consumer needs, wants and usage patterns for products, differences in consumer response to branding elements, differences in consumer responses to marketing mix elements, differences in the legal environment, in marketing institutions and in administrative procedures.Students should make reference to Figures 10.2 and 10.3 (pp. 196-7).

The country of origin of an organisation and/or brand serves as an indication from which consumers make suppositions about a specific service, product and product characteristics. Therefore, country of origin indicators activate a worldwide evaluation of the quality, performance and/or specific product features. As such, consumers judge products based on country stereotypes and experiences with products from that country. This is important for markets, as consumers now live in a world with a far more internationalized product selection and multinational marketing than ever before. Therefore, country of origin could act as a benefit or barrier to global success. In addition, marketers need to carefully consider elements such as images, slogans, and even colours when devising international marketing plans.