

Why is it so difficult to produce world-class international advertising?

For global businesses, the financial benefits of producing ads that can be aired internationally are obvious. And, broadly speaking, the evidence is that most ads which perform exceptionally well in one country will also perform well in others. But there are still many exceptions to this and it's possible to identify a number of key factors — ranging from socio-economic considerations, through differences in brand status, to cultural issues — which may prevent an ad which works well at home from achieving success abroad.

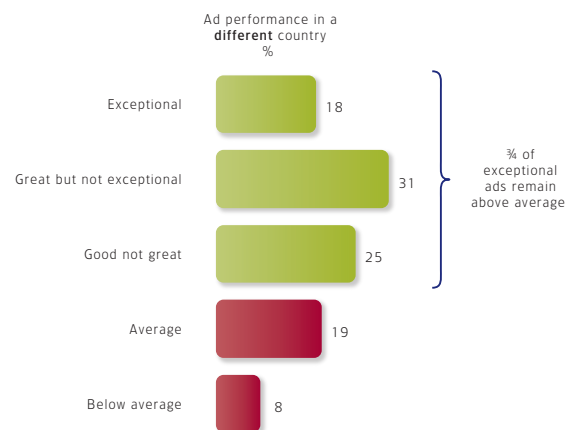
A good ad is a good ad . . . or is it?

In most countries, international and local advertising often performs similarly overall, in terms of sales effectiveness.

Focusing on ads that have performed exceptionally well at home (top 5 percent of the database in their country of origin), most also perform very well abroad — with three quarters performing above average, and over half well above average.

But there's no guarantee that a good ad will be an international success — with about a quarter performing below what is generally considered an acceptable standard:

Exceptional ads generally remain strong when tested elsewhere... but there is no guarantee



Base: 204 exceptional ads (top 5% of database) globally that were aired in at least one other country

The six hardest countries to crack

There are big differences between countries in terms of the likelihood of international advertising performing well.

There are six countries where the proportion of successful ads (top 15 percent of the database) which are international is significantly lower than expected: Germany, France, Netherlands, Poland, Brazil and Japan. Japan stands out in particular: none of the ads in the top 15 percent of the Japanese Millward Brown database is international.

This is due to a number of reasons. The quality and uniqueness of the local advertising context is an important factor. For example, use of humor is very powerful in the Netherlands — and international advertisers haven't generally been able to tap into this as effectively as the best local ads. While in countries like Brazil, the quality of local advertising is known to be particularly good, making it harder for international ads to shine.

Seven reasons why an ad that fares well in one country might not in another

For any global business aiming to create great international advertising, the starting point must be to understand the factors known to affect ad transferability:

- 1. Brand status** is one of the major influences on the kind of communications that are effective for a brand. Ads with an implicit message tend to work best in countries where the brand is very highly regarded and familiar; where the brand has "permission" to invite the consumer to fill in the gaps based on what they already know and feel about the brand. In countries where the brand is less well known and of lower status, consumers tend to respond less well to this kind of advertising. And, of course, advertising for an established brand in one country is unlikely to work effectively to launch the brand in another country.
- 2. Socio-economic factors** such as differences in disposable income, can have a major effect on how people respond to messages for discretionary products.

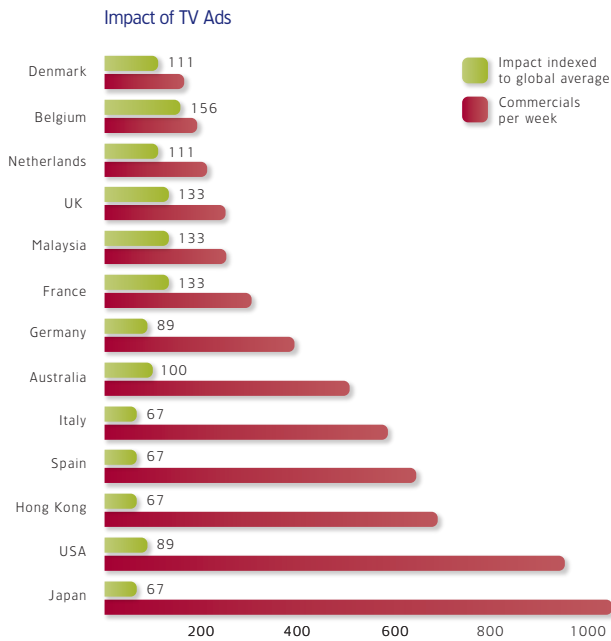
- 3. The marketing and advertising experience of consumers** in a country can have a major influence on how they respond to ads. The kinds of advertising consumers see every day varies enormously between countries and this often shapes both what they expect from ads and how they interpret them.

For example, in Spain and the Netherlands over 20 percent of ads in the database are intended to be funny, whereas in many Asian countries, the corresponding figure is under 5 percent. Additionally, ads where the message is not overtly expressed and requires a degree of "advertising literacy" on the part of the viewer tend to work better in countries where esoteric advertising with implicit messages is commonplace — and less well in those where consumers are accustomed to more "direct" ads, designed to deliver rational claims and benefits.

- 4. Category experience** may vary in different parts of the world. For example, in some countries, owning a washing machine is not the norm, so an ad showing one in use in a domestic setting will not be appropriate.
- 5. Consumer identification** — in relation to ethnic type — continues to be an issue in some countries, where ads featuring indigenous actors are more acceptable to consumers. Additionally, brands which market themselves as American may not be well received in some parts of the world; while, similarly, Muslim colas will not be universally appreciated.
- 6. The degree of clutter** in the market may have a bearing on the success of international ads in getting noticed.

Countries with high levels of clutter, like Japan and the USA, have lower Awareness Indices than countries where clutter is low, such as Denmark and Belgium.

In other words, advertising has less impact per GRP because it has to fight for attention. This has implications for the level of media investment required to have an effect and for the type of advertising that will cut through.



(The above analysis compares the average Awareness Index by country indexed against the “world average”.)

The effect of clutter is not confined to traditional media channels; we see it with online advertising too.

7. Cultural differences are the final factor that influence how international ads perform outside their home territory. TGI data is a valuable resource for understanding key issues here.

For example, we can see how individualism is the dimension that most clearly differentiates one culture from another:

“It is more important to do your duty than to live for your own gain”

Brazil Russia India China Europe
50% 46% 58% 70% 35%

And here’s another example of an attitude that varies hugely across cultures:

“A woman’s place is in the home”

Brazil Russia India China Europe
13% 42% 38% 64% 9%

Attitudes to sex are also very variable; for instance, just within Europe, we have seen strongly sexual ads perform well in Germany and Italy, but not in Finland or the U.K..

Professor Geert Hofstede conducted perhaps the most comprehensive study of how values in the workplace are influenced by culture. From 1967 to 1973, while working at IBM as a psychologist, he collected and analyzed data from over 100,000 individuals from 50 countries and three regions. Hofstede developed a model that identifies five primary dimensions to assist in differentiating cultures, and the strength of these factors varies enormously by country. It represents a useful resource to help understand cultural differences.

Knowledge Points are drawn from the Millward Brown Knowledge Bank, consisting of our databases of 50,000 brands and 40,000 ads, as well as 1,000 case studies, 700 conference papers and magazine articles, and 250 Learnings documents.

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