



City Research Online

City St George's, University of London

Citation: Attour, S.I. (1999). International Advertising Practices of Multinational Companies in Europe and the Middle-East. (Unpublished Doctoral thesis, City, University of London)

This is the accepted version of the paper.

This version of the publication may differ from the final published version. To cite this item please consult the publisher's version.

Permanent repository link: <https://openaccess.city.ac.uk/id/eprint/30509/>

Copyright and Reuse: Copyright and Moral Rights remain with the author(s) and/or copyright holders. Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge, unless otherwise indicated, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way. For full details of reuse please refer to [City Research Online policy](#).



**International Advertising Practices of Multinational
Companies in Europe and the Middle-East**

Volume I

Suleiman I. Attour

Submitted for the Degree of Ph.D.
of the City University

City University Business School

March 1999

Contents Overview

Table Of Contents	3
List of Tables	8
List of Figures	10
Acknowledgement	14
Declaration	15
Abstract	16
Chapter One	18
Research Objectives and Summary of the Results	18
Chapter Two	56
The Standardisation vs. Adaptation Debate	56
Chapter Three	79
Studies of International Advertising Practices of MNCs.....	79
Chapter Four	108
Assessment of Methodologies.....	108
Chapter Five	132
Rationale for Hypothesis and Methodology	132
Chapter Six	167
Summary of the Results	167
Chapter Seven	183
Results and Discussion I	183

Table Of Contents

Volume I

Table Of Contents	3
List of Tables	8
List of Figures	10
List of Text Boxes	12
Acknowledgement	14
Declaration	15
Abstract	16
Chapter One	18
Research Objectives and Summary of the Results	18
1.1 Introduction.....	18
1.2 The Standardisation Debate	21
1.3 Research Objectives	26
1.4 Research Questions and Hypotheses	28
1.5 Methodology	29
1.6 The Research Sample	32
1.7 The Research Program	36
1.8 Findings	37
1.9 Managerial Implications	42
1.10 Outline of the Thesis.....	51

Chapter Two	56
The Standardisation vs. Adaptation Debate	56
2.1 The Case for Advertising Standardisation	58
2.2 The Case for Advertising Adaptation	62
2.3 Verbal and Non-verbal Communications	74
2.3.1 Verbal communication	74
2.3.2 Non-verbal Communications	75
 Chapter Three	 79
Studies of International Advertising Practices of MNCs	79
3.1 Introduction	79
3.2 Review of the relevant studies	84
3.2.1 Ryans et al (1969 and 1977)	84
3.2.2 Dunn, S. W. (1976)	85
3.2.3 Boddewyn, J. J.; Soehl, R.; Picard, J. (1986)	86
3.2.4 Kirpalani, Laroche and Darmon (1988)	90
3.2.5 Ryans and Ratz (1989)	90
3.2.6 Harris, G. (1994)	92
3.2.7 Other studies	93
3.3 Content Analysis studies that investigated the similarity/difference of advertisements across-countries	 95
3.3.1 Mueller, B (1991)	95
3.3.2 Whitelock and Chung (1989)	97
3.3.3 Seitz and Johar (1993)	99

3.4 Critical Assessment of the Three Content Analysis Studies	100
Chapter Four	108
Assessment of Methodologies	108
4.1 Introduction	108
4.1.1 Selection of cultures	111
4.1.2 Countries studied	113
4.1.3 Unit of analysis	116
4.1.4 Sampling method	117
4.1.5 Number of magazines per study	118
4.1.6 Selection of publications	119
4.1.7 Number of product categories	121
4.1.8 Reliability of the measuring instrument	122
4.1.9 Method of analysis	126
4.1.10 The use of multiple comparisons	126
4.2 Recommendation for future research:	128
Chapter Five	132
Rationale for Hypothesis and Methodology	132
5.1 Introduction	132
5.1.1 Research Objectives	132
5.1.2 Research Questions	132

5.2 Review of the Literature Related to the Hypotheses.....	134
Hypothesis 1	134
Hypothesis 2	136
Hypothesis 3	140
Hypothesis 4	142
Hypothesis 5	144
Hypothesis 6	146
5.2 Methodology	147
5.2.1 Proposed Content Analysis Model	147
5.2.2 The Research Sample	154
5.2.3 Methods of analysis	158
5.3 Description of the sample	160
 Chapter Six	 167
Summary of the Results	167
6.1 Introduction.....	167
6.2 Initial Results	170
 Chapter Seven	 183
Results and Discussion I	183
7.1 Hypothesis Testing:	183
<u>Hypothesis 1</u>	183
7.2 Brand Studies	188
7.2.1 Advertising Profiles	188

7.2.2 Summary of Brand Studies	203
7.3 Summary and Conclusions for Hypothesis 1	206

List of Tables

Table (1.1) Examples of Worldwide Advertising Expenditure by MNCs.

Table (1.2) Previous Studies Employing Survey Methods

Table (3.1) Previous Studies of International Advertising Practices of MNCs.

Table (3.2) Estimated Frequency of Use of Standardised Campaigns.

Table (3.3) Summary of the results of Boddewyn et al (1986).

Table (3.4) Percentage of very substantial advertising standardisation and adaptation.

Table (3.5) Summary of the Results of Kirpalani (1988).

Table (3.6) Summary of the Results of Ryans and Ratz (1989).

Table (4.1) A breakdown of the media used in Content Analysis Studies.

Table (4.2) Number of Cultures examined per Study.

Table (4.3) List of Countries Studied

Table (4.4) Probability of including specific countries

Table (4.5) Breakdown of Number of Countries, Advertisements, Magazine Categories and Magazines used in the literature.

Table (4.6) Number of Magazine Categories used per study.

Table (4.7) Criteria used for the selection of Publications

Table (4.8) The number of product Categories used per study and whether these were accounted for in the results.

Table (4.9) Percentage of studies using judges from each culture.

Table (4.10) The Methods of Statistical Analysis used in the Literature.

Table (5.1) Nationalities of the Sampled MNCs

Table (5.2) Breakdown of the Sampled Brands by Product Category

Table (5.3) Number of brands that are advertised in various markets.

Table (5.4) Number of Multinational Brands that are Advertised in More Than One Country.

Table (6.1) Breakdown of Product Category by Country

Table (6.2) Results of the Content Analysis of advertising standardisation for the brand (True Lipstick).

Table (6.3) Similarity matrix for brand (35)

Table (6.4) Results of the advertising standardisation score for all the brands.

Table (7.1) Percentile Advertising standardisation Score

Table (7.2) Distribution of brands according to the Advertising Standardisation Score

Table (7.3) Totally Standardised Brands.

Table (8.1) Percentage of Brands that Belong to Each Category Across the Standardisation Continuum.

Table (8.2) Percentage of Brands that Employed either Regional or Total Standardisation for Specific Elements.

Table (8.3) Percentage of Brands that Employed Total Standardisation for Specific Elements in *All* Markets.

Table (8.4) The Percentage of Brands That Standardised Specific Elements in *at Least Two* Markets.

Table (9.1) Breakdown of the average score of advertising standardisation per category.

Table (9.5) Average advertising Standardisation Index for the Fashion category.

Table (9.2) Average advertising Standardisation Index for the Fragrance category

Table (9.4) Average advertising Standardisation Index for the Cosmetics category

Table (9.3) Average advertising Standardisation Index for the Watch/Jewellery category

List of Figures

Volume I

Figure (1.1) Advertising Expenditure Worldwide.

Figure (5.2) Modifications to the "Whitelock and Chung" Model

Figure (5.3) The Content Analysis Model.

Figure (7.1) Theoretical Advertising Standardisation Profile for a Totally Standardised Brand.

Figure (7.2) Theoretical Advertising Standardisation Profile for a Brand with Completely Different Advertisements

Figure (7.10) Advertising Standardisation Profile for Brand (14).

Figure (7.19) Advertising Standardisation Profile for Brand (31).

Figure (7.21) Advertising Standardisation Profile for Brand (33).

Figure (7.23) Advertising Standardisation Profile for Brand (35).

Figure (7.24) Advertising Standardisation Profile for Brand (36).

Figure (7.25) Advertising Standardisation Profile for Brand (37).

Figure (7.26) Advertising Standardisation Profile for Brand (38).

Figure (7.3/Appendix 4) Advertising Standardisation Profile for Brand (1).

Figure (7.4/Appendix 4) Advertising Standardisation Profile for Brand (2).

Figure (7.5/Appendix 4) Advertising Standardisation Profile for Brand (4).

Figure (7.6/Appendix 4) Advertising Standardisation Profile for Brand (6).

Figure (7.7/Appendix 4) Advertising Standardisation Profile for Brand (7).

Figure (7.8/Appendix 4) Advertising Standardisation Profile for Brand (8).

Figure (7.9/Appendix 4) Advertising Standardisation Profile for Brand (13).

Figure (7.11/Appendix 4) Advertising Standardisation Profile for Brand (15).

Figure (7.12/Appendix 4) Advertising Standardisation Profile for Brand (16).

Figure (7.13/Appendix 4) Advertising Standardisation Profile for Brand (17).

Figure (7.14/Appendix 4) Advertising Standardisation Profile for Brand (18).

Figure (7.15/Appendix 4) Advertising Standardisation Profile for Brand (19).

Figure (7.16/Appendix 4) Advertising Standardisation Profile for Brand (22).

Figure (7.17/Appendix 4) Advertising Standardisation Profile for Brand (29).

Figure (7.18/Appendix 4) Advertising Standardisation Profile for Brand (30).

Figure (7.20/Appendix 4) Advertising Standardisation Profile for Brand (32).

Figure (7.22/Appendix 4) Advertising Standardisation Profile for Brand (34).

Figure (7.27/Appendix 4) Advertising Standardisation Profile for Brand (39).

Figure (7.28/Appendix 4) Advertising Standardisation Profile for Brand (40).

Figure (7.29/Appendix 4) Advertising Standardisation Profile for Brand (42).
 Figure (7.30/Appendix 4) Advertising Standardisation Profile for Brand (34).
 Figure (7.31/Appendix 4) Advertising Standardisation Profile for Brand (44).
 Figure (7.32/Appendix 4) Advertising Standardisation Profile for Brand (45).
 Figure (7.33/Appendix 4) Advertising Standardisation Profile for Brand (49).
 Figure (7.34/Appendix 4) Advertising Standardisation Profile for Brand (50).
 Figure (7.35/Appendix 4) Advertising Standardisation Profile for Brand (51).

Figure (8.1) The Extent of Advertising Standardisation Continuum

Figure (8.2) Distribution of Brands across the nine Categories on the continuum for the Element Headline.

Figure (8.3) Distribution of Brands across Categories for the Element Body Text.

Figure (8.4) Distribution of Brands across Categories for the Element Background.

Figure (8.5) Distribution of Brands across Categories for the Element Model.

Figure (8.6) Breakdown of the Regional Standardisation for All Brands.

Figure (8.7) Breakdown of Regional Standardisation for Brands that Appeared in Arab Countries.

Figure (8.3/Appendix 5) Distribution of Brands across Categories for the Subhead

Figure (8.5/Appendix 5) Distribution of Brands across Categories for the Slogan.

Figure (8.8/Appendix 5) Distribution of Brands across Categories for the Product

Figure (8.9/Appendix 5) Distribution of Brands across Categories for the Package.

Figure (9.1) Results of the One-Way ANOVA test of Significant Differences Among the Four Product Categories.

Figure (9.2) Results of the LSD (Least Significant Difference) to Detect Differences among the Four Product Categories.

Figure (9.3) Results of the Modified LSD (Bonferroni) test to Detect Differences among the Four Product Categories.

Figure (9.4) Results of the One-way ANOVA: The Effect of Country of Origin on the Extent of International Advertising Standardisation Practised.

Figure (9.5) The Relationship observed between the Mean Advertising Standardisation Score and the Standard Deviation.

Figure (9.6) Results of the LSD test.

Figure (9.7) Results of the Modified LSD (Bonferroni) test.

Figure (9.8) Results of the One-Way ANOVA: The Effect of Host-Market on the Extent of Advertising Standardisation Practised.

Figure (9.9) Simple Factorial Analysis of Variance.

Figure (9.10) Two Way Interaction of the Variables Product-Category and Host-Market.

Figure (9.11) Theoretical Example when there is no Interaction between the Variables

Figure (9.12) City Block Dissimilarity Coefficient Matrix

Figure (9.13) Hierarchical Cluster Analysis: Vertical Icicle Plot using Average Linkage (Within Group).

Figure (9.14) Agglomeration Schedule using Average Linkage (Within Group).

Figure (9.15) Dendrogram using Average Linkage (Within Group)

Figure (Appendix 3.1) Number of Pages and Advertisements -UK.

Figure (Appendix 3.2) Number of Pages and Advertisements -Greece.

Figure (Appendix 3.3) Number of Pages and Advertisements -France.

Figure (Appendix 3.4) Number of Pages and Advertisements -Germany.

Figure (Appendix 3.5) Number of Pages and Advertisements -Italy.

Figure (Appendix 3.6) Number of Pages and Advertisements -Spain.

Figure (Appendix 3.7) Number of Pages and Advertisements –Saudi Arabia.

Figure (Appendix 3.8) Number of Pages and Advertisements -UAE.

Figure (Appendix 3.9) Number of Pages and Advertisements -Lebanon.

List of Text Boxes

Box (3.1) Disadvantages of using questionnaire surveys.

Box (8.1) Definitions of the Nine Categories across the Standardisation Continuum.

Box (9.1) Methods of Calculating Dissimilarity measures.

Box (9.2) Methods for joining clusters.

List of Abbreviations

MNC: Multinational Company.

ASI: Advertising Standardisation Index.

ADP: Advertising Standardisation Profile.

LSD: Least Significant Difference.

GCC: Gulf Co-operation Council.

Dedicated to my parents

Acknowledgement

I wish sincerely to thank my supervisor **Dr. Greg Harris** for his supervision, help and advice throughout the period of my research.

I am also indebted to my family for their patience, Support and encouragement.

Declaration

Powers of discretion are hereby granted to the university librarian of the City University to permit this thesis to be copied in whole or in part without further reference to the author. This permission covers only single copies made for study purposes subject to normal conditions of acknowledgement, and copyright in this work is retained by the author.

Suleiman I. Attour

Abstract

This thesis investigates the international advertising practices of a sample of multinational companies operating in Europe and the Middle East. It investigates whether, and how, multinational companies standardise the advertising executions deployed in the sampled markets. The objective of the study was to investigate the *detailed forms* of international advertising standardisation *actually* practised by the sampled companies, and establish how widely spread they were across the standardisation spectrum in terms of the standardisation practised.

A content analysis model was designed to measure the similarities/differences among the advertisements of the sampled brands appearing in the selected markets. The model analysed whether the sampled companies standardised a number of key executional elements for the advertising executions in the selected markets. The sample for this study consisted of fifty-one multinational brands, and the number of countries investigated in this research was nine major European and Middle Eastern countries.

The results obtained from this study demonstrated that the practice of modified or partial forms of advertising standardisation is widespread and that the practice of total standardisation is rare. It also showed that international advertising standardisation can take many forms in terms of what executional elements are standardised, the extent to which each of these elements are standardised and how this can vary across markets. The implications of these findings are important, and it is clear that to categorise all those companies that neither totally adapt nor totally standardise their advertising executions as being “modified” is of limited descriptive value. Since the practices of these companies can vary significantly, they should not be categorised as a homogeneous group.

The sampled multinational companies were very flexible in the way they employed standardisation. Standardisation practices ranged from just standardising one executional element in the some national executions, to totally standardising executions in all markets. This demonstrates how flexible standardisation is and how it can be customised to a wide range of situations.

The variables ‘product category’ and ‘country of origin of the multinational company’ were found to be key variables influencing the level of advertising standardisation practised by the sampled companies. Furthermore, the practices of the sampled companies indicated that standardised messages were more likely to be transferred among Western markets, than Western and Eastern markets.

Another finding of this thesis is the demonstration, for the first time, that there exists a relationship between the key variables ‘product category’ and ‘host-market’. It was indicated that these two variables *jointly* influence the level of advertising standardisation practised by MNCs.

Chapter One: Research Objectives and Summary of the Results

Chapter One

Research Objectives and Summary of the Results

1.1 Introduction

This thesis looks at the international advertising practices of multinational companies and the extent to which they standardise the advertising executions deployed in the various markets where they operate.

The objective of this thesis was to investigate the *detailed forms* of international advertising standardisation actually practised by a sample of MNCs, and establish how widely spread these practices were across the standardisation spectrum in terms of the extent and type of standardisation practised.

To achieve this, a research program was designed to obtain as accurate, objective and reliable data and measurements as possible with regards to the practices of the sampled MNCs.

The majority of the previous research have employed survey methods to examine the practices of multinational companies. One of the limitations of survey methods, however, is that they could only measure the policies and intentions of MNCs, rather than their actual practices. Furthermore, for multi-product/multi-division companies, responses to questionnaire surveys represent at best generalisations.

The content analysis method designed for this study, on the other hand, provides in depth details of the actual practices of MNCs, detailing the forms and extent of standardisation practised for all the executional elements in all the markets.

For a selected sample of multinational brands, we examined the advertising executions deployed in the various markets. The study focused on establishing if key executional elements such as copy and visuals were standardised, and whether there were variations by market, in terms of the elements standardised and the extent to which they are standardised. Such measurements enabled us to determine whether the executions were *totally* standardised, or modified. In other words, we wanted to find out whether *partial* forms of standardisation were practised.

The results of this study showed that the majority of the sampled brands have employed some executional elements that are standardised, to some extent, in most of the markets studied. In other words, the practice of modified advertising standardisation was widespread and was not confined to few brands.

The content analysis model is graded 0-100, where 100% represents total standardisation. In terms of the level of advertising standardisation practised, analysis showed that the sampled brands could be segmented into four groups. These range from low standardisation brands -where the actual executions differed more than they had in common, thus earning the brand an advertising standardisation score less than 59%- to totally standardised brands in all markets –where all the executional elements were totally standardised in all markets. The latter group, however, accounted for only 11.76% of the sampled MNCs. In other words, most of the sampled companies who standardised their advertising executions have practised modified or partial standardisation.

These findings are crucial because to date, many have presented that multinational companies are essentially faced with an either/or choice, in terms of total adaptation or total standardisation. As a result of this focus, the debate relating to the benefits of standardisation has primarily concentrated on the case for total standardisation, and the case for modified forms of standardisation has received only limited attention.

An example of how the focus on total standardisation has influenced the evaluation of standardisation is that many writers have argued that given differences in local market conditions and national culture, standardisation (i.e., total standardisation) is a high risk policy which is only likely to be suitable for certain types of products or markets.

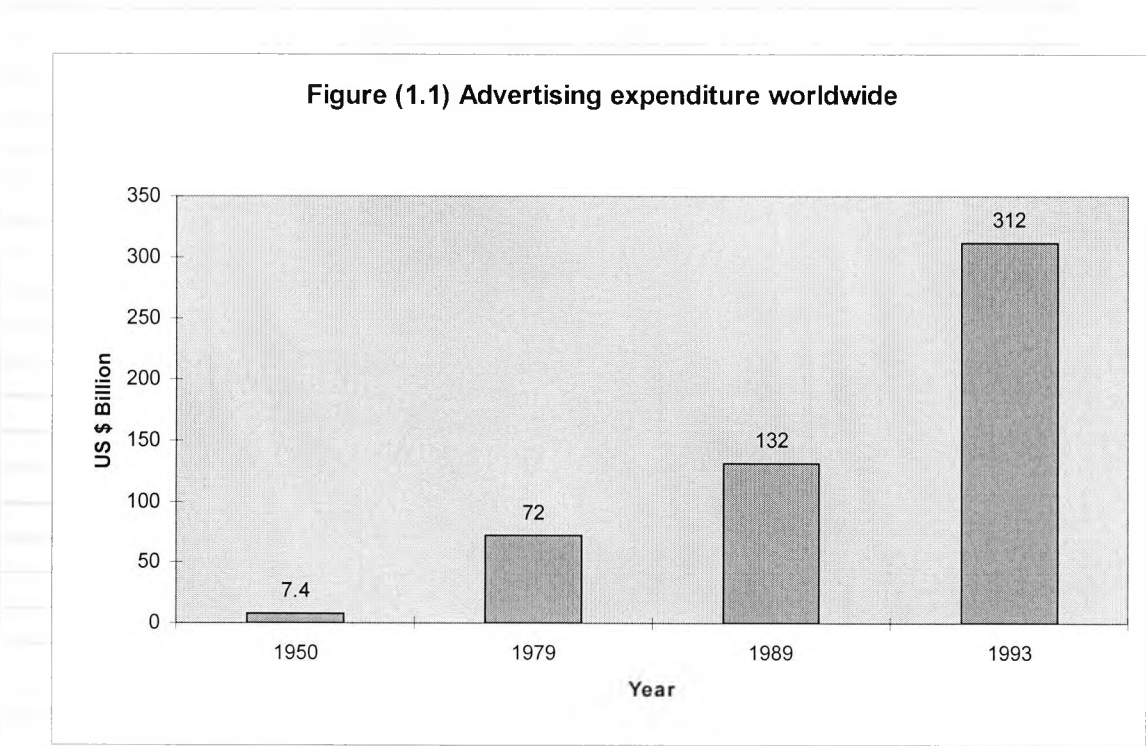
This study shows, however, that rather than considering that they are faced with an either/or choice, many of the sampled companies exhibited considerable flexibility in the way they operationalised standardisation. It is apparent, therefore, that standardisation is a more flexible and 'adaptable' policy than has heretofore been established, and is a policy option that can be considered by most multinational companies.

The extensive practice of modified forms of standardisation also indicates that, either the multinationals consider that standardisation can be adapted to accommodate differences in local market conditions, or that the risks of standardisation have been exaggerated, particularly relative to the benefits.

1.2 The Standardisation Debate

The issue of International advertising standardisation vs. adaptation has been a focus for discussion for over three decades. Almost one third of the international advertising literature deals with the specific issue of advertising standardisation. The importance of the issue is illustrated by the large amount of money spent on advertising.

From Figure (1.1), we can see that the total worldwide advertising expenditure in 1993 was \$312 Billion, and that the pattern of advertising expenditure continues to increase substantially over time. The multinational companies' (hereafter MNCs) share of this expenditure is considerable. For example, one company, Procter and Gamble spent almost \$4.3 Billion on international advertising in 1993 alone. Examples of the expenditure of other MNCs are also shown in Table (1.1).



Given this high level of expenditure, it is crucial for MNCs to ensure that their budgets are deployed in the most effective manner. One central issue regarding this deployment is the extent to which multinational companies should attempt to influence or control the advertising policies and campaigns of their various national subsidiaries.

In this context, international advertising standardisation is one policy option that is open to the companies concerned, and standardisation can either be used as a means of achieving control or an outcome of a policy of co-ordination. Alternatively, it can be a specific policy objective in its own right.

Table (1.1) Examples of Worldwide Advertising Expenditure by MNCs.

Multinational Company	1993 (\$ million)
Procter & Gamble	4,298.5
Unilever	2,626.2
Nestle	1,916.4
Philip Morris	2,557.5
General Motors	2,139.8
Ford Motor	1,492.5
Toyota Motor	1,112.6
Pepsi Co.	1,383.7
McDonald's	1,034.6

Rather than seeking to establish whether standardisation can or has improved the advertising output of the MNCs, in many cases evaluation has focused on drawing general conclusions with regards to whether standardisation is right or wrong.

Over the years, three schools of thought have emerged:

- 1) that advertising standardisation is likely to be the optimal policy in most situations (Elinder, 1965; Fatt, 1967; Levitt, 1983; Kirpalani et al, 1988),
- 2) that some form of advertising adaptation or localisation is optimal, again in most situations (Buzzell, 1968; Ricks et al, 1974; Reichel, 1989),
- 3) That the efficacy of standardisation will depend on contingency factors such as the specific markets and products involved (Miracle, 1968; Kotler, 1986; Sheth, 1986; Porter, 1986).

A review of the literature dealing with advertising standardisation reveals the following points:

- Only limited empirical data regarding the international advertising practices of multinational companies have been presented,
- questions about the operationalisation of standardisation, since various definitions of standardisation were used,
- polarisation of the issue - in most instances the focus has been on either complete standardisation or complete adaptation,
- Confusion between companies' policies and practices.

The tendency of the debate to polarise and focus on the options of either total standardisation or total adaptation has been noted by Peebles et al (1977). They stated that:

“The middle ground or compromise position in which the international consumer goods enterprises attempt to accommodate for market differences whilst capitalising on the advantages of standardisation remains virtually ignored.” (ibid.).

Survey Studies

Harris (1994) investigated the international advertising practices of a sample of US and European MNCs. In order to avoid generalisations, Harris focused on the practices followed for just one brand for each sampled company and in EU markets only. Harris (1994) found that:

“The practice of some form of advertising standardisation was widespread and was not confined to a few atypical brands.”

However, commenting on the limitations imposed by focusing on one brand per company and in EU markets only, Harris noted that:

“It was acceptable that this focus would impose limitations on the study’s ability to derive general conclusions relating to how widespread the practice of advertising standardisation was and the extent to which their advertising executions were standardised, as most of the sampled companies would in fact be marketing a wide number of products. In particular, there was a possibility that the practices followed with the largest brand might be atypical of the company; companies would be both more likely to standardise advertising for their flagship brand, and to standardise the advertising to a greater extent than for other brands. Also given factors such as geographic proximity, economic infrastructure, and comparative levels of technological development within the EC, a bias would be introduced in favour of finding advertising standardisation practised.” (Harris, 1994).

Similar conclusions regarding the need to restrict the focus of such studies had also been reached by Boddewyn et al (1986), who focused on the sampled companies’ practices in the EU markets only, and by Hill and James (1991), who focused on the practices of the sampled companies for just one brand.

While a number of studies have examined the international advertising practices of multinational companies and have established that modified or tailored forms of standardisation are relatively widespread, the amount of detail relating to the actual

executional elements that are standardised and the extent to which they are standardised is limited.

Such data are important in order to establish whether modified advertising can, or should, be regarded as a uniform option, or whether there are many forms of modified standardisation and grouping them together is thus misleading in terms of analysis.

The only detailed evidence to establish that the practice of modified forms of international advertising standardisation are widely practised was presented by Harris (1994). Other studies have either not presented details (Peebles et al, 1977; Sandler and Shani, 1992) or have focused on several of the mix elements, such as product standardisation (Walters and Toyne, 1989).

1.3 Research Objectives

The central objective of this thesis was to investigate the detailed forms of international advertising standardisation actually practised by the sampled MNCs and establish how widely spread they were across the standardisation spectrum in terms of the extent and type of standardisation practised.

The study focused on establishing if key executional elements such as copy and visuals were standardised and whether there were variations by market, in terms of the elements standardised and the extent to which they were standardised.

Once we obtained the measurements across the above dimensions, we would be able to determine whether the executions were totally standardised, modified or totally modified (or how prevalent is the practice of modified forms of standardisation and the detailed forms these modifications took.).

To this end, a research program was designed to obtain as accurate, objective and reliable data as possible regarding the international advertising practices of MNCs. The model developed for this study accounts accurately for any slight modification to any executional elements of advertising in any market. This would avoid the operationalisational problems with regards to how standardisation is defined, and ensures that the results of this study are replicable, thus, facilitating the comparison of these results with the results of future studies.

In order to obtain precise measurements for the analysis, we decided to concentrate on the following dimensions:

- 1) Whether each of the executional elements (namely; Headline, Subhead, Body Text, Slogan, Model, Background, Product and Package) was standardised.
- 2) To what extent were these elements standardised?
- 3) Were the same elements standardised in all the markets, and to the same extent?
- 4) Whether the extent of advertising standardisation was related to the product category?
- 5) Whether the extent of advertising standardisation was related to the country of origin?
- 6) Whether the extent of advertising standardisation was related to the host-market, i.e. the country where the advertisement appeared?
- 7) Whether there is interaction between the effects of the two variables product category and host-market?
- 8) Whether the extent of advertising standardisation practised in a specific country is related to the extent it is practised in other countries?

1.4 Research Questions and Hypotheses

A review of the literature relevant to our focal questions helped to narrow these questions down to a set of six hypotheses. It is worth noting here that there are no established theories in the literature on the topic of international advertising standardisation (Walters, 1986; Jain, 1989; Harris, 1993). Hence, our hypotheses here are exploratory and propositional in nature, and they serve as questions for investigation, to provide vital information to focus the debate and help in the development of the available theories.

Hypothesis 1

The international advertising of multinational brands will either be totally standardised or totally adapted.

The remaining hypotheses investigate the influence of various contingency factors on the degree of advertising standardisation practised by the sampled MNCs.

Hypothesis 2

The extent of international advertising standardisation practised by MNCs is not related to the product category.

Hypothesis 3

The extent of advertising standardisation practised by MNCs is not related to their country of origin.

Hypothesis 4

The extent of international advertising standardisation practised is not related to the host-market where the advertisement appears.

Hypothesis 5

There is no interaction between the effects of the two variables *product category* and *host-market* on the extent of advertising standardisation.

Hypothesis 6

The extent of international advertising standardisation practised in a specific country is not related to the extent it is practised in other countries.

1.5 Methodology

The majority of the researchers who have reviewed or examined the practices of multinational companies, with regards to whether and how they standardise or adapt their international advertisements, have opted to ask the executives about the policies and practices of their companies (i.e., questionnaire surveys). The opinions of these executives were then used as a proxy for the policies of the companies concerned. A second approach was content analysis of the advertising executions deployed by MNCs in selected national markets. The articles for the survey method studies are shown in Table (1.2).

In this study, we analysed the results obtained from both methods and found that the content analysis approach measures actual practices of MNCs, while the questionnaire survey method falls short on this criteria. The problem with the questionnaire method is

the difficulty the respondents face in describing or summarising their company's policies and practices. For example, in many instances, executives were asked to generalise about their company's practices across all their brands and in all their markets. As mentioned before, for multi-product/multi-division companies responses to such questions represent at best generalisations. Alternatively, if the respondents are asked to simply describe their company's policies/practices for one brand, while the responses may have more descriptive validity, how representative will they be of the company's practices? Therefore, for the purposes of this study, it was decided to employ the content analysis of advertising.

Table (1.2) Previous Studies Employing Survey Methods

<i>Authors</i>	<i>Journals</i>
- Ryans et al. (1969, 1970 and 1977)	Journal of Marketing
- Ward (1973)	Journal of International Business Studies
- Weichmann and Sorenson (1975)	Harvard Business Review
- Dunn (1976)	Journal of Marketing
- Killough (1978)	Harvard Business Review
- Boddewyn et al (1986)	Business Horizons
- Kirpalani et al. (1988)	International Journal of Advertising
- Riesenbek and Freeling (1991)	The Mckinsey Quarterly
- Hill and James (1991)	International Marketing Review
- Sandler and Shani (1992)	International Marketing Review
- Harris (1994)	Journal of International Marketing

Prior to designing our content analysis method and deciding on the sampling strategy, we carried out an in depth investigation into the methodological requirements and conditions for designing accurate, objective, valid and reliable methods of content analysis. These conditions are required in order for valid and generalisable inferences to

emerge. We also assessed how previous studies of content analysis have adhered, or not, to these crucial requirements (Chapter Four).

Our investigation resulted in four main recommendations to enhance the validity and reliability of this research, and future research employing the content analysis of advertising in a cross national/cultural setting. These recommendations were used as foundations for designing our content analysis model.

Our content analysis model is based on the one developed by Whitelock and Chung (1989). We have introduced significant modifications to the elements analysed and also added additional ones. Whitelock and Chung's (1989) model measured the level of advertising standardisation on a scale of (0-10). Given the level of detail of our proposed model, the advertising standardisation scores will be graded on a scale of (0-100). The weights given to each executional element are based on Whitelock and Chung's model. A major development on their model is the meaning and measurement of "differences". In their model, elements were judged to be either similar or different from the baseline advertisement. However, this is not always the case. Very often, when the need arises to adapt an element to local specifications, a local replacement (i.e., a local version) of that element is normally used. A local replacement of an element indicates an adaptation to the advertising execution, while replacement of an element with a completely different one could also result from an adaptation to the advertising strategy. These are crucial differences that should be accounted for in the model.

In the Whitelock and Chung's (1989) model, the picture of the advertisement was treated as one undividable element. However, it may be the case that specific parts of

the picture such as the model(s) and visual background are modified, and not the picture as a whole.

Therefore, in order to sensitise our model to these fine differences, it was decided to breakdown the element "Picture" into its more basic components, namely: visual background, model(s)/spokesperson, and an additional factor to allow for minor or major modifications to the visual. Whitelock and Chung's model did not examine the portrayal of product and packaging. These elements are very important.

Therefore, in our proposed model, we will examine the portrayal of product and packaging, with reference to whether these are present or absent and whether there is a difference in the size or number (i.e., number of times the product is shown).

Preliminary analysis of a number of international advertising campaigns showed that some components of the verbal content of an advertisement, such as body copy, might vary, while copy elements such as the slogan do not. Similar results were reported by Harris (1994).

Therefore, it was decided to break down the copy contents of an advertisement into its basic components, namely: headline, subhead, body text, and slogan. These will be evaluated with reference to whether the components are present/ or absent, translated to a different language but keeping same meaning, or completely different in meaning.

1.6 The Research Sample

Rather than focus on advertisements taken from national markets in one geographical region, it was decided to select advertisements from national markets from two geographical regions, as this would help establish whether the multinationals were

practising genuine standardisation. The regions selected for the purposes of the survey were the European Union and the Middle East.

From these two regions, the following nine countries were selected for inclusion in the sample:

Europe

UK; France; Germany; Spain; Italy and Greece

Middle East

U.A.E (Dubai); Saudi Arabia and Lebanon

The six European countries represent 80% of the population of the European Union. As regards the advertising standardisation issue, and our expectations of finding it, it should be noted that these markets share similar media characteristics and availability, and they are at similar stage of economic development, and they have similar political systems, thus it is more likely that advertising standardisation is found in these European markets.

Selection of the Arabic countries was more problematic given the diversity of the countries within the region. Countries were selected with similar media characteristics; economic developmental stage; political systems; social and cultural characteristics and religion. They were also geographically close; spoke the same language; were members of the same economic community (GCC, except Lebanon), and were major markets for image and luxury products.

The decision was taken to measure the standardisation of advertisements appearing in printed media, since these can be evaluated accurately over time. In contrast, broadcast advertisements are harder to obtain, and the passing nature of broadcast media

campaigns suggested that it would be impossible for us to ensure that all advertisements were assessed.

To control for the effect of publication category, only women publications were used. This had the advantage of ensuring that the advertisements compared were intended for a recognisable, measurable and similar target market in all countries. The focus was on selecting magazines with a similar readership profile across the selected national markets surveyed and ones with high circulation.

In the European markets the magazine Vogue was selected. This publication had also been used by Seitz and Johar (1993) and this facilitated comparisons with the results obtained from their study. Vogue is not available in Greece and the Arab markets, and magazines with matching readership profiles to Vogue were selected. These were Ginaika/Greece, Sayidati/Saudi Arabia, Snob/Lebanon and Zahrat AL-Khaleej/UAE.

Advertisements of any size or colour, with the exception of classified advertisements, appearing in all issues during the period January 1996 to December 1996, were examined.

Details of all advertisements were entered into a large database reaching 15,028 records. Entries for each record included, among other information, the company's name, brand, product category, country of origin, page number, size of advertisement, publication, issue, country of publication, and detailed analysis of the elements of the model. In total, 2442 brands were uncovered through the analysis.

As mentioned before, the nature of the method used meant that every advertisement that appears in a specific market is compared to the advertisements of the same brand in all

the other markets where the brand appears. A comparison table detailing the similarities/differences of each executional element is produced every time a brand is compared across two markets.

For a brand that appears in all the nine markets, a total of 64 (8x8) comparison tables are produced. These comparison tables are then accumulated to produce the advertising standardisation matrix for every brand, across markets.

To illustrate the thoroughness of such exercise, if we want to compare 51 brands across 9 markets (64 comparison tables per brand), we would accumulate a total of 3264 tables. This, clearly present a restriction on the maximum number of brands that could be analysed within the limits of this study.

Initially we sought to select a sample of brands that have appeared in all the European and Middle-Eastern markets. However, only eleven brands were found to be advertised in all the nine markets, and the number of brands that appeared in at least eight or seven markets was considered to be low for statistical analysis, and a larger sampled was required.

In contrast, the number of brands that appeared in at least five markets was too large to be used for the content analysis method. The thorough nature of the method used would make it very difficult to manage such a large sample.

Therefore, to account for the practical reasons mentioned above, and to ensure the manageability of the sample, and ensure that the selection of companies for the final analysis was restricted to MNCs for whom the international advertising standardisation decision was relevant and important, the advertisements for brands that appear in at least

six out of the nine national markets were selected. There were fifty-one brands that satisfied these criteria.

1.7 The Research Program

The publications were collected for each country in the sample. Given the resulting number of advertisements, it was not possible initially to locate the advertisements for each brand across markets manually. Therefore, a special dedicated database (using Microsoft Office ACCESS) was designed to keep records of every advertisement that appeared in every issue of every publication and for all countries during the period January 1996 – December 1996.

A grand total of 15,028 advertisements were entered into the database. Special queries were then designed to trace the records of all the brands that have appeared in more than six countries. Fifty-one brands were found to fulfil this requirement. These brands were selected for the second stage of the research.

In stage two, all advertisements of each of the fifty-one brands were gathered. The advertisement for each brand was compared -using the content analysis model- to all the advertisements for the same brand that appeared in the other markets. Each time two advertisements were compared, individual comparison tables were created –using Microsoft Office EXCELL.

The individual comparison tables were then accumulated for each brand to make a comparison matrix for each brand across countries. The final data was then transferred to the statistical package SPSS for the statistical analysis of the data.

1.8 Findings

Hypothesis 1

The international advertising of multinational brands will either be totally standardised or totally adapted.

To reflect the importance of hypothesis 1 to this study, three methods were used to investigate this hypothesis. Each consecutive method built on the findings of the previous method and provided more detailed data. The methods were: 1) the advertising standardisation score, 2) detailed analysis of the form and extent of advertising standardisation practised, and 3) detailed analysis of the executional elements.

1) The advertising standardisation score:

Only 11.76% of the fifty-one brands examined, equivalent to 0.91% of the multinational brands in the sample were found to totally standardise advertising executions in all markets.

The brands that are classified as *partially* standardised brands –i.e., those brands with advertising standardisation scores between 60-99%- constituted 68.62% of the brands examined in this study.

More than half (50.98%) of the brands examined have obtained standardisation scores that lie within 76-99%. These brands are considered to be medium-highly standardised, but not totally standardised.

Since the majority of the brands were classified as partially standardised, we reject hypothesis 1. According to the results of our study, the majority of the MNCs will partially standardise/adapt their advertising executions.

A Chi-square test was employed to test whether the differences in the number of brands that belong to each score category were statistically significant. They were found to be statistically significant, indicating that, differences as large as these could not have resulted by chance.

2) Detailed analysis of the form and extent of advertising standardisation practised:

The advertising profiles demonstrated that many variations could exist in terms of which elements were standardised, the extent to which they were standardised and the variations by market.

The findings from the profiles further support the suggestion that companies that neither totally standardise nor totally adapt their advertising executions should not be classified as a homogenous group.

Further analysis of the elements of the model provided detailed description of how some elements of the model are standardised, while others are not. Therefore, the findings obtained from the detailed analysis confirmed our decision to reject hypothesis 1.

3) Detailed analysis of the executional elements:

In terms of the extent of advertising standardisation exhibited by the brands, the elements of advertising could be segmented into nine categories (explained in Chapter Eight):

- 1) Total standardisation
- 2) Regional modification
- 3) Regional adaptation
- 4) Standardised/Adapted
- 5) Standardised /different
- 6) Standardised / Adapted / different
- 7) Adapted
- 8) Adapted / different
- 9) Different.

In terms of summarising the implications of these data for hypothesis 1, the findings in this investigation confirmed our previous conclusion that there is no support for hypothesis 1, since these brands exhibited different levels of advertising standardisation for various elements and across various markets.

Hypothesis 2

The extent of international advertising standardisation practised by MNCs is not related to the product category.

According to the results of the F-test, we reject the hypothesis at the 95% level, but not at the 99% confidence level. The Modified LSD method shows that the only significant difference is between the categories Fragrance and Fashion.

Since 95% is generally considered sufficient for statistical analysis, we reject the hypothesis that there are no significant differences among product categories, but point out that the evidence for this is not strong.

Hypothesis 3

The extent of advertising standardisation practised by MNCs is not related to their country of origin.

From the data obtained in this study, the mean scores of advertising standardisation varied significantly according to the country of origin of the MNC. The results obtained by French MNCs were statistically different from those obtained by Swiss and U.S. MNCs. The results obtained for the Japanese MNCs were also significantly different from Swiss, U.S. and Italian MNCs.

Therefore, hypothesis 3 is rejected. According to the results obtained in this study, the extent of advertising standardisation practised by MNCs *is* related to the MNC's country of origin.

Hypothesis 4

The extent of international advertising standardisation practised is not related to the host-market where the advertisement appears.

According to both, the LSD and Modified LSD methods, the average advertising standardisation variation across countries were not found to be significant.

However, before we conclude that the variable 'host-market' does not influence the extent of advertising standardisation practised by MNCs, we need to establish whether there are any interactions between the variable host-market and the variable product category. This interaction is examined by hypothesis 5.

Hypothesis 5

There is no interaction between the effects of the two variables *product category* and *host-market* on the extent of advertising standardisation.

From the graphical presentation of the data, and the results of the Factorial-Analysis-of-Variance tests, we conclude that there is a significant interaction between the variables product-category and host-market.

Hence, we *reject* the hypothesis that there is no interaction between the two variables.

Hypothesis 6

The extent of international advertising standardisation practised in a specific country is not related to the extent it is practised in other countries.

The findings presented for hypothesis 6 show that there is no proof to support the hypothesis. On the contrary, countries with similar advertising standardisation scores could be clearly grouped into distinct clusters. It is clear from the findings that the extent

of international advertising practised in some countries is strongly related to the extent it is practised in other countries. Therefore, hypothesis 6 is rejected.

1.9 Managerial Implications

The results obtained from this study demonstrated that the practice of modified or partial forms of advertising standardisation is widespread and that the practice of total standardisation is rare. It also showed that international advertising standardisation can take many forms in terms of what executional elements are standardised, the extent to which each of these elements is standardised and how this can vary across markets.

The implications of these findings are important, and it is clear that to classify all those companies that neither totally adapt nor totally standardise their advertising executions as being “modified” is of limited descriptive value. Since the practices of these companies can vary significantly, they should not be classified as a homogeneous group. These MNCs were very flexible in the way they employed standardisation. Standardisation practices ranged from just standardising one executional element in some national markets, to totally standardising executions in all markets.

This demonstrates how flexible standardisation is and how it can be customised to a wide range of situations. It is apparent, therefore, that there is a need to define what standardisation exactly means, and that less emphasis should be placed on analysing whether standardisation as a principle is right or wrong, since the efficacy of standardisation would depend on the form it takes.

It also suggests that it is inappropriate to regard standardisation as a niche policy that is only viable in particular circumstances and markets.

Further support for these findings was provided by the brand profile analysis. The advertising profiles demonstrated that many variations could exist in terms of which elements were standardised, the extent to which they were standardised and the variations by market.

Furthermore, the extensive use of pattern standardisation, where the practices of the MNCs vary by market, provide further evidence that the concept of advertising standardisation was seen by the sampled MNCs as a very adaptable and flexible policy that can take many forms in response to various external and internal influences.

We should point out here that, while the findings of this study indicated that only 11.76% of the brands were classified as totally standardised, and hence placed at the extreme end of the standardisation continuum, the advertising standardisation profiles presented in this thesis indicated that other brands were positioned close to the extreme (i.e., total standardisation) end of the advertising continuum.

These brands were not classified here as totally standardised. If they were, then the number of totally standardised brands would have increased. Clearly, this depends on the operationalisation and the definitional criteria used for standardisation. Indeed, it raises questions concerning when companies should be classified as practising standardisation at all.

In this study, we have chosen to avoid the confusion by using the literal meaning of the terms employed for classification. Semantically, a *totally* standardised brand should be, as the name indicates, *totally* standardised. To use the term totally standardised for

advertisements that are translated or partially modified would only add to the confusion. Hence, using the model developed in this study, a totally standardised brand would obtain an advertising standardisation score of 100%.

This clarification of the terms and definitions used is an innovation that would give a more accurate, reliable and objective evaluation of the level of standardisation practised by MNCs. This constitute a significant step towards answering the call for more accuracy by Harris (1994) who concluded that:

“... categorical classifications become problematic and there is clearly an element of judgement involved in deciding whether the practices of such companies should be classified as being totally standardised or modified. Such judgements are unavoidable and illustrate the need for clarity regarding the definitions employed and ensuring that the measurements obtained are as meaningful as possible.” (ibid.).

The reliability, accuracy and objectiveness of the methods used in this study ensure that objective evaluation of the conclusions drawn from the data was possible, and that these findings can be meaningfully compared with the findings obtained from both prior and future studies.

These findings and conclusions are very important to the discussion concerning the efficacy of advertising standardisation. They confirm that to address the efficacy of advertising standardisation by focusing on either total standardisation or total adaptation is misplaced, since the answer to this question would then depends on the form and extent of standardisation being practised.

So far, it is not clear whether *all* the benefits of advertising standardisation would apply to *all* the modified forms of standardisation, or they are only exclusive to the practice of total standardisation, which has been demonstrated to be rare.

It is not possible to ascertain what form of standardisation is being referred to in the literature when discussing the benefits of standardisation, and no study so far has explicitly discussed the benefits of practising modified forms of standardisation. Currently there is a need for this kind of studies, especially that some of the benefits of total standardisation, such as the economy of scale, would not apply equally to all forms and extents of modified standardisation, and in some cases it would not apply at all.

The existence of such a wide range of forms and extents of advertising standardisation would also suggest that the emphasis should not be placed on whether standardisation in principle is right or wrong. Instead, the focus should be on more managerial issues, such as what constitute good practice (Harris, 1994). This thesis was intended as a step in that direction, by analysing the practices of the sampled MNCs, and thus gaining insight into what constitute good practice, at least as perceived by the sampled MNCs.

Given the adaptive nature of the standardisation construct, factors that were thought of so far as barriers to standardisation should not be considered as barriers to standardisation of advertising as a whole. Instead, they should probably be considered only as barriers to specific executional elements of advertising.

Consequently, we should stop thinking in terms of factors being barriers to standardisation of advertising as a *whole*, and start to consider these factors as merely barriers to some *specific* executional elements of advertising. Therefore, applying the required degree of advertising adaptation to the specific executional element(s), while

keeping all other elements totally standardised, without affecting the theme of the advertising campaign. The result is the practice of a modified form of advertising standardisation similar to that practised by the majority of the sampled MNCs.

A key finding of this thesis is that the percentage of MNCs that practised total standardisation in Europe is higher than those who practised it for all countries in the sample, indicating that the sampled MNCs probably found it more appropriate to practice total standardisation among European countries than among European and Middle-Eastern countries.

This finding confirms the finding by Mueller (1991), that standardised messages were more likely to be transferred among Western markets, than Western and Eastern markets.

As we have mentioned in this thesis, the MNCs analysed in this study are of the largest MNCs in terms of resources, expertise and market share. These factors make us inclined to assume that the practices of these MNCs may serve as guidelines for best practice, for the benefit of advertising managers considering how to manage cross boarder advertising.

The visual elements were shown to be the most standardised (total/regional) elements of advertising. This confirms the belief that the visual elements are easier to standardise than the verbal elements. The visual executional elements Package, Background, Model and Product were ranked first-to-fourth, in respective order, as the most standardised elements of advertising. The verbal elements Slogan, Subhead, Body Copy, and

Headline were ranked fifth-to-last, in respective order, in terms of the extent of advertising standardisation.

Since visual elements were shown to be easier to standardise, then the recommendations that emphasise the use of visual advertisements are not misplaced.

Therefore, with regards to the visual elements of advertising, the findings of this study suggest that these are the most amenable elements to standardise.

The implication of this finding to advertising managers is that it is more advisable to rely on a campaign that employs a visual idea and symbols that transcends national boundaries, than trying to convey the idea through the text, which is seen as more difficult to standardise. This should be done keeping in mind the level of familiarity of the consumers with the brand, and the level of information required.

The findings above with regards to the level of advertising standardisation of the elements Model and Background come as a surprise and conflict with the previous beliefs presented in the literature. The main proponents of advertising adaptation have suggested that the backgrounds and models used in advertising are the main elements that need to be adapted to the local tastes of the various markets. Given these beliefs, one would expect these two elements, namely Background and Model, to be the least standardised across countries.

However, it was noticed throughout the process of content analysis of advertising that the Backgrounds and Models of advertisements were either kept neutral enough to be accepted in all markets, or, they were very typical of a specific national market, and hence used to reinforce the national identity of the product.

Therefore, it appears that provided that the selection of Backgrounds and Models was carefully achieved, cultural differences across markets could be overcome, and a standardised campaign could be successfully employed in most of the times.

Additionally, The fact that the element Model is the third element in terms of standardisation indicate that, in this sample, the effect of religion on advertising standardisation was not as influential as has been hypothesised before.

A key finding of this study is that regional standardisation may take one of two different and distinctive forms. The first form of regional standardisation is when an element in one region is a modification of the same element in the other region. This form of regional standardisation we referred to as 'regional-modification'.

The second form of regional standardisation is when the element standardised in one region is completely different from the version used in the other region. This form of regional standardisation we referred to as 'regional-adaptation'.

The second form of regional standardisation, regional-adaptation, is the prevailing form for all elements and all countries. For the Headline, Subhead and Slogan, respectively, 75%, 84.63% and 92.85% of the cases of regional standardisation took the form of regional adaptation. For the Body Text and all the visual elements of the model, all cases of regional standardisation took the form of regional adaptation.

The findings in this thesis also showed that the level of advertising standardisation exhibited by some elements is related to the level exhibited by other elements. These relationships were used throughout the discussion to draw some guidelines that would help the international advertising managers in their decisions concerning the standardisation of advertising. For instance, it was found that the element Model was

92.2% related to the Background, and that the element Product was 95.5% related to Background and Model. In other words, whenever the element Background was standardised in all countries, in 92.2% of the times the element Model was also standardised. Furthermore, whenever either the element Model or Background was standardised in all countries, in 95.5% of the times the Product portrayal was standardised too.

The findings above are very interesting. Apparently, the MNCs have treated the Background of the advertisement and the Model as two strongly connected elements. Whenever the Background of an advertisement is modified, the Model is also modified in the majority of cases. This observation is especially true in the case of brands that are advertised in the Middle East. This may be due to the MNCs lack of knowledge about the Middle-Eastern markets.

The product category was found in this study to be a key variable in terms of policy on standardisation. Furthermore, as the results of this study have shown, the levels of advertising standardisation practised by MNCs vary across the *individual* product categories, such as fragrance, fashion, jewellery and cosmetics.

This variation at the individual product category level would probably get lost, when these individual categories are grouped into larger general categories, such as durable and non-durable products. In fact, this could be the reason that some of the previous studies did not find the product category to be a key factor for advertising standardisation. The implication for future research is that individual product categories should be accounted for when analysing the results of future research.

The country of origin of the MNC was also found to be a key variable influencing the level of advertising standardisation practised by the sampled MNCs.

Another observation from this study is the relationship between the extent of standardisation practised and the variation in the levels of standardisation across markets. These can be seen from the relationship observed between the mean score and the standard deviation. As the mean score decreases, the standard deviation tends to increase proportionally.

Therefore, it seems that there is an inverse relationship between the mean score and the standard deviation. In other words, when a company standardises its advertising to a high degree, it does so in the *majority* of the markets. Conversely, when a company adapts its advertising to a high degree, it does so at different degrees for various markets.

Another crucial and novel finding of this thesis is the demonstration, for the first time, that there exists a relationship between the key variables ‘product category’ and ‘host-market’. It was shown that these two variables *jointly* influence the level of advertising standardisation practised by MNCs. Since a relationship was found between these two variables, it is no longer useful to examine the individual influence of the two variables on the level of advertising standardisation practised by MNCs. Current knowledge about the influence of these variables on the level of advertising standardisation has to be adjusted in the light of the new finding.

One of the implications of the new finding is that some product categories would exhibit high levels of advertising standardisation in some countries while they would exhibit a reverse pattern in others.

Another crucial implication of the above finding is that some of the cross-border differences that were considered to be barriers to the standardisation of advertising as a whole (e.g., religious and cultural differences), should now, in the light of the new finding, be considered as merely barriers to *specific executional elements* of the advertising of *specific product categories* (such as the element Model in fashion advertisements), and not to other product categories, such as cosmetics.

For example, in this study, fashion brands in the Middle-East have exhibited relatively high levels of adaptation to the visual elements, while in the same markets, cosmetics brands and brands of other product categories have exhibited high levels of advertising standardisation to all the executional elements.

1.10 Outline of the Thesis

Chapter Two reviews the literature regarding the standardisation vs. adaptation debate. It presents the literature relating to the arguments presented in favour of, and against, the practice of international advertising standardisation, and considers what possible outcomes and conclusions are possible.

Chapter Three reviews prior studies that have examined the policies and practices of MNCs concerning whether they standardise the advertising executions deployed in the national markets in which they operate. We analyse the data presented by these studies and the methodologies employed.

Chapter Four investigates the methodological requirements for designing accurate, objective, valid, reliable and replicable methods of content analysis. We demonstrate how alternative explanations of the results –both substantive and methodological- should be controlled in order for accurate measurements to emerge.

We also assess how previous studies have adhered, or otherwise, to these methodological requirements. Finally, we present recommendations that will enhance the validity of the findings of the content analysis models. This chapter is important to this thesis in that it attempts to define “good practice” with regards to the content analysis of advertising. The resulting recommendations of this chapter are used as the foundations for the content analysis model developed for purposes of this study.

Chapter Five presents the background and rationale of the hypotheses which were investigated in this research, together with the methodology adopted.

Chapter Six presents a summary of the results and initial findings.

Chapter Seven reviews the data obtained for testing hypothesis one and presents conclusions regarding the investigation of this hypothesis.

Chapter Eight presents additional observations and findings related to hypothesis 1. In this chapter, we present the analysis of the executional elements across markets for all the brands. We also investigate the answers to the question: What are the most standardised elements of advertising?

Chapter Nine reviews the data obtained for testing hypotheses 2-6, and presents conclusions regarding the investigations of the hypotheses

Chapter Ten summarises the research results, discuss the implications of these findings and recommendations for future research.

In order to facilitate the readability of this thesis, considerable details relating to the various arguments are kept in the appendices. These details are referred to in the text, and constitute an essential part of the discussion.

Chapter Two: The Standardisation vs. Adaptation Debate

Chapter Two 56

The Standardisation vs. Adaptation Debate 56

 2.1 The Case for Advertising Standardisation 58

 2.2 The Case for Advertising Adaptation 62

 2.3 Verbal and Non-verbal Communications 74

 2.3.1 Verbal communication 74

 2.3.2 Non-verbal Communications 75

Chapter Two

The Standardisation vs. Adaptation Debate

The primary objective of this study was to find out whether the sampled MNCs do, or do not, standardise the executional elements of advertising. In particular, for those who standardise, we were interested in the form and extent that this standardisation took.

In this context, we review the relevant arguments regarding the potential benefits, or otherwise, of standardised international advertising. The literature relating specifically to the hypotheses is presented in Chapter Three.

The current focus on the debate between advertising standardisation and adaptation will be discussed in this chapter. The discussion will be divided into three parts, the first part (2.1) will present the case for advertising standardisation. The second part (2.2) will present the case for advertising adaptation, and the third part (2.3) will discuss the communications aspect of advertising, including both verbal and non-verbal communications, and how they affect the decision of advertising standardisation or adaptation.

The key conclusions to emerge from the literature review were:

- 1) Given the arguments presented in the literature, one cannot come to a clear conclusion about the strength of the rationale for, or against, international advertising standardisation.
- 2) However, the literature appears to present a stronger case against advertising standardisation than for it, and also that standardisation is only likely to be optimal policy in exceptional circumstances.
- 3) Regarding the form of advertising standardisation, which is the primary focus of this thesis, with exception of Harris (1994), the form of standardisation being analysed in the literature was not defined. For instance, it was not clear whether the arguments in the literature refer to total standardisation, modified standardisation, or both. Such differentiation would appear to be essential given the fact that the benefits -and problems- will vary according to the form of standardisation practised (Peebles et al, 1977; Harris, 1994).
- 4) While several articles reported that different forms of standardisation do exist, and refer to “tailored standardisation” (Quelch and Hoff, 1986), and “modified standardisation” (Harris, 1994), none of these articles examine how the specific benefits of these various forms of standardisation will vary.

A review of the literature is now presented.

2.1 The Case for Advertising Standardisation

Many reasons have been put forward to show that the time is now right for using standardised advertising. These are listed below:

1) Consumer convergence:

a) Human needs and wants are universal (Miracle, 1968).

It has been reported that David Martin, the founder of the Martin Agency, holds the view that human desires are rooted in our basic nature and that:

"They do not change with lifestyles or external environmental stimuli. Consumers will always have desire for food and drink; for rest, comfort and security; and for sense of social worth, independence, power, and success".

He concluded that human instincts (fear, hunger, sex, etc.) and senses are frequently very good bases for advertising appeals (Russell and Lane, 1996).

An example of a company that saw universality in human needs was the hotelier Holiday Inn, which has started its global advertising campaign in 1992. According to Raymond Lewis, executive vice president of world-wide marketing, travellers share the same desires, fears, and expectations. Since some 40% of the world's room-nights are normally booked by international travellers, Holiday's themeline, 'Stay with someone you know,' translates world-wide (Underwood, 1992).

b) Principles of communications theory are universal, and consumers from different parts of the world will respond in the same way to a given advertising message (Sands, 1979).

- c) The existence of international consumer segments was repeatedly reported by many writers (Etzel and Walker, 1974; Thorelli, 1980; Martenson, 1987).

2) The improvements in communications and technology:

The proliferation of satellite television means that consumers are now exposed to messages and programs developed by and for other cultures (Howard and Ryans, 1988a, b). This has resulted in the development of universal consumer needs and desires.

3) The inability of some subsidiaries to produce effective advertising.

It has been repeatedly reported that, in China, clients continue to eagerly anticipate the growth potential of a market with over one billion people who desire foreign goods. However, according to Moore (1994):

"...as the media market explodes in growth, the ad industry has been caught off guard since local individuals with marketing experience are rare. In Mainland China and Hong Kong the poaching of agency staffers has become commonplace as staff member with as little as 6 months experience are frequently offered \$60,00 per year to head up media departments." (ibid.).

This is a further indication that skills and experience of local staff still present a problem for international advertisers.

4) Improvement to the co-ordination and control of marketing promotional programs:

As a result of this improvement, standardised foreign campaigns can be

implemented much more quickly. This is particularly important, considering the short product life cycle trends in the market today (Rutigliano, 1986).

5) Reduction in cost (reduced media production costs):

It is much less expensive to produce a single campaign for a number of markets than it is to produce a separate campaign for each specific market. In addition, the number of staff required to administer a standardised campaign that has been developed at the headquarters is significantly lower than the staff needed to adapt promotional efforts.

Similarly, to produce a single TV commercial and dub it into several languages costs much less than to develop separate commercials for the separate markets.

Most of the examples given in the literature were about soft-drinks companies. Buzzell (1986) reported that Pepsi-Cola has saved \$8 million in one year. Similarly, it was found that Coca-Cola has saved \$15 million in a year (Riesenbeck and Freeling, 1991), and \$90 million in total over the last twenty years (Quelch and Hoff, 1986).

6) Exploitation of good ideas:

Good ideas in advertising are rare, and therefore, transferring a good idea that has proven to be successful in a particular market to a similar market can prove beneficial to the advertiser. In other words, there is no need to 're-invent the wheel'.

This is particularly important in the case of successful campaigns transferred to markets with poor advertising (Killough, 1978; Robbins 1987).

Fletcher (1994) reported that international advertising is about maximising

effectiveness, not minimising costs. He further added:

"Saving money is not what multinational advertising is all about. The case for multinational advertising is that campaigns that have proved effective somewhere will probably be effective elsewhere".

7) Achievement of a consistent brand or company image internationally:

Considering the increase of business and leisure travel nowadays, and the media spillage across borders in many areas of the world, a standardised advertising campaign can help achieve a uniform image of the brand or the company across borders. This will help to decrease consumers' confusions about the brand, and establish a consistent brand image globally (Keegan, 1996).

8) Top talents (sometimes from different countries) working on one good idea.

2.2 The Case for Advertising Adaptation

It is widely believed that advertising carries its culture with it, and that advertising designed to appeal to a specific culture would not necessarily succeed with another. Many studies have concluded that national culture was still a significant factor affecting consumer decision-making (Green and Langeard, 1975; Douglas and Urban, 1977; Green and Cunningham, 1980; Shiffman, Dillon and Ngumah, 1981; Boote, 1983; Green et al, 1983). Clark (1990) commented that because of the difficulty of defining culture, it is difficult to measure its effects on consumers.

Many authors have cited examples of advertising standardisation failure due to cultural differences (Carson, 1967; Ricks, Arpen and Fu, 1974; Douglas and Dubois, 1977). One campaign that has not worked internationally was the Chanel's No.5 campaign (Rowlands 1994). For Chanel, the obstacles to globalisation were cultural. According to fragrance analyst Allan Mottus, the French concept of prestige is different from America's (ibid.).

Gruban (1994) gave examples of how several multinational corporations failed to recognise the needs and expectations of the audiences of Slovenia. He described some global advertising campaigns executed in that country as laughable and tragic. The most common problems were lack of understanding of culture and language. He gave as example the Skoda/Volkswagen international campaign, which overlooked that the name of the car, Skoda, in the local language, means damage.

Examples of translation blunders are numerous. To illustrate:

- ❑ A car advertisement in the Middle East featuring a new upper suspension system was translated to: the car was 'suspended from the ceiling'.
- ❑ Ford Motor low-cost truck that was targeted at third world countries was

called 'Fiera', which unfortunately means 'ugly old woman' in Spanish (Cateora, 1990).

Although most of the time these blunders were discovered and corrected, the damage that was caused by them was irreparable and resulted in long-term losses.

Other reasons that were put forward by the proponents of advertising adaptation are reviewed below:

1) Different advertising structure and content:

Many studies have been constructed to examine advertisements taken from several national markets and compare them across a number of dimensions, such as the level of information content, or the type of appeals used (Resnik and Stern, 1977; Dowling, 1980; Belk and Pollay, 1985; Martenson, 1987; Synodinos, Keown and Jacobs, 1989). All these studies concluded that the styles of advertisements and the nature of appeals used vary significantly across national markets.

To highlight the creative message content and cultural differences among countries, many researchers have compared and studied Japanese and American advertisements. American advertisements were found to employ a hard sell approach, with their emphasis on rational appeals and their stress on the product's features and benefits. Japanese advertisements, on the other hand, were found to employ indirect communication approaches using soft sell and status appeal. According to DiBenedetto et al (1992):

"The goal is to transfer intended feelings to the consumer rather than detailing specific product attributes and quality. This is because the latter

approach can be perceived as an insult to the consumers' intelligence concerning their ability to make a sound judgement about their company preference" (ibid.).

Differences in message content are also found in the advertisements of various countries. For example, although the USA and UK use the same language and exhibit cultural similarities, their approaches to advertising are somehow different. British ads employ a relatively softer-sell approach and contain less information. They also attempt to entertain rather than inform the potential consumers (Nevett, 1992).

In his article, Nevett (1992) warned that:

"American advertisers operating in that country [UK] should be wary of introducing different styles that may strike a discordant note. The current occupation with standardised global campaigns might lead to superficial considerations being given to subtle but important cultural differences".

In another study, Biswas et al (1992) examined American and French advertisements. The results of their study show that French advertisements contain less information, and employ more emotional, sex, and humour appeals than their American counterparts. They concluded their study by advising multinational advertisers to acknowledge these differences and adjust their communications accordingly.

Huang (1993) found that colour usage in business-to-business advertising differs across cultures. He analysed advertisements taken from US and Taiwan. The results showed that US advertisements use more brown and less yellow than

Taiwanese ads. The implication of these findings are that, if colour usage in different cultures is found in subsequent studies to be quite diverse, global standardisation of colour in business-to-business ads is likely to be problematic.

Similarly, Ford et al (1994) found that the respondent adult women from New Zealand are very critical of their role portrayals in advertising, while the Thai women are less critical (ibid.). Empirical support for cross-cultural differences in women's perceptions of female role portrayals would point to an inter-cultural factor that advertisers need to take into account and research before the decision concerning standardisation/localisation is made for a given advertising campaign (ibid.).

2) Different ratings for product and image attributes:

Sriram and Forman (1993) examined how consumers from different markets rated product and image attributes. The objective of their study was to find out whether a standardised international advertising strategy was optimal. Their study showed that there are considerable differences between Americans and Dutch consumers in how they value a product's environmental attributes. Implications for international advertisers lie in the fact that, if the environmental protection does not have world-wide appeal, then they have probably to forsake this idea for a less charismatic but more global appeal (Sriram and Forman, 1993)

Many other researchers reached a similar conclusion that differences between the different markets were of such significance that strategy standardisation was rendered inadvisable (Green et al., 1975; Colvin, Heeler and Thorpe, 1980).

3) Consumers actively process advertising messages:

In one of the earliest studies, Bauer (1963) suggested that consumers actively translate advertising messages. Culture's role as a mediating factor in this process increases its importance. It does not come as a surprise therefore, that advertising is considered the most difficult marketing element to standardise, and the element most susceptible to culture.

Many practitioners have reported that they find it necessary to adapt the tone of their commercials in the various national markets where they operate. It has been reported that the company Johnson Wax needed to adapt their commercials across markets; their advertisements in Germany were authoritative, while in France and Italy they were more playful (Advertising Age, 1985).

Lannon and Cooper (1983) gave many examples of companies who drew on national culture as a source of creative inspiration (e.g., Hovis, Campari, and After Eight). Nevertheless, their study did not lead to the conclusion that successful international advertising cannot be achieved if based on universal emotional appeals.

Caporimo (1995) emphasised that people's reaction to advertising executions is culture dependent. He also added:

"Not only does the same work take on different meanings in different countries, but also what is considered the norm in one place can be insulting, weird or even taboo in another".

He acknowledged that efficiencies could indeed be achieved by producing a single execution for world-wide usage. However, he warned that the approach makes sense only if it does not run counter to social mores, ethnic issues or religious taboos (ibid.).

4) Low transferability of advertising campaigns:

Many researchers have examined the transferability of advertising campaigns across markets by asking consumers to assess some advertisements that have been taken from another market (Lorimar and Watson-Dunn, 1967; Caffyn and Rogers, 1970; Hornik, 1980). The results of these studies show that the advertisements tested did not transfer well, and that standardisation in these instances did not appear to be the optimal policy.

Giacomotti (1993) conducted a survey to examine the transferability of foreign advertisements. The results of his survey showed that foreign produced advertisements did not appeal to almost half of the European respondents in the categories of: taste, product differentiation, and likeability.

These findings further confirm that consumers prefer domestically produced advertisements. According to the same survey, the English and the French were rated as the most closed towards foreign ads, while the Germans and the Italians were rated as the most receptive.

The issue of transferability of advertising campaigns has to be approached carefully by the international advertisers. Kelley (1995) contended that “to be successful in the marketplace, international campaigns now have to have as much edge as domestic campaigns.” He also concluded that:

“The issue of adapting advertising work for different audiences has to be approached more carefully. Clients and agencies know that today's world audience will not be persuaded by a jingle or over-dubbed film.”

5) Doubts regarding consumer convergence:

Some authors answer the claim that consumer needs are converging by arguing that, while some consumer needs are universal, the way these consumers choose to satisfy their needs differ considerably (Hornik, 1980; Green and Langeard, 1975; Roostal, 1963).

An important point of distinction should be made here. Needs are different than wants. For example, thirst is a need, and it is universal. But the way a person chooses to satisfy this need, i.e., his want, differs from culture to culture, and even from one person to another.

People from different countries and different cultures choose different ways to satisfy their thirst. While the American may want to drink a soft drink, the French may opt for mineral water, and the German may choose a beer. In other words, needs are universal, wants are not. Given the arguments in the literature, it appears that the optimal way to position and advertise these culture/country bound wants is to adapt the advertising executions to suit the local nuances.

In his article "global campaigns don't work; Multinationals do", Banerjee (1994b) commented that the logic of global advertising campaigns (i.e., cost economies and consumer convergence) is flawed. He also added that marketers run into trouble because of their obsession with globalisation. He concluded that it is possible to standardise the strategy and, to an extent, some part of the execution, but total standardisation remains inappropriate. He added that:

"Marketers and their agencies have realised that it is possible to use the same brand concept, possibly even the same advertising concept and executional format across borders, but the executions must be customised to fit local environments" (ibid.).

Seitz and Johar (1993) warned that the contention that human needs, desires and wants are the same world-wide does not hold for all products. They tested the degree of standardisation versus localisation of advertising for 3 self-image projective products (perfume, cosmetics, and women's apparel). Selected advertisements for such products appearing in the Vogue editions of the UK, Germany, France, Spain, and Italy were content-analysed. They concluded that, in general, advertisers must concern themselves with presenting a unified brand image. Such an approach offers the advantage of providing economies of scale in advertising expenditures. However, managers must be sensitive when creating advertisements for perfumes, cosmetics, and apparel because the interpretation of women's desire for love and beauty is not the same world-wide (ibid.).

6) There is no proof that standardisation is the better option:

There are no empirical data showing the contribution that advertising standardisation has made to the sales or profit performance of the brands cited as employing advertising standardisation (e.g., Coke, Pepsi and Marlboro).

Samiee and Roth (1992) conducted an empirical investigation of the differences between companies that emphasise global standardisation and others that use less standardisation. Their study consisted of 322 mailed questionnaires sent to the CEO or president of business units, with a 46% response rate. Their results showed that *no difference* in performance was observed between companies stressing global standardisation and other companies.

Similarly, Harris (1994) pointed out that:

"One cannot prove in a scientific way... the specific contribution that

advertising integration has made to the international sales performance of these brands".

Therefore, since there is no proof to the benefit from advertising standardisation, one could argue the opposite by saying that, these brands could have been even more successful had they deployed campaigns that were developed locally.

7) Risk of oversimplifying the cross-national differences:

Many authors argue that by being totally focused on the similarities among people from different cultures/nations, they risk the danger of oversimplifying the differences, and being unable to detect the nuances of each market.

Baalbaki and Malhotra (1993) reported that differences in consumer needs, and in the economic, social, legal, and competitive environments must be adequately considered, so as to weigh the positive against the negative aspects associated with the standardisation question.

8) Many researchers have examined the existence of international consumer segments (Anderson and Engledow, 1977; Douglas and Urban, 1977; Boote, 1983; Onkvisit and Shaw, 1987; Baalbaki and Malhotra, 1993). The results of these studies show that the evidence used to support the existence of such segments is insufficient to justify the use of standardised marketing programs.

9) Questions regarding the quality of the pro-standardisation surveys:

Questions have been raised concerning the quality of the pro-standardisation surveys conducted by many authors. Boddewyn (1981) and, Hornik and Robinow

(1981) doubt that these surveys were sufficiently representative for any general conclusions to be drawn.

10) Demographic differences across countries:

Literacy rates and many other demographic variables differ widely among countries; this has implications for message development and the kind of media to be employed.

11) Different political and legal environments:

Different government systems in the world are based on different ideologies. These governments' attitudes to advertising vary according to the kind of governmental system in force. Some governments view advertising as a threat to the local culture, and hence, ban specific or even all kinds of advertising. The difference in the political and legal environments represents a barrier to advertising standardisation

12) Advertising regulations differ across countries:

Even the governments that allow advertising to be practised have regulations concerning what is acceptable and what is not, and these vary considerably. For example, while comparative advertising is not allowed in France, other countries like Germany might accept it after thorough consideration.

Another example of regulatory variation is children's advertising. Every country has devised a way to protect children from what is viewed as inappropriate. What is appropriate, however, varies from one country to another. In Germany, for

instance, children in commercials must always be accompanied with adults. In Italy, children should not look at the camera while promoting the product.

Another example is Tandem Computers and International Data Group's Computerworld, while trying to develop its first global advertisement, had to deal with many problems of regulations in different countries, especially in Germany which does not always allow comparative advertising.

13) Differences in the availability of media:

The issue of the availability of media in foreign countries raises two concerns. The first one is that in some countries the media infrastructure is so under-developed that it renders advertising standardisation impossible because the required media is non-existent, such as TV. The second point is that, even in advanced countries with highly developed media infrastructures, the use of a certain media for advertising may not be allowed, as in the case of Norway and Sweden, that still do not allow television advertising.

14) Brand name differences across countries:

Many marketers sell their products under different names in different markets. Considering that these brands are very successful in their various markets, it is not possible to use standardised messages. One way to overcome this obstacle would be to standardise the name of the brand across the markets were a standard advertising campaign is to be employed.

The case of changing the name of 'Marathon' chocolate bar in the U.K. to the world-wide name 'Snickers' has helped to overcome this barrier -although some

writers have reported that the similarity between the new name 'Snickers' and the word 'knickers' is a source of concern for the company.

15) Markets in different stages of development:

Considering that markets across the globe are not at the same stage of development, it is unlikely that a given product will be in the same life-cycle stage in all markets. This may mean that different advertising strategies are appropriate in different markets.

16) Different marketing environments across markets:

In different markets companies may face different competitors in terms of skill and size. Consequently, a strategy or a positioning that may be appropriate or optimal in one market is not necessarily optimal in others.

17) Inadequacy of international advertising research:

The problems relating to researching the transferability of advertising campaigns have been noted by several authors including practitioners. (Mayer, 1978; Barnard, 1982; Focus, 1987).

In his article "Do You Know What They Want?", Stern (1993) pointed out that research overseas is expensive, time consuming, and prone to unanticipated problems.

2.3 Verbal and Non-verbal Communications

2.3.1 Verbal communication

Translating advertising copy and dialogue can be a challenging task to multinational advertisers. The difficulty arises from the ease with which mistakes can occur. Mistakes can arise at four different linguistic devices, especially in television advertising (Usunier, 1993):

- ◆ Phonetic devices: sounds perceived by the ears.
- ◆ Orthographic devices: writing perceived as funny by the eyes.
- ◆ Morphological devices: morphemes added to brand name.
- ◆ Semantic devices: meanings perceived through culture based interpretations.

Raffield (1987) pointed out that:

"Seemingly harmless brand names and advertising phrases can take on unintended or hidden meanings when translated into other languages, but such errors can make a marketer look somewhat like a buffoon to foreign consumers".

The most effective way to develop a copy for foreign markets is to start from zero, and let a speaker of the foreign language, who understands the marketing objectives of the firm, to prepare all the verbal communication from scratch (Mueller, 1996).

If the copy is to be translated, the most effective translation for advertising is not literal translation. The advertising translator should translate the thoughts and ideas rather than words.

The issue of translation should not be taken lightly. Yuri Radzievsky, president of a

prominent translation agency, expressed his surprise by the fact that advertisers spend thousands on preparing the message in one language, while they spend almost nothing to make sure it is being translated properly (Radzievsky, 1984).

2.3.2 Non-verbal Communications

To avoid the problems associated with translating the copy of international advertising, many advertisers are placing more reliance on visuals, and less on copy.

Terpestra and Sarathy (1991) commented that:

"More and more European and Japanese ads are purely visual, showing something, evoking a mood and citing the company name. Emphasis on such simple illustrations also avoids part of the problem of illiteracy in poorer nations".

The declining role of words in international advertising was also emphasised by Mayer (1991) who noted that:

"Words will become very much less important, especially if the product is standardised, like Coca-Cola, Levi's and Marlboro."

The advertisements for these brands focus on the visual elements, which helps avoid problems associated with local regulations, and also those associated with verbal communications.

In addition to relying on the visual elements of advertising, many advertisers use famous film stars and models in their international advertising. Many actors who would never appear in commercials in their home market, agree to appear in international advertising provided that these advertisements are prohibited from airing in the domestic markets of the actors. The examples of these stars include Sean

Connery, Harrison Ford, Sylvester Stallone, and Madonna. Their fees range from \$1 million to \$7 million (Campaign, August 30, 1996).

A Kirin spokesman explained that:

"The brand often attain a 'patina' of glamour and commands respect because the public knows the company must be really big player to secure a contract with a US megastar". (Campaign, September 27, 1996).

In addition to film stars, top models were also used for international advertising. The selection of models depends on the kind of message to be communicated to the audience. Some models are chosen because they are typical of their country, while others are chosen because they appeal to a broader audience.

In addition to the choice of models, care should also be exercised in the selection of visual backgrounds and settings employed in foreign advertisements. De Mooij and Keegan (1991) explained that:

"Landscapes, buildings, traffic signs, etc., must all be neutral. Dutch, Danish and Belgian houses may look similar to the Japanese or Americans, but they look different to the Dutch, the Danish and the Belgians! As soon as they cross each other's borders, they feel they are in a foreign country, not only because of the language, but because of the landscape, houses and churches".

Chapter Three: Studies of International Advertising Practices of MNCs

Chapter Three	79
Studies of International Advertising Practices of MNCs.....	79
3.1 Introduction.....	79
3.2 Review of the relevant studies	84
3.2.1 Ryans et al (1969 and 1977)	84
3.2.1.1 Ryans, K. J. and Donnelly, J. H. (1969).....	84
3.2.1.2 Wills and Ryans (1977).....	85
3.2.2 Dunn, S. W. (1976).....	85
3.2.3 Boddewyn, J. J.; Soehl, R.; Picard, J. (1986)	86
3.2.4 Kirpalani, Laroche and Darmon (1988)	90
3.2.5 Ryans and Ratz (1989).....	90
3.2.6 Harris, G. (1994).....	92
3.2.7 Other studies	93
3.3 Content Analysis studies that investigated the similarity/difference of advertisements across-countries	95
3.3.1 Mueller, B (1991).....	95
3.3.2 Whitelock and Chung (1989).....	97
3.3.3 Seitz and Johar (1993).....	99
3.4 Critical Assessment of the Three Content Analysis Studies.....	100
3.4.1 Mueller (1991)	100
3.4.2 Whitelock and Chung (1989).....	102
3.4.3 Seitz and Johar (1993).....	105

Chapter Three

Studies of International Advertising Practices of MNCs

3.1 Introduction

The majority of the researchers who have reviewed or examined the practices of multinational companies, with reference to whether and how they standardise or adapt their international advertisements, have chosen to ask executives about the policies and practices of their companies (questionnaire surveys). The opinions of these executives were then used as a proxy for the policies of the companies studied. There are several disadvantages regarding this methodology, and some of these are shown in (Box 3.1).

A second approach was content analysis of the advertising executions deployed by MNCs in selected national markets. The papers for both methods are shown in Table (3.1).

Table (3.1) Previous Studies of International Advertising Practices of MNCs.

<i>Authors</i>	<i>Journals</i>
Survey Studies:	
- Ryans et al. (1969, 1970 and 1977)	Journal of Marketing
- Ward (1973)	Journal of International Business Studies
- Weichmann and Sorenson (1975)	Harvard Business Review
- Dunn (1976)	Journal of Marketing
- Killough (1978)	Harvard Business Review
- Boddewyn et al (1986)	Business Horizons
- Kirpalani et al. (1988)	International Journal of Advertising
- Riesenbek and Freeling (1991)	The Mckinsey Quarterly
- Hill and James (1991)	International Marketing Review
- Sandler and Shani (1992)	International Marketing Review
- Harris (1994)	Journal of International Marketing
Content Analysis Studies:	
Mueller (1991)	International Marketing Review
Whitelock and Chung (1989)	International Journal of Advertising
Seitz and Johar (1993)	Journal of Consumer marketing

In this study, we analysed the results obtained from both methods and found that the content analysis approach measures actual practices of MNCs, while the questionnaire survey method tends to measure the policies and intentions of the MNCs. One of the problems with the questionnaire method is the difficulty the respondents face in describing or summarising their company's policies and practices. For example, in many instances executives were asked to generalise about their company's practices across all their brands and in all their markets. Responses to such questions represent at best generalisations. Alternatively, if the respondents are asked to simply describe their company's policies/practices for one brand, while the responses may have more descriptive validity, the representativeness of the practices followed on one brand is questionable. Therefore, for the purposes of this study, it was decided to employ the content analysis of advertising.

In this chapter, we review the published studies that present data on the international advertising practices of MNCs, with regards to whether they standardise or adapt their international advertising. Ten main conclusions emerged from this review:

- 1) Sixteen published studies, which present data on the international advertising practices of multinational companies have been traced. In many cases, other elements of the marketing mix were the main focus of these studies.
- 2) In all but four of the managerial survey studies, the respondents were asked to summarise their companies' practices over all their brands and across all the national markets in which their companies operated. For companies that advertise hundreds of products and in more than one hundred national markets, such as Unilever and Philips, answers to such questions would be at best generalisations.
- 3) Few researchers have tried to define what is meant by standardisation. With the exception of Harris (1994), it was not clear what is actually being measured in these studies. Thus, it was not possible to ascertain what actual practices were from these studies. The failure of previous research to define advertising standardisation has been expressed by Walters (1986).
- 4) Confusion between practice and policy in questionnaire surveys
- 5) Later studies have attempted to provide more descriptive data by asking the respondents to restrict their answers to one of their brands (Ryans and Ratz, 1989; Hill and James, 1991; Harris, 1994), or to one of the markets in which they operate (Boddewyn et al, 1986; Harris, 1994).
- 6) Only three studies have employed the content analysis method to measure the degree of advertising standardisation practised by MNCs. These studies have suffered from

problems with the operationalisation (definition of standardisation), sampling methods, subjectiveness, and measurement methods used.

- 7) In one of the three content analysis studies (Mueller, 1991), concerns relate to the (1-5) measurement scale used. The intermediate points were not defined, and hence, what might be evaluated as scale-2 by one judge, might be considered a scale-4 by another, thus, affecting the replicability of the study. Results of Mueller's (1991) study showed that standardised messages were more likely to be transferred among Western markets, than between Western and Eastern markets.
- 8) The method used by the second content analysis study (Whitelock and Chung, 1989) and later by the third content analysis study (Seitz and Johar, 1993) was not sensitive to differences in the visual elements of advertising across markets. The method considered two advertisements to be totally different even if they differed in only one element of the visual but otherwise were completely identical. Other concerns about this method are discussed later in this chapter
- 9) The majority of the studies reviewed indicated that the practice of advertising standardisation is on the decline, and currently being practised by few MNCs. In fact, more standardisation had been practised in the 1960s (Ward, 1973; Dunn, 1976; Boddewyn et al, 1986).
- 10) Product type was found in some studies to be an influential variable regarding policy on standardisation (Mueller, 1991; Whitelock and Chung (1989); Seitz and Johar (1993)).

(Box 3.1)

Disadvantages of using questionnaire surveys:

1- In questionnaire surveys, this method introduces respondent bias, where the answers of the respondents may not reflect reality. This can occur for a variety of reasons:

a- acquiescence: The respondent may have the inclination to always agree or disagree with the questions asked.

b- the respondent may not be in a position to answer these questions correctly, as in the case when the marketing directors give the questionnaires to other employees to answer, which is a common practice in some instances.

c- the respondent may not fully understand the questions asked, therefore, he/she might provide answers that are not relevant to the points investigated.

2- Company executives are normally very busy. Therefore, they frequently refuse to dedicate long periods of time for the purposes of answering surveys.

3.2 Review of the relevant studies

3.2.1 Ryans et al (1969 and 1977)

3.2.1.1 Ryans, K. J. and Donnelly, J. H. (1969)

Standardised Global Advertising, a Call As Yet Unanswered. Journal of Marketing, April 1969, pages 57-60.

The objectives of this survey were to describe:

1. How extensively is standardised advertising employed by US advertisers in their overseas advertising?
2. How do international advertising managers value international advertising?

Questionnaires were sent to all 175 non-durable goods manufacturers in the 'Fortune 500'. Only 70 of these were found to be engaged in non-domestic advertising, and these constituted the sample for the study. The results of their study are summarised in Table (3.2) below.

Table (3.2) Estimated Frequency of Use of Standardised Campaigns.
Source (Ryans and Donnelly 1969, P 58).

Estimated Frequency of Use	Number of Respondents	Percentage of Respondents
Never Use	7	10.0
1-10%	24	34.3
11-20%	12	17.1
21-30%	10	14.3
31-40%	5	7.1
51-75%	4	5.7
76-99%	6	8.6
100%	2	2.9

They concluded that little advertising standardisation was employed at the time, since only 17% of the respondents actually used standardised advertising in more than 50% of the time, and that 80% of these had reported that they at least partially rewrite their copy when using standardised advertising.

3.2.1.2 Wills and Ryans (1977)

“An Analysis of Headquarters Executive Involvement in International Advertising”.

European Journal of Marketing, August 1977, pages 577-584.

In this study, the ‘Fortune 500’ companies who were in the vicinity of Kent State University –twenty-eight in total, were investigated across four areas of advertising activity, namely: objective setting, budgets, creative strategy, and media selection. The authors found that creative decisions were more sensitive to cultural differences than decisions relating to objective setting and budgets, and thus are more prone to headquarters’ interference.

3.2.2 Dunn, S. W. (1976)

“Effect of National Identity on Multinational Promotional Strategy in Europe”. Journal of Marketing, October 1976, pages 50-57.

The aim of this study was to investigate how executives of US-based MNCs made decisions on the transfer of their promotional strategy in Europe. The study consisted of two stages. In the first stage, the sample of decision-makers was asked to assign relative weights to certain environmental variables that might be used in making the transfer decisions. The sample of respondents consisted of seventy-one executives from thirty-

five firms. No other information was supplied concerning the identity and size of these companies, nor the product categories used.

The second stage was a follow-up study that consisted of interviews with seventy-eight decision-making executives from thirty companies –twenty-eight were US-based and two were Europe-based. The respondents for this stage were different from those who responded to the first stage.

One of the conclusions of this study was that the proportion of companies using basically the same advertisements abroad as well as at home was less in 1973 than in 1964. No other information was provided as to the methods used to measure this variable.

The author further added:

“Even in the case of cosmetics, soaps, and drugs (companies that have traditionally tried for a similar image and product position from country to country), there was a higher proportion of firms making major changes in 1973 than in 1964. ...However, local autonomy was generally greater in the developed markets than in the developing ones, and the movement toward local autonomy often represented a disenchantment with superficial similarities that have led in the past to undue standardisation.” (Dunn, 1976).

3.2.3 Boddewyn, J. J.; Soehl, R.; Picard, J. (1986)

“Standardisation in International Marketing: Is Ted Levitt in Fact Right?”. Business Horizons. 1986 (November-December), pages 69-75.

In this article, the authors reviewed the opinions put forward by Ted Levitt on marketing standardisation. They commented that there has not been any substantial evidence. According to the authors:

“All this is plausible, but where is the evidence? ...All one gets are a few anecdotes and brilliant logic based on flimsy hypothesis.”

They also added:

“Reliable data about the homogenisation of markets and the standardisation of marketing around the world are sorely lacking.”

The article covered three studies. The first was conducted by Terpestra in (1963) and consisted of twenty-five interviews with US MNCs. The second and third were undertaken by Boddewyn himself in 1973 (unpublished) and (1986), employing a questionnaire survey, but asking the same questions as Terpestra (1963). The sample for the 1986 study consisted of seventy-one companies, of whom eight were manufacturers of consumer non-durable products (CND), twelve of consumer durables (CD), and fifty-one of industrial products. Of these seventy-one companies, only sixty have participated in the 1973 study.

All three studies aimed at providing a longitudinal view of the evolution of marketing practices –product, price, promotion, channels, logistics, and research- by U.S. international companies in the European Community.

However, Harris (1993) commented on these studies by stating that:

“Given the differences between Terpestra’s earlier study and Boddewyn’s study in terms of both the sample sizes and research methodology employed, this claim must be regarded with caution.”

It is worth noting here that Boddewyn et al’s (1986) sample was restricted to US companies operating in EC markets. On this, the authors commented:

“To be sure this is not the whole world. But if the EEC, which has been developing a “common market” for goods, firms, and consumers since 1958, is not fertile ground for market homogenisation and marketing standardisation, what part of the world is.”

To measure the degree of advertising standardisation practised by these companies, the authors asked the respondents to rate their own companies’ practice on a one-to-seven scale, with one representing total standardisation, and seven representing total adaptation. The intermediate levels of standardisation, and what is being measured in general, were not defined. The results of their study are summarised in Tables (3.3 and 3.4) below:

Boddewyn claimed that results of this study have provided partial evidence to his suggestion that the extent of standardisation would vary by product category. Boddewyn had initially expected more standardisation for consumer durables, than non-durables, since consumer durables are less prone to national tastes and differences.

Table (3.3) Summary of the results of Boddewyn et al (1986).

	Consumer non-durables		Consumer durables		Industrial products	
	1973	1983	1973	1983	1973	1983
Advertising	3.9	3.9	4.2	4.8	3.6	3.8
Branding	5.5	4.2	5.0	4.8	3.7	3.5

Total standardisation=1

Total adaptation=7

Table (3.4) Percentage of very substantial advertising standardisation and adaptation. 1988 values are estimates.

	Consumer non-durables			Consumer durables			Industrial products		
	1973	1983	1988	1973	1983	1988	1973	1983	1988
			(est.)			(est.)			(est.)
Substantial Standardisation	17%	25%	25%	33%	13%	25%	31%	20%	20%
Substantial Adaptation	58%	67%	58%	17%	50%	38%	31%	31%	41%

The most important finding of this study was that a limited *degree* of advertising standardisation (on the standardisation spectrum) was practised by MNCs, since in 1983, 65% of the manufacturers of CNDs and 50% of CDs had practised substantial adaptation of advertising, as opposed to 25% and 13% who practised substantial standardisation.

3.2.4 Kirpalani, Laroche and Darmon (1988)

“The of Headquarters Control by Multinationals in International Advertising Decisions”.

International Journal of Advertising, 1988, 7, pages 323-333.

The aim of this study was to investigate the role of corporate headquarters in international advertising decisions. The sample of companies consisted of 119 MNCs, of whom forty-nine were Canadian, fifteen American, eight Japanese, and forty-four European. The criterion for choosing these companies was based on turnover.

The respondents were asked to indicate whether the advertising campaigns deployed in their overseas markets were the same as at home, adapted or locally developed. The results of this survey are summarised in Table (3.5) below.

Table (3.5) Summary of the Results of Kirpalani (1988).

	Same campaign	Adapted	Locally developed
Canada	40.5	38.1	21.4
US	8.5	41.7	50.0
Japan	0	85.7	14.3
Europe	17.9	46.2	35.9

3.2.5 Ryans and Ratz (1989)

“Advertising Standardisation: A Re-examination”. International Journal Of Advertising, 1987, 6, 145-158.

The aim of this study was to examine the practices of a sample of US-based MNCs with respect to several variables. These variables were the target markets, product positioning, campaign objectives, campaign theme, visuals, copy, and media factors.

Questionnaires were sent to 110 US-based MNCs, whose names were selected from the International Advertising Managers Mailing List. To increase the number of respondents, an additional 37 names were drawn from the list of US participants at an International Advertising Conference, resulting in a total of 147 questionnaires. Of these, only 34 were returned, resulting in a response rate of 23%.

The extent of advertising standardisation was evaluated by asking the respondents to focus on their most important (as a percentage of sales) international product across all markets, and indicated the approximate percentage of the firm’s foreign markets in which the same basic advertising approach was used. The percentages given to the respondents were 0-19%, 20-39%, 40-59%, 60-79%, and 80-100%. The average results of the key variables are summarised in Table (3.6) below.

The authors found that the ‘strategy’ variables were more frequently standardised than the ‘executional’ variables.

Table (3.6) Summary of the Results of Ryans and Ratz (1989).

Advertising variable	Percentage of markets in which variable was standardised
Campaign theme	62%
Product positioning	59%
Campaign objectives	56%
Target markets	56%
Visuals	55%
Copy	49%

It is worth noting here that the percentage groupings used by the authors (i.e., 0-19%...etc) are too wide to discover real differences. This grouping assumes that 60% standardisation is not significantly different from 89%, or even that 80% is not significantly different from 100%. In fact, the average results shown in the table above were confined to the values between 49-62%.

3.2.6 Harris, G. (1994)

‘International Advertising Standardisation: What Do the Multinationals Actually Standardise?’ *Journal of International Marketing*, Vol. 2, Number 4, 1994, pages 13-30.

Harris (1994) investigated the international advertising practices of MNCs. The research was conducted over three stages:

Stage I

Stage I consisted of a questionnaire survey administered to 38 MNCs, and was designed to investigate how widespread the practice of advertising standardisation was, and for those who did practice standardisation, to distinguish between those who practised modified forms of standardisation.

Stage II

This stage consisted of detailed studies of eight companies investigating the forms of standardisation practised, the organisational process used and the rationale behind these policies.

Stage III

Stage III consisted of telephone interviews to 35 MNCs to investigate the extent to which the practices of the sampled companies had changed over time.

The results of Harris' (1994) study indicated that the practice of some form of advertising standardisation was widespread. The results of the longitudinal data showed that the practice of standardisation was decreasing over time.

As for the rationale behind the policies of the sampled MNCs, Harris found that practical managerial concerns, such as the need to achieve international skills transfer and the desire to exploit successful national advertising executions in other markets, were cited by the respondents as being more important than other factors, such as economies of scale and international consumer convergence.

Harris (1994) found no relationship between policy on advertising standardisation, on the one hand, and product category or nationality of the MNC, on the other.

3.2.7 Other studies

Five other studies reported the advertising practices of MNCs, but in less detail than the studies reviewed above.

Ward (1973) examined the marketing practices of fifty-three US subsidiaries of European MNCs through a questionnaire survey and interviews. The results of Ward's study showed that 43% of the respondents had been using more standardisation in the past. No details of the advertising practices of the firms surveyed were provided in this study.

Weichmann and Sorenson (1975) examined the practices of twenty-seven US and European manufacturers of consumer goods. No details of the practices surveyed were

supplied in the study, but high levels of advertising standardisation were reported, with 75% of the sample using standardised advertising messages at least some of the time.

Riesenbeck and Freeling (1991) examined the marketing practices of thirty-one MNCs, using a scale of one to five (1=low, 5=high). The authors found that total standardisation was rare, and that the average score for advertising standardisation was 3.5. No details of the specific practices of the sampled companies were presented.

Hill and James (1991) examined the extent of product and promotional transfers in 120 subsidiaries of fifteen MNCs. Less than 50% of these subsidiaries claimed that they were the recipients of promotional transfers from headquarters. For those practising advertising standardisation, the main motive was to 'achieve an international image'.

Sandler and Shani (1992) conducted a study to examine the extent of brand name standardisation by 133 Canadian firms, but they also reported data on advertising standardisation. They found that advertising standardisation was practised by 18% of the sample. However, what was meant by 'advertising standardisation' was not defined in this study.

3.3 Content Analysis studies that investigated the similarity/difference of advertisements across-countries

Only three studies have utilised content analysis to investigate the degree of standardisation vs. adaptation of international advertising: Mueller, (1991), Whitelock and Chung (1989), and Seitz and Johar (1993).

3.3.1 Mueller, B (1991)

Multinational Advertising: Factors Influencing the Standardised vs. Specialised Approach. International Marketing Review, volume 8, number 1, pages 7-18.

In Mueller's study, the author:

"... compared pairs of advertisements to determine the degree of similarity between foreign messages and US baseline advertisements. The instrument designed to investigate the degree of standardisation of print advertisements focused on the advertising theme, slogan, headlines, subheads, body copy, models and spokespersons, visual/background scenes, product attributes, product packaging, product name, product(s) portrayed."

A Japanese translator translated the Japanese advertisements into English. German advertisements were translated into English by the researcher.

As for the measurement scales used, the author noted that:

"Polar opposite terms anchored the five-point scales without spelling out the meaning of the intermediate scale points. Pairs of advertisements were presented to coders in random order. Once each element was rated, the

advertising pair received a mean rating reflecting the degree of similarity between the messages. The closer the mean rating to '1', the greater the similarity (standardisation) between the two advertisements. The closer the mean rating to '5', the greater the difference (or specialisation) between the two messages."

According to Mueller (1991),

"This classification scheme represents an innovation in the ability to analyse the level of similarity between advertisements."

As for the sampling strategy, samples of advertisements were requested from American advertising agencies in USA, Germany, and Japan, as well as from major US advertisers.

To quote Mueller:

"The letter specified an interest in obtaining pairs of television and magazine advertisements reflective of campaigns in which the foreign message was identical to the US advertisement (other than translation), campaigns in which the foreign advertisement was modified in part, and campaigns in which the foreign advertisements was entirely different from the US advertisements."

Results of this study showed that standardised messages were more likely to be transferred among Western markets, than between Western and Eastern markets. In addition, product type was found to be more influential on the use of standardised messages than market distance.

At the end of the study, the author highlighted the importance of conducting a similar experiment in some developing nations by noting that:

"The factors highlighted in this analysis require further explication and exploration. For example, it would be of value to investigate the degree of standardisation versus specialisation of commercial messages transferred to developing countries versus those transferred to other industrial nations".

3.3.2 Whitelock and Chung (1989)

Cross Cultural Advertising: An Empirical Study, *International Journal of Advertising*, 8, pages 291-310.

The purpose of this study was to compare advertisements in the same medium for the same brands in two culturally diverse European countries, France and UK. These two countries were chosen because they are considered to be: 1) economically similar, and 2) culturally different.

Advertisements for the same brands were obtained from one magazine category (Women) in both countries. The magazines were Marie-Claire (France) and Woman's Journal (UK). The study was conducted between July 1985 and June 1986. These specific magazines were chosen according to the following criteria: 1) availability of back issues, and 2) readership profile.

The researchers initially intended to use the following seven categories for their experiment: beauty and toiletries, fashion, food and drink, household requisites, miscellaneous, shopping gallery, and travel. However, there was not a single common advertisement for six out of the seven categories. Advertisements for the same brands in both countries were found only in the beauty and toiletries category, 43 brands in total.

A model was developed by the researchers to evaluate the degree of standardisation of advertisements across the two countries, where the following points were taken into consideration: picture, size, colour, general layout, caption, and explanatory text. A score was given for each difference, while a difference in the picture (of the advertisement) was given the full 10 points and considered as total adaptation. For the remaining elements of the advertisement, a total of 9 points is divided as follows: 1 point for size difference; 1 point for colour difference; 1 point for general layout difference; 3 points for caption differences (1 point increment); 3 points for explanatory text (1 point increment). To measure the degree of standardisation, the total score is subtracted from a total of ten (standardisation = $10 - \text{total score}$). Therefore, an ad that is awarded 10 points, will receive a $10 - 10 = 0$ points on standardisation (i.e., total adaptation).

The results of Whitelock and Chung's study have shown that 16.3% of the advertisements have differences in their general layout. It was also found that 11.6% of the ads (all fragrance ads) did not have a caption. Of the remaining ads, 14% had identical captions. The majority of the advertisements (60.8%) had a caption written in the language appropriate to the country. Only seven advertisements (13.5%), all for perfumes, were found to be exactly the same in both magazines, while nine advertisements (17.3%) were considered to be cases of total adaptation.

The results of Whitelock and Chung's study have provided support for the contentions that advertising standardisation should be viewed on a continuum, as was previously suggested by many authors, and that total standardisation is the exception rather than the rule.

3.3.3 Seitz and Johar (1993)

Advertising Practices For self-image Projective Products For the New Europe: A Print Advertising Content Analysis, *Journal of Consumer marketing*, 10 (4), 15-26.

In this survey, the same model as Whitelock and Chung (1989) was used, and no methodological changes were introduced to it. Only 4 issues (Nov. 91 - Feb. 92) of a Women's monthly publications (Vogue) were used, employing just nine products (three for perfume, three for apparel, and three for cosmetics).

It was suggested in the results that perfume, cosmetics, and apparel products respectively exhibited, high standardisation, moderate standardisation, and high localisation.

3.4 Critical Assessment of the Three Content Analysis Studies

3.4.1 Mueller (1991)

Mueller's (1991) study was based on an earlier study by Mueller (1989), which was the first to employ the content analysis of advertising to study the international advertising practices of multinational companies. It represents a significant innovation in the attempt to measure the similarities/differences between advertisements. According to Mueller (1991):

"This classification scheme represents an innovation in the ability to analyse the level of similarity between advertisements."

However, the methodology used in Mueller's (1991) study did not produce accurate and reliable data regarding the actual international advertising practices of MNCs.

The concerns relating to Mueller's (1991) methodology are summarised below.

Mueller's articles did not specify what aspects of these elements were evaluated. For instance, it is not clear whether the researcher was measuring the presence/absence of the Headline in the advertisement, or whether the Headline in one ad is the exact translation of its baseline advertisement. The same ambiguity applies to the Subheads, Body copy, and Slogan.

In general, the description in the article of the methodology used by Mueller lacks the details required for using the same methodology in replica studies.

As for the measurement scales used, the author noted that:

"Polar opposite terms anchored the five-point scales without spelling out the meaning of the intermediate scale points. Pairs of advertisements were presented to coders in random order. Once each element was rated, the advertising pair received a mean rating reflecting the degree of similarity"

between the messages. The closer the mean rating to '1', the greater the similarity (standardisation) between the two advertisements. The closer the mean rating to '5', the greater the difference (or specialisation) between the two messages."

The measurements scales used in Mueller's (1991) study introduced a further element of subjectiveness. Only the polar opposite ends of the scales were defined. The scale 1 represented total standardisation, while the scale 5 represented total difference. The intermediate scale points were not defined, and left for the subjective personal judgement of the judges. Thus, while one judge might award a two-scale points for one element, another judge might award it four-scale points. It was all down to the personal opinion of the individual judges. In fact, given the level of subjectiveness of this method, the same judge could arguably award an element with two different scale points on two occasions, since these scale points were not defined at all, thus adding to the ambiguity of the method, and hindering the replicability of the study.

As for the sampling strategy, samples of advertisements were requested from American advertising agencies in USA, Germany, and Japan, as well as from major US advertisers. Due to this strategy, the sample used was vulnerable to possible bias for several reasons. For example, the sample of advertisements obtained might not have been representative of all advertisements in the relevant markets, or, the advertisers who responded to the request for advertisements probably share some characteristics that are related to the elements being investigated, and therefore affect the results. To quote Mueller:

"The letter specified an interest in obtaining pairs of television and magazine advertisements reflective of campaigns in which the foreign message was identical to the US advertisement (other than translation), campaigns in which the foreign advertisement was modified in part, and campaigns in which the foreign advertisements was entirely different from the US advertisements."

This means of soliciting advertisements with specific characteristics introduces an additional kind of bias and limits the value of the findings. Mueller acknowledges the inadequacy of such a sampling strategy by stating that:

"This sampling strategy is purposive ... Subsequent research will emphasise external validity using sample strategies that ensure representativeness of the advertisements selected in the nations studied."

Despite of the disadvantages mentioned in this study, Mueller's (1991) study represented a valuable initial starting point. By improving on Mueller's methodology, other researchers could develop an improved and more accurate model of content analysis of advertising.

3.4.2 Whitelock and Chung (1989)

Whitelock and Chung's (1989) model is less susceptible to the subjective evaluation of the individual judges than the one used by Mueller (1991). It also gives different weights to the various elements of advertising depending on their prominence. However, Whitelock and Chung's (1989) model was not found to be sufficiently sensitive to deliver the level of accuracy required for our study. Major modifications were needed to improve the sensitivity of this model. In particular, the model was not sensitive with regards to the following points:

Meaning and Measurement of Differences

In Whitelock and Chung's (1989) model, elements were judged to be either similar or different from the baseline advertisement. However, this is not always the case. Very often, when the need arises to adapt an element to local specifications, a local replacement (i.e., a local version) of that element is normally used. A local replacement of an element indicates an adaptation to the advertising execution, while replacement of an element with a completely different one could also result from an adaptation to the advertising strategy. These are crucial differences that should be accounted for in the model.

Elements of the Visual

In the Whitelock and Chung (1989) model, the picture of the advertisement was treated as one undividable element. However, it may be the case that specific parts of the picture such as the model(s) and visual background are modified, and not the picture as a whole.

The method was not sufficiently sensitive to differences in the visual elements of advertising. In particular, it ignores the fact that the visual of the advertisement consists of individual elements. For example, a situation that requires the adaptation of one of these individual elements does not necessarily require the adaptation of all the other visual elements.

In order to sensitise this model to these fine differences, there is a need to breakdown the element "Picture" into its more basic components, namely: visual background, model(s)/spokesperson, and an additional factor to allow for minor or major modifications to the visual.

Clearly, a small change to one element of the visual does not justify considering the advertisement as a case of total adaptation. The inability of this model to cope with differences in the elements of the visual has serious implications for the validity of the results.

Portrayal of Product and Packaging

Whitelock and Chung's model did not examine the portrayal of product and packaging. These elements are very important. When an MNC is introducing an established product into a new market, even if the original advertisement does not portray the product or packaging, it is customary to show the product and/or packaging in their advertisements, in order for the targeted customers to be able to recognise the product.

There are many examples in the literature that demonstrated that the portrayal of product and packaging differ (in number, size, presence, etc.) across nations/cultures (Cutler and Javalgi, 1992; Javalgi et al, 1995). A content analysis method should be sufficiently sensitive to pick up these differences.

Verbal elements

Similar to the elements of the visual, the model seems to ignore that the verbal text part of the advertisement actually consists of separate individual elements. Our preliminary analysis of a number of international advertising campaigns showed that some components of the verbal content of an advertisement, such as body copy, might vary, while copy elements such as the slogan do not. Similar results were reported by Harris (1994).

Similar to the visual elements, in order to improve the sensitivity of this model, the verbal text part of the advertisement should be broken down into its basic individual text elements.

3.4.3 Seitz and Johar (1993)

The model used in this study was a replica of Whitelock and Chung's (1989) model. However, the sampling method in this study was purposive and the size of the sample was considerably smaller than that used in the original study. In this case, only four issues of a women's monthly publication were used. In total, only nine products were selected across three product categories.

In their study, no modifications were undertaken to the model, which was used in the same form as it was used in the original study.

Chapter Four: Assessment of Methodologies

Content Analysis of Advertising 1970 - 1998:

A Review and Assessment of Methodologies

Chapter Four	108
Assessment of Methodologies.....	108
4.1 Introduction.....	108
4.1.1 Selection of cultures	111
4.1.2 Countries studied.....	113
4.1.3 Unit of analysis	116
4.1.4 Sampling method.....	117
4.1.5 Number of magazines per study.....	118
4.1.6 Selection of publications	119
4.1.7 Number of product categories	121
4.1.8 Reliability of the measuring instrument.....	122
4.1.9 Methods of analysis	126
4.1.10 The use of multiple comparisons	126
4.2 Recommendation for future research:	128

Chapter Four

Assessment of Methodologies

Content Analysis of Advertising 1970 - 1998:

A Review and Assessment of Methodologies

“Because of the relative availability of the raw material, many sins have been committed in the name of content analysis”.

(Berelson 1954, p 518)

4.1 Introduction

In this chapter, we investigate the methodological requirements for designing accurate, objective, valid, and reliable methods of content analysis. We demonstrate how alternative explanations of the results –both substantive and methodological- should be controlled, in order for accurate measurements to emerge. We also assess how previous studies have adhered, or otherwise, to these methodological requirements. Finally, we present recommendations that will enhance the validity of the findings of the content analysis models.

This chapter attempts to define what the key issues are regarding the content analysis of advertising. The resulting recommendations of this chapter are used as the foundations for the content analysis model developed for purposes of this study.

The present study aims at assessing previous work that has employed the content analysis of advertising. Content analysis is defined as:

“a research technique for the objective, systematic, and quantitative description of the manifest content of communication.” (Berelson, 1952).

The main features that distinguish content analysis from other analytical methods are validity, reliability and reproducibility of the results.

The findings of content analysis studies have important implications both for theory and managerial practices. However, the reported results of the content analysis of advertising studies have so far been inconsistent and often contradictory. For content analysis to be taken more seriously by academics and practitioners, immediate attention needs to be given to some of the research methodologies.

For accurate measurements to emerge, the research design should control for alternative explanations of the results. These alternative explanations can be both substantive and methodological (Malhotra et al 1996). A substantive alternative explanation might be the result of another cultural variable that is not controlled for, while methodological alternative explanations could result from sampling errors, or any other methodological problem.

In this chapter we aim to draw attention to these methodological issues, and present some recommendations that will enhance the validity of the findings. The review starts with a brief description of the literature followed by a discussion of the following criteria:

- 1) selection of cultures,
- 2) selection of countries,
- 3) units of analysis,
- 4) number of magazines per study,
- 5) selection of publications,
- 6) number of product categories,
- 7) sampling method,
- 8) methods of analysis,
- 9) reliability of the measuring instrument,
- 10) the use of multiple comparisons.

In total, ninety-three articles were found to utilise the content analysis approach. The period covered in this review extends from 1970 to 1998. Only three studies (4 articles) have investigated the degree of standardisation of advertisements that have appeared in different countries.

The remaining studies have employed the content analysis method to examine other characteristics of advertising. The later type of studies are also relevant here, since the findings of these studies were often used to make inferences concerning the efficacy, or otherwise, of international advertising standardisation.

The majority of the articles (58.07%, n=54/93), make use of content analysis in a single-country setting, while the remaining 41.93% (n=39/93) were studied in cross-cultural or cross-national contexts. Of the cross-cultural/national articles, 56.41% (n=22/39, Table 4.1) investigated print advertising, while 35.9% (n=14/39) used TV advertising, and 7.69% (n=3/39) multiple media.

Table (4.1) A breakdown of the media used in Content Analysis Studies.

	Multiple media %	Print %	TV %	Billboard %	Total %
Across Cultures	7.69%	56.41%	35.9%		100.00%
One Country	7.41%	72.22%	18.52%	1.85%	100.00%
All Studies	7.53%	65.59%	25.81%	1.07%	100.00%

The studies under review investigated various elements of the advertisements. Some considered the information content of advertising across countries (e.g., Madden et al 1986, Noor Al-Deen 1991, Biswas et al 1992), sex roles and portrayal of women (e.g., Wiles and Tjernlund 1991), visual components of advertising (e.g., Cutler and Javalgi 1992, Javalgi et al 1994), etc.

4.1.1 Selection of cultures

This is one of the most important elements in cross-cultural studies. Adler (1983) noted that for studies to be meaningful, cultures should be selected on a theoretical basis. However, our review indicates that the underlying reasons for the selection of cultures in the majority of the previous studies have not been clear.

Cultural studies have classified and ranked cultures across a number of characteristics (e.g., in Hall's and Hofstede's studies). In two thirds of the studies included in the present review, there was no mention of cultural theory, ranking of cultures, or the way these cultures compare on the aspects under study.

The number of cultures studied is also important. According to Brislin et al (1973), the number of cultures selected for study should be large enough to both randomise the variance on non-matched cultural variables, and eliminate rival hypotheses. For the findings to be generalised, the inclusion of a variety of cultures is needed, as suggested in the literature.

According to Samiee and Jeong (1994):

"Two cultures represent the minimum denominator in a cross cultural sense, not the ideal number".

Studies with two or three cultures should be treated as pilot studies (Sekaran, 1981). However, most of the studies conducted in the field chose to investigate countries that are of special interest to them. Therefore, the inclusion of more than two cultures in cross-cultural studies has been the exception rather than the rule.

Table (4.2) Number of Cultures examined per Study.

	Two Cultures / Study %	Three or more Cultures / Study %	Four or more Cultures / Study %
Articles %	61.54%	38.46%	10.26%

Less than 38.46% (n=15/39) of the cross-cultural studies in the present review have included three cultures or more. Only 10.26% (n=4/39) of these have investigated four

or more cultures, while the majority of the cross cultural studies (61.54%, $n=24/39$) have used only two cultures (Table 4.2).

4.1.2 Countries studied

The countries studied and the frequency of their inclusion in content analysis research in advertising are shown in Table (4.3).

From Table (4.3), it appears that most of the previous research focuses on the United States (79.57%, $n= 74/93$). There might be various reasons for this imbalance, but it is clear that most of the research to date is approached from an American point of view, and that researchers might have been using or investigating concepts that are inapplicable to other parts of the world.

The second most researched country is Japan (13.98%, $n=13/93$). UK come in the third place with 8.6% ($n=8/93$).

The inclusion of an English speaking country was found to be very high, at 86.02% ($n=80/93$, Table 4.4). In addition, the frequency of including a European country was found to be 16.13% ($n=15/93$), while only 5.38% ($n=5/93$) of the studies included a developing country, and only one investigated an Arab country.

Table (4.3) List of Countries Studied

Country	Frequency	Percentage	Country	Frequency	Percentage
USA	74	79.57%	New Zealand	2	2.15%
Japan	13	13.98%	Mexico	2	2.15%
UK	8	8.60%	Spain	1	1.08%
China	6	6.45%	India	1	1.08%
France	7	7.53%	Australia	1	1.08%
Hong Kong	4	4.30%	Saudi-Arabia	1	1.08%
Korea	4	4.30%	Brazil	1	1.08%
Sweden	4	4.30%	Indonesia	1	1.08%
Taiwan	4	4.30%	Hungary	1	1.08%
Canada E	3	3.23%	Dominican Republic	1	1.08%
Germany	3	3.23%	Italy	1	1.08%
Canada F	2	2.15%			

Table (4.4) Probability of including specific countries

	Frequency	Percentage
Inclusion of an English speaking Country	80	86.02%
Inclusion of a European Country	15	16.13%
Inclusion of a Developing Country	5	5.38%
Inclusion of an Arab Country	1	1.08%

Table (4.5) Breakdown of Number of Countries, Advertisements, Magazine Categories and Magazines used in the literature.

	Mean	Range
<i>All Studies</i>		
Number of Countries	2.18	1 - 23
Number of Advertisements	1193	43 - 13457
<i>Across Cultures / Print</i>		
Number of Countries	3.67	2 - 23
Number of Advertisements	634	80 - 1440
Number of Magazine Categories	2.38	1 - 3
Number of Magazines	13	2 - 23
<i>One Country / Print</i>		
Number of Advertisements	1924	50 - 13457
Number of Magazine Categories	2.95	1 - 10
Number of Magazines	13.7	1 - 100
<i>All Studies / Print</i>		
Number of Countries	1.87	1 - 23
Number of Advertisements	1494	50 - 13457
Number of Magazine Categories	2.79	1 - 10
Number of Magazines	13.6	1 - 100
<i>Across Cultures / TV</i>		
Number of Countries	4.5	2 - 23
Number of Advertisements	765	62 - 2095
<i>One Country / TV</i>		
Number of Advertisements	584	62 - 2343
<i>All TV</i>		
Number of Countries	3.13	1 - 23
Number of Advertisements	695	62 - 2343

With the exception of one study (Tse et al 1989), all the studies that have been conducted so far included one country per culture, and none of these has investigated more than a country per culture.

This approach assumes that each culture exists in only one country, and that each country is not only culturally homogeneous, but also represents only one culture. These

assumptions might not be justified. It appears that there is certain ambiguity here between the terms nation and culture. Cultural theories indicate that some cultures (e.g., Arabic, Chinese) are manifested in a cluster of countries, and not in one nation.

In order to study the Arabic culture, for instance, more than one country has to be investigated for representing this culture. Such a valid representation of cultures, which stems from cultural theory, has been almost absent from the research so far.

4.1.3 Unit of analysis

This is one of the most important elements of methodology in this area of research, and it is even more crucial for cross-cultural research. The cultural unit of analysis should be clearly defined. When the aim of the research is to investigate cross-cultural differences/similarities, then the unit of analysis should be the culture itself. If a proxy has to be used for culture, then it should be justified in the methodology and accounted for in the results.

Among the cross-cultural studies reviewed, a surprising 81.48% stated that their aim was to conduct cross-cultural research, while in reality, the units of analysis in their studies were countries rather than cultures. In the majority of the studies, there was no clear distinction between cultures and nations.

This inaccurate use of the unit of analysis can cause major problems. For instance, using a country as a proxy for culture neglects the existence of within-country differences that can potentially be greater than cross-country differences (Andrews et al, 1991). According to Samiee and Jeong (1994), researchers who use countries as proxies for cultures are assuming that each country investigated is dominated by one culture only.

Therefore, using a country as a unit of analysis may be appropriate when the country investigated is culturally homogeneous (e.g., Japan), and inappropriate with culturally heterogeneous countries (e.g., India, Malaysia, and Belgium). By treating intra-culturally heterogeneous countries as proxies to single cultures, it is not always possible to detect *real* cross-cultural differences (Samiee and Jeong, 1994).

Therefore, when a culture is investigated, a representative sample of the countries where this culture is manifested should be included in the study -unless it is confined to a single country.

4.1.4 Sampling method

In this type of research, many factors limit the sampling options available to researchers. Among all the studies that employed the content analysis method, only 21% have used a random sample, while the majority chose convenience, judgmental, and non-probability samples. For the standardisation studies, none of the researchers have used a random sampling method in their study.

This restriction is understandable and even expected in this type of research. The researchers are faced by many limitations, including the choice and availability of local and foreign publications, the availability of a sufficient number of local and foreign ads, ...etc.

However, sample equivalence across cultures is required if valid inferences are to emerge. Therefore, research design should control for all the demographic, socio-economic and other salient factors that may influence the results (Malhotra et al, 1996).

Considering that characteristics of the target audience influence the strategic and creative content of advertising, it is relevant factors such as age, gender, and socio-economic group that should be equivalent across the cultures under examination.

Commenting on cross-cultural consumer research, Berry (1969) noted that:

“any lack of comparability in the samples should be reported as a limitation and incorporated into the interpretations of the data”.

It is our belief that the same also applies to cross cultural advertising research employing content analysis. The notion of sample equivalence will form the basis for the discussion of the next two elements, the number of magazines, and the selection of publications.

4.1.5 Number of magazines per study

To achieve sample equivalence across cultures, the advertisements obtained from each magazine category should be compared to those obtained from the equivalent categories from other cultures.

To illustrate this, it would be inappropriate to compare, for instance, an automobile advertisement that appeared in a gay magazine in Australia showing two male models, with an advertisement of the same brand in a family magazine in the UK. The resulting differences in the kind of appeals, values, and portrayal of people are due to sample inequivalence rather than real country differences.

If the samples are not comparable, i.e., the ads are pooled from more than one magazine category, then the various sub-samples (i.e., magazine categories) need to be analysed separately to assess the impact of the differences in terms of the variables examined.

Close examination of the literature shows that 41.86% of the studies have used either two or more magazine categories, and only 16.28% have used one magazine category. Furthermore, in 41.86% of the articles it is not clear how many magazine categories were used (Table 4.6).

Table (4.6) Number of Magazine Categories used per study.

	Percentage	Accumulative Percentage
NA (Not Available)	41.86%	41.86%
3 Magazine Categories or more	16.28%	58.14%
2 Magazine Categories	25.58%	83.72%
One Magazine Category	16.28%	100%

It is worth mentioning here that the authors should not assume that the readers of the academic journals are able to recognise the title of every magazine from every country. It would be much clearer if the number and kind of magazine categories selected are pointed out in the methodology.

4.1.6 Selection of publications

As mentioned in the sampling section above, target audience characteristics should be controlled for in order to ensure sample comparability across cultures. Consequently, one would expect the target audience characteristics (also referred to as “readership profile”, “audience characteristics”, and “target markets”) to be the principal criterion for the selection of publications across cultures.

However, our review shows that publications have been selected for examination because of their high-circulation in around 71.43% of the studies. In 11.9% of the studies, publications were chosen according to their availability, and only 11.9% have chosen their publications according to the target audience (Table 4.7).

Since circulation was the main criteria for choosing publications for the majority of the studies, sample equivalence across the cultures studied cannot be assumed.

Table (4.7) Criteria used for the selection of Publications

	Percentage	Accumulative Percentage
<i>Circulation</i>	71.14%	71.14%
Availability	11.9%	83.33%
Target Audience	11.9%	95.23%
Other	4.77%	100%

The number of magazine issues examined has varied considerably from one study to another. Some authors have been content to use one issue per publication per decade (Belk and Pollay, 1985), more than one issue per magazine -whenever possible- (Javalgi et al, 1995), one or two issues per magazine (Cutler and Javalgi 1992), three to four issues per magazine (Neelankavil et al 1995), four issues per year (Klassen et al 1993), etc., to the point that some authors have examined all of the 12 monthly issues.

However, the representativeness of the resulting sample of advertisements in cases where less than four issues per year are used, or the extreme case where just one magazine per decade is used is questionable.

4.1.7 Number of product categories

It is believed that the product category has an influential effect on the advertising policies of MNCs. Keown et al (1989) concluded that there are significant differences between advertisements of durable and non-durable products.

McCarty and Hattwick (1992) found that the values displayed in advertising are related to the products advertised rather than the cultures studied. Similarly, Samiee and Jeong (1994) suggested that some of the observed differences among countries might be due to uncontrolled variables such as the product category.

The number of product categories used per study also varied from one study to another. Additionally, at least 53.93% of the studies included in this review did not account for the effect of the product categories in their results (Table 4.8).

Table (4.8) The number of product Categories used per study and whether these were accounted for in the results.

	Mean	Range	Not available %	Not accounted in results %
All Studies	6.68	1-21	27.59%	53.93%
Across-Cultures Studies	6.33	1-16	25.93%	62.86%

Two other factors further complicated matters. First, 27.59% of the articles did not report the number of product categories used. Second, comparisons of product differences across studies are further restricted by the various methods of product classification used (i.e., durable/nondurable, high/medium/low involvement, product class, and other methods).

Therefore, it can be seen that unless the product category variable is controlled for in the design of the research, observed differences among countries might reflect the differences of these uncontrolled variables, rather than real country differences.

4.1.8 Reliability of the measuring instrument

“The importance of reliability rests on the assurance it provides that the data obtained are independent of the measuring event, instrument, or person” (Kaplan and Goldsen, 1949).

Three aspects of inter-coder reliability will be briefly discussed: a) Measurement method, b) Intra-coder reliability c) Inclusion of judges from each culture, d) Different reliabilities across countries.

- a) The most common method of measuring reliability is percentage agreement. According to Kassarian (1977), an inter-coder agreement value equal to or greater than 85% is acceptable in content analysis research. This method, however, has been criticised by many, including Scott (1955), Cohen (1960) and Krippendorff (1980).

By chance alone, agreement increases as the number of categories decreases. Therefore, a higher agreement measure would be expected on a two-category variable than on a nine-category variable. Several methods were suggested to correct for chance agreement, including Bennett et al (1954), Scott (1955), and Perreault and Leigh (1989).

These methods vary along one or more of the following dimensions: 1) sensitivity to systematic coding errors, 2) correction for chance agreements, 3) ability to handle multiple coders, and 4) level of measurement represented by the stimuli (Kang et al, 1993).

Of the 93 articles examined, only (30.11%) used acceptable, yet not accurate methods of measuring inter-coder agreement. The majority of the studies have either used percentage agreement (47.31%), a method that has been criticised widely since the 1950's, or not performed reliability tests at all (22.58%).

- b) To ensure the reliability of the measuring tool over time, an intra-coder test is normally used. However, our review found that less than one third of the researchers have conducted a test-retest as an additional measure of reliability.
- c) Brislin (1980) has suggested that a judge from each culture is required to take part in the analysis, and reach an agreement of more than 85%. The presence of a judge from each culture guards against the possibility of the judges' agreement due to factors specific to their cultural background. In addition, inter-coder agreement involving one culture generally tends to inflate the reliability (Gilly, 1988).

In more than one quarter (28.57%) of the studies reviewed here, the judges did not represent each culture, and in almost one third of the articles it was not possible to assess whether judges from each culture were used (Table 4.9).

Table (4.9) Percentage of studies using judges from each culture.

	Yes %	No %	Not available %
Judge from each culture	40%	28.57%	31.43%
Different reliabilities across countries	28.57%	-	71.43%

- d) Many authors have previously warned about the effects of instrument reliability inequivalence across-countries (Parameswaran and Yaprak, 1987; Aulakh and Kotabe, 1993). It has been demonstrated that the same scales may have different reliabilities in different cultures (Malhotra et al, 1996). In addition, Davis et al (1981) showed that two sources of measure unreliability could confound the comparability of cross-cultural findings. Therefore, unequal reliabilities across-countries/cultures/measures should be adjusted for before valid inferences can be drawn (Bollen, 1989).

A considerably large number (28.57%) of the studies included in the present review has reported reliability values that are not equivalent across countries/measures studied (Table 4.9). None of these studies have mentioned this fact as a limitation to

their findings, and none of the authors have attempted to adjust for this instrument reliability inequivalence. Most of the studies have not reported the reliability measures per country.

"The lack of attention to this crucial issue of cross-cultural methodology is not surprising, considering that only recently have these issues been given attention in domestic research" (Malhotra et al, 1996).

4.1.9 Method of analysis

A wide range of statistical analysis techniques has been used in the studies reviewed. These techniques are summarised in Table (4.10). From the table, it appears that most of the researchers have chosen to use simple and univariate statistical tests. This is rather surprising considering the state of the art statistical methods available, the importance of the findings, and the amount of effort and financial investment in these studies.

Table (4.10) The Methods of Statistical Analysis used in the Literature.

Method of Analysis	Percentage of Studies %	Accumulative Percentage %
Frequency tables	19.77%	19.77%
Sign, runs test	1.16%	20.93%
t-test	8.14%	29.07%
Chi-square	45.35%	74.42%
ANOVA	6.96%	81.38%
Regression	8.14%	89.52%
Discriminant	2.33%	91.85%
Factor	1.16%	93.01%
Correlation	3.49%	96.50%
Multidimensional Scaling	1.16%	97.66%
Log linear	1.16%	98.82%
Logout	1.16%	100%

4.1.10 The use of multiple comparisons

Multiple comparisons refer to conducting many pairwise tests (e.g., pairwise comparisons for a group of 5 countries). Statistically, the use of univariate tests can be performed only if a multivariate test indicates that at least one cross-national pair is significantly different (Hummel and Sligo, 1971). Our review has found that the

majority of the studies have not used a multivariate test to justify the use of univariate pairwise comparisons.

Additionally, around 80% of the articles reviewed in the present study have performed multiple comparisons using conventional confidence levels (e.g., 95%). This practice is statistically inappropriate, and does not result in accurate findings, for the reasons explained below.

Three principles should be acknowledged when conducting multiple comparisons:

- a) It is inappropriate to perform statistical tests for each pairwise comparison by utilising conventional levels of significance (e.g., 95%). This is due to the fact that multiple comparisons inflate the overall type-I error rate, -the probability of rejecting the null hypothesis when in fact it is true. For independent tests, the overall error rate is given by the formula:

$$[1-(1-a)^n]$$

where $a=0.5$ for 95% confidence level, and n = number of comparisons.

As an example, for twenty pairwise comparisons each at 95% confidence level, the overall error rate would be 64.15%. That is a confidence level of 35.85%, which is so low, that no finding can be seriously considered at this confidence level.

- b) Depending on the nature of the comparisons (i.e., *post-hoc* or *a priori*) there are many procedures to control the overall error rate (Klockars and Sax, 1986).

For *a priori* comparisons, a common procedure is to set the confidence level for each pairwise test to:

$$[1-a/n],$$

where α = the desired overall error rate, and n = the number of multiple comparisons.

As an example, for a confidence level of 95%, $\alpha=0.05$, and the number of comparisons $n=20$, the twenty pairwise tests should be evaluated at a confidence level of:

$$[1-0.5/20]$$

confidence = 99.75%; error = 0.0025.

With such a high confidence level, it would be difficult to reject the null hypothesis if it is not true.

- c) An alternative option to adjusting the overall error rate would be to use a method that will perform all the comparisons simultaneously, rather than separately (e.g., SPSS Bonferroni) (Singh, 1994).

4.2 Recommendation for future research:

- 1) It is recommended that cultures (preferably more than two) be selected on a theoretical basis, and the underlying reasons be clearly presented.
- 2) Units of analysis should be clearly specified (e.g., culture/country, etc.).
- 3) Samples should be equivalent across cultures.
- 4) The following should be stated clearly:
 - a) Method(s) of measurement used for inter/intra-coder tests.
 - b)
 - Sample size used for reliability tests,
 - time elapsed for test-retest,
 - number of coders, and

- country of origin of the coders.
- c)
 - The country where the research is conducted,
 - number and kind of publication categories,
 - number of individual product categories.

Chapter Five: Rationale for Hypothesis and Methodology

Chapter Five 132

Rationale for Hypothesis and Methodology 132

5.1 Introduction..... 132

5.1.1 Research Question 132

5.1.2 Research Objectives 134

5.2 Review of the Literature Related to the Hypotheses 134

Hypothesis 1 134

Hypothesis 2 136

Hypothesis 3 140

Hypothesis 4 142

Hypothesis 5 144

Hypothesis 6 146

5.2 Methodology 147

5.2.1 Proposed Content Analysis Model 147

5.2.2 The Research Sample 154

5.2.3 Methods of analysis 157

Chapter Five

Rationale for Hypothesis and Methodology

5.1 Introduction

In this chapter, we first review the questions leading to the hypotheses that are examined in this study and discuss the literature relating to these hypotheses. Afterwards, we discuss the methodology followed in this research and the sampling criteria.

5.1.1 Research Objectives

The aim of this research is to find out how three decades of debate about advertising standardisation are reflected in the practices of multinational companies. Do multinational companies standardise or adapt their advertising for the same brands across the countries studied? We are also interested in the forms that advertising standardisation/adaptation take in the various MNCs.

5.1.2 Research Questions

Given differences between the national markets\regions relating to:

- ◆ languages
- ◆ marketing environments
- ◆ advertising regulations
- ◆ advertising culture; for example the way the elderly or children are portrayed

- ◆ brand positioning and stage reached in the product life cycle
- ◆ socio-economic stratification
- ◆ broad cultural issues i.e. whether a hard or soft sell approach is most commonly used

The expectation was that MNCs would practice substantial adaptation to their advertising across markets. Therefore, the specific objectives of the study were to analyse the relevant advertisements in the selected publications and determine the type or form of standardisation practised, including:

- 1) Whether each of the executional elements was standardised.
- 2) To what extent were these elements standardised?
- 3) Were the same elements standardised in all the markets, and to the same extent?
- 4) Whether the extent of advertising standardisation was related to the product category?
- 5) Whether the extent of advertising standardisation was related to the country of origin?
- 6) Whether the extent of advertising standardisation was related to the host-market, i.e., and the market where the advertisement appeared?
- 7) Whether there is interaction between the effects of the two variables Product Category and Country-Examined?

- 8) Whether the extent of advertising standardisation practised in a specific country is related to the extent it is practised in other countries.

A review of the current published material on advertising standardisation then narrowed these questions down to a set of six hypotheses on which the research was to be focused. As we have mentioned previously, there are no established theories in the literature on the topic of international advertising standardisation (Walters, 1986; Jain, 1989; Harris, 1993). Therefore, our hypotheses here are prepositional in nature, and they serve as questions for investigation.

5.2 Review of the Literature Related to the Hypotheses:

Hypothesis 1

The international advertising of multinational brands will either be totally standardised or totally adapted.

As we discussed earlier, we have limited data regarding actual companies' practices with regards to international advertising standardisation. Other problems include:

- 1) What is measured by standardisation varies from one study to another. In almost all the studies, standardisation has not even been defined (Walters, 1986; Harris, 1993).
- 2) There has been confusion between companies' policies and practices.

As a result of these problems, we have not been able to obtain reliable data relating to the forms and extent of advertising standardisation practised by MNCs.

Previous studies in this field have reported that the majority of the companies examined did not standardise their advertising across-countries (Ryans and Donnelly, 1969; Dunn, 1976; Boddewyn et al, 1986).

Boddewyn et al (1986) reported that the majority of the manufacturers of consumer products examined in their study either substantially adapted or substantially standardised the advertising executions across-countries.

Further support for Boddewyn's proposition, that many of the MNCs who practice advertising standardisation will do so to a considerable or total extent, came from the articles published in the industry press. Many of these articles that have reported data on the policies of the MNCs who do attempt to standardise the advertising executions developed in the various markets, indicate that the aim was to create global or pan-European campaigns for their brands. Some of these companies include: Colgate-Palmolive, Kodak, Gillette and Parker (Advertising Age, 1984); Proctor & Gamble (Financial Times, January 1984); Goodyear (Marketing Week, February 1984); British Airways (Financial Times, March 1984). One would expect these companies, in their quest for global advertising, to employ substantial advertising standardisation.

In a recent study, Harris (1994) studied the practices of thirty-seven MNCs and found that the majority of these MNCs practised modified forms of advertising standardisation, and that the practice of total standardisation/adaptation is the exception and not the rule.

From the above, we see that the opinion is divided on the issue of the extent of advertising standardisation practised by MNCs, and no detailed or accurate data regarding the practices of MNCs is available.

Hypothesis 2

The extent of international advertising standardisation practised by MNCs is not related to the product category.

One of the objectives of this study was to investigate whether the level of advertising standardisation practised by the sampled MNCs is influenced by the product category. In this context, we review the relevant arguments concerning the influence, or otherwise, of the product category on policy on advertising standardisation practised.

The key conclusions to emerge from the literature were:

- 1) As we have seen in Chapter Four, over half of the studies failed to account for the effect of the product category in their results. For these studies, it was not possible to assess the influence of the product category on their results.
- 2) While several papers have reported the effect of the product category on their results, the operationalisation and the definition of what constitute a product category differed from one paper to another. Methods of product classification included: durable/non-durable; high/medium/low involvement; product class, and other methods. The different methods of classifying product categories in the literature hinder the comparability of the results.
- 3) Given the data presented in the literature, the indications are that product category is indeed a key variable influencing policy on advertising standardisation practised by MNCs.

Ryans (1969) was of the early researchers to point out that advertising often differs by product lines. This was recently confirmed in a study that found that the executional details within advertisements varied both by product class, and across cultures (Cutler and Javalgi, 1992; Javalgi et al, 1995).

Ryans (1969) further suggested that non-durable products might be more amenable to standardisation than durables. Cutler and Javalgi (1992) contended that the opposite is true. To quote the authors:

“Ryans (1969) suggested that advertising standardisation would be less feasible for durables, but the evidence from this study suggests that: 1) either the product lines will be equally difficult to standardise, or 2) that non-durables will be slightly more difficult to standardise.”

They concluded their study by stating that:

“The first implication is that successful standardisation of advertising will not be dependent upon product category.”

Boddewyn et al (1986) contended that the extent to which the marketing elements would be standardised would vary by product category or product type. For example, they anticipated that consumer non-durables would be less likely to be standardised because they were more sensitive to differences in national tastes and habits, whereas one would have expected more marketing standardisation for consumer durables because products such as radios and cameras are assumed to be less culture prone.

Boddewyn claimed that this hypothesis was partially substantiated with the finding that the overall level of standardisation practised was higher for consumer durables manufacturers than for consumer non-durables. In particular, they found that 25% of the sampled manufacturers of consumer non-durables have practised substantial

advertising standardisation, compared to 13% of the consumer durables manufacturers.

Similarly, Keown et al (1989) concluded that there are significant differences between the advertising of consumer durables and consumer non-durables. Sandler and Shani (1992) indicated that advertisers of consumer durables use standardised international advertising more frequently than advertisers of non-durable products.

In addition, it has been suggested that some products are more suited for international advertising standardisation than others. Suitable products include: 1) products for which audiences are similar (Giges, 1991); 2) products that can be promoted via the image campaign (Belch and Belch, 1993); 3) luxury products and products with a nationalistic flavour (Mueller, 1996); and 4) high tech products (Nelson, 1994). Further information on these products is available in Appendix (2).

Samiee and Jeong (1994) suggested that some of the observed differences among countries might be due to uncontrolled variables such as the product category. In contrast, Harris (1994) investigated the policies and practices of 37 companies (7 consumer durables, 30 consumer non-durables), and concluded that:

“The data provided no evidence of a relationship between policy on standardisation on the one hand, and product category, ..., on the other”

Harris (1994).

Javalgi et al (1995) decided that for their latest study, there was no need to account for the influence of product category on their results. To quote the authors:

“A preliminary analysis indicated there were only minor differences when durable and non-durable products were separated, so to simplify the

discussion the two categories of durable and non-durable products have been combined.” (ibid.).

Mueller (1991) examined the factors influencing international advertising policies of sampled companies. The sample included advertisements from the US and German markets. The results of Mueller’s (1991) study showed no significant differences among product categories.

It has been reported that advertisers of industrial products/services employ more advertising standardisation than advertisers of consumer products/services (Weichmann, 1974; Hulbert and Brandt, 1977; Wind and Douglas, 1986; Ryans and Ratz, 1989). The above argument was initially based on the assumption that consumer products are more culture bound, which calls for different selling prepositions across-countries, and hence, different advertising executions.

The effect of product category on the advertising standardisation policy was examined by Lorimar and Watson-Dunn (1967); Clark (1975); Weichmann and Pringle, (1979); Goehle, (1980); Gates and Egelhoff, (1986); Boddewyn et al (1986) and Sandler and Shani (1992). All these studies have concluded that advertisers of industrial products used advertising standardisation more frequently than advertisers of consumer products.

Domzal and Kernan’s (1993) study focused on:

“...two product categories –fashion and food- because we believe they qualify as products for which global advertising is appropriate.”

They developed the argument that:

“Fashion and food products –what people put on and in their bodies- enable the universally-held need of self expression, and in that sense, their perceptions are thereby driven by a common ethos.”

They further added:

“Certain consumers, apart from their resident cultures, regard these products in essentially equivalent, self-relevant ways, so they are prime candidates for global, if not wholly standardised advertising.”

Whitelock and Chung (1989) found that another product class, namely perfume, is more amenable to standardisation than other product classes. They concluded that:

“This suggests that the standardisation of advertising for perfumes is possible because here the message is so simple that no text or caption is needed. It could be argued that perfumes, unlike skincare and suntan products, speak for themselves and do not generally require any explanation to communicate their attribute to consumers.”

Hypothesis 3

The extent of advertising standardisation practised by MNCs is not related to their country of origin.

Many researchers have suggested the existence of a relationship between the nationality of an MNC, and the level of advertising standardisation practised by that company (Ward, (1973); Hulbert, Brandt and Richers (1980); Hofstede (1985)).

In his studies about culture, Hofstede (1985) affirmed that national culture would certainly influence the policies adopted by the multinational companies, since the employees of these companies will be influenced by their “ethnocentric philosophy”.

In addition, it was reported by Gates and Egelhoff (1986) that US multinationals are generally more centralised than Japanese and European multinationals. According to the authors, the reason behind European multinationals being less centralised is due to the fact that these companies had been in existence before the communications revolution. As a result, these European companies had grown used to being autonomous, and this pattern proved to be difficult to reverse (ibid.).

The only study that found that nationality and policy on advertising standardisation are related is Kirpalani, Laroche and Darmon (1988). They found that US multinationals allow their subsidiaries greater autonomy regarding advertising development, than Canadian multinationals, and that the more centralised a company was, the greater the extent of advertising practised. This relationship between the level of centralisation and the extent of advertising standardisation practised confirmed Donnelly's (1970) earlier findings.

If US MNCs are generally more centralised than European and Japanese MNCs (Gates and Egelhoff, 1986), and the more centralised the MNC the greater the extent of advertising standardisation practised (Kirpalini et al, 1988), then one would expect US MNCs to practice greater advertising standardisation than their European and Japanese counterparts.

It is clear from the quote below that the authors assume, or expect that US MNCs actually practice the highest levels of advertising standardisation, and thus the US was recommended for use as a benchmark for standardisation. To quote:

“As a beginning point of analysis, the US could be used as the point where standardisation occurs at this end of the continuum. Perhaps Western Europe, not being too far from the US, could occupy a spot nearby on the scale,

somewhat further from the standardised pole. At other extreme of the continuum are continents such as Asia and Africa which would be placed much further out on the scale, away from the standardisation pole, but much closer to the localised end, indicating a much greater degree of diversity."

Cutler and Javalgi (1992) expressed a similar opinion, stating that:

"The United States was selected [in their study] as a third comparison because it is the world's largest advertiser and contains the advertising sponsors most likely to attempt standardisation across countries." Cutler and Javalgi (1992), p72.

As for the Japanese MNCs, Graham (1993) has singled out Japanese MNCs to particularly adapt their advertising by stating that:

"Japanese advertisers, in particular, appear to adapt their advertising approaches to foreign markets."

Harris (1994) studied the international advertising policies and practices of 19 US and 19 European MNCs. He concluded from his study that:

"The data provided no evidence of a particular relationship between policy on advertising standardisation on the one hand, ..., and nationality of the MNC, on the other."

Hypothesis 4

The extent of international advertising standardisation practised is not related to the Host-Market where the advertisement appears.

Hypothesis 4, aims to test whether the variable 'host-market', where the advertisements appear, is in fact a key variable influencing the level of

advertising standardisation practised by the sampled MNCs. The accurate numerical data obtained in this study present us with the opportunity to statistically test this concept.

The advertising standardisation/adaptation debate tends to focus on whether or not national culture affects consumer decision making. The proponents of advertising adaptation argued that, if national culture still exerted a critical influence on consumers, then this demonstrated that standardisation generally is not the optimal policy (Buzzell, 1968; Arpen and Fu, 1974; Reichel, 1989).

Many writers have suggested that the type of national market influences the extent of advertising standardisation practised by MNCs. Some writers suggested that standardisation will be mainly practised in markets at a high stage of economic development, where convergence is likely to be strongest (Rau and Preble, 1987; Mueller, 1991). Others suggested that it is more likely to be restricted to less developed markets, where adapting the advertising is hard to justify on economic grounds (Kaynak and Mitchell, 1981; Huszagh, Fox and Day, 1985; James and Hill, 1991).

In a study of international marketing practices of UK exporting companies, Mitchell (1979) found that the same advertising message was used in 48% of the more economically developed markets, but in only 23% of the less developed markets.

To determine the potential for standardisation, Kreutzer (1988) developed an analytical framework highlighting the effect of the “country”, i.e., host-country. Similarly, Rau and Preble (1987) suggested analysing “host-country” characteristics (including market size and regulatory policies towards MNCs).

Sorenson and Weichmann (1975) proposed that a high degree of cross border similarity in market conditions seemed to concur with a high level of advertising standardisation. They contended that the above effect of cross boarder convergence on the level of advertising standardisation appears to be true for products like cosmetics, soft drinks and detergents.

Eleven years later, Meffert and Althans (1986) supported the above argument and added that:

“differences between countries seemed to grow with their geographical distance.”

The literature is rich with examples and recommendations that market characteristics vary across markets, thus rendering some markets more suitable for international advertising standardisation than others. Examples of such arguments include: different demographic characteristics, e.g., literacy rates (Noor AL-Deen, 1991); different political and legal environments (Anderson, 1984; Friedmann et al, 1988); different advertising regulations (Hill and Still, 1984); different stage of development (Advertising Age, September, 1984); different media availability (Peebles and Ryans, 1984); and different marketing environments (Jain, 1989).

Hypothesis 5

There is no interaction between the effects of the two variables *product category* and *host-market* on the extent of advertising standardisation.

The effect of the product category on the extent of advertising standardisation has been discussed throughout the thesis, and it has been summarised when we discussed

hypothesis 2. Similarly, the effect of the host-market has been highlighted and discussed for hypothesis 4.

The hypothesis that a relationship exists between these two variables was born out during the analysis of the results of this research. It is our belief that the two variables 'product category' and 'host-market' both influence the levels of advertising standardisation practised by MNCs. This belief was reinforced throughout the detailed analysis of the practices of the sampled MNCs.

In fact, during the preliminary analysis and the pilot study of this research, it became apparent that there might be a relationship among these two variables, and that the current knowledge about their effects individually might not hold when tested empirically.

When we tested hypothesis 3 and 4, with regards to the influence of the product category and host-market, we marginally accepted that the product category is a key variable, while we rejected that host-market is a key variable influencing the levels of advertising standardisation practised by the sampled MNCs.

As a result, we started to look for alternative explanations why the results of testing hypotheses 3 and 4 did not match the expectations. Chief among the explanations that we considered was that a relationship exists between these two variables, and thus they jointly influence the level of advertising standardisation practised by the sampled MNCs.

If this were the case, then the effect of these two variables would be masked when one variable is tested without controlling for the other, and that would explain why the tests did not find the influence of these variables to be strongly significant.

While few writers have suggested that each of these variables individually influence the level of advertising standardisation practised by MNCs, *none* have touched on the idea that these two variables could *jointly* influence the extent of advertising standardisation practised by MNCs.

If this were the case, then we would expect specific product categories to exhibit high levels of advertising standardisation in some countries but not in others, while, other product categories to exhibit a reverse pattern.

The claim regarding the existence of an interaction between these two variables, which have been thought of to date as separate variables, is important. If it can be shown that these two variables act jointly, then this raises questions about the current knowledge, or assumptions, regarding the effect of these two variables, or indeed any other individual variable, on the extent of advertising standardisation practised.

It is a known statistical rule that once a relationship between two or more variables has been found significant, then it is no longer useful to discuss the effect of these variables individually. Rather, the joint effect is what concerns us, and all previous knowledge concerning the effect of these variables have to be adjusted to the new finding.

Hypothesis 6

The extent of international advertising standardisation practised in a specific country is not related to the extent it is practised in other countries.

There are no established theories in this field, and hence, this hypothesis is exploratory in nature. It does not aim to test theories, but it aims to produce data concerning the actual practices of the sampled MNCs. The data could also be used

for the benefit of the prospective international advertising managers who aim to employ an element of advertising standardisation in any of the markets investigated in this study.

Previous attempts to group countries into clusters according to their levels of similarity include Hofstede (1980) and Miller (1989). Miller (1989) administered a questionnaire survey to 40 marketing executives from the UK and the Netherlands, asking them to group a list of Western European countries into clusters.

The respondents produced a number of clusters that included various countries. Three main clusters are relevant here, and they include: Anglo (UK and Ireland); Germanic (Germany and Austria); Latin (France, Italy, Spain, Portugal, and Greece). (ibid.)

Our study is the first to try to group countries into similar clusters according to the *actual practices* of MNCs, as opposed to the executive's opinions, as has been the case in previous research.

The results of this hypothesis would provide us with data about the actual practices of the sampled MNCs, with regards to the grouping of countries into clusters. The resulting data will provide us with insights into 'best practice', for the interest of both, the development of theory, and for practical uses.

5.2 Methodology

5.2.1 Proposed Content Analysis Model

Advertisements are complex entities, and they usually consist of various visual and verbal elements. Differences among advertisements are sometimes subtle. Given the complexity of the advertisements, and the importance of the subtle differences that

might exist, we sought to design an accurate, objective and reliable model of content analysis capable of detecting even the most subtle differences among advertisements.

Our proposed model is based on the one developed by Whitelock and Chung (1989).

We have introduced significant modifications to the design of the model. We have modified many of its elements, and also added additional ones. The modifications include:

1) Meaning of differences

Given the complexity of the practices of MNCs, classification methods need to be more precise, and other levels of classification are needed. A major development on their model is the meaning and measurement of "differences". In their model, elements were judged to be either similar or different from each other. However, this is not always the case. Very often, when the need arises to adapt an element to local specifications, a local replacement (i.e., a local version) of that element is used. A local replacement of an element indicates an adaptation to the advertising execution, while replacement of an element with a completely different one could also result from an adaptation to the advertising strategy. These are crucial differences that should be accounted for in the model.

2) Elements of the Visual

In the Whitelock and Chung (1989) model, the picture of the advertisement was treated as one undividable element. However, it is often the case that specific parts of the picture such as the model(s) and visual background are modified, and not the picture as a whole. Therefore, in order to sensitise our model to these fine differences, it was decided to breakdown the element "Picture" into its more basic

components, namely: visual background, model(s)/spokesperson, and an additional factor to allow for minor or major modifications to the visual.

3) Portrayal of the Product and the Package

Whitelock and Chung's model did not examine the portrayal of product and packaging. These elements are very important. When an MNC is introducing an established product into a new market, even if the original advertisement does not portray the product or packaging, it is customary to show the product and/or packaging in their advertisements in order for the targeted customers to be able to recognise the product. Therefore, in our proposed model, we will examine the portrayal of product and packaging, with reference to whether it is present or absent, and whether there is a difference in the size or number (i.e., number of times the product is shown).

4) Text (Verbal) Elements

Preliminary analysis of a number of international advertising campaigns showed that some components of the verbal content of an advertisement, such as body copy, might vary, while copy elements such as the slogan do not. Similar results were reported by Harris (1994). Therefore, it was decided to breakdown the copy contents of an advertisement into its basic components, namely: headline, subhead, body text, and slogan. These will be evaluated with reference to whether the components are 1) present/ or absent, 2) translated to a different language but keeping same meaning, or 3) completely different in meaning.

As a result of these findings, modifications were made to the content analysis model in order to enhance its sensitivity. These modifications meant that the model was

capable of detecting even relatively minor executional differences in an objective and replicable manner.

The results obtained by using this model will provide us with accurate and detailed descriptions of the actual practices of the sampled MNCs. If an advertisement for a brand was slightly modified for use in a specific market, the extent and form of these modifications would be detected in detail by the model developed for this study.

The initial version of our model is presented in Figure (5.3). This model was used for the pilot study to test its suitability as a method of analysis.

Figure (5.2) Modifications to the "Whitelock and Chung" Model

1) Definition of Differences			
- Similar			
- Different:		. Replaced by local	
		. Completely different	
2) The Elements			
i - Picture			
		. Visual Background	
		. Model(s)/spokes-person(s)	
		. Modifications:	
		. Minor	
		. Major	
ii- Product Portrayal:			
		. Absent/Present	
		. Difference in size	
		. Difference in Number	
		. Replaced by Local.	
		. Other differences	
iii- Product Packaging:			
		. Absent/Present	
		. Different size	
		. Difference in Number	
		. Replaced by Local	
		. Other differences	
iv- Text:		a) Headline:	
		. Same/Translated/Different	
		. Present/Absent	
		b) Subhead:	
		. Same/Translated/Different	
		. Present/Absent	
		c) Body Text (Copy):	
		. Same/Translated/Different	
		. Present/Absent	
		d) Slogan:	
		. Same/Translated/Different	
		. Present/Absent	

Figure (5.3) The Content Analysis Model

1) Picture (40 points):

- a- Visual Background (20 points):
 - . local (10 points)
 - . different (20 points)
- b- Model(s)/spokesperson (10 points):
 - . local (5 points)
 - . different (10 points)
- c- Modifications (10 points):
 - . minor (5 points)
 - . major (10 points)

2- Text (32 points):

- a) Headline (10 points):
 - . Same Language/different meaning (3 points)
 - . Translated/Same meaning (6 points)
 - . Completely Different (10 points)
- b) Subhead (6 points):
 - . Same Language/ Different meaning (2 points)
 - . Translated/Same meaning (3 points)
 - . Completely Different (6 points)
- c) Body Text (Copy) (10 points):
 - . Same Language/different meaning (3 points)
 - . Translated/Same meaning (6 points)
 - . Completely Different (10 point)
- d) Slogan (6 points):
 - . Same Language/ Different meaning (2 points)
 - . Translated/Same meaning (3 points)
 - . Completely Different (6 points)

3) General Layout (10 points):

- . Minor Differences (5 points)
- . Major Differences (5 points)

4) Product Portrayal (6 points):

- . Difference in Size (1 point)
- . Difference in Number (1 point)
- . Replaced by Local (2 points)
- . Other Differences (2 point)

5) Product Packaging (6 points):

- . Difference in Size (1 point)
- . Difference in Number (1 point)
- . Replaced by Local (2 points)
- . Other Differences (2 points)

6) Colour(s) of the Advertisements (3 points):

- . Colour vs. B/W (1 point)
- . Different Colour (3 points)

7) Size of the Advertisement (3 points):

- . As original + Extra section (1 point)
- . Different Size (3 points)

Total Score = Sum of Points from all the Elements**Degree of Standardisation = 100 - Total Score**

From the pilot stage, we found that some MNCs employ the same advertising layout for a number of brands. For example, Nivea Visage uses the same layout with the logo centred in the middle of the page dividing it into two halves -the top half contains a photo of the model and the lower half contains a photo of the product. Therefore, an advertisement for a different Nivea Visage brand would contain a different photo of the product to portray the new brand, but not necessarily a different photo of the model, depending on the age group of the target prospects. Likewise different versions of advertising copy, using the same advertising claims but presented differently.

These and other tactics of creating variations around a theme are sometimes used to counteract the potential boredom that might result from multiple exposures to the same message. Therefore, there is a need to further develop the model in order to identify these types of variations. For the visual part, various modifications were introduced to increase the sensitivity of the, without compromising its objectivity. The analysis of the visual background will be carried out for the product and the model separately. Further modifications to the measurement of the visual element

"model" include breaking it down into the following four sub-elements at 2 points each:

- 1) Pose of the model: advertisers employ different poses of the model to convey different meanings, e.g., relaxing, attentive, etc. Since these different poses convey different meanings, they should be accounted for in the model.
- 2) Photographic distance: This element is also used to create different effects. For instance, a close-up is more personal, while a long shot not showing the face conveys mysticism.
- 3) Relation of the model to the product: Whether the model is looking at the product, using it, holding it, etc.
- 4) Relation of the model to the reader/viewer: Whether the model is looking towards the viewer, or away to the side of the page, etc.

These tactics convey different meanings to the reader and therefore should be accounted for in the Model. While any such scaling is to some extent subjective, our Model serves the primary purpose of highlighting differences in a more replicable and verifiable manner than prior research. Unlike previous models, our model measures details of the actual practices of relevant brands and MNCs. A number of advertising practitioners expressed similar opinions when we asked them to evaluate the model.

For purposes of this study, brands that employ the same advertising executions for more than one market are considered to be totally standardised across these markets. For the content analysis method used in this study, these brands would obtain an

advertising standardisation score of 100%, since the executional elements used in all markets were identical.

Brands that obtain advertising standardisation scores less than 60% are considered to be highly adapted, since the executional elements of these brands differ more than they have in common. Brands that are not totally standardised but have advertising standardisation scores more than 60% are considered to be partially standardised.

5.2.2 The Research Sample

Rather than focus on advertisements taken from national markets in one geographical region, it was decided to select advertisements from national markets from two geographical regions, as this would give us a better indication of whether the sampled multinationals were practising standardisation. The regions selected for the purposes of the survey were the European Union and the Middle East.

From these two regions, the following nine countries were selected for inclusion in the sample:

Europe:

UK; France; Germany; Spain; Italy and Greece

Middle East:

U.A.E (Dubai); Saudi Arabia and Lebanon

The six European countries represent 80% of the population of the European Union. As regards the advertising standardisation issue, and our expectations of finding it, it should be noted that these markets share similar media characteristics and availability and they are at similar stage of economic development, and they have

similar political systems, thus there are fewer barriers to advertising standardisation. Hence, standardisation is likely to be found in this region. Also, most prior studies had focused on these markets and thus benchmark data was available for comparison with the data obtained from this study.

Selection of the Arabic countries was more problematic given the diversity of the countries within the region. Countries were selected with similar media characteristics; economic developmental stage; political systems; social and cultural characteristics and religion. They were also geographically close; spoke the same language; were members of the same economic community (GCC, except Lebanon), and were major markets for image and luxury products.

The Arab markets in the Middle East were selected because they represented major consumer markets that have been neglected in the literature. These markets, however, are very important consumer markets. In 1990, these Arab markets accounted for 26% of all European exports, 22% of all Japanese exports, 27% of the exports of all SouthEast Asian countries, and 14% of all American exports. Furthermore, they accounted for 50% of world sales of luxury watches, and are considered to be major markets for luxury products (Baker and Abou-Ismael, 1993).

To control for the effect of the publication category, only women publications were selected. It is understood that, while this strategy would control for the important influence of the publication category, it would also limit the generalisability of the results. Another reason for not selecting other publication categories is the lack of comparable publication categories in the Middle East.

The focus was on selecting magazines with a similar readership profile across the selected national markets surveyed and ones with high circulation. In the European

markets the magazine Vogue was selected. The magazine Vogue is considered the most appropriate print magazine as women's apparel, perfumes, and cosmetics are the most advertised products. This publication had also been used by Seitz and Johar (1993) and this facilitated comparisons with the results obtained from their study. Vogue is not available in Greece and the Arab markets, and other publications with matching readership profiles to Vogue were selected. These were Ginaika/Greece, Sayidati/Saudi Arabia, Snob/Lebanon and Zahrat AL-Khaleej/UAE.

Advertisements of any size or colour, with the exception of classified advertisements, appearing in all twelve issues during the period January 1996 - December 1996) were selected for this study. To control for the effects of the product categories, the results are presented for each product class separately. The objective was to select and analyse advertisements for brands produced by companies that were genuine multinationals.

This sampling strategy will result in a sample that is representative of the advertisements appearing in those markets, and at the same time, eliminating all sources of bias in the sample.

As mentioned in Chapter One, we have initially sought to analyse the brands that have appeared in *all* the nine selected markets. However, only eleven brands were found to be advertised in all the nine markets. Furthermore, the number of brands that appeared in at least eight or seven markets was considered to be low for statistical analysis, and a larger sample was required.

In contrast, the number of brands that appeared in at least five markets was too large to be used for the content analysis method. The thorough nature of the method used would make it very difficult to manage such a large sample.

Therefore, to account for the practical reasons mentioned above, and to ensure the manageability of the sample and ensure that the selection of companies for the final analysis was restricted to MNCs for whom the international advertising standardisation decision was relevant and important, the advertisements for brands that appear in at least six out of the nine national markets were selected. The number of brands that qualified for this criterion was fifty-one brands.

The selected companies were all large MNCs. A sample of these MNCs is presented below:

- L’Oreal
- Estee Lauder
- Lancome
- Christian Dior
- Calvin Klein
- Clinique
- Chanel
- Armani
- Gucci
- Versace

The nationalities of the selected MNCs are shown in Table (5.1).

Table (5.1) Nationalities of the Sampled MNCs

Nationality	Number of MNCs Selected
US	16
France	16
Italy	10
Switzerland	6
Japan	3

Of the fifty-one brands, the breakdown by product category is shown in Table (5.2) below:

Table (5.2) Breakdown of the Sampled Brands by Product Category

Product Category	Number of brands
Fragrances	16
Apparel	12
Cosmetics	11
Watches/jewellery	12

5.2.3 Methods of analysis

The results of this study will be initially presented in frequency tables, clearly showing the similarity/differences among countries broken down according to the product category.

Afterwards, the results of the countries/ product categories/ advertisements characteristics will be statistically analysed simultaneously, using SPSS, in order to avoid the problems associated with multiple comparisons methods that increase the type-I error that has been a characteristic of cross-cultural advertising research to date.

Reliability of the measuring instruments

Reliability Test I

For content analysis studies, it is suggested that an independent judge (or two

judges), native to the country studied, should re-analyse a percentage of the advertisements, in order to measure the level of agreement between the two independent judges. Therefore, in this study, in addition to the researcher, two other judges from each country will analyse all (100%) of the sample of advertisements selected for this study.

This way, an inter-coder reliability test will be conducted, to ensure the reliability of the methods used. According to Kassarian (1977), an inter-coder agreement of 85% is required for the content analysis methods.

Reliability Test II

A second reliability test will also be undertaken. A test-retest, or intra-coder reliability test, will be conducted 6 weeks after the advertisements have been analysed. The same 85% agreement is required for this test as well.

In case the reliability levels of the instrument varies across-countries/cultures, a technique for adjusting for this variation will be used according to Bollen (1989). The exact method will depend on the level of variation.

The typical content analysis process, as used in the literature, was employed for this study. The judges independently translated the advertisements' copy into English. Differences in translation between the two native judges were resolved by discussion. The final version of the translated copy was then content analysed by the researcher.

The content analysis model used in this study was explained in detail to the judges, and ten advertising campaigns for brands from outside the sample were supplied to the judges for training. Once it became clear that the judges were familiar with the

use of the model, they then independently employed it to analyse the sample of advertisement for the specific country.

As expected, given the clarity, objectivity and replicability of the content analysis model used in this study, the results reported by the researcher and those reported by the independent judges, were identical. Further details relating to the construction of the comparison tables and indices are presented in the next chapter.

5.3 Description of the sample

In this section, we will present a brief summary of the sample. Our search uncovered a total of 15,028 advertisements for 2442 brands that appeared in one or more of the nine countries included in this study. The number of brands and the number of countries they appeared in are shown in Table (5.3). From this table, we can see that the majority of the brands (72.97%, 1782 brands) appear in only one single market.

For the brands that appear in a single country in this study, indications are that the issue of advertising standardisation is not of direct relevance, since they are not advertised in more than one country during the period covered in this research, i.e., January to December 1996.

The third row in Table (5.3) shows the accumulate percentage of brands that appeared in various countries. In other words, it shows the percentage of brands that appeared in a specific number of countries or less. For example, from Table (5.3), we can see that 97.91% of these companies have appeared in five countries or less. These, did not qualify for the ‘cut off’ number of six countries where a brand should appear in order to be included in the final analysis.

The fourth row shows the reverse accumulative percentage, i.e., the percentage of brands that appeared in a specific number of countries or more. From the same table, we see that only fifty-one brands or 2.09% of the brands examined, appeared in six or more countries (Table 5.3). These form the basis for the analysis of the results in this chapter.

From Table (5.3), we also see that only 660 (i.e., 27.03%) brands have appeared in more than one country. These, in a broad sense, can be classified as multinational brands, since they appear in more than one national market. Hence, it is to these companies that the issue of advertising standardisation is relevant.

Table (5.4) shows the number of brands that appeared in more than one country. The first row in Table (5.4) shows the number of *multinational* brands that appeared in more than one country. The second row shows the percentage of these brands. For example, from Table (5.4), we can see that 55.45% (i.e., 366) of the multinational brands have appeared in only two countries.

The third row in Table (5.4) shows the accumulated percentage of brands that appeared in various countries. In other words, it shows the percentage of brands that appeared in a specific number of countries or less. For example, from Table (5.4), we can see that 92.27% of these *multinational brands* have appeared in five countries or less. These, did not qualify for the ‘cut off’ number of six countries where a brand should appear in order to be included in the final analysis.

The fourth row shows the reverse accumulative percentage, i.e., the percentage of brands that appeared in a specific number of countries or more. From the same table, we see that 7.73% of the *multinational brands* have appeared in six or more countries, therefore qualifying for the final analysis of this research.

Only eleven brands, equivalent to 1.67% of the multinational brands (Table 5.4), and to 0.45% of all brands (Table 5.3), have appeared in all the nine countries.

In the next chapter, Chapter Six, we will present a summary of the results.

Table (5.3) Number of brands that are advertised in various markets.

	Number of Countries									
	1	2	3	4	5	6	7	8	9	Total
Number of Brands	1782	366	130	72	41	24	9	7	11	2442
Percentage	72.97%	14.98%	5.32%	2.95%	1.68%	0.98%	0.37%	0.29%	0.45%	100.00%
Accumulative Percentage	72.97%	87.96%	93.28%	96.23%	97.91%	98.89%	99.26%	99.55%	100.00%	
Reverse Accumulative Percentage	100.00%	27.03%	12.04%	6.72%	3.77%	2.09%	1.11%	0.74%	0.45%	

Table (5.4) Number of Multinational Brands that are Advertised in More Than One Country.

	<i>Number of Countries</i>								
	2	3	4	5	6	7	8	9	Total
<i>Number of Brands</i>	366	130	72	41	24	9	7	11	660
<i>Percentage</i>	55.45%	19.70%	10.91%	6.21%	3.64%	1.36%	1.06%	1.67%	100.00%
<i>Accumulative Percentage</i>	55.45%	75.15%	86.06%	92.27%	95.91%	97.27%	98.33%	100.00%	
<i>Reverse Accumulative Percentage</i>	100.00%	44.55%	24.85%	13.94%	7.73%	4.09%	2.73%	1.67%	

Chapter Six: Summary of the Results

Chapter Six 167

Summary of the Results 167

6.1 Introduction.....167

6.2 Initial Results 170

Chapter Six

Summary of the Results

6.1 Introduction

In the first part of this chapter, we will present a brief summary of the results. The detailed results related to the hypotheses will be presented in Chapters Seven, Eight and Nine.

A breakdown of the product categories that are advertised in the various sampled markets is shown in Table (6.1). The percentages in the table are column percentages. For example, 19.0% of the advertisements that appeared in the UAE were fragrance advertisements, compared to 8.6% in Greece. In addition, 22% of the advertisements that appeared in Lebanon were for cosmetics, compared to 6.8% in Germany. From this table, on basis of the sampled advertisements, it appears that the percentage of product categories advertised varies significantly across countries. This variation will also be discussed in a later stage of this research.

We note from the table that there are no advertisements for alcohol in the UAE and Saudi Arabia. This is due to the fact that alcohol advertising is not allowed in these two Islamic countries. The consumption of alcohol is strictly prohibited in Saudi Arabia, while it is allowed in the UAE. Although the consumption pattern of alcohol is different

in these two Arabic countries, the advertising regulations with regards to alcohol advertising are the same.

In the third Arabic country in the sample, Lebanon, alcohol consumption and advertising regulations are no different from Europe. In fact, alcohol advertising in Lebanon, as a percentage of total advertising, is higher than that of Greece and Germany.

These variations in consumption patterns and advertising regulations among Arabic countries illustrate the danger of drawing broad generalisations when dealing with the various Arab markets.

Table (6.1) Breakdown of Product Category by Country

Product Categories	Country									X ²	d.f.	signifi
	UK	France	Spain	Italy	Greece	Germany	Lebanon	UAE	Saudi Arabia			
	Col %	Col %	Col %	Col %	Col %	Col %	Col %	Col %	Col %			
Fragrance	10.1%	14.6%	11.3%	7.8%	8.6%	7.4%	17.0%	19.0%	18.2%	126.1	8	0.00000
Cosmetics	11.2%	12.7%	16.9%	6.1%	18.2%	6.8%	22.0%	12.4%	15.4%	105.3	8	0.00000
Personal Hygiene	1.3%	.8%	1.3%	.3%	1.1%	.2%	1.1%	2.2%	2.9%	51.4	8	0.00000
Medical	.7%	.3%	1.9%	.3%	3.4%	.6%	1.3%	1.2%	1.1%	40.7	8	0.00000
Food	.3%	.6%	1.3%	.3%	3.6%	.2%	1.5%	9.5%	12.9%	374.7	8	0.00000
Services	3.6%	.3%	.6%	.3%	1.0%	.3%	5.7%	4.3%	.6%	151.5	8	0.00000
Books & Magazine	2.5%	3.7%	1.3%	.7%	7.1%	.8%	2.2%	.0%	8.0%	295.3	8	0.00000
Household	.1%	.3%	.6%	.3%	2.5%	.3%	2.2%	4.5%	3.1%	84.7	8	0.00000
Furniture	.3%	.3%	.6%	.3%	.6%	.2%	.2%	1.7%	.8%	33.4	8	0.00005
Travel	5.1%	.6%	1.3%	1.4%		.2%	3.7%	.9%	1.3%	134.0	8	0.00000
Automobile	2.3%	1.7%	6.9%	.3%	5.1%	4.6%	.7%	1.7%	2.0%	74.3	8	0.00000
Hair care	1.7%	.3%	1.3%	1.0%	2.4%	.6%	3.5%	3.6%	3.0%	38.1	8	0.00001
Entertainment	1.2%	1.4%	.6%	1.4%	6.4%	.2%	.2%	1.1%	.9%	164.9	8	0.00000
Jewellery	6.5%	9.6%	1.9%	4.4%	.9%	11.1%	5.1%	5.7%	3.9%	114.9	8	0.00000
Watches	5.7%	8.7%	5.0%	1.7%	2.7%	8.6%	14.8%	13.8%	12.0%	140.3	8	0.00000
Electrical	.6%	.6%	1.3%	.3%	1.1%	.2%	1.1%	3.3%	3.9%	87.3	8	0.00000
Financial Services	.3%	.3%	2.5%	.3%	.6%	.2%	.4%	.9%	.8%	22.2	8	0.00465
Tobacco					5.0%	.6%	1.1%	2.2%	2.1%	85.6	8	0.00000
Fashion	34.9%	30.7%	30.9%	50.5%	17.9%	34.6%	7.0%	3.7%	2.2%	1789	8	0.00000
Other	1.4%	3.4%	.6%	2.5%	5.5%	3.4%	4.9%	3.7%	2.7%	40.7	8	0.00000
Accessories	7.5%	6.8%	8.1%	18.8%	4.7%	17.3%	3.7%	3.8%	2.1%	402.5	8	0.00000
Alcohol	.5%	.6%	1.9%		.2%	.3%	.4%			50.9	8	0.00000
Lingerie	2.2%	1.7%	1.9%	1.0%	1.4%	1.5%	.2%	.6%	.1%	63.0	8	0.00000
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%			

6.2 Initial Results

As was mentioned earlier in the methodology chapter, it was decided to limit the analysis in this study to the brands that appeared in at least six of the selected national markets. It was also decided to limit the analysis to one publication category. Therefore, any conclusions presented must be qualified by sample size and selection. The final analysis has identified fifty-one brands whose advertising was found in six markets or more, and a matrix chart was drawn up for each brand comparing each advertisement appearing in all nine markets. For the purposes of illustration we present the data concerning one of the fifty-one brands in Tables (6.2 - 6.4).

Table (6.2) demonstrates how the information collected for each brand is presented and used for further analysis. The first three lines in the header of the table relate to the company information: Company, brand, and product category. Below and to the left is the country that is being analysed.

The first column contains the elements of the model with the corresponding number of points for that element. The entry in each cell in the table corresponds to the number of points given to that specific element and for the specific country.

To illustrate, Table (6.2) shows the results obtained for the advertisement for brand (35) that appeared in Lebanon, compared to the remaining eight markets in the sample. This specific case was chosen for illustration because the advertisements in the nine markets differed only in the text, and hence making the illustration easier.

Therefore, when the Headline in the advertisement for brand (35) in Lebanon was compared to the Headline in the advertisement for the same brand in the UK, we found that both headlines carried the same meaning but in different languages. Consequently, six points –out of ten- were awarded for this element.

The same result was obtained when the same element for brand (35) in Lebanon was compared to the advertisement appearing in four other countries, namely: France, Spain, Italy and Greece. On the other hand, the headline in the advertisement for brand (35) that appeared in Germany was found to be totally different, and hence it was awarded the total ten points to indicate total difference for that element.

Similarly, if we look at the element Body Text (i.e., copy), we find that the same Body Text was used in Lebanon, Saudi Arabia and U.A.E, and hence, zero points were awarded to indicate total standardisation of that element. However, the body text of the advertisements that appeared in UK, France, Spain, Italy and Greece was found to be translated to the language of each country, and hence they were awarded six points each. The body text of the German advertisement, on the other hand, was found to be totally different, and was consequently awarded the full ten points to indicate total adaptation.

To summarise, what Table (6.2) shows us is that the advertiser of brand (35) have decided to employ the same visual / model / layout / product and packaging portrayal in all the advertisements appearing in all the nine markets under study. As for the text of the advertisements, the advertiser have chosen to translate the Headline, Subhead, Body Text and Slogan for the advertisements appearing in eight of the markets, namely UK, France, Spain, Italy, Greece, Saudi Arabia and U.A.E. The advertisement that appeared in Germany carried different Headline, Subhead, Body Text and Slogan. Since the three Arabic countries in the sample spoke the same language, the advertisements appearing in those markets were identical.

Table (6.2) is used here for illustration purposes only. The fact that in this table, Lebanon is the country that is compared to the other eight countries does not mean that Lebanon is used as a benchmark. Rather, similar tables employing similar

comparisons were carried out for each country in the sample. The accumulative result of all these tables shows how every country differ from the other eight countries individually, without designating any specific country as a base for comparisons.

For every country in the table, the points awarded for every element are added together. This value appears in the Total Score, shown in the row before last in the table. The degree of advertising standardisation is calculated by subtracting the total score from 100, as explained in the model.

Therefore, it can be seen from this table that the advertisement for brand (35) that appeared in Lebanon was found to be identical to those appearing in Saudi Arabia and U.A.E, indicated by the 100% degree of advertising standardisation. This is an example of regional standardisation.

When the advertisement that appeared in Lebanon was compared to the European countries, partial advertising standardisation was found to be employed, indicated by the 82% degree of advertising standardisation. The German advertisement was found to be also partially standardised, but to a lesser extent, indicated by the 72% degree of advertising standardisation.

The last row of Table (6.2) summarises the degree of advertising standardisation of the advertisement that appeared in Lebanon, compared to the advertisements of the same brand that appeared in the other eight countries. As mentioned above, similar tables were compiled for each country, showing the degree of standardisation in the last row.

These results were collected together, and a matrix chart was drawn up for each brand comparing each advertisement appearing in all nine markets, as shown in Table (6.3).

The degree of advertising standardisation that appears in last row in Table (6.2) appears in Table (6.3) under the entries for Lebanon. From Table (6.3), we can see for the first time how the advertisement for brand (35) in each country differs from the other countries.

Table (6.3) is a matrix, and all the values that split the matrix diagonally are 100%. This is due to the fact that the advertisement that appears in any country is identical to itself. The values above the diagonal line are a mirror of those in the lower half. This is due to the fact that the degree of advertising standardisation between UK and France is exactly the same as the degree of advertising standardisation between France and UK.

The last row in Table (6.3) shows how each country differs, on average, from the others. From Table (6.3), we can see that, for brand (35), the advertisement that appeared in Saudi Arabia (86.78%) has more elements in common with the other eight countries, than the Italian (82.76) has with the other eight countries. The country that has least in common with the other eight is Germany (74.22%).

Table (6.2) Results of the Content Analysis of advertising standardisation for the brand 35 (True Lipstick).

Estee Lauder True Lipstick Cosmetics									
Lebanon									
	UK	France	Germany	Spain	Italy	Greece	Saudi	Lebanon	UAE
Visual Background 10 / 20	0	0	0	0	0	0	0	0	0
Model 5 / 2 / 4 / 6 / 8 / 10	0	0	0	0	0	0	0	0	0
Modifications 5 / 10	0	0	0	0	0	0	0	0	0
Headline 3 / 6 / 10	6	6	10	6	6	6	0	0	0
Subhead 2 / 3 / 6	3	3	6	3	3	3	0	0	0
Body Text 3 / 6 / 10	6	6	10	6	6	6	0	0	0
Slogan 2 / 3 / 6	3	3	3	3	3	3	0	0	0
Layout 5 / 10	0	0	0	0	0	0	0	0	0
Product portrayal 1 / 2 / 4 / 6	0	0	0	0	0	0	0	0	0
Packaging Portrayal 1 / 2 / 4 / 6	0	0	0	0	0	0	0	0	0
Colour of Ad 1 / 3	0	0	0	0	0	0	0	0	0
Size 1 / 3	0	0	0	0	0	0	0	0	0
Total Score	18	18	29	18	18	18	0	0	0
Degree of Standardisation	82	82	71	82	82	82	100	100	100

Table (6.3) Similarity matrix for brand (35)

Estee Lauder									
True Lipstick Cosmetics									
	UK	France	Germany	Spain	Italy	Greece	Saudi	Lebanon	UAE
UK	100	82	71	82	82	82	82	82	82
France	82	100	71	82	82	82	82	82	82
Germany	71	71	100	71	71	71	71	71	71
Spain	82	82	71	100	82	82	82	82	82
Italy	82	82	71	82	100	82	82	82	82
Greece	82	82	71	82	82	100	82	82	82
Saudi	82	82	71	82	82	82	100	100	100
Lebanon	82	82	71	82	82	82	100	100	100
UAE	82	82	71	82	82	82	100	100	100
Estee Lauder / True Lipstick / Cosmetics	82.78	82.78	74.22	82.78	82.78	82.78	86.78	86.78	86.78

The results for all the fifty-one brands that are analysed in this study are shown in Table (6.4). The last column to the right shows the degree of advertising standardisation for each brand across the countries examined in this study. From Table (6.4), we can see that the degree of advertising standardisation for brand (1), which is an apparel brand, is 46.88%, while that of brand (27), which is a Fragrance brand, is (95.58%).

From the data obtained from all the brands concerned, an **Advertising Standardisation Index (A. S. I.)** will be calculated as the average standardisation score of all brands across all countries for a specific year. This Standardisation Index can in the future be calculated for different years on regular basis, in order to show the trends in advertising standardisation, and to indicate whether the trend is towards more standardisation or the opposite, for the sampled brands. A Sub-Index will also be calculated for each product-class to investigate whether there are any significant differences among product classes.

Table (6.4) Results of the advertising standardisation score for all the brands.

	<i>UK</i>	<i>France</i>	<i>Germany</i>	<i>Spain</i>	<i>Italy</i>	<i>Greece</i>	<i>Saudi</i>	<i>Lebanon</i>	<i>UAE</i>	<i>Mean</i>
<i>Brand 1</i>	62.50	62.50	62.50	62.50	62.50	12.50	25.00		25.00	46.88
<i>Brand 2</i>	83.33	83.33	83.33	83.33	83.33	16.67				72.22
<i>Brand 3</i>	100.00	100.00	100.00	100.00	100.00	100.00	100.00			100.00
<i>Brand 4</i>	80.00	80.00	80.00	80.00	80.00				16.67	69.44
<i>Brand 5</i>	100.00	100.00	100.00	100.00	100.00	100.00				100.00
<i>Brand 6</i>	50.00	50.00			50.00	35.71	42.86	42.86	42.86	44.90
<i>Brand 7</i>	83.33	83.33	83.33	83.33	83.33				16.67	72.22
<i>Brand 8</i>	90.00	90.00	90.00	90.00	90.00	90.00				90.00
<i>Brand 9</i>	100.00	100.00	100.00	100.00	100.00	100.00				100.00
<i>Brand 10</i>	100.00	100.00	100.00	100.00	100.00	100.00				100.00
<i>Brand 11</i>	74.00	81.00	75.00	72.00	65.00	74.00				73.50
<i>Brand 12</i>	39.00	39.00	39.00	39.00	39.00	39.00	33.00	33.00	33.00	37.00
<i>Brand 13</i>	57.14	57.14	57.14		57.14		42.86	14.29	42.86	46.94
<i>Brand 14</i>	71.50	69.50				71.00	73.00	73.00	73.00	71.83
<i>Brand 15</i>	81.33	81.33	81.33	81.33	81.33		92.50			83.19
<i>Brand 16</i>	50.00			50.00	50.00		50.00	50.00	50.00	50.00
<i>Brand 17</i>	54.67		62.67		62.67	62.67	33.33	33.33		51.56
<i>Brand 18</i>	91.88	92.63	91.13	91.13	91.13	92.63	90.25	90.25		91.38
<i>Brand 19</i>	94.00	93.14	93.14			94.00	94.29	94.29	94.29	93.88
<i>Brand 20</i>	69.75	69.75	69.75			69.75	83.75	83.75	83.75	75.75
<i>Brand 21</i>	100.00	100.00	100.00		100.00	100.00	100.00	100.00	100.00	100.00
<i>Brand 22</i>	92.50	61.37	61.62	60.62	61.37	93.75	50.12	38.00	50.12	63.27
<i>Brand 23</i>	93.90	93.90	93.90	93.90	93.90	93.90	90.00	90.00	90.00	92.60
<i>Brand 24</i>	90.00	90.00	90.00	90.00	90.00	90.00	80.00	80.00	80.00	86.67
<i>Brand 25</i>	94.70	94.70	94.70	94.70	94.70	94.70	96.00	96.00	96.00	95.13
<i>Brand 26</i>	94.44	91.11	91.11	91.11	91.11	91.11	94.44	94.44	94.44	92.59
<i>Brand 27</i>	96.70	96.70	96.70	96.70	96.70	96.70	93.33	93.33	93.33	95.58
<i>Brand 28</i>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(Continued next page)

(Continued from previous page)

	UK	France	Germany	Spain	Italy	Greece	Saudi	Lebanon	UAE	Mean
Brand 29	81.75	85.00	82.75	82.75		82.75	84.50	84.25	84.50	83.53
Brand 30	85.00			85.00	85.00	85.00	88.00		88.00	86.00
Brand 31	46.67	46.67				66.67	80.67	80.67	80.67	67.00
Brand 32	71.67	84.33		84.33			89.33	89.33	89.33	84.72
Brand 33	14.29		52.14	52.14	65.14	14.29	56.00		56.00	44.29
Brand 34	85.00	85.00			85.00	85.00	85.00		85.00	85.00
Brand 35	82.78	82.78	74.22	82.78	82.78	82.78	86.78	86.78	86.78	83.16
Brand 36	71.13	72.25	67.13	71.88	74.00	63.75	60.25		60.25	67.58
Brand 37	69.50	74.00		69.50		76.00	82.00		82.00	75.50
Brand 38	55.00		47.00		56.00	83.00	85.00	85.00	85.00	70.86
Brand 39	87.00	85.00	87.00	87.00	84.00	84.00				85.67
Brand 40	85.00	85.00	85.00		91.00		88.00		88.00	87.00
Brand 41	85.00	85.00	85.00		85.00		88.00		88.00	86.00
Brand 42	95.00	95.00	95.00	95.00		95.00			70.00	90.83
Brand 43	60.67	60.67	60.67		60.67		33.33		33.33	51.56
Brand 44	16.67	13.67	30.33				33.33	16.67	33.33	24.00
Brand 45	89.00	89.00	89.00	89.00			100.00	100.00	100.00	93.71
Brand 46	93.00	97.00	95.00	97.00	94.00	97.00				95.50
Brand 47	91.00	91.00	91.00	91.00	91.00	91.00	93.25	93.25	93.25	91.75
Brand 48	88.00	88.00	88.00	88.00	88.00	88.00	91.00	91.00	91.00	89.00
Brand 49	87.57	87.57			87.57	87.57	83.43	83.43	83.43	85.80
Brand 50	70.57	67.14	67.14	67.14	68.00		28.57		28.57	56.73
Brand 51	74.63	74.63	74.63	74.63	85.50		78.25	78.25	78.25	77.34
All Brands	78.05	80.63	80.18	82.69	80.63	78.95	74.49	74.83	70.94	77.63 *

*The Advertising Standardisation Index (77.63) is a column mean.

Values are rounded to two decimal figures. The row mean of All Brands does not exactly match the index, due to interpolation.

The data presented in Table (6.4) show an Advertising Standardisation Index of 77.63%. This is a high score and suggests that when multinationals do attempt to standardise their advertising that they do so to a considerable degree. This finding conflicts with the results obtained from most prior studies relating to international advertising.

In the next three chapters, we will examine the hypotheses that have been identified in chapter five. For each hypothesis, the data obtained from this study are firstly presented, and then the implications of these data for the hypothesis are assessed.

Chapter Seven: Results and Discussion I

Chapter Seven 183

Results and Discussion I 183

 7.1 Hypothesis Testing: 183

Hypothesis 1 183

 7.2 Brand Studies 188

 7.2.1 Advertising Profiles 188

 7.2.2 Summary of Brand Studies 203

7.3 Summary and Conclusions for Hypothesis 1 206

Chapter Seven

Results and Discussion I

7.1 Hypothesis Testing:

Hypothesis 1

The international advertising of multinational brands will either be totally standardised or totally adapted.

Table (7.1) shows a breakdown of the number of brands for each percentile of advertising standardisation score. The brands that are classified as *partially* standardised brands –i.e., those brands with advertising standardisation scores between 60-99%- constituted 68.62% of the brands examined in this study. More than 45% of the brands (23 brands) are concentrated in the 80-89% and 90-99% classes.

Only six brands, equivalent to 11.76% of the fifty-one brands examined in this study and to 0.91% (6/660) of the brands classified here as multinational, have exhibited total advertising standardisation.

Table (7.2) shows a similar breakdown of the of the advertising standardisation score, where some classes are collapsed together. From the table we see that the majority of the brands (50.98%) have obtained scores that lie within the 76-99% boundaries. This indicates that, contrary to hypothesis 1; the majority of the brands are classified as partially standardised, not totally standardised, as suggested by the hypothesis.

Table (7.1) Percentile Advertising standardisation Score

<i>Advertising standardisation score</i>	<i>Number of brands</i>	<i>Percentage of brands</i>
0-9	0	0%
10-19	0	0%
20-29	1	1.96%
30-39	1	1.96%
40-49	4	7.84%
50-59	4	7.84%
60-69	3	5.88%
70-75	6	11.77%
76-79	3	5.88%
80-89	12	23.53%
90-99	11	21.57%
100	6	11.77%
Total	51	100%

Table (7.2) Distribution of brands according to the Advertising Standardisation Score

<i>Advertising standardisation score</i>	<i>Number of brands</i>	<i>Percentage</i>
Less than 59% (Low Standardisation)	10	19.6%
60-75% (Medium Standardisation)	9	17.65
76-99% (High Standardisation)	26	50.98%
100% (Total Standardisation)	6	11.76%
Total	51	100%

$X^2 = 0.000268$ d.f. = 3

The percentage of brands that belong to this category is clearly higher than other categories. To test that the differences among the score categories are statistically significant, and that differences as large as these could not be obtained by chance, we need to test the sub-hypothesis:

Sub-hypothesis 1.1:

There are no significant differences among the score categories

To test this sub-hypothesis, a Chi-square test is employed.

The results of the Chi-square test shows that $X^2 = 0.000268$ with d.f. = 3 (Table 7.2). The X^2 value obtained is too low. Therefore, we reject sub-hypothesis 1.1 that there are no significant differences among the score categories. It appears that the distribution of the sampled brands across the categories shown in Table (7.2) could not have occurred by chance alone, and that the differences among these categories are statistically significant.

The fact that 62.74% (50.98% + 11.76%) of the brands practise high/total standardisation conflicts with the results obtained from previous studies (see Chapter Five). Most of these studies reported that standardisation was only practised by a minority of the companies.

In particular, the results obtained in this study conflict with those obtained by Ryans et al (1969, 1971) who reported that only 17% of the companies in their sample used standardised advertising. While the variance with the results of Ryans' (1969, 1971) studies might be due to the length of the time elapsed, the results of our study also contradicted with those obtained from more recent studies, including those by Boddewyn et al (1986) who reported high levels of advertising adaptation in his

sample, and with Sandler and Shani (1992) who found that advertising standardisation was practised by only 18% of their sample.

The high levels of advertising standardisation reported in this study, confirms the findings of Weichmann and Sorenson (1975) who found that 75% of the companies in their sample use advertising standardisation. It is also similar to the findings of Riesenbeck and Freeling (1991) who found high levels of advertising standardisation in their sample.

The results of this study do not support the suggestion that the trend is towards less advertising standardisation (Ward 1973; Dunn 1976; Killough 1978). Indeed, the fact that these large MNCs examined in this study were found to practice high levels of advertising standardisation, contradicts the suggestion by Dunn (1976) that advertising standardisation is primarily practised by companies that lacked the skills and resources to adapt their advertising to local market conditions. The MNCs examined in this study are among the largest in terms of size and market share. They also employ advertising budgets that reach billions of pounds annually. The countries analysed in this study are also large and important, since the European countries alone cover more than 80% of the population of Europe. It is hard to argue that these large global MNCs have practised such high levels of advertising standardisation in such important markets due to lack of skills and resources, as has been suggested by Dunn (1976). Though it is still possible that the views and practices of the various MNCs reported in the literature are results of an ideology or internal factors, rather than active analysis of the benefits, and that these results might have been affected by the vagaries of sampling.

As mentioned above, looking at the data presented in Tables (7.1 and 7.2), we see that only six brands, equivalent to 11.76% of the brands examined in this study and

to 0.91% (6/660) of the brands classified here as multinational, have exhibited total advertising standardisation. The findings from this study concerning the practice of *total* standardisation are in line with those obtained from prior studies. It also confirms the findings by Harris (1994), that the practice of total advertising standardisation is the exception, rather than the rule.

7.2 Brand Studies

7.2.1 Advertising Profiles

The results of the content analysis model have presented us with detailed descriptions of the actual practices of the sampled MNCs. Given the importance of these data to the study, brief summaries of the practices of each of the fifty one brands are presented.

These summaries are not intended to be comprehensive descriptions of the practices of the sampled MNCs. Rather, the aim is to facilitate comparisons between the practices of those MNCs relating to which elements were standardised, to which extent and in how many markets, and to present the insights obtained by the model, regarding the complexity of practices of the sampled companies.

As regards presentation, the data obtained in this study were used to construct “profiles” of the actual practices of MNCs. These **Advertising Standardisation Profiles** present a summary of the detailed practices of MNCs. Another advantage of using these profiles is that the practices of different MNCs or of different brands can be visually compared by comparing the different profiles, or by plotting the data of two brands side by side. This simple technique can help to pinpoint areas where the practices of these MNCs diverge sharply from other MNCs or other brands.

A theoretical profile of a totally standardised brand is shown in Figure (7.1). All brands that are totally standardised across all markets should look exactly like Figure (7.1). A second theoretical profile of a brand with completely different advertisements in all markets is shown in Figure (7.2). These two figures represent the profiles of brands that lie on the extreme ends of the standardisation continuum.

All brands that lie between the two ends of the continuum, i.e., those that have been classified in the literature so far as “partially standardised”, should have standardisation profiles that differ from those of the theoretical brands.

The numbers shown on the Y-axis in the profiles correspond to the actual number of countries where the brand has been advertised. If a brand has appeared in six countries only, the maximum scale shown on the Y-axis would be six.

The main executional elements of advertising are shown on the X-axis. The Legend shown at the bottom right of the chart contains five pattern figures. Each pattern corresponds to a specific degree of advertising standardisation. The first pattern, labelled *Total Standardisation* is used for the elements that are totally standardised. The higher the number of elements that exhibit this pattern, the higher the level of advertising standardisation exhibited by the brand. Furthermore, the closer the position of the pattern to the top of the chart, the more widespread is the practice of advertising standardisation.

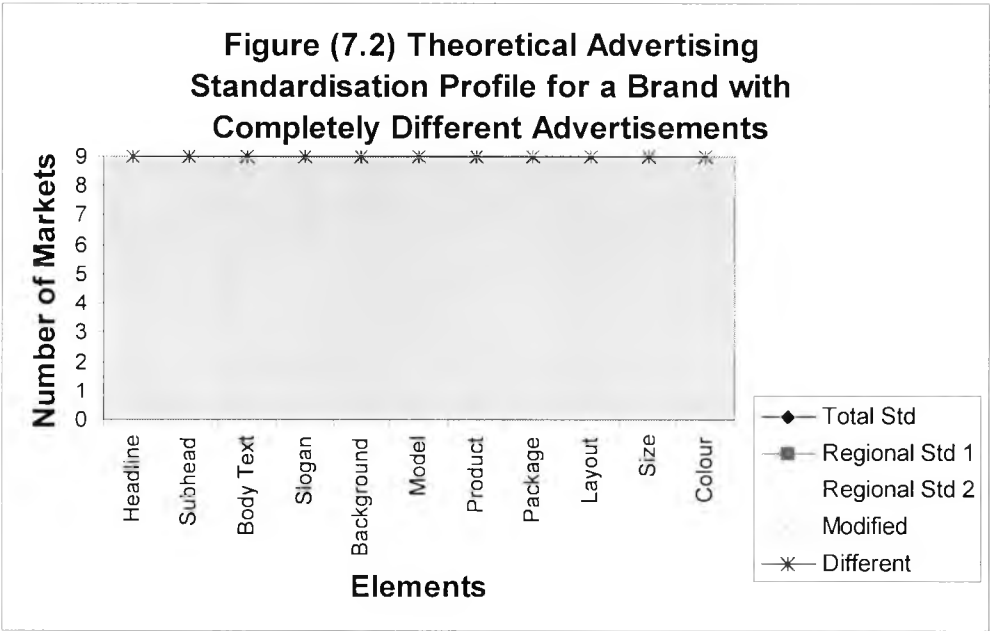
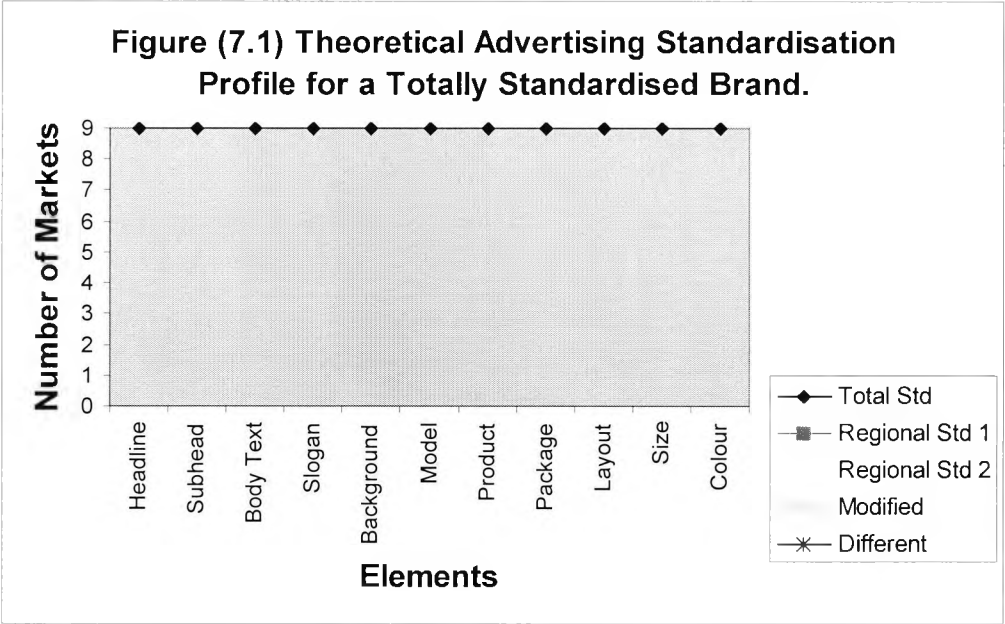
The second and third patterns are used when the element is regionally standardised. In other words, it is used when the specific element is used in two versions. One version appears in a group of countries, while the second version appears in another group of countries.

The second pattern, labelled *Regional Std 1*, represents the number of countries included in the first group of countries where regional standardisation is employed. This pattern has been used in this study to represent the largest of the groups of countries, which invariably consisted of European countries.

The third pattern labelled *Regional Std 2* represents the smaller group of countries, which has invariably consisted of Arabic countries.

The fourth pattern labelled *Modified* is used for the elements that are partially standardised, where a minor change has occurred to the element. It is also used for text elements that are translated.

The fifth pattern, labelled *Different* is used for elements that have been totally adapted.



To illustrate, if the Headline for one brand is totally standardised in five markets, and totally different for the other four markets, then the first pattern, labelled *Totally Standardised* would appear at number five, and the last pattern, labelled *Different*, would appear at number four, for the element Headline.

The right hand side of the standardisation profile represents the Visual elements of advertising, while the left hand side represents the verbal Text elements.

One of the aims of creating and using these profiles is to examine how these ‘partially standardised’ brands can vary considerably in terms of which elements are standardised, to what extent and in how many markets.

As it will become apparent from the profiles, the levels of advertising standardisation of these ‘partially standardised’ brands can vary significantly from each other. In fact, they are so different and diverse that they should not be classified as one homogenous group. The levels of advertising standardisation exhibited by these brands are clearly different.

The term ‘partially standardised’ is used in this thesis to mean that these brands are not totally standardised or totally adapted. It does not mean, however, that these brands are of equal status with regards to the level of advertising standardisation.

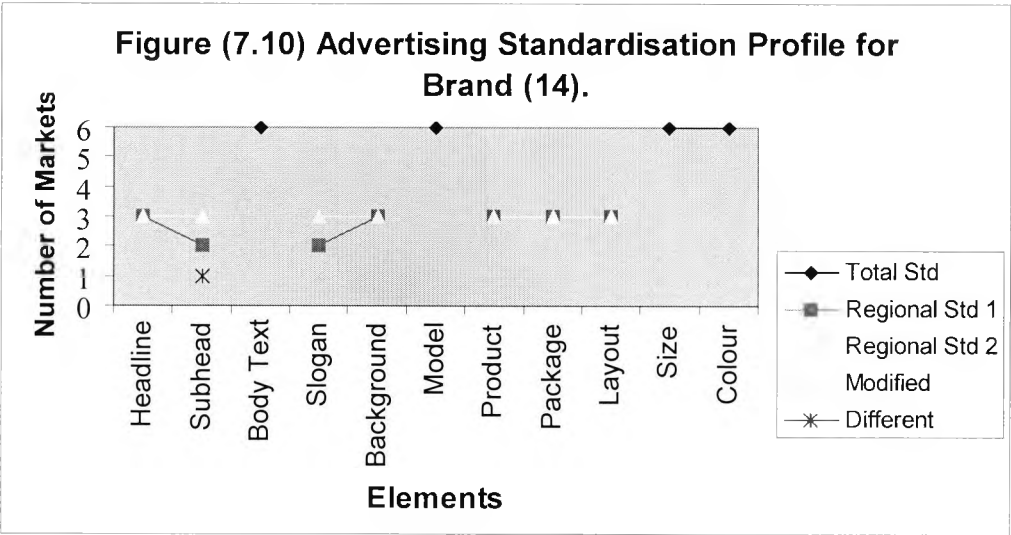
Only six brands were found to be totally standardised. These brands have advertising standardisation profiles that are matching to that shown in Figure (7.1), and have the same elements of advertising in all markets (Table 7.3).

Table (7.3) Totally Standardised Brands

Brand Number	Product Category	Total Number of Countries	Number of Arabic countries	Country of origin of MNC
<i>3</i>	Apparel	7	1	US
<i>5</i>	Apparel	6	0	Italy
<i>9</i>	Apparel	6	0	Italy
<i>10</i>	Apparel	6	0	Italy
<i>21</i>	Fragrance	8	3	Japan
<i>28</i>	Fragrance	9	3	US

The advertising standardisation profiles of a selection of the brands sampled in this study are now presented. These are intended to illustrate the level and complexity of the forms of advertising standardisation practised by the sampled MNCs. The profiles for the remaining brands are presented in Appendix (4).

Brand 14



Product Category	Total Number of Countries	Number of Arabic Countries	Country of Origin of MNC
Fragrance	6	3	France

The Body Text, Model, Size and Colour of the advertisements were totally standardised in all countries.

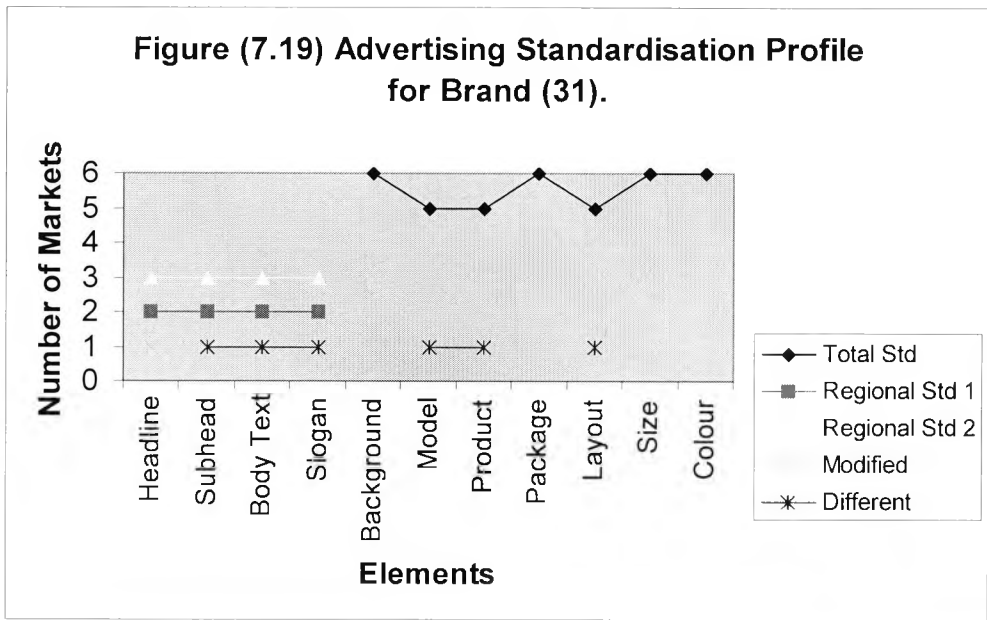
The Headline, Background, Product, Package and Layout were regionally standardised in two groups of three countries each. The first group consists of three European countries: UK, France and Greece. The second group consists of three Arabic countries: Saudi Arabia, UAE and Lebanon. These elements in the Arab group were completely different from those in the European group.

The Subhead is regionally standardised in two groups of countries. The first group consists of two European countries: UK and Greece. The second group consists of the three Arabic countries. The Subhead for the advertisement that appeared in France was completely different from that for all other countries.

The Slogan is regionally standardised in two groups of countries. The first group consists of two European countries: UK and France. The second group consists of the three Arabic countries. The Slogan for the advertisement that appeared in Greece was a partial modification from that for the two other European countries.

It is interesting to note here that the MNC advertising this brand has chosen to use a totally different Subhead for France, the country of origin of the MNC, while they have chosen to partially modify the element Slogan, but this time for a different country, Greece.

Brand 31



Product Category	Total Number of Countries	Number of Arabic Countries	Country of Origin of MNC
Cosmetics	6	3	France

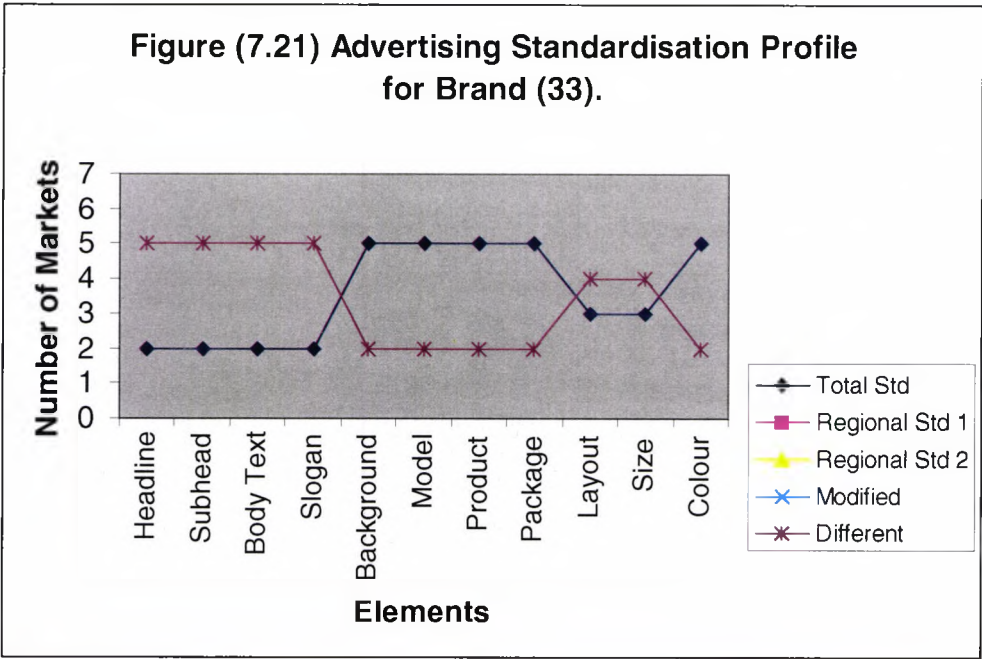
The Background, Size and Colour of the advertisements were totally standardised in all six countries. The Model, Product and Layout of the advertisements were totally standardised in five countries: UK, Greece, UAE, Saudi Arabia and Lebanon, while they were completely different for one country, France.

The Headline was regionally standardised for two groups of countries, and partially modified for one country, France. The first group of countries consists of two European countries: UK and Greece, while the second group consists of the three Arabic countries. The Headline in the Arabic group of countries is a translation from the Headline of the European group.

The Subhead, Body and Slogan were regionally standardised in two groups of countries, while it was completely different for one country, France. The first group of countries consists of two European countries: UK and Greece, while the second group consists of the three Arabic countries. The Subhead, Body and Slogan in the

Arabic group of countries were completely different from those of the European group.

Brand 33



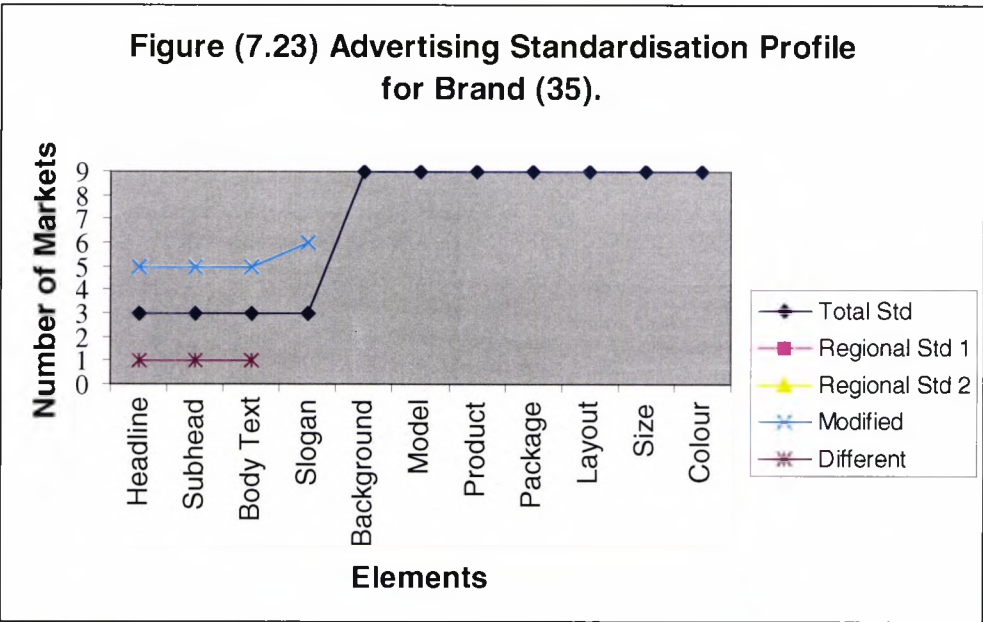
Product Category	Total Number of Countries	Number of Arabic Countries	Country of Origin of MNC
Cosmetics	7	2	US

The Headline, Subhead, Body Text and Slogan were totally standardised in only two countries: UAE and Saudi Arabia. The Headlines, Subheads, Body Text and Slogans used for the remaining five countries: UK, Germany, Greece, Spain and Italy were completely different for each country.

The Background, Model, Product, Package and colour of the advertisement were totally standardised for five countries: Germany, Spain, Italy, Saudi Arabia and UAE, while they were completely different for the UK and Greece.

The Layout and Size of the advertisements were totally standardised in three countries: Italy, Saudi Arabia and UAE, while they were completely different for four countries: UK, Greece, Spain and Germany.

Brand 35



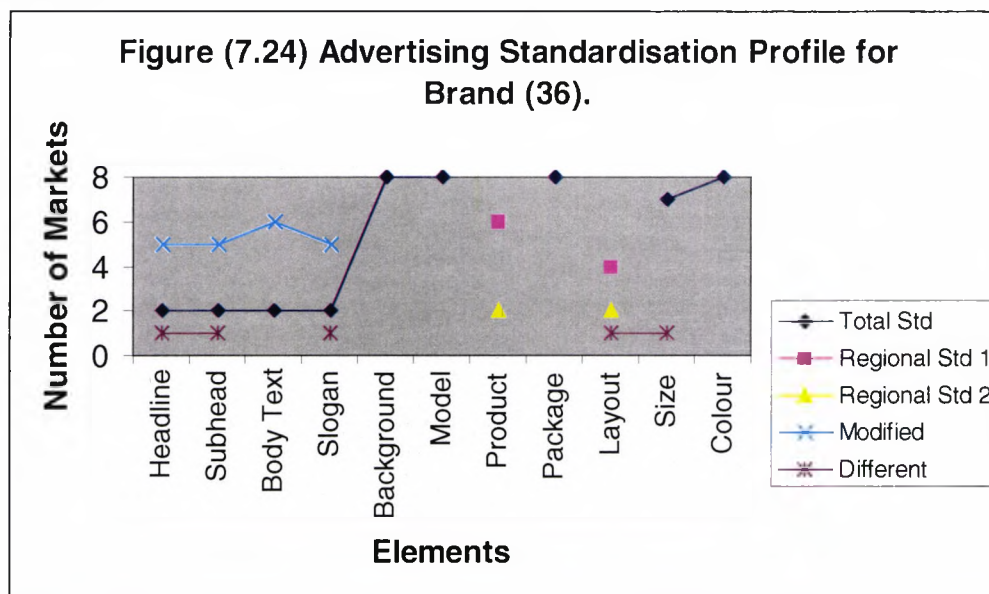
Product Category	Total Number of Countries	Number of Arabic Countries	Country of Origin of MNC
Cosmetics	9	3	US

For brand 35, all the visual elements of advertising were totally standardised for all the nine countries.

The Headline Subhead and Body Text were totally standardised for the three Arabic countries only. They were partially modified for five European countries: UK, France, Spain, Italy and Greece, while they were completely different for Germany.

The Slogan was totally standardised for the three Arabic countries, while it was partially modified for the remaining six European countries.

Brand 36



Product Category	Total Number of Countries	Number of Arabic Countries	Country of Origin of MNC
Cosmetics	8	2	US

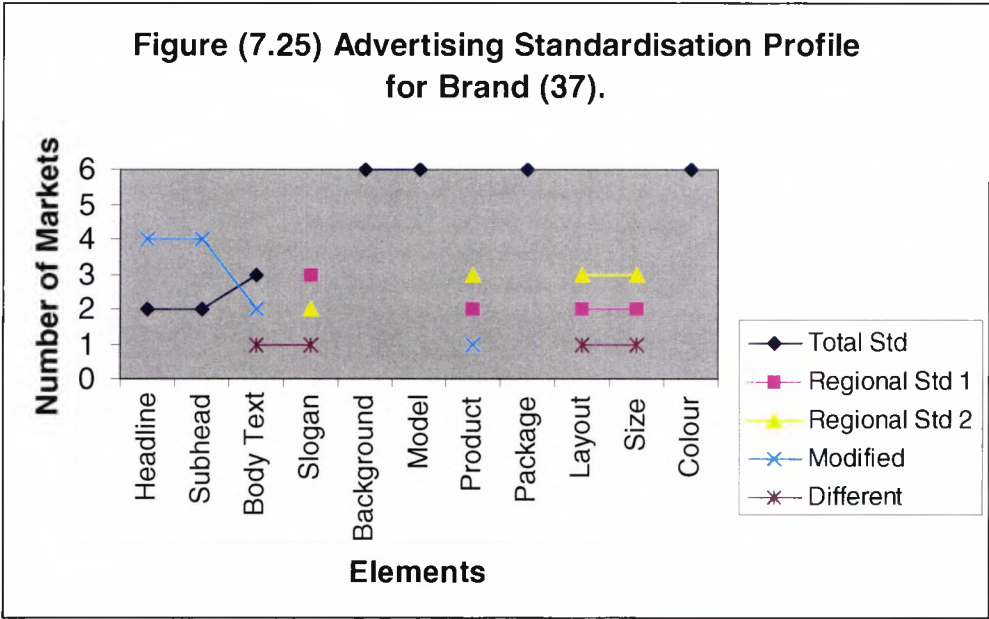
The Headline, Subhead and Slogan were totally standardised for two countries only, Saudi Arabia and UAE. They were partially modified for five European countries: UK, France, Spain, Italy and Greece, while they were completely different for Germany.

The Body Text was also standardised in Saudi Arabia and UAE, while it was partially modified for the remaining six European countries.

The Background, Model, Package and Colour were totally standardised in all countries. The way the Product was portrayed was regionally standardised in two groups of countries. The first group consists of the six European countries, while the second group consists of Saudi Arabia and UAE.

The Layout of the advertisement was regional standardised in two groups of countries, while it was modified for France and completely different for Greece.

Brand 37



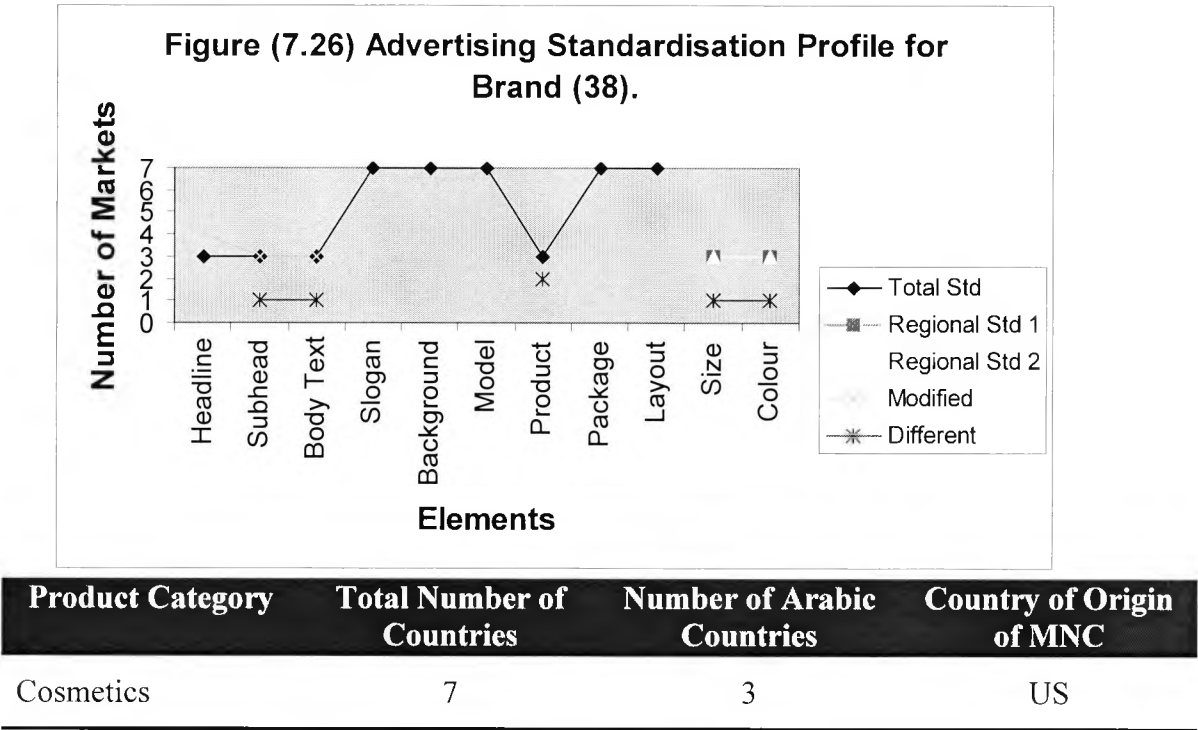
Product Category	Total Number of Countries	Number of Arabic Countries	Country of Origin of MNC
Cosmetics	6	2	US

The Headline and Subhead of this brand were totally standardised in Saudi Arabia and UAE, while they were translated for the remaining four European countries.

The Body Text was totally standardised in three countries, partially modified in two countries, and completely different for Spain. The Slogan was regionally standardised for two groups of countries, while it was completely different for Spain.

The Background, Model, Package and Colour were totally standardised in all countries. The Product was regionally standardised in two groups of countries, while it was partially standardised for Spain. The Layout and Size of the advertisement were regionally standardised for two groups of countries while they were completely different for Spain. The first group consists of the UK and France, while the second group consists of Saudi Arabia, UAE and Greece.

Brand 38



The Headline was totally standardised in the three Arabic countries, while it was translated for the four European countries: UK, Germany, Italy and Greece.

The Subhead and Body Text were totally standardised in the three Arabic countries only, while they were translated for three countries: UK, Italy and Greece, and were completely different for Germany.

The Slogan, Background, Model, Package and Layout were totally standardised in all the seven countries. The Product was totally standardised in the three Arabic countries, while it was partially modified for Greece and Italy, and was completely different for the UK and Germany.

The Size and Colour of the advertisements were regionally standardised in two groups of countries, while they were completely different for Germany.

7.2.2 Summary of Brand Studies

The above brand profiles demonstrate how many variations there can be in terms of which elements were standardised, the extent to which they are standardised and the variations by market.

It is clear that significant differences in advertising executions can exist across markets, and hence, generalisations regarding the extent of advertising standardisation practised are of limited value.

The findings in this thesis regarding the use of pattern advertising by MNCs confirms the suggestion by Peebles, Ryan and Vernon (1977) that there is a need to start to think in terms of the form or extent of standardisation practised by MNCs.

It also confirms the suggestion by Sandler and Shani (1992) that: “the standardisation question has seemingly moved from an all-or-nothing issue to one of the degree of standardisation of the various advertising elements”.

The results particularly confirm the findings by Harris (1994) that the practices of the sampled companies regarding advertising standardisation varied considerably, and that there were many possible permutations across the three key dimensions.

The implications of these findings are important, and it is clear that to classify all those companies that neither totally adapt nor totally standardise their advertising executions as being “modified” is of limited descriptive value. Since the practices of these companies can vary significantly, they should not be classified as a homogeneous group.

In terms of the form and extent of standardisation practised, the brands shown in the profiles in this section could be roughly segmented into four groups:

- 1) Brands that were classified as totally standardised in all markets: These were six brands, equivalent to 11.76% of the brands. Of these, only three brands appeared in Arab markets.
- 2) Brands that were totally standardised in the European markets only, and not the Arab: a further 5.88% brands were found to be totally standardised in European markets only. Brands 4, 7 and 15 are examples of such brands.
- 3) Brands that were regionally standardised in both Arab and European markets: 7.8% of the brands were regionally standardised in two groups, where the executional elements were totally standardised in all countries within each group, but differ from those of the countries of the other group. Brands 13, 16, 45 and 49 belong to this category.
- 4) The remaining majority of the brands employed various levels of standardisation for different elements in various markets. Since the levels of standardisation exhibited by these brands were considerably variable, it would not be possible to classify these brands into homogenous categories.

The second finding above, that the percentage of MNCs that practised total standardisation in Europe is higher than those who practised it in all countries, indicate that the sampled MNCs found it more appropriate to practice total standardisation among European countries than among European and Middle-Eastern countries.

This finding confirms the finding by Mueller (1991), that standardised messages were more likely to be transferred among Western markets, than Western and Eastern markets. In Mueller's study, however, Eastern markets referred to Japan, while in this study it refers to the Middle East.

It is clear from the above observations that the fact that Arab markets were included in the sample of countries has contributed to a decrease in the number of totally standardised brands. For those brands that are regionally standardised in all countries, have the sample of countries included the European countries only, the number of totally standardised brands would have been further increased.

It appears that the advertisers of these regionally standardised brands find it appropriate to totally standardise the advertising for all European countries and for all Arab countries, but not for all countries together.

With exception to two brands (29 and 44 for Lebanon), all the executional elements were totally standardised among all the three Arabic countries where the advertisements have appeared. Apparently, advertisers for these brands in the Arab world consider that these markets are so similar, that a standardised campaign would be justified.

7.3 Summary and Conclusions for Hypothesis 1

The majority of the brands in this study were found to be “partially standardised”, rather than totally standardised. Only 11.76% of the brands were found to be totally standardised in all markets. These findings confirmed that total standardisation was the exception rather than the rule.

More than 50.98% of the brands have obtained standardisation scores in excess of 75%. This finding conflicts with prior studies, which indicated that standardisation was practised by minority of the companies studied.

In terms of the level of advertising standardisation practised, the sampled brands could be segmented into four groups:

- 1) Totally standardised brands in all markets, where all the executional elements were totally standardised in all markets, including the Arabic markets. Only six brands, equivalent to 11.76% of the brands that were advertised in six markets or more, were found to belong to this group. These are brands: 3, 5, 9, 10, 21 and 28.
- 2) High standardisation brands, where the majority of the main executional elements were totally standardised in the majority of the countries, earning the brand an advertising standardisation score in the range of 76–99%. More than half the brands (52%) were found to belong to this category.
- 3) Medium standardisation brands, where the actual executions across all markets, had more in common than they differed, earning an advertising standardisation score in the range of 60-75%. Around 17.65% of the brands belong to this category.

- 4) Low standardisation brands, where the actual executions across all markets, differed more than they had in common, earning the brand an advertising standardisation score less than 59%. Less than one fifth (19.6%) of the brands belong to this category.

A Chi-square test was employed to test whether the differences in the number of brands that belong to each score category were statistically significant. They were found to be statistically significant, indicating that differences as large as these could not have resulted by chance.

The facts that the majority of the brands were classified as partially modified, and that these brands were found to be statistically different from other categories, would suggest that there is no support for Hypothesis 1. Since the majority of the brands were partially modified, we reject the hypothesis that most of the international advertising of multinational brands will either be totally standardised or totally adapted. Rather, the majority of the international advertising of multinational brands is partially standardised.

The advertising profiles demonstrated that many variations could exist in terms of which elements were standardised, the extent to which they were standardised and the variations by market.

The findings from the profiles confirmed the findings by Harris (1994), that the practices of the sampled companies regarding advertising standardisation varied considerably, and that there were many permutations across the key dimensions.

The findings from the profiles further supports the suggestion that companies that neither totally standardise nor totally adapt their advertising executions should not be classified as a homogenous group.

In terms of form and extent of standardisation practised, the brands shown in the profiles could be roughly segmented into four groups:

- 1) Brands that were classified as totally standardised in all markets (11.76%).
- 2) Brands that were totally standardised in the European markets only (5.88%).
- 3) Brands that were regionally standardised in both Arab and European markets (7.8%).
- 4) Brands with various other standardisation practices. This group consisted of the majority of the brands (74.56%). These brands exhibited complex variations across elements and markets. The level of standardisation employed for each element and across markets was apparently *customised* to *accommodate* a wide range of situations. The level of variation was so complex that it was not possible to group these brands into a homogenous group.

We should point out here that, while the findings of this study indicate that only 11.76% of the brands were classified as totally standardised -and hence placed at the extreme end of the standardisation continuum, the advertising standardisation profiles presented in this chapter indicate that other brands were positioned close to the extreme end of the advertising continuum.

These brands were not classified here as totally standardised. If they were, then the number of totally standardised brands would have increased. Clearly, this depends on the operationalisation and the definitional criteria used for standardisation.

In this study, we have chosen to avoid the confusion by using the literal meaning of the terms employed for classification. Semantically, a *totally* standardised brand should be, as the name indicates, *totally* standardised. To use the term totally

standardised for advertisements that are translated or partially modified would only add to the confusion. Hence, using the model developed in this study, a totally standardised brand would obtain an advertising standardisation score of 100%.

This clarification of the terms and definitions used is an innovation that would give a more accurate, reliable and objective evaluation of the level of standardisation practised by MNCs. This constitute a significant step towards answering the call for more accuracy by Harris (1994) who concluded that:

“... categorical classifications become problematic and there is clearly an element of judgement involved in deciding whether the practices of such companies should be classified as being totally standardised or modified. Such judgements are unavoidable and illustrate the need for clarity regarding the definitions employed and ensuring that the measurements obtained are as meaningful as possible.”

The reliability, accuracy and objectiveness of the methods used in this study ensure that objective evaluation of the conclusions drawn from the data was possible, and that these findings can be meaningfully compared with the findings obtained from both prior and future studies.

In this section, we have presented a brief analysis of the *brands*, and the variation in the level of advertising standardisation exhibited by these brands across markets. In the next chapter, we will present a detailed and collective analysis of the *elements* of the model. We will incorporate the findings of the next section with the findings of this one, in order to further analyse the practices of these MNCs and attempt to extract guidelines and recommendations for best practice.