

International Marketing

Class 13

May 27, 2026

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1. Dilemma in the Global Marketing

1. Introduction: What Is the Marketing Dilemma?↵

When a company decides to operate in multiple countries, it faces one of the most fundamental strategic challenges in international business: Should it market its products and services in the same way everywhere, or should it tailor its approach for each local market?↵

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This tension is known as the marketing dilemma — the ongoing conflict between:↵

- Standardization: Using a uniform marketing mix (product, price, place, promotion) across all markets↵
- Adaptation (Localization): Modifying the marketing mix to fit the specific cultural, economic, and competitive conditions of each market↵

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Key Insight: *Neither approach is universally superior. The optimal strategy depends on the product category, industry, company resources, and the nature of target markets.*↵

2. The Case for Standardization

2.1 Core Arguments

Theodore Levitt's 1983 Harvard Business Review article "The Globalization of Markets" sparked the debate by arguing that globalization was homogenizing consumer tastes worldwide, making standardization not just possible but necessary **for competitive survival**.

Key arguments in favor of standardization include:

- **Economies of scale:** Lower per-unit production, R&D, and marketing costs
- **Consistent brand image:** A unified identity reinforces global brand equity (e.g., Apple, Coca-Cola)
- **Simplified management:** Easier to coordinate and control a single global strategy
- **Faster rollout:** New products and campaigns can be launched globally more quickly
- **Convergence of consumer preferences:** Digital connectivity and global media are gradually homogenizing tastes

2.2 Real-World Examples↵

Company↵	Standardized Element↵	Rationale↵	↵
Apple↵	Product design, pricing, store layout↵	Premium positioning, aspirational brand identity↵	↵
McDonald's (core brand)↵	Golden Arches, "I'm Lovin' It" slogan↵	Global brand recognition and consistency↵	↵
IKEA↵	Catalog design, flat-pack concept↵	Cost efficiency and Scandinavian brand identity↵	↵
Zara↵	Fashion collections, store design↵	Fast fashion cycle, uniform trend delivery↵	↵

3. The Case for Adaptation↵

3.1 Core Arguments↵

Adaptation proponents argue that significant differences in culture, income levels, regulations, infrastructure, and consumer behavior make one-size-fits-all marketing ineffective — and sometimes offensive or illegal.↵

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Key arguments in favor of adaptation include:↵

- Cultural differences: Values, aesthetics, humor, and symbolism vary dramatically across markets↵
- Consumer behavior: Purchasing habits, decision-making styles, and brand perceptions differ↵
- Legal and regulatory requirements: Labeling laws, advertising standards, and product safety regulations vary by country↵
- Economic disparities: Price sensitivity, purchasing power, and preferred product formats differ↵
- Competitive landscape: Local competitors may have strong advantages that require a tailored response↵
- Language barriers: Direct translation often fails; effective communication requires cultural nuance↵

3.2 Real-World Examples↵

Company↵	Adapted Element↵	Market / Reason↵
McDonald's↵	Menu items (<u>McAloo</u> Tikki, Teriyaki Burger)↵	India, Japan — religious/taste preferences↵
Procter & Gamble↵	Detergent formulas & <u>packaging size</u> ↵	Developing markets — water quality & affordability↵
KFC↵	Spice levels, <u>side dishes</u> ↵	China, Middle East — local flavor profiles↵
Airbnb↵	<u>Marketing messaging</u> ↵	Japan — emphasis on trust and host stories↵
Domino's↵	<u>Toppings (paneer, kimchi)</u> ↵	India, South Korea — local taste preferences↵

4. Dimensions of the Marketing Mix: Standardize or Adapt?

The dilemma does not apply equally to all elements of the marketing mix. Companies often pursue a mixed strategy — standardizing some elements while adapting others.

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Marketing Mix Element	Easier to Standardize	Often Needs Adaptation
Product	Core technology, brand name, quality standards	Features, packaging, ingredients, sizes
Price	Premium positioning logic	Actual price points, payment terms, value tiers
Place (Distribution)	E-commerce platforms, flagship stores	Distribution channels, retail partners, logistics
Promotion	Brand identity, visual elements	Advertising messages, media channels, PR approach

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Discussion Point: Can you think of a product where ALL elements of the marketing mix are standardized globally? Are there any risks to this approach?

8. Case Study Workshop

Case: Samsung vs. Xiaomi in Southeast Asia

Samsung entered Southeast Asian markets with a relatively standardized premium strategy that had succeeded in Europe and North America. Xiaomi entered with aggressive price adaptation, local partnerships, and community-driven marketing. The result was a significant market share capture by Xiaomi in markets like Indonesia, Vietnam, and the Philippines.

Discussion Questions:

- What forces pushed Samsung toward standardization? What did it overlook?
- How did Xiaomi use adaptation as a competitive weapon?
- What hybrid strategy could Samsung have adopted?
- Does this case support the view that adaptation is always superior in emerging markets?

2. Difference between Marketing vs Advertisement

1.1 Defining Marketing



AMA Definition

"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." — American Marketing Association (2017)



Kotler & Keller

"Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value." — Kotler & Keller, Marketing Management (15th ed.)



Marketing is a broad, ongoing business function. It involves:

- Understanding markets, consumer behavior, and competition
- Designing products and services to meet customer needs
- Setting pricing strategy
- Choosing distribution channels
- Communicating value — which includes, but is not limited to, advertising

1.2 Defining Advertising

Definition

Advertising is a paid, non-personal form of communication transmitted through mass media by an identified sponsor, intended to persuade or inform a target audience about a product, service, or idea.

Advertising is one of several elements within the Promotion Mix (part of the 4Ps of Marketing). It is a tool — not a strategy by itself.

Key characteristics of advertising:

- Paid for by an identified sponsor
- Delivered through mass or targeted media (TV, digital, print, OOH, radio)
- One directional — from brand to audience (vs. PR or social media dialogue)
- Measurable through reach, impressions, click-through rates, conversion

1.2 Key Functions of Advertising↵

- Informing: Communicates the existence, features, and benefits of a product or service.↵
- Persuading: Encourages consumers to prefer a brand and take action (e.g., purchase).↵
- Reminding: Maintains brand salience and loyalty among existing customers.↵
- Adding Value: Enhances perceived product value through image and symbolism.↵
- Assisting Other Efforts: Supports sales force activities and public relations.↵

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1.3 Types of Advertising↵

- Product Advertising: Promotes specific goods or services (e.g., Apple iPhone launches).↵
- Institutional / Brand Advertising: Builds corporate image and goodwill (e.g., Nike 'Just Do It').↵
- Comparative Advertising: Explicitly compares a brand to competitors (e.g., Pepsi vs. Coca-Cola).↵
- Cause-Related Advertising: Links a brand to a social issue (e.g., Dove Real Beauty).↵
- Digital / Programmatic Advertising: Automated, data-driven ads served online.↵
- Social Media Advertising: Paid content on platforms like Instagram, TikTok, YouTube.↵

Section 2: Core Advertising Theories

Understanding advertising requires a foundation in communication theory, psychology, and consumer behavior. The following are the most influential theoretical frameworks used in advertising research and practice.

2.1 Communication Models

The AIDA Model (Strong, 1925)

The AIDA model is one of the oldest and most widely cited frameworks in advertising. It describes the cognitive journey a consumer takes from first exposure to a brand message to the final purchase act.

AIDA — Four Stages of Consumer Response

A — Attention: The ad must first capture the consumer's attention in a cluttered media environment.

I — Interest: Once attention is gained, the message must sustain interest by highlighting relevance.

D — Desire: The ad must cultivate an emotional or rational desire for the product or brand.

A — Action: Finally, the consumer is motivated to take a specific action (purchase, sign up, share).

2. Recent Failure of an Advertisement (Starbucks):

https://www.tiktok.com/@aljazeeraenglish/video/7642832960600689950?is_from_webapp=1&sender_device=pc

The controversy surrounding Starbucks Korea in May 2026 has been widely cited as one of the most severe marketing disasters in modern corporate history. [Reddit](#)

What was meant to be a standard product launch for a large-volume "Tank Tumbler" crossed into extreme public outrage due to catastrophic errors in cultural awareness, historical sensitivity, and lack of internal oversight. [Reddit](#)







정용진 신세계그룹 회장이 스타벅스의 '탱크데이' 이벤트 논란과 관련해 "진심으로 머리 숙여 사죄 드리며 여러분의 용서를 구한다"고 사과했습니다.

1. The Direct Slogans and Timing

The issue erupted on **May 18, 2026**, when Starbucks Korea launched an online promotional event featuring its new "Tank" tumbler lineup. The campaign paired the specific calendar date with two incredibly sensitive phrases: [Reddit + 1](#)

- **"Tank Day" on "5/18":** May 18 is a deeply solemn national memorial day in South Korea, honoring the **May 18 Gwangju Democratization Movement of 1980**. During this event, the military dictatorship deployed armored tanks and paratroopers to brutally crush pro-democracy civilian demonstrators, resulting in hundreds of tragic deaths. [Reddit](#)
- **"Tak! (Thwack/Slam) on the desk!":** To make matters worse, the promotional copy included this phrase. In South Korea, this specific onomatopoeia is instantly associated with the infamous 1987 police cover-up regarding the torture death of student activist Park Jong-cheol. At the time, authorities falsely claimed to the public: *"The investigator slapped the desk with a thwack (Tak!), and the boy dropped dead of a heart attack."* [The Guardian + 1](#)

Combining the image of a military tank, the exact date of a historical massacre, and a phrase mocking a victim of state torture created a nuclear public reaction. Civic groups, consumers, and historians condemned the campaign as a malicious, intentional mockery of Korea's constitutional and democratic history. [Reddit + 1](#)

2. Immediate Fallout and Boycott

The backlash was swift, severe, and escalated to the highest levels of governance and society:

The Korea Herald

- **Political Condemnation:** South Korean President Lee Jae-myung publicly condemned the campaign, calling it "inhumane, bottom-feeding behavior" that mocked the blood-soaked struggle of democracy activists. [Reddit](#)
- **Government and Corporate Pullback:** The Ministry of the Interior, local municipalities (including the city of Gwangju), and various public agencies immediately banned the use of Starbucks mobile vouchers—which historically held a dominant 30% market share as the nation's go-to corporate gift item—swapping them out for rival coffee brands. [Seoul Economic Daily](#)
- **Consumer Backlash:** Images flooded social media of consumers smashing Starbucks mugs, disposing of merchandise, and deleting their mobile accounts. Shinsegae Group's stock prices plummeted in the days following the event. [Korea JoongAng Daily](#)

3. The Structural Failure & Executive Dismissal

While some observers debated whether the disaster was an incredibly tone-deaf, unreviewed mistake by an outside agency or an intentional "dog-whistle" from extreme-right online circles, the ultimate failure fell squarely on corporate governance (ESG). [Reddit](#)

Upper management completely failed to run a basic cultural or historical compliance check on promotional materials before they went live. [Reddit](#)

In an effort to control the bleeding and manage a catastrophic public relations crisis, Shinsegae Group Chairman Chung Yong-jin issued a formal public apology, and **Starbucks Korea CEO Sohn Jeong-hyun was summarily dismissed from his post** within 24 hours of the campaign's launch. The company also scrapped its massive upcoming "Summer Promotion" to enter a period of internal self-reflection. [Korea JoongAng Daily + 1](#)

3. Theories of Advertisement

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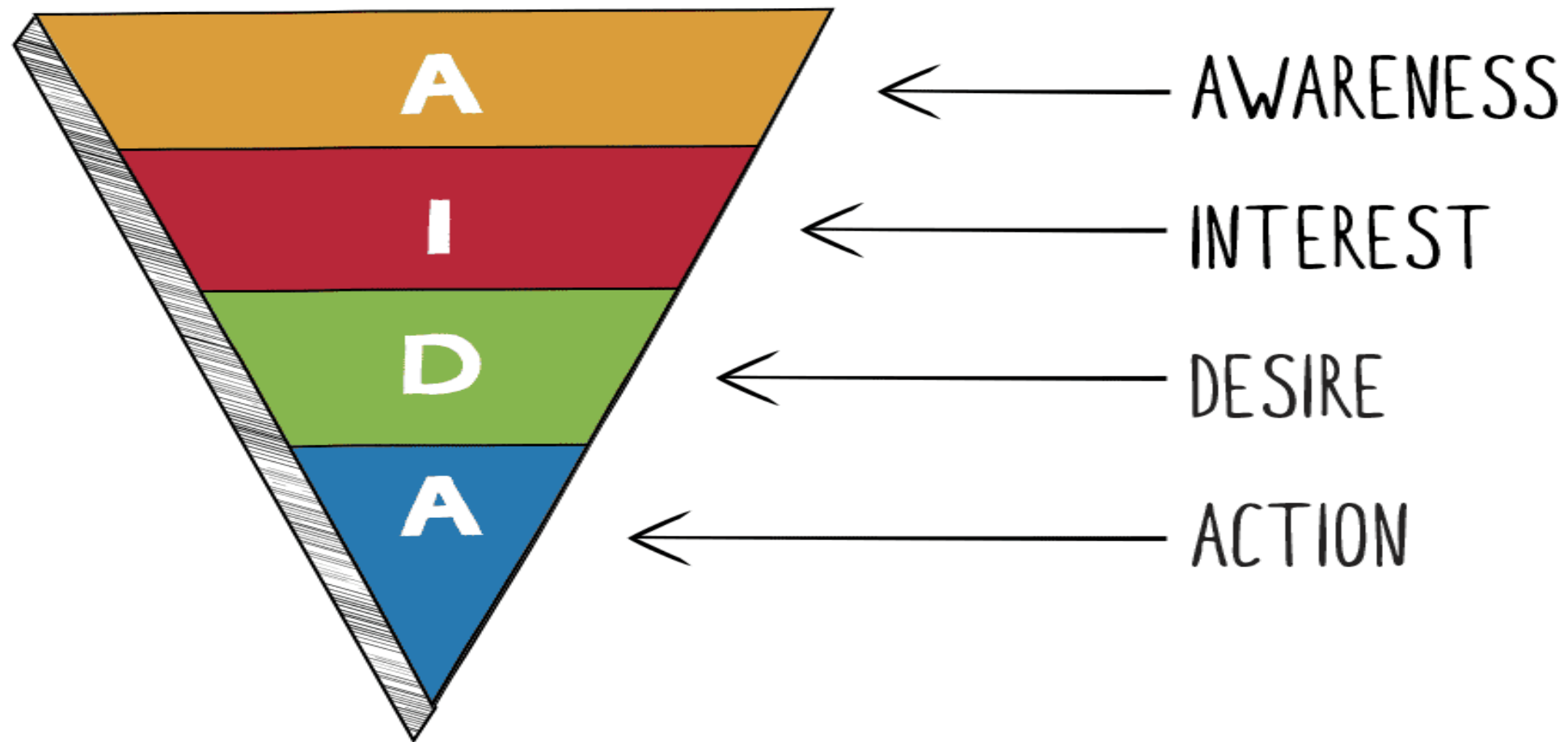
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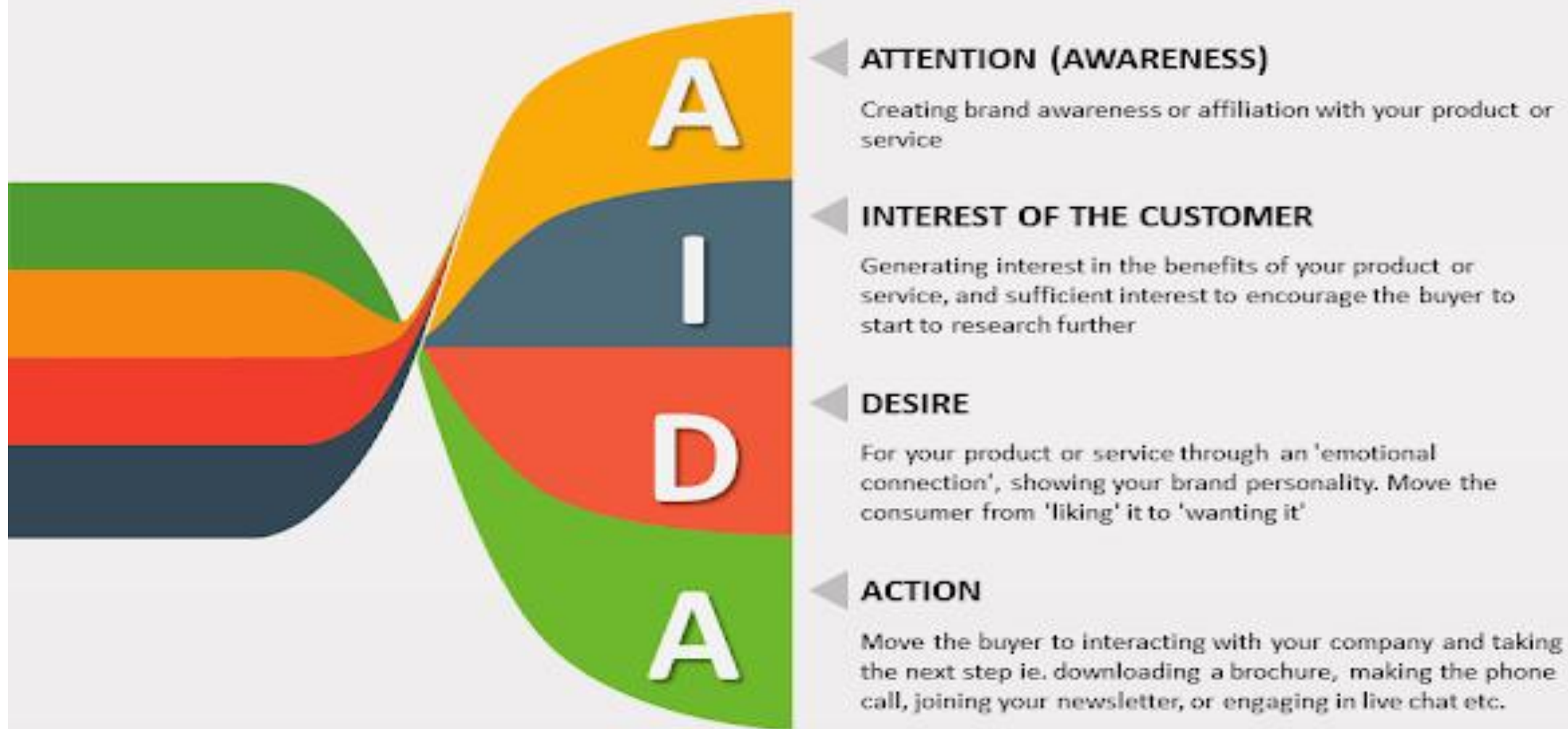
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THE AIDA MODEL



ESSENTIAL MARKETING MODELS [HTTP://BIT.LY/SMARTMODELS](http://bit.ly/smartmodels)

AIDA Model Diagram



Let's look at an example of the AIDA method applied to billboard advertising

ATTENTION

Grab the billboard viewers' attention.

INTEREST

Explain what the product or service can do for them.



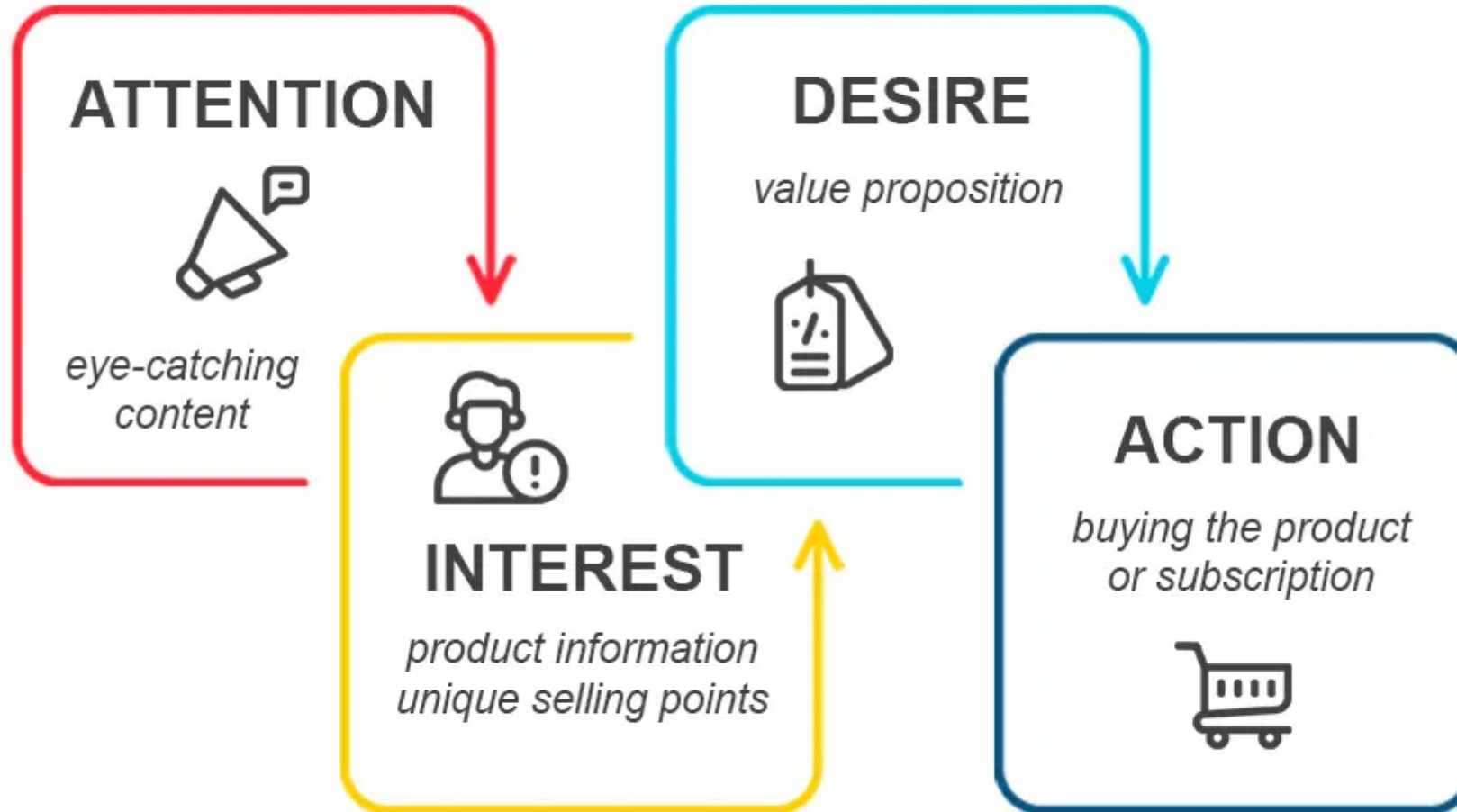
DESIRE

Make them desire the product or service.

ACTION

Clearly tell them how to take action.

The following diagram is a summary of the AIDA principle of marketing:



The AIDA Principle

AIDA Example

The structure of Spotify ads is a great illustration of the AIDA principle in practice. This screenshot is an advertisement for our fake company, Field to Fork, which promises to deliver organic fruit and vegetables straight to your door.



ATTENTION

The companion image grabs our attention

INTEREST

The audio describes the benefits of the service

DESIRE

The promise of “free delivery” adds value to the deal

ACTION

The “Learn More” button is a call-to-action

4. Advertisement Strategy and Planning

Section 3: Advertising Strategy and Planning



3.1 The STP Framework: Segmentation, Targeting, Positioning

Effective advertising begins with a clear understanding of the market. The STP framework—Segmentation, Targeting, and Positioning—is foundational to creating messages that resonate with the right audience.

- Segmentation: Dividing the total market into distinct groups based on demographics, psychographics, behavior, or geography.
- Targeting: Selecting the most attractive and reachable segment(s) for the advertising effort.
- Positioning: Crafting a unique, credible place for the brand in the consumer's mind relative to competitors.

3.2 Setting Advertising Objectives↵

Advertising objectives should follow the SMART framework (Specific, Measurable, Achievable, Relevant, Time-bound). The Dagmar Model (Colley, 1961) distinguishes between communication objectives and sales objectives, arguing that advertising should be evaluated on measurable communication tasks such as:↵

1. Unawareness → Awareness↵
2. Awareness → Comprehension↵
3. Comprehension → Conviction↵
4. Conviction → Action (Purchase)↵

3.3 Budgeting Methods←

- Percentage of Sales: Set the budget as a fixed % of current or projected sales revenue.←
- Competitive Parity: Match or approximate competitors' ad spending levels.←
- Objective-and-Task: Identify objectives, determine tasks needed, and sum the costs. (Most rigorous.)←
- Affordable Method: Spend whatever is left after all other costs are covered. (Least strategic.)←

▲ 3.4 Creative Strategy: The Big Idea↵

The 'Big Idea' is the central creative concept that makes an advertising campaign memorable, distinctive, and effective. A strong Big Idea can be expressed consistently across media and over time. Creative strategy is typically guided by a Creative Brief, which specifies:↵

- Target audience profile↵
- Key consumer insight↵
- Single-minded proposition / unique selling point (USP)↵
- Desired consumer response↵
- Tone and manner of communication↵

3.5 Media Planning and the Media Mix↵

Media planning involves selecting the optimal combination of media to reach the target audience at the right time, frequency, and cost. Key concepts include:↵

- Reach: The number of unique individuals exposed to the ad at least once.↵
- Frequency: The average number of times a person is exposed within a given period.↵
- GRP (Gross Rating Points): $\text{Reach} \times \text{Frequency}$ — a measure of total campaign weight.↵
- CPM (Cost per Thousand Impressions): A standard measure of media efficiency.↵
- Media Mix: Combination of TV, digital, OOH, print, radio, social, influencer, etc.↵

5. Cases of Successful Advertisement by Global Firms

1. Introduction: The Core Dilemma in Global Advertising

When a firm expands across borders, its marketing department faces a fundamental strategic decision: **Standardization vs. Localization** (often reconciled today as "Glocalization").

- **Standardization (Global Integration):** Using a single, uniform advertising message and creative execution across all international markets.
 - *Pros:* Significant economies of scale, consistent global brand image, simplified control.
 - *Cons:* Risks cultural misalignment, legal hurdles, or missing local consumer nuances.
- **Localization (Local Responsiveness):** Adapting the advertising message, visuals, and media strategy to fit the unique cultural, linguistic, and regulatory environment of each target country.
 - *Pros:* Higher local relevance, better emotional engagement, compliance with local laws.
 - *Cons:* High production costs, fragmented brand identity, coordination complexity.

Case 1: Coca-Cola's "Share a Coke" Campaign

Strategic Approach: *Glocalization (Global Concept, Local Execution)*

Coca-Cola replaced its iconic logo on bottles with the most popular first names in each country, encouraging consumers to buy a Coke for their friends or family.



Coca-Cola's Share a Coke campaign customized packaging based on regional name demographics.. 株式会社: The Coca-Cola Company

- **How it was adapted:**
 - **Australia & US:** Used popular Western first names (e.g., Mia, Logan, Isaac).
 - **China:** Because using first names can be culturally awkward or overly familiar, Coca-Cola substituted names with nicknames or terms of endearment like "Close Friend" or "Classmate."
 - **United Kingdom:** Expanded to include local slang and family titles (e.g., "Mum", "Dad", "Bestie").
- **Key Takeaway for Students:** A brilliant international campaign can maintain a **standardized emotional hook** (sharing and connection) while leaving the **tactical elements fully flexible** to honor local cultural boundaries and naming conventions.

Case 2: Nike's "Write the Future" (Global Sports Marketing)

Strategic Approach: *Pure Standardization with Multi-Local Relevance*

Launched ahead of the 2010 FIFA World Cup, this hyper-cinematic campaign explored how a single moment on the pitch ripples out to affect an entire nation's mood, stock markets, and popular culture.



Nike's 'Write the Future' unified global sports culture under a single cinematic theme.. 全球: Ads of the World

Case 3: McDonald's in India

Strategic Approach: *Extreme Localization (Product & Message Realignment)*

McDonald's completely overhauled its core value proposition to enter the Indian market, where religious beliefs mean large segments of the population do not consume beef (Hinduism) or pork (Islam).



McDonald's tailored its core menu items to suit regional religious and dietary requirements.. 출처: McDonald's Blog

6. Q&A