International Marketing Management

Class 7

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I. Examples of Marketing Failures by the Global Firms

1. Pepsi — "Come Alive" in China

- **What happened:** Pepsi's 1960s slogan "Come alive! You're in the Pepsi Generation!" was mistranslated in China as "Pepsi brings your ancestors back from the dead."
- **Lesson:** [redacted] critical i[redacted]

I. Examples of Marketing Failures by the Global Firms

1. Pepsi — "Come Alive" in China

- **What happened:** Pepsi's 1960s slogan "Come alive! You're in the Pepsi Generation!" was mistranslated in China as "Pepsi brings your ancestors back from the dead."
- **Lesson:** *Cultural misinterpretation can destroy a campaign.* Localization and linguistic checks are critical in global marketing.

2. Ford Pinto — Brazil Launch

- **What happened:** In Brazil, “Pinto” is a slang term for “small male genitals.” The car’s name became a joke and damaged its reputation.

3. Coca-Cola — “New Coke” in the U.S. (1985)

- **What happened:** Coca-Cola reformulated its classic drink to compete with Pepsi, but customers hated the change. The backlash was so severe that the company reintroduced “Coca-Cola Classic.”

2. Ford Pinto — Brazil Launch

- **What happened:** In Brazil, "Pinto" is a slang term for "small male genitals." The car's name became a joke and damaged its reputation.
- **Lesson:** *Brand names must be tested in each target language* to avoid unintended meanings.

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- **Lesson:** *Ignoring customer emotional attachment and brand heritage can cause failure.*

4. McDonald's — India Menu Launch

- **What happened:** McDonald's initially offered beef burgers in a country where cows are sacred to many Hindus. Public backlash forced an immediate change.

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5. HSBC — "Assume Nothing" Campaign

- **What happened:** HSBC's slogan "Assume Nothing" was mistranslated in several countries as "Do Nothing." The global rebranding cost over $10 million.

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4. McDonald's — India Menu Launch

- **What happened:** McDonald's initially offered beef burgers in a country where cows are sacred to many Hindus. Public backlash forced an immediate change.
- **Lesson:** *Failure to respect local culture and dietary norms can alienate entire markets.*

5. HSBC — "Assume Nothing" Campaign

- **What happened:** HSBC's slogan "Assume Nothing" was mistranslated in several countries as "Do Nothing." The global rebranding cost over $10 million.
- **Lesson:** *Consistency in translation and message clarity are essential in global branding.*

6. Gap — Logo Redesign (2010)

- **What happened:** Gap changed its iconic logo without warning customers. Backlash on social media forced a reversal within a week.

7. Sony — PSP White Campaign

- **What happened:** Sony ran an ad for its white PlayStation Portable showing a white woman dominating a black woman — criticized worldwide as racist.

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- **What happened:** Gap changed its iconic logo without warning customers. Backlash on social media forced a reversal within a week.
- **Lesson:** *Brand identity changes should involve customer engagement and testing.*

7. Sony — PSP White Campaign

- **What happened:** Sony ran an ad for its white PlayStation Portable showing a white woman dominating a black woman — criticized worldwide as racist.
- **Lesson:** *Visuals must be reviewed for cultural and racial sensitivity.*

8. Colgate — “Cue” Toothpaste in France

- **What happened:** Colgate launched a toothpaste called “Cue” in France, unaware that “Cue” was also the name of a pornographic magazine.

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9. Walmart — Germany Exit

- **What happened:** Walmart failed in Germany due to cultural mismatches (e.g., enforced smiling seen as fake, and centralized pricing). The company exited the market in 2006 after huge losses.

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8. Colgate — “Cue” Toothpaste in France

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- **Lesson:** *Market research must include local brand associations.*

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- **Lesson:** *Adapting management and service styles to local consumer expectations is vital.*

10. Kellogg’s — India Entry

- **What happened:** Kellogg’s cold cereals didn’t fit Indian breakfast habits (warm, savory foods). The product didn’t sell until the company localized it years later.

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- **Lesson:** *Consumer behavior and eating culture should shape product strategy.*

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11. Apple – Newton PDA (1993)

- **What happened:** Apple's first personal digital assistant (PDA) promised handwriting recognition but often misread words. It became a media joke and was discontinued.

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12. Starbucks – Australia Exit (2008)

- **What happened:** Starbucks opened too quickly across Australia without adapting to local coffee culture, where independent cafés dominate. It closed 70% of stores.

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13. Target – Canada Expansion (2013–2015)

- **What happened:** Target rushed into Canada with 133 stores but suffered from empty shelves, high prices, and poor logistics. It exited within two years.

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- **Lesson:** *Overpromising on unproven technology can destroy credibility.*

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13. Target – Canada Expansion (2013–2015)

- **What happened:** Target rushed into Canada with 133 stores but suffered from empty shelves, high prices, and poor logistics. It exited within two years.
- **Lesson:** *Operational readiness and supply chain efficiency are vital to brand success.*

14. Adidas – "Boston Marathon" Tweet (2017)

- **What happened:** Adidas congratulated runners with the message: "Congrats, you survived the Boston Marathon!"—unintentionally referencing the 2013 bombing tragedy.

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15. Netflix – Qwikster (2011)

- **What happened:** Netflix tried to split its DVD and streaming services into two brands (Netflix and Qwikster). Customers hated the confusion and price hike.

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16. Samsung – Galaxy Note 7 Recall (2016)

- **What happened:** The Galaxy Note 7 was recalled after reports of batteries catching fire. The crisis severely damaged trust.

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14. Adidas – "Boston Marathon" Tweet (2017)

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- **Lesson:** *Brands must review messages in historical and emotional context.*

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15. Netflix – Qwikster (2011)

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16. Samsung – Galaxy Note 7 Recall (2016)

- **What happened:** The Galaxy Note 7 was recalled after reports of batteries catching fire. The crisis severely damaged trust.
- **Lesson:** *Product safety is part of marketing—brand reputation depends on reliability.*

17. Heineken – "Sometimes Lighter Is Better" Ad (2018)

- **What happened:** The beer company's ad showed a bottle sliding past darker-skinned people before reaching a lighter-skinned woman, sparking racial criticism.

[redacted]

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18. Tropicana – Packaging Redesign (2009)

- **What happened:** Tropicana replaced its familiar orange-with-a-straw logo with a minimalist design. Sales dropped 20% in two months.

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- **Lesson:** *Visual familiarity and emotional connection are crucial for consumer goods.*

19. Bud Light – Dylan Mulvaney Controversy (2023)

- **What happened:** Bud Light partnered with a transgender influencer, leading to a major backlash and boycott from parts of its customer base.

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20. Nokia – Decline of a Giant (2010s)

- **What happened:** Once the world's largest phone maker, Nokia failed to adapt to smartphones and user experience innovation, losing to Apple and Android.

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19. Bud Light – Dylan Mulvaney Controversy (2023)

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- **Lesson:** *Social or political branding requires careful audience analysis and risk management.*

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20. Nokia – Decline of a Giant (2010s)

- **What happened:** Once the world's largest phone maker, Nokia failed to adapt to smartphones and user experience innovation, losing to Apple and Android.
- **Lesson:** *Complacency and failure to innovate lead to brand extinction.*

Korean Cases

1. Samsung Galaxy Note 7 – Battery Explosion Crisis (2016)

- **What happened:** Soon after launch, multiple Galaxy Note 7 phones exploded due to faulty batteries.
- **Result:** A global recall worth billions and major damage to Samsung's brand image.
- **Lesson:** *Product safety and quality control are fundamental to brand trust. Crisis communication must be fast and transparent.*

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2. LG Prada Phone – Overpricing and Poor Timing (2007)

- **What happened:** LG released the Prada Phone as a luxury smartphone just before Apple's iPhone. Despite its design, it lacked functionality.
- **Result:** Quickly overshadowed by the iPhone and discontinued.
- **Lesson:** *Aesthetic marketing without innovation cannot compete with true technological disruption.*

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3. Nongshim Shin Ramyun Black – Failed Premiumization (2011)

- **What happened:** Promoted as a "healthy luxury ramen," but consumers felt the high price wasn't justified.
- **Result:** Sales plummeted after backlash over "overpriced instant noodles."
- **Lesson:** *Price strategy must match perceived customer value.*

4. Hyundai Genesis Coupe – Targeting Confusion (2008)

- **What happened:** Marketed as a sports car, but Hyundai's brand was still seen as affordable, practical, not sporty.
- **Result:** Failed to appeal to both luxury and youth segments.
- **Lesson:** *Clear market segmentation and consistent brand positioning are essential.*

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5. Doosan Bears Merchandise Scandal (2021)

- **What happened:** Fans protested after team merchandise became more expensive and lower in quality.
- **Result:** Social media backlash and a fan boycott.
- **Lesson:** *Ignoring loyal customers damages long-term brand equity.*

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6. Lotte Confectionery – Snoopy Chocolate Failure in China (2000s)

- **What happened:** Launched a Snoopy-branded chocolate in China without understanding local taste preferences.
- **Result:** Poor sales and withdrawal from the market.
- **Lesson:** *Localization—understanding local culture and consumer taste—is key to global success.*

7. Coupang Play – BTS Concert Streaming Controversy (2021)

- **What happened:** BTS's concert was broadcast exclusively through Coupang's paid streaming service, angering fans who expected free access.
- **Result:** Negative public sentiment toward Coupang.
- **Lesson:** *Partnership marketing must respect fan culture and perceived fairness.*

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8. SK Telecom T-Pay – Mobile Payment Failure (2015)

- **What happened:** Introduced early NFC payment service, but infrastructure and user adoption were low.
- **Result:** Service was quietly discontinued within two years.
- **Lesson:** *Timing and ecosystem readiness are critical in tech-based services.*

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9. Orion Whale Snack Redesign – Emotional Disconnect (2018)

- **What happened:** The company redesigned its iconic snack and changed the flavor and mascot. Long-time consumers reacted negatively.
- **Result:** Sales dropped as consumers demanded the old version.
- **Lesson:** *Legacy brands must preserve emotional bonds with their customers.*

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10. Korean Air – "Nut Rage" Scandal (2014–2018)

- **What happened:** An executive forced a flight to return over how nuts were served in first class. The incident went viral internationally.
- **Result:** Huge reputational damage for both the airline and Korean corporate culture.
- **Lesson:** *Corporate ethics and leadership behavior are integral parts of brand image.*

China Cases

1. Dolce & Gabbana – China Cultural Insensitivity (2018)

- **What happened:** The luxury brand released ads showing a Chinese woman awkwardly eating Italian food with chopsticks, which many viewers found racist and patronizing.
- **Result:** Massive backlash on Chinese social media; stores closed and products were boycotted nationwide.
- **Lesson:** *Cultural respect and sensitivity are non-negotiable in global advertising.*

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2. Uber China – Misreading Local Competition (2016)

- **What happened:** Uber entered China aggressively but failed to understand local regulations and consumer habits, facing fierce competition from Didi Chuxing.
- **Result:** Uber lost billions and sold its China operations to Didi.
- **Lesson:** *Global brands must adapt to local market dynamics and regulatory environments.*

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3. KFC "China Crisis" – Food Safety Scandal (2014)

- **What happened:** A TV investigation showed that a supplier sold expired chicken to KFC outlets.
- **Result:** KFC's brand trust plummeted; sales dropped more than 10% that year.
- **Lesson:** *Supply-chain integrity is a core part of marketing credibility.*

4. Samsung – Galaxy Note 7 Recall in China (2016)

- **What happened:** Samsung excluded some Chinese models from the global recall, claiming they were "safe." When Chinese phones also caught fire, public outrage spread.
- **Result:** Trust collapsed, and domestic brands like Huawei gained market share.
- **Lesson:** *Double standards across countries can destroy global brand trust.*

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5. Pepsi – "Bring Happiness Home" Lunar New Year Ad (2017)

- **What happened:** The ad reused overused "family reunion" themes without originality and was criticized for being emotionally manipulative.
- **Result:** The campaign failed to connect with Chinese audiences.
- **Lesson:** *Even emotionally themed ads must feel authentic and fresh to local audiences.*

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6. Mercedes-Benz – Dalai Lama Quote on Weibo (2018)

- **What happened:** Mercedes posted a motivational quote from the Dalai Lama, sparking political outrage in China where he is a sensitive figure.
- **Result:** Mercedes issued a public apology.
- **Lesson:** *Brands must understand local political and cultural taboos before marketing.*

7. IKEA – “Sleep in the Showroom” Controversy (2015)

- **What happened:** IKEA encouraged customers to “feel at home,” but Chinese shoppers began napping in showrooms. Social media mocked the brand for poor control.
- **Result:** IKEA’s brand lost prestige among urban consumers.
- **Lesson:** *Cultural behavior norms must be anticipated in experiential marketing.*

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8. Adidas – “All In for My Girls” Campaign (2014)

- **What happened:** The campaign was designed for Western feminism but clashed with Chinese gender norms and was perceived as culturally irrelevant.
- **Result:** Poor engagement and confusion among target audiences.
- **Lesson:** *Global campaigns must be localized to fit cultural values and communication styles.*

9. Haagen-Dazs – Luxury Positioning Misstep (1990s–2000s)

- **What happened:** Haagen-Dazs entered China as a premium luxury dessert, but expansion into supermarkets eroded exclusivity.
- **Result:** Brand image diluted and sales declined in major cities.
- **Lesson:** *Maintaining consistent brand positioning is vital for luxury products.*

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10. Xiaomi – India Trademark and Product Confusion (2014–2015)

- **What happened:** Xiaomi expanded aggressively into India using its Chinese marketing materials and name without localization, leading to confusion and a lawsuit from Ericsson.
- **Result:** Temporary sales bans and a loss of momentum in international markets.
- **Lesson:** *Legal compliance and brand localization are essential when entering new markets.*
