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Master Thesis:

Standardization vs. Adaption within Advertising

A qualitative study of how MNCs standardize or adapt a global marketing strategy in context to advertising within emerging markets?

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Abstract

Purpose: The purpose of the thesis is to fill the research gap as previous research on the topic of interest lacks a country specific research on how culture effects standardization vs. adaptation by MNCs in emergent markets, in context to a specific advertising strategy. By providing a unique cross-cultural study on five different emergent markets (China, Pakistan, Mexico, Turkey and CWAR) the researchers aims to provide the readers with theoretical knowledge on already published research and furthermore compare the literature with the empirical findings to answer the research question: *How MNCs standardize or adapt a global marketing strategy in context to advertising within emerging markets?*

Methodology/Approach: The researchers use an explorative research design using a holistic case study method on the global brand Nescafé. The researchers imply an abductive approach, by combining the previous literature and primary data gathered through semi-structured interviews with key people within the Nestlé organization on the global marketing strategy the REDvolution.

Analysis/Findings: The findings from the analysis, provides an overview of how Nestlé implemented a global marketing strategy within the five emergent markets. The findings show that a strategic framework was provided from the Head Quarters of Nestlé, which contained a set of standard guidelines for the local markets to follow including: brand logo, brand slogan, color themes and packaging. In addition, to the standardized elements the findings covered how the cultural elements within each market influenced the execution of the advertising strategy locally. The findings showed that MNCs could not completely standardize all elements of the advertising strategy thus standardization is only confined to visual elements of the brand, as the cultural elements play a profound role for a successful execution within the local markets. Finally, the findings showed that language, religion and local consumer habits, are the key elements that highly effect the advertising strategy when MNCs adapt to the local cultures.

Keywords: *Culture, International Advertising, MNC, Emergent Markets and Standardization vs. Adaption*

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1 INTRODUCTION:

Today, large MNCs (Multinational Corporations) go through extensive pressure to increase sales, revenues and profits to meet the increasing demands from shareholders and consumers around the world year after year. Most of the developed markets have been in a stagnant stage within the last decade, the MNCs are therefore looking for new profit drivers, sources of low production cost, new and dynamic markets in order to continue making profits and winning market share globally (Kotler et al., 2005). This compels MNCs to expand their business activities in emergent markets, where the consumers have dynamic needs and increased buying power to spend on western consumer products. Thus it calls for an effective implementation of a global marketing strategy, which meets the dynamic needs to stipulate new levels of consumption and to reach the potential consumers in the best possible way (Ghauri and Cateora, 2010).

In addition, the MNCs are dealing with a broader range of consumers than they were dealing with in the past and thus these MNCs devise international marketing strategies that has to be implemented beyond the borders. A variation occurs between the domestic and perceived target markets according to culture, social and economic competitive environments in different markets. Globalization therefore becomes a myth when dealing with consumers from all parts of the world (Ford et al., 1998). International advertising aims to transfer the communication message with a certain goal to reach the local consumers, it is crucial for marketers to comprehend how the message will be interpreted among the consumers from different social and cultural backgrounds. The marketing objectives drive the advertising purpose and it is important to have clear goals on what a MNC wants to achieve globally as well as locally (Domzal et al., 1993).

Furthermore, culture remains the *“elephant in the room”* when a global marketing strategy is developed (Hollis, 2011,pp.37). The importance of culture is highlighted when the global advertising strategy is implemented in the local markets, as the rules of implementation can change depending on local culture that can influence local consumer demands. Despite of globalization, which is a result in evolution of technology the overall assumption for global marketers is to consider the world as a global market, still this assumption cannot overrule the fact that values, attitudes, believes and habits of consumers differ from country to country therefore culture remains an independent variable (Mooij, 1998).

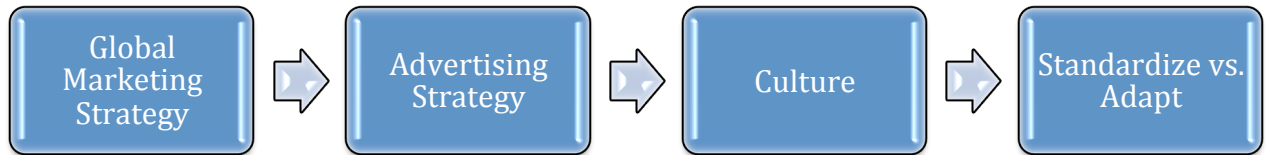
Reviewing the academic literature on international advertising and how culture effects and transforms the communication messages, the researchers came along a much-debated topic of standardization vs. adaptation for MNCs, in context to culture within dynamic markets.

Being part of the international marketing program with a focus on Globalization, Brands and Consumption the researchers aimed to explore how global marketing strategies work in practice and how they best suit in context to branding and advertising. When it comes to standardization vs. adaption for MNCs a number of studies have been conducted in the past five decades, with specific focus on the European and the US markets (Fastoso and Whitelock, 2010). Furthermore, previous studies also show that there has been only one country specific research on the topic of interest, which was done in China. The study concluded that the Chinese market is culturally dynamic, challenging the marketers to adapt the advertising strategies to suit the local consumer needs (Fastoso and Whitelock, 2010). This clearly indicates that there is a research gap on the subject within emergent markets in regions like Africa, South America and Asia. Keeping in view the argument about the research gap the researchers considered the importance of a cross-cultural study within the emergent markets that will additionally contribute to a country specific research on international advertising.

Aiming the research mentioned in above context the international advertising strategy was deemed as an important part of a global marketing strategy to explore further in the area of standardization vs. adaptation in context to culture for MNCs. Furthermore, the researchers found it interest to explore the key elements of culture that can influence whether a corporation should standardize or adapt the global advertising strategy.

In order to initialize a structured approach on gathering primary data the researchers had an initial meeting with the Head of Global Marketing at Nestlé HQ in Vevey, Switzerland. The meeting provided the researchers with an excellent opportunity to explore the research question by examining the REDvolution, which is the latest global marketing strategy Nescafé has implemented worldwide. *Model: 1* shows how the researchers theoretically explored the research investigation and what were the elements that were focused upon within the research topic, while reviewing the literature.

Model 1: Mainframe of Analyzing an International Advertising Strategy



1.1 Research Question:

After reviewing the literature on prior research, findings showed that a lot of argumentation has been done academically on how international advertising can have a standardized or adaptive approach. The prior research showed that most of the researches done were quantitative in nature and focused upon MNCs from Europe and the US within developed markets (Fastoso and Whitelock, 2010). The researchers were therefore interested to explore how standardization vs. adaption worked in practice, studying in detail one single MNC within five different emergent markets that were culturally dynamic. The researchers has therefore derived the overall research question in the following way:

How MNCs standardize or adapt a global marketing strategy in context to advertising within emerging markets?

1.2 Research Limitations:

The research limitation aims to provide the reader with the boundaries that can effect the overall outcome of the research, with the objective of defining the constraints that has occurred throughout the process of the thesis. Below are the delimitations that the researchers found important to be discussed for the readers to understand the overall scope of the project:

The researchers acknowledge that focusing the thesis around the global marketing strategy REDvolution can be explored on a broader scale, but due to the researchers interest in the advertising aspect of a strategy the researchers found it relevant to narrow the scope of research to focus on the advertising aspect of the strategy. The thesis therefore, does not provide any details on the overall global marketing strategy like pricing and distribution, but solely covers the advertising element with respect to culture.

The researchers also acknowledge that there can be different definitions on what defines emergent markets, but as the thesis explores Nescafé as a single case study on the topic of interest, it was from the researchers standpoint considered appropriate to define emergent markets in the same way that the Nestlé Corporation has defined them (Asia, South America, Oceania and Africa) (Gilbert, 2014). In addition, the study aims to provide a cross-cultural and country specific analysis, CWAR (Central West-Africa) is a region and consist of 22 countries within Africa, however the Nestlé Corporation considers CWAR as one country with similar culture and consumption habits. Thus, the researchers also decided to consider this region as one country, as the scope would otherwise have been too broad to analyze each market separately.

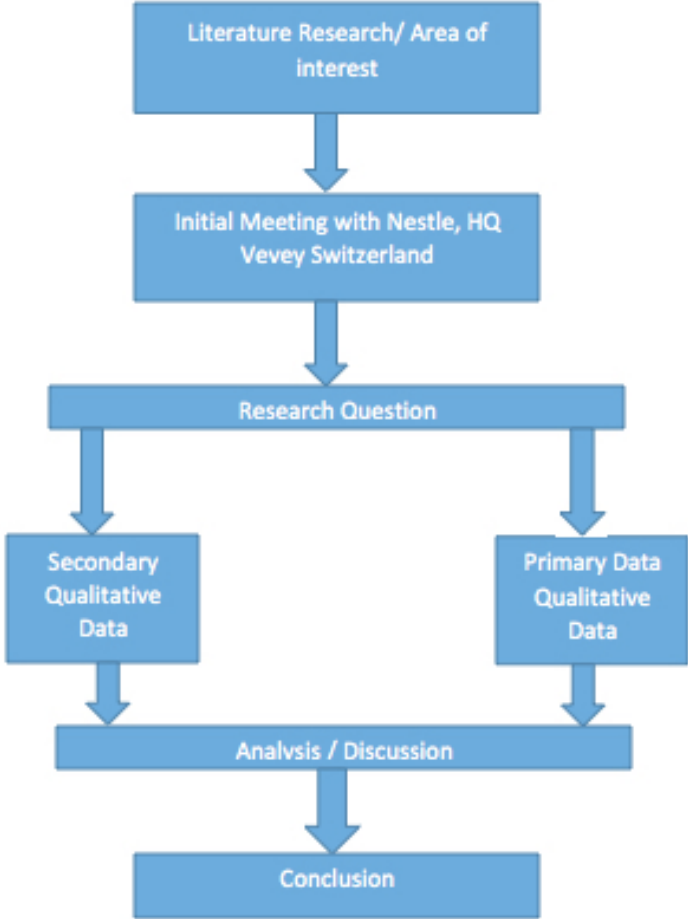
Another key delimitation encountered in the process of analyzing the primary data, was that many of the markets focused on targeting the young consumers through digital platforms as an advertising medium. The findings showed that targeting young consumers on digital social platforms could be achieved in a standardized way, with very few changes on the advertising content that appeared on these platforms. However, the digital media strategy was considered to be beyond the scope of traditional advertising strategy and was not explored in the analysis, as the researchers wanted to analyze the advertising strategy with respect to culture and local proximity, rather than focusing on a global digital consumer.

The researchers also recognized that given the time constraint only the business executive managers were interviewed on the topic of research, however it could have been more explorative to get a deeper perspective on execution of the REDvolution by interviewing the local brand managers within each market. The researchers also interviewed the business executive managers from Malaysia and the Philippines, but the data gathered from the interviews did not qualify from the researchers standpoint to be further analyzed, as the data was too generic and was covering information beyond the topic of research.

Finally, the researchers would like to acknowledge that the topic of interest is more of an academic debate on whether to standardize or adapt for MNCs and thus cannot be confined to a pervious theory or model. While the researchers explored prior literature no specific theory or model could be found to help analyze how to standardize or adapt in relation to advertising, thus the researchers have summarized the academic literature in a model to structure the findings from the literature review that would further help analyze upon the primary data.

1.3 Outlook of the Work Process:

Model 2: Outlook of the Work Process



Model 2 portrays an overall visualization on how the work process for the thesis was structured, the natural flow and how the individual parts of the research were interlinked within the research area in order to end up with an overall conclusion on the research question.

1.4 Purpose Of Research:

The researchers aim to contribute with a unique cross-cultural study on emergent markets across different continents around the world, which has not been done earlier (Fastoso and Whitelock, 2010). The researchers therefore aims to provide the reader with knowledge within the theoretical area of emergent markets, global marketing strategies and give an extensive review on already published research in the last five decades within the area of international advertising and MNCs in context to culture. Furthermore, the researchers aimed to explore the above-mentioned theoretical perspective from a practical standpoint, by combining previous literature on the topic and giving practical insights on a global marketing strategy with focus on an up-to-date global advertising strategy in form of the REDvolution. This will give the readers a very practical perspective on how a MNC operates in practice and how a global advertising campaign can be formalized and implemented in different countries where the culture is different. Finally, the researchers aim to discuss to what extent MNCs standardize or adapt, while executing an advertising strategy and what are the key cultural elements that actual effect the decision process.

2 LITERATURE REVIEW:

The literature review aims to provide an overview of the literature used to support the findings in the analysis and provide knowledge on previous research published on the object of study. The researchers aim to provide a holistic perspective, with the purpose of choosing broader topics in the literature review, which will help the readers understand each key element that has been discussed and reviewed by the researchers. This section will look upon five main areas of theory: “*Why Emerging Markets are important in context to MNC*”; “*General overview on International Marketing Strategies*”; “*International Advertising*”; “*How Culture effects International Advertising:*” and “*International Advertising in MNCs - Standardization vs. Adaptation*”.

2.1 Why Emerging Markets are important in context to MNC:

Most of the MNC have experienced that besides being consumer markets emergent markets are the major source of production. According to an estimate by US commerce, emergent markets will account for 75 percent of the total global trade growth within the next decade. It has been forecasted that the emergent economies will be a larger import market than the European Union by the end of 2015 (Ghauri and Cateora, 2010). More than 60,000 MNCs with over 800,000 subsidiaries are driving global expansions in emergent markets today. For MNCs to stay competitive in the emergent markets marketing strategies should be innovative and MNCs need to induce intensive communication strategies based on the local markets demands and needs (Luo, 2002). Trends indicate that emergent markets are extensively expanding and thereby increasing the demand of goods and services, as the emergent markets are highly dynamic they are influencing a profound change in lifestyle and culture within every market. The evolution of growing markets and economies has led to consumers demanding more on different product elements like variations in taste and a wide variety of products within different product categories. As new consumer behaviors develop by being exposed to new ideas and globalization, the consumers from emergent markets set aside old traditions and consumption patterns (Ghauri and Cateora, 2010). All these impacts and rapid progress in terms of economic and market development are making emergent markets closer to the developed countries (Manrai and Manrai, 2001).

Furthermore Manrai and Manrai (2001) discuss that the growth and size of middle house incomes is getting larger and larger in emergent markets, which makes it lucrative for MNCs to benefit from the increased buying power of these consumers. The consumers in emergent markets have more discretionary income to spent on expensive consumer goods than before, this consumer change has influenced MNCs to aggressively advertise their products with different marketing tools. It is therefore, trending that consumer from emergent markets wants to consume more goods and services from the western world (Manrai and Manrai, 2001). Akram et al. (2011) argues that due to the changing consumer behavior in emergent markets the consumer expects higher standards of products and services. This compels the MNCs to involve new infrastructures, mix social capital investments and expand their position in the existing markets. This is an advantage as consumers in emergent markets often perceive global brands more positively and trustworthy, as an effect of their name, logo, image and positioning than many local brands. These elements are often something MNCs will want to benefit from when the buying power increases within the emergent markets (Akram et al., 2011).

According to Ghauri and Cateora (2010) every foreign marketer is interested in the economic level of the country as the single most important element for a marketing activity. The different stages of economic growth of a country influences the foreign business activities, demands for goods and the entire marketing activities taken place within a country. MNCs operating in emergent markets are constantly challenged to stipulate new levels of consumption and put extra effort in marketing strategies to meet the highly dynamic market needs (Ghauri and Cateora, 2010). It can be challenging for a marketer to overlay a highly strategic international marketing strategy within emergent markets. As every marketing strategy is customized according to the situation and circumstances to fit the local market demands (Ghauri and Cateora, 2010). It is therefore, important for the marketer to analyze and understand the changing market environment, so the international marketing strategy is optimized to match the strengths, weaknesses, opportunities and threats to succeed and adapt to the local demands (Manrai and Manrai, 2001).

The MNCs deploy effective and efficient marketing strategies in emergent markets, keeping in view the marketing parameters like product, price and promotion/communication to suit the local market environment (Koku, 2005). When implementing market strategies in emergent markets many corporations take into consideration some of the factors like infrastructure, level of education and cultural differences of the local countries. The MNCs will therefore

often develop an alliance between locally operating corporations, such as international agencies, industrial groups and governments, to reach the potential consumer in the best possible way (Koku, 2005).

Furthermore Ghauri and Cateora (2010) explain that a marketing strategy will be massively different when analyzing whether the country is developed or undeveloped. As MNCs need to adapt their marketing strategies depending upon the potential of the emergent economy and the existing level of marketing development. The economic development of countries have revolutionized the marketing functions and demand for more specialized marketing strategies to meet the consumer demands. The MNCs make the necessary marketing strategies by analyzing the local markets in order to adapt the given strategy to stay as competitive as possible (Ghauri and Cateora, 2010).

2.2 General overview on International Marketing Strategies

According to McAuley (2001) international marketing is about the application of effective marketing skills and techniques that goes beyond the borders. In order to make an effective marketing strategy marketers employ universal marketing skills and a variation in marketing strategy can occur according to the environmental differences encountered in the different countries. There can be a variation in domestic and perceived target markets according to the culture, political, social, economic and technological competitive environments in a given country. International marketing can be defined as performing different activities that a corporation is engaged in, in order to provide product and services to the consumers in several countries with an intention to increase profits (McAuley, 2001).

Furthermore, McAuley (2001) argues that the key elements within international marketing activities, involves transportation, packaging, labeling, advertising, communication, pricing and distribution strategies. For an international marketing strategy the MNC require that the customers belong to similar segments in different number of international markets. The MNCs therefore directs their marketing efforts to standardize the marketing activities in relation to communication, distribution and pricing strategies (McAuley, 2001).

Ghauri and Cateora (2010) argues that the increasing global competition for emergent markets means that MNCs constantly need to change their marketing strategies to capitalize on a competitive position in the global market place. When implementing global marketing strategies companies require strategic planning, flexibility and new approaches to engage in

collaborative relationship with the local markets and redefine the scope of a company's operations.

Ghauri and Cateora (2010) describes that there can be three different international marketing processes when companies operate in an international environment. The first, being the “*domestic market extension concept*” that centralizes around offering a total domestic marketing mix, within a given market. Second being, a “*multi-domestic market concept*” in which the company offers a unique and adaptive marketing-mix for every country where the international marketing strategy is being implemented. Lastly, a corporation can adapt a “*global market concept*” where the world is considered to be an overall market and a standardize marketing strategy is developed for all the countries where the corporation is operating. The marketing mix elements could therefore require that certain elements are adaptive when needed within the individual market (Ghauri and Cateora, 2010).

Risko and Wiwczaroski (2014) argue that the main goal for a MNC is to make profit by covering the marketing elements, which are promotion, pricing, place and product. This goal is highly dependent on the international marketing strategy approach that a corporation decides to implement. The overall marketing strategy has to address unfamiliar problems and to cope with elements of uncertainty of a foreign market. Even the most effective marketing strategies can be effected by some uncontrollable factors in emergent markets like competition, consumer habits and cultural differences. This makes the international marketing task more challenging for the MNCs, as they have to deal with controllable and uncontrollable factors within the emergent markets (Risko and Wiwczaroski, 2014).

Standardization vs. Adaptation with respect to Global Marketing Strategies:

According to Ghauri and Cateora (2010) one of the major elements while formulizing a marketing strategy is the question for the MNC, how much to standardize or adapt to a given market. There can be several benefits of standardizing the elements of a marketing mix. One of the key benefits of standardization is the economy of scale in production and marketing, as it is deemed to be a highly cost effective way of implementing an international marketing strategy. A consistent international brand image that operates across the globe is also a beneficial outcome when it comes to efficacy and effectiveness of using a standardized approach for marketing activities. However, the downside of using a standardized approach is the chance of missing the cultural aspect of each market and thereby loosing profit margins for existing and new consumers. The cultural and environmental differences in marketing can

somehow become an obstacle in standardization, thus forcing MNCs to adapt to meet the key cultural differences (Ghauri and Cateora, 2010).

According to Dimitrova and Rosenbloom (2010) the argumentation of standardization vs. adaptation of marketing strategies is therefore often a key dilemma for any MNC operating in different countries. The cultural and behavioral aspects of the consumers from different countries should be taken into consideration when MNCs are deciding on standardization vs. adaptation. The advancement in technology, communication, media and globalization has meant that consumers are asking for similar products all over the world. A standardized marketing program is also viable if the MNC can identify similar taste and preferences in addition to fluent consumers and a cluster of countries sharing macro environmental characteristics (Dimitrova and Rosenbloom, 2010).

Furthermore, Dimitrova and Rosenbloom (2010) explain that the benefits of standardization can be acknowledged to be lucrative for a MNC, but this cannot be applied as a rule for every marketing strategy. For a MNC to strengthen its position in the local market adaption can be necessary to influence the local consumers, as they can defer in taste and preferences. As the purchasing decision in each market will vary depending on cultural differences and buying behavior, adapting to marketing strategies can be more useful. Consumers in emergent markets can make a better purchase decision when the marketing integration process involves adapting to cultural norms and local value systems. The MNC needs to be flexible and adaptable to the environmental forces of the local markets, while formulating the marketing strategy (Dimitrova and Rosenbloom, 2010).

Dimitrova and Rosenbloom (2010) finalizes the argumentation on standardization vs. adaptation by stating that a strategic fit by MNCs can decide on whether to standardize or adapt depending on the internal and external forces within the company. The company's product portfolio, stage of product lifecycle and the product usefulness also determines the extent of defining standardized or adapting the marketing-mix components to the local market. Factors such as overall size of MNC, global/local experience and empowerment of local management also contributes to the decision-making on adaptation vs. standardization when implementing international marketing strategies (Dimitrova and Rosenbloom, 2010).

2.3 International Advertising:

According to Domzal et al. (1993) there can be many ways by which advertising can be considered as an information transfer method. One view on advertising suggests, which information is being transferred based on how and what the advertising will effect. Markus (1977) emphasize advertisement as information processing that accepts what marketers encode, focusing on consumers mental activity, when they decode the advertisement. On a contrary viewpoint Sebeok (1991) a semiologist chooses a hermeneutic theory, which suggests that consumers have an interpretive characteristics of decoding symbols as determines of what the advertisement means. In any case, whether the advertisement is information or meaning-based it is important on how consumers comprehend the objectives and implied information, but also to focus on the subjective interpretation that consumers relates to the sociocultural background. The consumer's knowledge plays an essential role in interpreting the advertisements and it is important for the marketers to take this fact into consideration, when developing an advertising framework (Domzal et al., 1993).

According to Hollis (2011) the key to develop effective advertising should be clearly defined while setting the business and marketing objectives. The advertisements that fail to be effective internationally are because the marketing objectives are not defined and consistent across the international markets. The international marketers should therefore create well-defined advertising ideas that have an international appearance to the consumers that can resonate appropriately across different cultures (Hollis, 2011). As values, customs and believes are dynamic across countries and in many cases an advertisement that succeed in one country might fail in another. According to a research stated in Hollis (2011) out of 6,000 advertisements 52 percent achieved a similar performance in each country, the proportion varied as high as 59 percent in Europe to as low as 40 percent in Latin American countries. The factors that influenced the advertisements performance across cultures were of sensitive topic areas like sexuality and religion etc. Apparently, more innocuously such as numbers and colors, can influence advertisement performance, as an example could be that red symbolizes danger in western cultures, while for countries in Asia it is a symbol of fortune and happiness. However, advertising based on universal truth has a better change of being accepted across the cultures around the world (Hollis, 2011).

To best capitalize on international marketing strategies the marketers must craft the advertising campaign in alignment to the local consumer philosophy, given the importance to creative execution that lets the consumer know what the company stands for and how it regards itself to different cultures around the world (Domzal et al., 1993). According to Hollis (2011) any advertisement strategy can do wonders if it has a blend of an effective strategy, clearly defined market position and tactical execution according to the local culture. Many corporations will effectively advertise across countries with a consistent approach, but in more favour to the local initiatives taking into account the diversities across the world. The challenges of creating successful advertising have been inescapable by the marketers especially when it comes to the local expression of the culture (Hollis, 2011). Ricks et al. (1974) supports the argument by stating “*Most international advertising blunders occur because of failure to fully understand the foreign culture and its social norms*” (Ricks et al. 1974, pp.37). Companies are increasingly challenged with how to advertise cross-culturally, experienced MNCs understand that there can be integral challenges related to culture, the less experienced MNCs have a greater risk to be drawn to get more consistent on cross-cultural campaigns (Ricks et al. 1974). Using the same ad campaign across borders, may result in cost savings, but it is likely to lack the local significance. Thus, it cannot be overstated and is of profound importance for marketers to understand culture, while planning an international marketing strategy (Hollis, 2011).

Findings on International Advertising:

Globalization becomes a myth when it comes to an international advertising strategy. There is an increasing focus on research regarding cross-cultural advertising both from a qualitative and quantitative perspective. Hollis (2011) an academic researcher has concluded that culture remain “*the elephant in the room*” when it comes to commercial marketing, research responding to questions with elements related to sensitive, standardized and analytical cross-cultural comparisons (Hollis, 2011,pp.37).

Hollis (2011) describes how the Millward Brown has researched more than 70,000 ads globally on the basis of culture and concluded only a few ads surpass the cultural boundaries in an effective way. Only one out of ten advertisements will do equally well when using the same ad across-cultures, challengingly one of these exceptional ads had an average or below performance when tested on other markets (Hollis, 2011). Research from Zandpour and Harich (1996) concludes the local proximity does not always result in standardized

advertisement in Europe and Asia. Fastoso and Whitelock (2007) suggest that international marketing managers and marketers should shift their perspective from global to local, when implementing advertising strategies. The above argumentation suggested that research on advertising within standardization vs. adaptation is important, for practitioners a local adaptation is necessary given the fundamental local nature of the international business operations of a MNC (Collinson et al., 2008).

Ryans et al. (2003) defined standardized advertising as the same advertisement that can be used in multiple markets with some changes appropriate to language and a few idiomatic changes. More recently, advertising standardization has been referred to as identical international advertisement across the borders (James and Hill, 1991). In the past few years, standardization in advertising is getting more detailed in terms of themes, budgets and ad campaigns (Griffith et al., 2003). According to Boddewyn and Grosse (1995) no agreement has been reached over the definition of advertising standardization. In case similar advertisement is used in more than one country, what accesses the point of reference for similarity? Based upon studies within the European Union, one point of view can be that the HQ of the MNC makes the decision on how to implement the standardized vs. adaptive strategy. The second point of view suggests to take the degree of similarity between the host and the home country into consideration before implementing the advertising strategy (Boddewyn and Grosse, 1995).

2.4 How Culture effects International Advertising:

Rice (1993) states the definition of culture as *“the values, attitudes, believes, artifacts and other meaningful symbols represented in the pattern of life adapted by people that help them interpret, evaluate and communicate as a member of society”* (Rice, 1993, pp.242). Mooij (1998) describes culture as: how people think, what effects them, how they relate to each other, how they live and what are their eating patterns. Marketers therefore need to reflect on the above stated points while developing an efficient advertising strategy (Mooij, 1998).

Mooij (1998) further explains that cultures vary widely across the borders and despite of globalization culture remains as an independent variable. It is important for the marketers that they understand the cultural differences of local consumers, as it is critical for information processing by the consumer who responds to the advertising. Language is one of the important aspects of culture and a way on how consumers express their values through words, only translating global advertisement messages for an international advertisement campaign

might lead to weak results. Symbols is one of the key elements in the art of developing advertisements, as it is of important consideration that signs and symbols can be of different meanings in different cultures, while exporting a sign and a symbol from one culture to another it should be given a relative meaning to the local culture. A European campaign for Kitkat can be an example of how signs and symbols can differ across cultures with relatively different meanings “*take a break, take a Kitkat*”, this slogan had huge success in the United Kingdom, as their culture allows the consumer to have a morning tea break, however such a break did not exist in other countries. So the Kitkat slogan had to be translated differently across Europe according to the local consumer (Mooij, 1998). Mooij (1998) concluded that a similar advertisement message whether it is variable or visible cannot influence a global audience and the cultural aspect cannot be compromised when targeting local consumers.

Herbig (1998) further explains that cultural differences are very important to take into account when a communication message is devised. The marketers who understand the importance succeed and those who ignore normally fail. Korea and China are countries which work on word-of-mouth advertisement, for these consumers word-of-mouth will be more effective than television and news campaigns. The content of ads in such societies portrays more group-oriented situations than individual consumer targets. For Asian markets ads are formulated with more contextual emphasis than European markets, meaning that there is a high degree of difference from high vs. low context cultures in terms of commercials and advertisement campaigns. A commercial that targets high context cultures (*definition of high context cultures see appendix: 1*) might confuse a low context culture, as these ads tend to be more verbal than contextual, which can hinder the ability of low context cultures to perceive the ad message that the marketers want to communicate. In France marketers use aesthetic and visual elements in the ad content, in Korea the marketer includes price in the advertisement message 38 percent more than other countries, whereas the US uses comparative advertising five times more than other countries (Herbig, 1998).

2.5 International Advertising in MNCs Standardization vs. Adaptation:

According to Mueller (1991) the debate on diverse cultures has influenced the international advertising strategy for MNCs and there has been a collective attempt by marketers to answer the question whether to *standardize or adapt* when targeting consumers around the world through advertising. The marketers that support the adaptation strategy emphasize the importance of cultural differences within the local markets. Whereas, the supporters of standardization argues on similarities within consumers from different cultures and these similarities can than be used as a communication message to target similar consumer groups across cultures around the world (Mueller, 1991).

On the argumentation of standardization vs. adaptation a lot of research has been done academically in the US and Europe and has resulted in a detailed investigation on this topic. The earliest study on this topic was done by Lorimor and Dunn (1967), this study suggested that US print ads could be used in the European and Middle East markets in a variety of ways with a similar message. On the contrary, Plummer (1977) made an empirical research that an adaptive strategy could be more successful while implementing international advertising. Sorenson and Wiechmann (1975) have also investigated similar research in context to MNCs, where research on 27 MNCs in the US and Europe showed that 71 percent of the advertising strategies were kept standardized. Starting from the mid 80's using a standardization were more considered for products and brands, but less for advertising (Boddewyn et al., 1986). Researchers and practitioners have suggested that there are a variety of factors for considering whether to standardize or adapt. Some factors suggested by Kaynak and Mitchell (1981) was the literacy level, economic growth, eating and consumption patterns and the media availability, which will effect the communication message implementation depending on the local culture. Miracle et al. (1989) on the other hand suggests that the degree to which the language defers in "*high or low context cultures*"; "*individualistic vs. collectivistic behavior of consumers*" and "*aggressive vs. soft approach of communication*" can be elements that makes it difficult for a given corporation to standardize its international advertising messages across cultures and thus adapting to the situation specific factors (Miracle et al. 1989).

A comparative quantitative study of developed vs. emergent markets was done by Mueller (1991) on factors influencing standardization that studied the following three main factors: "*Market Distances*", "*Product Type*" and "*Advertising Medium*". The findings suggested that it is more useful to standardize a marketing message between developed countries, than to transfer a standardized communication message from developed to emergent markets. The

study also suggested that product type has less influence on standardization than market distance. Considering the factor of advertising medium, standardization is more common in television ads than printed ads regardless of the country (Mueller, 1991).

Kanso (1992) conducted a research in relation to culture orientations of marketers within MNCs and the use of cultural orientations in advertising strategies. The research was based upon three key areas: “*standardization vs. adapting approach*”, “*international managers attitude towards controversial issues*” and “*advertising approaches*”. Kanso (1992) tested the hypothesis stating: A non-cultural orientated manager would use a standardized approach compared to a culturally orientated manager who would tend to use the localized approach. The research findings suggested that out of 72 MNCs, 75 percent followed a localized approach and 25 percent followed a standardized approach, the findings indicated that some use of standardized communication message was taken into account, but the intensity within the ad content was less when choosing a standardized approach. The second aspect of the research findings suggested that more managers would take a localized approach, if they were culturally knowledgeable, than managers who are less cultural orientated (Kanso, 1992). Kanso (1992) finalized his study by stating “*What is needed for successful international advertising is a global commitment to local vision*” (Kanso, 1992, pp. 13).

Greg Harris (1994) also investigated MNCs in US and Europe. His findings suggested that it is of limited descriptive value if standardization can be adapted or modified according to the practices within the company. All MNCs cannot be defined as a homogenous group and therefore cannot be generalized. Several researchers have stated that the extent to which MNCs standardize should be measurable, based on the companies standardized operating procedures. The study from Greg Harris (1994) indicates that some partial form of adaptation is taken into practice even in the MNCs with total standardized processes. Detailed analysis showed that companies practicing partial form of standardization can have variations and are flexible according to the market, when it comes to international advertising practices (Greg Harris, 1994)

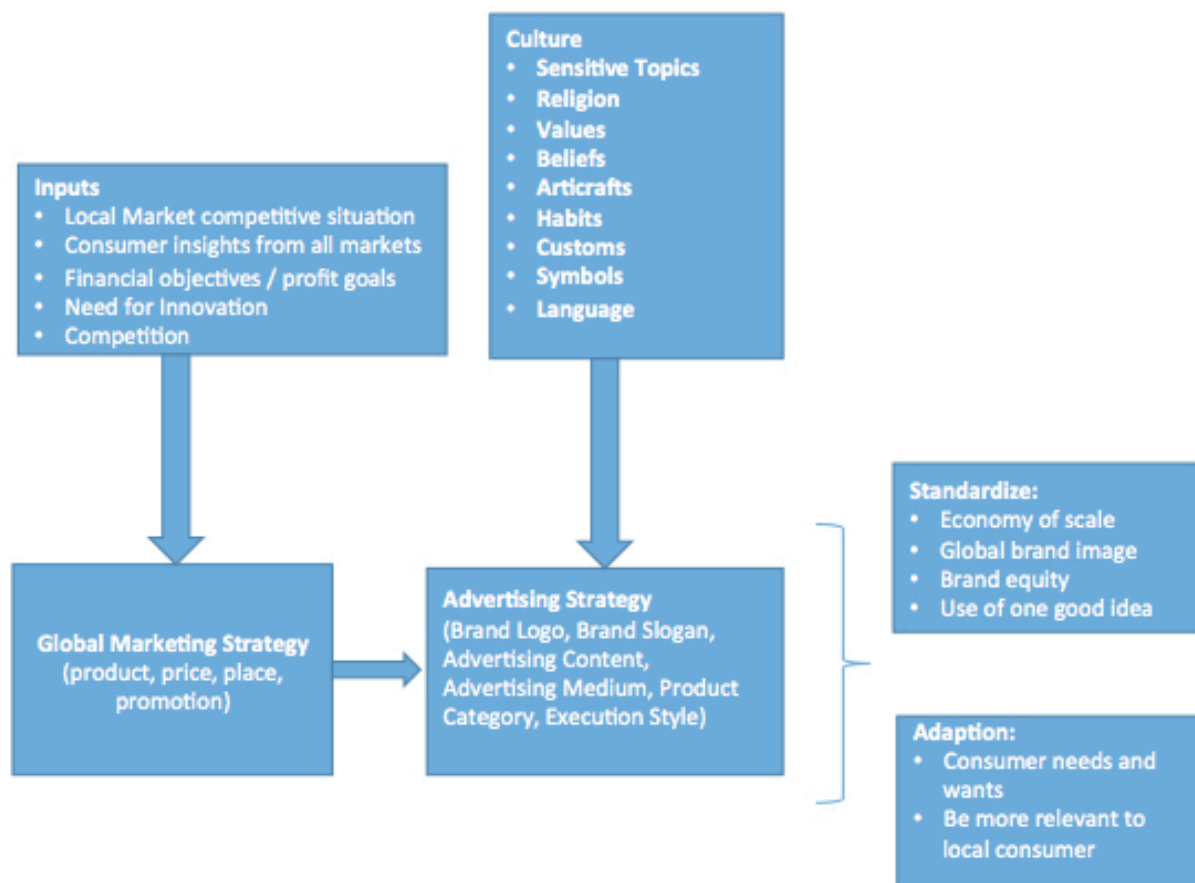
Further research done by Greg Harris (1996) investigates more deeply on the topic of international advertising that brought some findings on the factors influencing the decision-making process while deciding on employing a standardized approach to advertisement. His study indicated that only 4 out of 38 companies in EU countries employ standardized advertisement and the rest of the MNCs were defined into three main categories when it

comes to international advertising. *The first type*, of MNCs is where level of execution standard is limited and only confined to symbols like a corporation's brand logo. *The second type*, of MNC adapts to a partial standardization taking into account some key executional elements, but the execution varies according to the region where it is implemented. *The last type*, of MNC is the one that standardize to a substantial degree according to the local market. Some factors that influence the decision to standardize are: *economies of scale, avoiding confusion on consumer perception for same product market, to get full benefit of rare advertisement ideas, to build a strong brand image and to build a global strategy*. Most of the benefits of standardized advertisement cannot be quantified and even economy of scale does not prove any evidence on improved sales and profit performance. Scarcity of good ideas is also one of the key problems of developing top quality advertisement and is also one the reasons why MNCs would want to have a standardized ad across different markets as it might be more effective to cater a global audience (Harris, 1996).

3 THEORETICAL FRAMEWORK:

The objective of the theoretical framework is to give the reader an understanding upon the different stages a global marketing strategy needs to go through, to decide for a MNC whether to standardize or adapt when implementing the global strategy in the local market. The framework model is the researcher's own contribution summarizing the findings from the overall literature review described in the previous section. The model is focusing on the elements that are important for analyzing the research question for the analysis of the thesis described in the later section.

Model 3: Analyzing International Advertising Strategy



Stage 1:

When an MNC decides to implement a global marketing strategy, different inputs are considered, that helps to set the framework for developing a competitive global marketing strategy. Some of the factors influencing whether to implement a global marketing strategy includes: *The local Market competitive situation, Consumer insights from all markets, Financial objectives / profit goals, Need for Innovation and Competition.* MNCs put a lot of effort to gather information about each of these elements, to produce the most competitive and effective global marketing strategy.

Stage 2:

Once the inputs are analyzed the MNC defines its global marketing strategy on the four key elements of the marketing mix that includes: *product, price, place and promotion.* As the researchers are interested to explore the promotional part of the global marketing strategy, the next stage of the model is a reflection upon that.

Stage 3:

The international advertising strategy is one of the key elements of the global marketing strategy. In this stage, the companies choose a clear objective on the brand they want to advertise, with a clear brand positioning, which includes the brand slogan. The content of the advertising campaign for each medium (TV, Radio, Print, Digital etc.) needs to be defined in regards to the execution style chosen by the corporation.

The key focus of the thesis is how MNCs standardize or adapt when implementing the framework that is defined at the HQ. After reviewing the literature the researchers found some of the important factors that influence the decision on whether to standardize or adapt an international advertising strategy to the local market. The key factors include: *Economic growth, Consumer consumption patterns, Culture, Market Distance, Product type and Advertising medium.* All of these elements play a crucial role on the decision process, but certain elements can be more influential than others depending on the local market situation.

As the research topic is about exploring culture and how it effects the standardization and adaption for international advertising, the key elements of culture are as following: *Sensitive Topics, Religion, Values, Beliefs, Artifacts, Habits, Customs, Symbols and Language.* The literature review suggests that these elements are important, when analyzing culture in context to advertising strategies.

Stage 4:

Evident from the framework model the culture considerations will help the local market to decide on a standardized or adaptive approach when implementing the global advertising strategy. The benefits of the standardized approach include: *Economy of scale, Global brand image, Brand equity and use of one creative idea*. Whereas, the benefits of the adaptive approach are as following: Meeting consumer needs and wants according to the local consumer behavior and making the brand image more relevant to the local market.

4 METHODOLOGY:

The purpose of the methodology section is to provide the reader with a general understanding about the scientific nature used throughout the thesis, to give a precise description on how data was collected and tested in regards to theories. This chapter will therefore, first describe the Ontology and Epistemology approach that has been used and also a clear description of research design, choice of organization, purpose of research and data handling. All the considerations made under the methodology section will help the reader to structurally understand the processes employed by the researchers, with the objective to support the analysis in the best way possible.

4.1 Scientific Considerations Of The Thesis:

4.1.1 Ontology:

In this section the researchers will argue for the choice of Ontology used throughout the thesis. The thesis will be centralized around the social constructivism that focuses on the researchers view on the nature of reality. The researchers have chosen this approach, because the thesis aims to study in detail the research question based on reality through a practical perspective on the object of study (Remenyi et al.1998). The social constructivism takes an interpretive approach, by directing the research with this philosophy, the researchers aim to explore the subjective meaning on: *how culture effect a global marketing strategy in context to communication/advertising in emerging markets* and understand the actions taken by marketers to adapt in the best possible way to local markets in a practical scenario (Saunders et al., 2007). This social constructivism interprets how human individuals understand different social settings as a subjective entity, meaning that you cannot define reality objectively, it is therefore individually constructed by personal assumptions and shared meanings (Wenneberg, 2009). The researchers however, also acknowledge the existence of objective reality and it is important to examine the processes through a view on external factors and standardized procedures. The specific findings within the thesis cannot be perceived as the universal truth, but rather seen through an individualistic view on reality, which can vary depending on time and place. Therefore, it is evident that findings on the thesis topic will be influenced with the context to the organization chosen for this particular study (Bryman and Bell, 2011).

4.1.2 Epistemology:

An epistemological philosophy is related to what is seen as acceptable knowledge on a particular subject. Along with the social constructivism approach chosen for the ontological consideration, the researchers have selected an interpretive approach for the object of study. As the interpretive approach argues that people and organizations are profoundly different from natural sciences and theory (Bryman and Bell, 2011). Thus, the researchers see the interpretive approach appropriate when centralizing the thesis around a cross-cultural study on a specific corporation like Nestlé. Theory also supports that choosing an interpretive approach can be beneficial for business and management research especially when studying the discipline of marketing (Saunders et al., 2007). Moreover, to understand a complex and unique business situation the researchers have to adapt an empathetic position, as the business functions are dependent on certain circumstances and individuals, the interpretive approach is therefore highly appropriate when dealing with these factors (Saunders et al., 2007). While investigating the topic of research, the researchers took into account the importance of interviewing people from different countries and positions within the Nestlé organization. Choosing an interpretive approach to a unique and complex business situation can however have the downside of generalizability, which might not be applicable to the same complex business situations, since the researchers consider the organization and object of study to be unique. Using a combination of social constructivism and interpretivism will mean that the thesis will not produce knowledge that can be generalized or used as a new scientific model. The aim is therefore to investigate the topic of study from an individualistic prospective, taken into consideration the best possible scientific nature of reality on the thesis (Saunders et al., 2007).

4.2 Research Design:

The researcher aim to provide a framework on the research methodology that will be used, with the objective to obtain information and explore the research question. The overall *research design* is explorative as the primary objective of the researchers is to gather insights and deep understanding on the object of study (Malhotra, 2010). The reason for choosing the explorative approach throughout the thesis is to help the reader understand the research question and get new insights with the combination of theoretical literature covered under the literature view and a practical perspective based on the interviews conducted with key marketing employees within the Nestlé organization. The main advantage of using the explorative approach for the research question is the flexibility and adaptability that this approach gives to the researchers. It is important as the explorative approach adapts to the

direction of the given research question and could be changed based on the results of the data collection conducted (Saunders et al., 2007). Another benefit of using the explorative approach is that the initial objective of study is broad and becomes more precise as the research progresses (Adams and Schvaneveldt, 1991).

The type of *research strategy* that will be used for the thesis will be an holistic case-study, where the researchers aims to understand the object of study based upon a single organization within different markets (Eriksson & Kovalainen, 2008). The holistic case-study will be done based on a empirical investigation on how Nestlé in a real life context, adapts its advertising and communication marketing strategy to local markets, as the primary data collection will be centralized around interviews conducted with individuals within the marketing department of a single organization. The reason why the thesis works around a holistic case-study rather than any other approach, is based upon the fact that the researchers wants to examine subsidiaries situated in different countries within the Nestlé organization, with the purpose to investigate the research question based upon a cross cultural-study. Furthermore, the benefit of using the holistic approach is to explore the existing literature and using empirical data collected from the interviews to provide new theoretical knowledge to the reader by combining existing theory with practical knowledge on the research question (Saunders et al., 2007).

The researchers also took into account the time constraints, as it is important to clarify that the research question will be studied at a particular given time and the research question has to be explored in an academic context. Given the time frame for the thesis the research question will be analyzed as a cross-sectional study, as it allows to investigate an organization and its employees, within a certain period of time. A cross-sectional study is also good to employ with qualitative methods and will often be based upon qualitative interviews conducted within a short time frame (Saunders et al., 2007).

The *research logic* used for the thesis will be a combination of induction and deduction, which is defined as the abductive method. The research logic behind the abductive method helps the researchers to use iteratively between theoretical knowledge from the empirical study from the deduction method and also follow some logic and theory from the induction method with the purpose to build a model or new theory from the empirical investigation. The reason for choosing the abduction method is that it is considered as a good research logic, while using explorative data analysis. Abduction also implies that deduction can be used to

evaluate an empirical study and the induction method can be used at the same time to justify the empirical data. Furthermore, the theory suggests that using an abductive approach is closer to interpretivism, which the researchers have already justified within the scientific nature of the thesis (Eriksson & Kovalainen, 2008).

4.3 Reason For Choosing Nestlé/Nescafé:

The reason why the researchers decided to centralize the research question on Nestlé is based on the argumentation that the company is one of the major MNCs in the world, as it is a global market leader within the food and beverage segment. Nestlé operates within many different product categories, the researchers aimed to narrow the research area by choosing Nestlé's most successful individual brand in the form of Nescafé. After discussing the research question with our contact person in Nestlé, the researchers were briefed about REDvolution as a global marketing strategy, which has been launched around the world as a global marketing campaign, with the objective to renew the brand image across different countries and cultures. After doing some more research on the REDvolution advertising campaign it was interesting to find out, how a global strategy for a MNC, is adapted to different local markets, where culture and consumer patterns are different. Furthermore, the researchers found it interesting to take a different approach when deciding on the countries used for the case study, with the focus on emergent markets that are aimed to be key revenue drivers for Nestlé in the future (Gilbert, 2014). In addition, the researchers found it interesting to focus on emergent markets as the culture often varies a lot from one country to another, as compared to more established markets within Europe and the US (Ghauri and Cateora, 2010).

4.4 Description of the REDvolution:

REDvolution was a global marketing strategy for Nescafé with the main intent to reshape the whole brand image and brand visibility across 200 countries around the world, with the objective to have a solid future growth for the brand. REDvolution was a strategic transformation of the brand along with the product portfolio that could help Nescafé to be number one brand within the coffee category across the world. One of the key elements of this global brand strategy was to change the current branding and to induce a global consistent brand line with the slogan "*It all starts with a Nescafé*" in all countries where Nescafé is present. The second element of the strategic brand transformation was to have a consistent visual identity with the brand logo, design and packaging. With the new brand strategy Nescafé aims to build a brand image on coffee that is about sharing and enjoying simple moments of life. This brand positioning was part of the implementation process by the

REDvolution, with the objective of renewing the Nescafé brand to meet the expectations of consumers consuming coffee around the world with a globalized approach (Nestle.com, 2014).

4.5 Data Collection:

In the following section the researchers will elaborate on the data collection used for the thesis. Both primary and secondary data within the qualitative approach will be used to investigate the research question, with the objective to make the necessary conclusions on the research topic. Below the reader will find a more detailed description on the primary and secondary data used for the thesis.

4.5.1 Primary Data:

The primary data collection for the purpose of the empirical investigation will be based on interviews conducted in five countries with key people from the marketing division of Nestlé. The objective of the qualitative interviews conducted is to investigate the research question from a practical perspective. However, the researchers are aware that the downside of using qualitative data may result in subjective findings, but since the researchers have taken a social constructivism ontology approach, it has already been acknowledged that the results produced will not be based upon the universal truth. The complete objective conclusion is therefore not possible within the research topic, the interviewees will be considered as social actors, representing a practical understanding on the topic of study at a given point of time (Wenneberg, 2009).

Interviews:

Different interview approaches can be employed within the qualitative data collection, depending on the objective of the research (Bryman and Bell, 2011). One of the important questions to answer for the researchers was to what extent the interviews had to be structured. The researchers aimed to collect detailed insights, by using the in-depth interview approach. The researchers wanted the interviewees to talk freely without interruption throughout the interviews, but still get the right information in context to the academic literature on the overall topic. The researchers therefore found the semi-structured approach most appropriate to achieve this goal, as a semi-structured approach allowed to cover a range of in-depth insights within the topic of research. The interviews were therefore collected based upon a semi-structured script derived from the findings in the literature review before starting the

interviews, with the objective to direct the conversation within the research area (Bryman and Bell, 2011).

The advantage of using the semi-structured approach was to get individualized, contextualized, perspectives and insights, from the interviewees (Eriksson & Kovalainen, 2008). As a semi-structured interview approach would allow the interviewee to play an active role, thus the researcher can be less active during the interviews, resulting in comprehensive and unbiased discourse on the topic of study (Eriksson & Kovalainen, 2008).

All the interviews conducted were done over the telephone, due to the limitation of being located in different countries. All the interviews were recorded, which gave the researchers the chance not to miss important information during the interviews. The recorded interviews enabled the researchers to transcribe the qualitative information gathered on interesting points and factual information from the recordings, rather than taking notes. As this could have resulted in missing key points and gave the chance to ask new questions based on the interviewees response (Bryman and Bell, 2011).

Table 1: The people interviewed and their references

| Name | Company | Reference | City/Country |
|---------|-----------|---------------|---------------------|
| Faisal | Nestlé | Faisal, 2015 | Lahore, Pakistan |
| Roman | Nestlé | Roman, 2015 | Accra, Ghana (CWAR) |
| Philipp | Nestlé | Philipp, 2015 | New Mexico, Mexico |
| Ismail | Nestlé | Ismail, 2015 | Istanbul, Turkey |
| Guyen | Nestlé | Guyen, 2015 | Beijing, China |
| Nicolas | Nestlé HQ | Nicolas, 2015 | Vevey, Switzerland |
| Sean | Nestlé HQ | Sean, 2015 | Vevey, Switzerland |
| Elie | Publicis | Elie, 2015 | Paris, France |

Table 1, provides an overview of the people interviewed; only the first name of the interviewees has been written, to protect the private identity of the individuals. A separate document has been sent to the supervisor and examiner, with the full details of names and job title within the Nestlé Corporation. Before deciding with the different people to interview, a

meeting with Nestlé HQ, helped the researchers to find the right people to interview, who has been extensively involved in the implementation of the REDvolution. The people interviewed at the HQ in Vevey, Switzerland are holding positions within higher management in marketing and strategy, giving the researchers an opportunity to explore how a strategic framework is developed at the HQ of a MNC. In order to have an extensive perspective outside the Nestlé Corporation, the researchers interviewed one of the key people from Publicis France, who has been within advertising on a global level for almost 25 years, helping the researchers to gather meaningful insights on what was important to effectively implement a global advertising strategy for a MNC. Lastly, five interviews were conducted on a country level with business executive managers responsible for the overall brand categories and who were highly knowledgeable about the local consumer and the implementation behind the REDvolution. As discussed earlier, a semi-structured approach was chosen for the interviews, some overall questions were asked within the category of *strategy, advertising and culture*, the questions aimed to start the discussion, but open enough for the interviewee to give unbiased and detailed response. In appendix 2 the interview questions are attached for all interviews held with HQ, Publicis and the local market.

A few primary sources were also used from advertising campaigns of both above and below the line media, received from Pakistan, Turkey CWAR, Mexico and China for the researchers to have a better understanding on how advertising varies depending on the culture within the different markets. This material was primarily used for the researchers to get a practical understanding on Nestlé's marketing campaigns, which helped the overall findings in the analysis.

4.5.2 Secondary Data:

The secondary data that was used for the thesis included published material including books and journals indicating previous findings that were relevant to the topic of study. The researchers mainly used books and academic journals in order to drive the theoretical framework from the literature review as well as guiding the discourse for the interviews. As the objective of the secondary data within the qualitative method was to analyze the perspectives from already published research that helped in analyzing and coding the interviews in the right direction (Saunders et al., 2007). The academic books used throughout the thesis, were chosen carefully within the topic of: *international marketing, emergent markets, culture and advertising* within MNCs, after consulting with Liberians at both Lund School of Economics and Copenhagen Business School. The journals used were primarily

searched at “Lubsearch” with keywords like: *Culture, International Advertising, MNC, Emergent Markets* etc. This resulted in a wide collection of prior research published in management, advertising and marketing journals.

4.6 Data Analysis:

All eight interviews were recorded and afterwards transcribed with the objective for the researchers to code the essential elements of the interview relevant to analyze the research question. The coding was helpful for the interpretation of the qualitative research, as it was essential to systemize these interpretations to form a structured approach in analyzing the data (Eriksson & Kovalainen, 2008).

An open coding approach was used to break down, analyze, compare and categorize the data (Eriksson & Kovalainen, 2008). Some of the key words that were used to code the data was: *strategy, advertising, culture and execution*. The codes were labeled in different colors and grouped together in order to compare and analyze the data. The second step of the coding process was the axial coding where the data was further narrowed down to specifically focus on the research question and structure the open coding themes, based on the different countries chosen for the analysis (Eriksson & Kovalainen, 2008).

The coded data was used throughout the analysis section to summarize the findings from the interviews in a structured way through quotes and the researchers perspective of the interpretation of these quotes. The results from the data analysis were also used in the discussion section with the purpose to compare the findings from the interviews with the literature review that further helped the researchers to write the conclusion and give a valid perspective on future research.

4.7 Critique and Credibility of Methodology:

The section on critique and credibility part of the methodology section aims to give an understanding on the choices of limitation that the researchers have made throughout the thesis. The three key things that will be discussed in this section are the Reliability/Validity and Generalizability as seen from the researchers standpoint.

Reliability/ Validity

The reliability concerns the question, if the results of the study are repeatable and consistent, in order to produce quality of data that can be utilized from an academic and practical purpose (Saunders et al., 2007). The information gathered for the thesis was from reliable sources of

both primary and secondary data. The researchers have aimed to do an in-depth study on the background of already published research in order to be consistent and to make sense of the findings and conclusion drawn from the thesis. The interviews conducted for the purpose of primary data were done with people having high knowledge and involvement on the topic of research. Thus, the study is reliable and can be produced and repeated for the purpose of further exploring the topic of research. The validity of the criteria of the evaluation is taken into account by giving accurate description of the transcribed interviews held with the different interviewees in order to be true and certain. The semi-structured approach chosen for the interviews was a step taken to ensure unbiased response from the interviewees and also to let them freely speak on the topic of research. The scientific nature of the thesis is based on the adductive approach, which clearly aims to provide both an academic and practical reasoning that has led to findings and conclusions. As the topic of study has been practically explored within Nestlé the researchers found it important to have an external perspective on the topic of interest and decided to interview one key person outside the Nestlé Corporation, which also adds to the reliability and validity of the findings.

Generalizability

The researchers aimed the study on the Nestlé Corporation, which is one of the biggest MNCs in the world. An extensive in-depth case study was done on Nescafé to provide rich context and representation on the research topic on a brand that is known to most consumers around the world. The researchers acknowledge that the generalizability can be questioned as only one key person was interviewed to represent the empirical findings from the local markets. However, the campaign material from the markets was also analyzed to help understand the local insights from each country. The empirical results derived from the case study were compared with previous literature in the discussion section of the thesis, to validate and thus the research can be generalized within the context on the overall research topic.

5 Description of Nestlé and the Nescafé brand:

The Nestlé Corporation has its roots back to 1866, when Henri Nestlé founded the company in Vevey, Switzerland. Today, Nestlé is the world's largest food and beverage company with more than 330,000 employees worldwide, production facilities in 86 countries and a product portfolio that consists of more than 2,000 different brands. Including well-known global brands like: Nescafé, Nespresso, Kitkat, Cerelac, Maggi, Nestlé Purina, Nestlé Pure Life, Nesquik etc. As of 2015 the Nestlé Corporation operates in more than 197 countries globally within all seven continents, with global sales reaching 91,6 billion CHF as of December 2014 (Nestlé, 2015).

Nestlé has throughout the last decade experienced the importance of winning market share within the emergent markets, which Nestlé in general defines as Asia, South America, Oceania and Africa. As emergent markets already accounts for 40,2 billion CHF in revenues, making the emergent markets a key priority for organic growth in the future (Gilbert, 2014). The importance of the emergent markets for Nestlé comes as an effect of tougher competition and weak consumer demands on the US and European markets and the general positive economic development that many emergent markets has experienced throughout the years. This has meant that two emergent countries (China, Mexico) now are within top 10 biggest revenue drivers for Nestlé, which historically was dominated by more established markets within Europe and the US (Nestlé, 2015).

The beverage category is Nestlé's largest product category accounting for 23,1% of total sales (Nestlé SA, 2015). Nescafé being one of the most important and well known brand within the beverage category with total sales of 10,5 billion dollars and is rated as the 29th most valuable brand according to Forbes (Forbes, 2015). Nescafé was first introduced to the Swiss market in the 1930's and has since developed into one of the most popular coffee brands in the world, with more than 5,500 cups consumed every second around the globe (Nestle.com, 2013). Today, Nescafé strive to deliver quality coffee with rich flavor and aroma in the most sustainable way possible to every consumer, by offering a large variety of Nescafé products in different product portfolios (Nestle.com, 2015).

5.1 Pakistan/Nescafé Pakistan:

Pakistan is currently the sixth most populated country in the world with a population of more than 180 million people. Out of the total population 65 percent is under 30 years old and the average age is 22 years old, the market can therefore be described as a nation of youth. In Pakistan there exists a large income differentiation, as the top 20 percent of the population is

earning more than 40 percent of the total income in Pakistan. In contrast to 60 percent of the urban population falling below the poverty line, making less than one US dollar pr. day. Food and Beverages is the single largest household spending, making up to 45% of the overall household income. Furthermore, TV as an advertising medium is still seen as the best solution of targeting a broad consumer audience (Euromonitor International, 2015a)

Nescafé Pakistan is a key business pillar within Nestlé Pakistan's product portfolio, with strong potential to be a future star on the Pakistani beverage market. Nescafé is currently the only international coffee player on the market, whereas the main challenge lies in developing the coffee habit, as Pakistan is one of the strongest tea markets in the world with 72,000 million cups of tea vs. 210 million cups of coffee consumed each year. Numbers in recent years however indicates that the increasing youth population in Pakistan has resulted in an increasing awareness of coffee as a premium and modern beverage that stands for style and class (Alexandra, 2015).

5.2 CWAR/Nescafé CWAR:

The CWAR (Central and West Africa) is defined by Nestlé as an overall market that consist of 22 different countries that makes up a region of approximately 350 million potential consumers, where more than 1,500 different languages are spoken, within hundreds of different ethnic groups. The CWAR is a region that consists of limitless possibilities, because of the diversity that is present within the region that gives companies large business opportunities. However, the CWAR region is also faced with enormous challenges, as the region is one of the most violent environments globally, with seven of the ten poorest countries located within this region (Alexandra, 2015).

Nescafé is considered as the market leader within the coffee segment, with strong awareness and market share within each country in the region. Coffee consumption is in general growing within the region, but it still remains as a low consumed beverage drink. As water remains the first consumed beverage within the region accounting for more than 60 percent market share within the overall beverage segment (Alexandra, 2015).

5.3 Mexico/Nescafé Mexico:

Mexico is located within the North American region and has a population of 119 million habitants. The local language in Mexico is Spanish, which is spoken by 93 percent of the entire population, with a median age 26 years, meaning that most of the population is economically active. Technology is trending in the country, where almost 70 percent of the

population has mobile phones, with smartphones having 20% of total market share (Euromonitor International, 2015d).

Nescafé is the market leader within the coffee segment in Mexico, having above 55 percent market share in 2014. Nescafé has a strong reputation among the Mexican consumers and is leader within all types of coffee categories both instant, fresh grounds and pods. The products can be found in every sales channel across the country, helping improve the brand image among the Mexican consumers (Euromonitor International UK, 2015).

5.4 Turkey/ Nescafé Turkey:

As of 2014, Turkey's population consists of 76,4 million habitants. The Turkish population is one of Europe's youngest, with a median age of 30,4 years. Turkey has in recent years benefited from a stable economy with strong yearly growth rates and has the opportunity to become one of the top emergent markets in the near future, as the Turkish government has strong ambitions of becoming one of the top 10 largest economies in the world before 2023. However, the Turkish market today still experience some challenges as 20 percent of the Turkish population lives under the property line according to OECD (Euromonitor International, 2015b).

Nescafé is the leading coffee player on the Turkish market with 44% market share. The Nescafé brand is rated number one among the top 50 products consumed by Turkish consumers, when looking at their yearly shopping baskets. Coffee consumption in Turkey is however still relatively low compared to the tea consumption in Turkey (1400 cups of Tea pr. habitant vs. 69 cups of coffee pr. habitant). Coffee is predicted to have strong potential for growth as coffee is starting to be a regular habit for young Turkish consumers (Euromonitor International, 2015c).

5.5 China/ Nescafé China:

As of 2014, the Chinese population is close to 1,4 billion habitants. Numbers indicates that the growth rates are starting to slow down and should reach its peak within the next decade, due to China's strict methods of population control. The average age is slowly rising; as of 2014 the average age within China was 40,8 years, which is expected to be even higher in the years to come. China is quickly urbanizing, with more than half of the total population living in urban areas today (Euromonitor International, 2015e).

Nescafé is ranked as the top instant coffee brand in China, having more than 76 percent market share within the coffee segment. Nescafé in 2014 was ranked as number one brand among Chinese consumers within the age group of 16-24. The Chinese consumers perceive Nescafé as an attractive brand due to its product portfolio, well-organized management structure and competitive promotional campaigns. The main consumers for coffee in China will therefore often be young people in the age group of 20-35, who are fascinated by the western culture and lifestyle. However, the coffee segment is still small compared to other beverages, which is primarily dominated by Tea (Euromonitor International, 2015).

6 ANALYSIS/FINDINGS:

The analysis aims to develop findings that will help the researchers to analyze the research question in depth from the empirical data, which has been collected through the interviews held with Nestlé and Publicis. The researchers aim to investigate the key elements that can be used to further analyze the research question, this will be beneficial for the discussion, conclusion and future research implication sections that will be discussed later in the thesis. The model provided by the researchers presented in the Theoretical Framework section has been the basis to explore the research question from a practical standpoint within the area of: “Global Marketing Strategy”, “Advertising Strategy”, “Cultural Factors Influencing the Advertising” and finally “How Nestlé Standardize or Adapt to the Local Market” with their global strategy REDvolution. The analysis will provide the reader with a greater degree of understanding on how the researchers have coded and interpreted the interviews that resulted in the key findings based on the social constructivism approach.

6.1 Global Marketing Strategy:

When a large strategy like the REDvolution is developed from HQ, it is important to investigate the idea and intension behind the strategy before deciding to further explore, what were the elements that needed to be standardized or adapted within the local markets. The main idea behind the REDvolution as a strategy was to rejuvenate the Nescafé brand and make it more identifiable by the people internally and externally.

“Starting with the initiative giving the Nescafé brand a new visual brand identity, new brand line, giving the market a strategic framework and start to rebuild the brand within this framework. What we have seen in the past 10-15 years, maybe we were too much milking the brand, when you have strong brands and very large product portfolio, there is sometimes temptation to milk the assets, so companies might don’t care about the brand as much as they should do” (Sean, 2015)

As Sean (2015) states REDvolution was a mega brand strategy that highlights the aspect of product and advertising within the four P’s of the marketing mix. To make Nescafé a stronger brand for the coming years it was important to refresh the brand strategy and get a stronger brand image, which is more consistent globally. The HQ plays an important role in framing the global marketing strategy to recreate the intended global brand image, with the aim of creating a new visual identity and implementing a global slogan across all markets. Another reason behind the development of the REDvolution was that the brand equity of Nescafé has been decreasing since 2000, which got the attention of Nestlé HQ to turn this negative development around (Sean, 2015).

“The guys at the HQ are in the end of the day a little bit disconnected from the local markets, we are a population of 7 million trying to impact a population of 7 billion around the world. If you wish to devise a visionary winning competitive strategy, the first thing you need to do is listening and observing as much as you can from the different markets around the world”
(Nicolas, 2015)

Nicolas (2015) states the importance of consumer insights while developing the REDvolution from a HQ perspective, even if the strategy is global like REDvolution, some strong inputs such as local consumer insights were a major part of the input process. Nicolas (2015) further states the importance of consumer insights and competition, in order to develop a strategic framework, where input from the local markets goes back to HQ to address a global consumer around the world, who is consuming coffee. By getting the local market involved in the early stage of the decision planning process of the REDvolution, helped the global strategy to be effective across markets (Roman, 2015).

“The REDvolution came out as a concept after many discussions with CWAR, China and many other emergent markets...I talked to the SBU and a couple of key countries were involved in defining the concept for REDvolution, CWAR being one of them. So, I would not say that REDvolution was not made over night, but it came as a reflection from several countries”
(Roman, 2015)

Planning the global marketing strategy with the local market also defines clear objectives and goals that have to be implemented back into the market. Each market had a clear idea and vision related to the REDvolution, while implementing the strategy locally.

“The idea behind the REDvolution was to have much more consistency across the Nescafé range and there were clear guidelines from the HQ, which was quite strict. This was from my perspective much needed as a global brand; you should have consistency across markets across the countries to succeed”
(Guyen, 2015)

Therefore, each local market had clear guidelines as the quote above shows about the intent of the REDvolution as well as what was expected from HQ. For the HQ to involve a large number of countries in the planning process of the REDvolution meant that each market had an understanding and alignment in terms of strategy before the actual implementation process of the REDvolution started.

“The global strategy is build by the insights from the SBU (strategic business unit) from different nationalities, so off course the diversity of culture and consumer insights is taken into consideration, while developing the strategy”
(Sean, 2015)

From an HQ perspective it was necessary to get the local insight from the markets in addition to the input given by employees from various nationalities working within the SBU (Strategic Business Unit), during the planning process of the REDvolution. With the argumentation that the coffee market is very intensive and consumer needs around the world are more dynamic than seen before, which was another key reason for implementing the REDvolution (Sean, 2015). Nicolas (2015) also supports the decision of involving the local markets, as the obstacle for many MNCs implementing a global strategy, is to get the local markets aligned, which can be solved by involving the local markets in the planning process as in the case of REDvolution.

6.2 Advertising Strategy:

The main idea behind the REDvolution was to standardize the brand, with the objective for HQ to get more control of the advertising within the local markets that will result in brand consistency globally. As stated by Nicolas (2015) the main idea behind the advertising strategy framework, was to have a few key elements that were mandatory for each market, with the argumentation that while implementing a global strategy in different markets you will have to deal with a tremendous amount of complexity. Nestlé therefore decided to make the following elements standardized like the brand logo, the colors, packaging and the slogan “*it all starts with a Nescafé*” that will be appearing on the advertising. These elements needed to be standardized to control the complexity within the local markets (Nicolas, 2015). This is supported by Sean (2015) that states that the mandatory was the new visual identity, where Nestlé HQ provided a set of clear guidelines to be followed by the local markets, meaning that the visual identity should be kept as centralized as possible for control and consistency of the Nescafé brand.

“Coming to the strategy part of Nescafé being a global brand, the idea is to have consistent imagery and properties both in terms of visual appeal and what the brand stands for, with the purpose of having consistent brand image across the markets. Based on the fact that most of the markets have similar needs and the territory that the brands wants to hold is similar, that is why REDvolution has made a global strategy, which is floated across the markets.”
(Faisal, 2015)

The quote indicates that the markets also recognize the need to have more consistency across the globe, as the local markets agree upon the fact that the global brand Nescafé needs to have a standardized image across the globe and REDvolution provides the opportunity and guidelines to do that. Elie (2015) from the global advertising agency Publicis argues that some of the important factors for creating a global successful brand today is that the core of

the brand to a certain extent is global, but the brand experience should be local, which should be considered in the advertising strategy.

” Giving the slogan a strong universal truth, as the more universal the advertising is, the easier it is to adapt to the local market. Nike is a good example of a slogan that is universal by stating, “just do it”, but at the same time they can be very local with their advertising”
(Elie, 2015)

For Nescafé it was therefore necessary to create the global slogan *“it all starts with a Nescafé”* to fulfill the need of giving the Nescafé brand a strong universal truth. Sean (2015) supports the above statement by stating that the global trend today, indicates that the DNA of a brand often is found within the global slogan. With the argumentation that the Nescafé slogan is about sharing and togetherness, which is the main idea when coffee is consumed across the world. These key factors were insights given by the different local markets as discussed earlier, but was then created into a global idea, which Nestlé HQ feels can be a platform to develop a local story line for advertising across the globe, no matter which consumer audience and market, where the REDvolution is being implemented.

The other key element that was decided to be mandatory from HQ was the packaging and labeling of the Nescafé products across the markets. There was some restrictions regarding the product design and there was no freedom to change the packaging locally. All the designs were done within the HQ and the Nescafé *“RED Accent”* (red sign appearing on the E in the brand name) was a mandatory element that needed to be presented as a central part of the packaging on every Nescafé product logo as seen in the illustration below (Nicolas, 2015).

Illustration 1: Old and New Nescafé Logo (Thelogofactory.com, 2015)



When HQ decided to implement the REDvolution in the individual markets, there was no freedom on the brand slogan, the brand logo, packaging and the “RED accent” as mentioned earlier. However, a lot of freedom was provided to the markets, to develop the advertising content locally. As supported by Guven (2015) who states the following:

“On communication I must say that there was a freedom, as long as we stayed within the idea behind the slogan “it all starts with a Nescafé”, as the content and communication has to be closely related to coffee “
(Guven, 2015)

Philipp (2015) also agrees upon the freedom within the framework given by HQ, by stating that the Nestlé HQ gave a clear framework for implementation of the REDvolution, within the framework there was a freedom to create the content for advertising in the local market. The HQ expected a flawless execution of the REDvolution, with some benchmarks uploaded internally for every market about guidelines and visual identity of the brand (Philipp, 2015).

“ There were a whole bunch of guidelines uploaded on the Internet, that Mexico needed to follow, done by the HQ. We had guidelines for labels, how the logo must look, but also had brand guidelines. So within that we had our own ideas in Mexico, where we made our own campaigns. Every country launched its own interpretation, but it looked all the same. In terms of REDvolution that red accent, the logo, some visuals, were the guidelines shared by the HQ.”
(Philipp, 2015)

The framework was therefore a guideline to develop the design and visual element of the brand, but the content of the advertising was dependent on local needs of the market, as consumers are different for different coffee markets around the globe. The standardized elements like the brand slogan, RED accent and packaging given by the HQ should therefore be seen as a tool to create a storyline for communication within the framework, but where the local markets have the opportunity to build their own storyline. The local markets are empowered to create the advertising content locally, with the objective of targeting the local consumer in the best possible way using the standardized elements (Nicolas, 2015).

In addition, one of the newest initiatives by the HQ on the standardized elements of the REDvolution, has been the so-called “beauty shots” created by the global advertising agency Publicis. The beauty shots are visual advertising content trying to capture some of the generic elements of making and pouring coffee that can be used in many of the advertisement within the local markets.

“...we are moving to a higher degree of standardization and one more example that I can give, is from January, we standardized the beauty shots that will be used in over 30 countries around the world. These photo shots are some coffee visuals that have been produced centrally, but will be used across different countries in their advertising” (Nicolas, 2015)

The beauty shots was advertising content made to give the ads a more standardized visual look when showing the ads locally, for the markets to have more visual consistency, by presenting the Nescafé product in a appealing way (Sean, 2015). This indicates that Nescafé is moving to a more standardized approach, however the local culture cannot be ignored and has a profound influence on advertising content when implementing a global advertising strategy in the local markets.

“ What matters in the end of the day, is that we develop pieces of advertising, addressing the local culture, but in the same area, where there is different executions, there should be some very clear guidelines for the brand to be consistent and powerful globally. The talent inside the company both locally and globally is what determines the success of a global marketing strategy “ (Elie, 2015)

As the quote suggest it is evident that the Nescafé brand has moved from being a brand where the local market used to create their own slogan, brand idea and brand positioning. Today, the Nescafé brand has more focus on consistency across the markets by having a global slogan, packaging, brand logo and beauty shots that is some of the key elements for a global brand to be successful.

6.3 How Culture Influences Advertising:

As discussed earlier in the analysis, Nestlé HQ gave a framework with a set of guidelines that each market needed to implement through REDvolution locally. The framework provided a creative platform for each market to further explore the brand slogan, being *“It all starts with a Nescafé”* that can be adapted to the local theme depending on the consumer needs and culture of the local market. As stated by Sean (2015) each market has a unique solution to the brand proposition it is important for the brand that there is consistency, but to position the brand locally the local market can be different according to local taste and the product offers. Further Sean (2015) argues with an example that the coffee consumption in France is different compared to Australia, so each market can develop its own story line in the local market depending on the culture. Elie (2015) also supports the importance of taking culture and local consumption into consideration when implementing the REDvolution in the emergent markets, as it otherwise is a challenge to build the three success layers of advertising being product, category and brand. Having designed a global brand slogan: *“It all starts with a Nescafé”* is providing the local markets with a framework, which each market can adapt to. The coffee consumption in emergent markets is different, as sometimes coffee might not be the preferred beverage like in the western world. China can be an example, as they are consuming one cup of coffee a year per habitant, compared to the developed markets like the Nordics that has the highest coffee consumption per habitant in the world (Elie, 2015).

“You want people to play with this framework and then use it and adapt it, as the brand is almost like a human being, which is adapting and changing according to the culture 24/7. So the notion of the dynamic content is extremely interesting when implementing into the local culture”
(Nicolas, 2015)

Nicolas (2015) supports that culture is a factor that needs local attention for the content development, as it has to be adapted according to the local market. As most of the Nestlé Corporation is moving to a greater degree of standardization, it is important to have in mind that there cannot be a 100 percent standardization, keeping in view the cultural differences for Nescafé. Elie (2015) further explains the difference of the culture, by giving the example that there is a difference between Malaysian coffee drinkers to French coffee drinkers as the Malaysian consumes coffee with milk and the French coffee drinker consumes coffee as an Espresso. Therefore, it is important for any global brand to have a consistent brand image, but at the same time the brand needs to be relevant to the local consumers, so the brand and product position needs local insights, while implementing advertising locally.

“The brand is global and than when you start to tell the story locally, it should be clear from the beginning who you are targeting and to what consumer need you are delivering according to the local culture”
(Sean, 2015)

To understand how the emergent markets managed to tell the local story line, the analysis will analyze each of the five markets (China, Turkey, Pakistan, Mexico and CWAR) that have been chosen for the thesis.

6.4 China:

The main idea behind the REDvolution in China was to build a new brand image, increase sales, brand awareness and target new coffee consumers, as China is mainly a tea drinking market. In order to achieve this objective local advertising content was the main tool to communicate Nescafé’s new brand image to the consumers, however China needed to stay within the framework that was developed by HQ. Guven (2015) states that for the Chinese consumer, coffee is a premium drink and an experience to enjoy, as it is perceived as a sophisticated and an inspirational drink. It is therefore important that these insights are taken into consideration while developing advertising content for China. The brand slogan *“it all starts with a Nescafé”*, needed to be used as a global idea for local brand positioning, however China had the freedom to transform the global idea to a local storyline to reach the Chinese consumers. In order to effectively communicate to the Chinese consumers it was important to translate the brand slogan into the local language. Previously, China was using a Chinese name for Nescafé and the old local slogan was *“to be bold”*, as indicated in the figure below (Guyen, 2015).

Illustration 2: Old and New Nescafé Logo in China (Guyen, 2015)



After the introduction of the REDvolution the Nescafé brand was redesigned, in order to have a more international appeal, as the trend among Chinese consumers today, is that an English brand name is seen as more premium and authentic.

“ So, there is a local word for Nescafé, but it has a very international appeal, which is important at the Chinese market, since the consumer in China generally is more positive about foreign products, as they symbolize these foreign products with trust” (Güven, 2015)

As the quote shows it was beneficial for a global brand to have an English name, however keeping the Chinese consumer in mind, it was important to ensure that the Nescafé brand could also be recognized after the REDvolution. Nestlé China therefore created a combination of the global logo, but the Chinese translation could also be seen within the new brand logo.

Furthermore, the global slogan *“it all starts with a Nescafé”* was also translated into Chinese with the argumentation that China has one of the largest populations in the world and most of the Chinese consumers do not speak English. The translation was needed to motivate and inspire the existing consumer to still buy Nescafé, after giving the brand a more international appeal (Güven, 2015).

Illustration 3: New Nescafé Brand Slogan China (Güven, 2015)



“The global brands like Coca-Cola, L’Oreal or Nike, all these brands translate their global slogan into Chinese, as it is the fastest way to communicate with the Chinese consumer”

(Güven, 2015)

When implementing the global slogan in both Chinese and English, it was a challenge for Nestlé China to produce both the right translation and expression of the slogan. As it is important to translate and capture the essence of what the brand slogan in English is trying to communicate, with the right choice of words in Chinese (Güven, 2015).

To create the advertising content Nestlé China, took the global slogan *“it all starts with a Nescafé”*, which was a creative challenge as the Chinese coffee consumption market needs advertisements for increasing sales and aiming to create a coffee consumption habit in the Chinese market. The creative challenge when developing the advertising was to communicate to the consumer what the word *“starts”* means and create situations in the campaign using very local ideas for the Chinese consumers to understand and relate the slogan to their daily lives (Güven, 2015).

There can be different moments for Chinese consumers, where coffee and Nescafé can play a role, to start those moments, the word “*starts*”, could perfectly link to these situations, but a lot of continues work on consumer insights and crafting the content for advertising was done to build the consumer perception around the global framework from HQ. The global big idea, also gave the opportunity to describe how Nescafé could help consumers to start different moments in life like romance, conversation and friendship or whatever the local situation that suits the global slogan. A situation to start the morning with a coffee was then created based on different scenarios like starting: with coffee in the office, as a couple and as a friendship that was used as a local story line for targeting the consumers in China. Also Nestlé China reviewed some good examples to get some inspiration from other markets and to produce these insights in a way that could be adapted when producing the ads for Nestlé China. REDvolution has created a lot of synergy in the company and also across the countries, which has helped recreate the creative environment to develop content. One of the benefits was to use the global advertising agency regarding some of the standardized content, so it was an advantage for Nestlé China to see what was happening around the world. One of local advertising initiatives that have been created in Nestlé China based on the local culture was that the company implemented Nescafé engagement programs. With the objective to build up the coffee drinking habit and to target young consumers, as Nestlé China needs to create awareness for the beverage segment, which is still consumed in small amounts as compared to tea. One of the initiatives was the university campaign that engaged the students by giving away coffee cups for sampling and further the students could take pictures with an interactive screen, to upload and tag friends to be part of a online contest. Different outdoor activities were done to create brand awareness among youngsters and to increase the coffee consumption habit that is a local challenge in China, because of the strong tea drinking culture (Guyen, 2015).

Illustration 4: Examples from Execution of Advertising Activities Nestlé China (Guven, 2015)



6.5 Pakistan:

The Pakistani consumer is a tea drinking population, so in order to create coffee as a consumption habit and brand awareness a lot of advertising activities were done within TV and outdoor, at college and universities. The new global slogan “*it all starts with a Nescafé*” suited well to the local market, as Nestlé Pakistan decided to target the youth in the advertising. The framework from Nestlé HQ gave the opportunity to use local consumer insights, which were that the coffee consumer in Pakistan wants to be *more creative, more cool, more innovative and more sharable*. These consumer insights was a good foundation to create advertising around the global slogan, as the youth in Pakistan is very motivated to start new things, which can influence their lives positively. The brand logo and brand slogan was kept the same as provided by the HQ, as it is common in Pakistan that large global brands like Nescafé can advertise in English, especially as the young consumers feel trendy by speaking the English language in their daily conversations. The best media for communication in Pakistan is above the line media, meaning: radio, television and print. While airing the advertising on television, mainly music channels were appropriate as it is a good way to reach the young consumers, as music is a large part of young people’s lives in Pakistan (Faisal, 2015).

“As the dynamics of the markets are different especially for the TV commercials, there can be a huge variation between markets and an adaptive approach can therefore be better for the individual market”
(Faisal, 2015)

Nestlé Pakistan decided not to use any of the commercials developed by Publicis in France, as the European ads did not suit the Pakistani market. As the ads from Europe were more revealing in terms of clothing and the couples in the ads were shown cozier, which is not acceptable in a conservative country like Pakistan that has a lot of religious boundaries when targeting consumers through advertising. A global brand like Nescafé has to take these elements into consideration, as you cannot do anything beyond the cultural values, if a brand wants to be locally relevant to the consumer (Faisal, 2015).

“Some of the European ads, are a bit not cultural acceptable in Pakistan, we have a little bit of a conservative society. So the clothes the models are wearing in the ads should not be very revealing and you cannot show a couple being getting cozier, so you have to keep the cultural context in mind”
(Faisal, 2015)

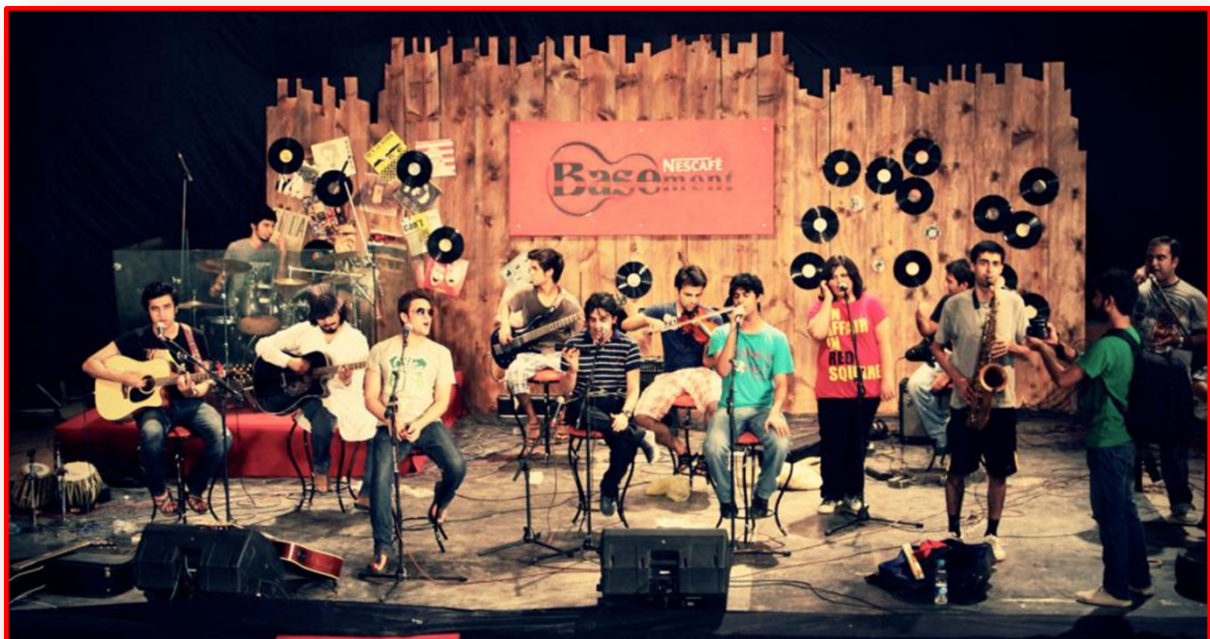
Another, cultural element that needed to be considered is that Pakistan has a ratio of 1:130 in coffee to tea consumption, as the Pakistani consumer has not yet developed the taste for coffee. The coffee is consumed in a very different way in Pakistan compared to the European market, as the coffee is consumed more creamy and milky. Therefore, it was not possible to use the content within the beauty shots created in France, as a cup of coffee without a creamy top, is not very appetizing to the local Pakistani coffee consumer (Faisal, 2015).

Illustration 5: Examples from Execution of Advertising Activities Nestlé Pakistan (Faisal, 2015)



Some of the consumer insights from the young Pakistani consumer were that the young generation in Pakistan wants to *start new possibilities, awaken new opportunities, start a new conversation, find bold new ideas and to be who they want to become*. These consumer insights were creatively used by Nestlé Pakistan, to create the Nescafé Basement, which took the global slogan “*it all starts with a Nescafé*” as a platform for connecting with the youth. The Nescafé basement is a music platform where young talented people who are bold, energetic, social and want to try new things are invited and given the opportunity to show and nurture their talents and present it to the mainstream audience. The Nescafé basement is a project that Nestlé Pakistan has developed based on the brand essence of the REDvolution from HQ, but has localized according to the local consumer insights and culture (Faisal, 2015).

Illustration 6: Nescafé Basement Pakistan (Faisal, 2015)



6.6 Mexico:

Mexico is one of the biggest coffee markets for the Nestlé Corporation. The framework and new visual identity allowed Nestlé Mexico to rejuvenate the brand across the country, some benchmarks were created with a bunch of guidelines for the visual feel and look of the brand containing the brand logo, brand slogan, labeling and packaging. One of the key strengths of Nescafé in Mexico is that the brand is perceived very local, because Nestlé Mexico has always taken into consideration the local consumer insights and the local culture, while

creating the content for advertising. One of the challenges in implementing the REDvolution was the decision, whether to keep the old brand slogan “*Despierta A la VIDA*” which is in Spanish or whether to use the new slogan “*it all starts with a Nescafé*” (Philipp, 2015).

“The important thing is that Nescafé is not perceived as a global brand, which is good, as people still thinks that Nescafé is a Mexican brand, so that is actually confirming that we have achieved communicating to the local consumers the idea behind Nescafé”

(Philipp, 2015)

As the Nescafé brand is seen as a local brand among Mexican consumers and it has a strong brand positioning with the slogan “*Despierta A la VIDA*”. Nestlé HQ gave Nestlé Mexico the permission to keep the old slogan, but it needed to be implemented with the new brand logo as seen in Illustration 7 (Philipp, 2015).

Illustration 7: Old and New logo Nescafé Mexico (Philipp, 2015)



The coffee habit in Mexico indicates that the consumers mainly consume coffee in the beginning of the day and 90 percent of the coffee is being consumed with some kind of whitener and sweetener. The Nescafé consumer in Mexico, who enjoys drinking coffee have some attributes: *want to amaze, find a sense of being, are open minded and want to enjoy more in their lives*. The cultural elements that Nestlé Mexico needed to take into account when implementing the REDvolution was using the Spanish in the local advertisements (Philipp, 2015).

“It is important to use Spanish and to use a local Mexican theme to target the visuals in commercials, like using local insights on how people consume coffee, when they consume it; so all the consumer research is very local, as it is important to take the local culture into consideration when promoting the brand... People are patriotic so they like to see Mexican landscapes within the ads, so we typical show Mexican households for the consumers to experience the Mexican feeling when watching the ad.”

(Philipp, 2015)

As Philipp (2015) indicates in the quote Spanish and using local themes from some of the famous sights in Mexican cities, gave the advertisement the needed localized look, which made it more relevant to Mexican consumers compared to using a standardized ad from the European markets. Another cultural element that needed to be taken into account was that Mexico is a catholic society, so Nestlé Mexico needed to adapt by using men and women with kids in the ads, to create the local Mexican family feeling. In addition, Nestlé Mexico never used an obese person in the advertisement, as Mexico is an obese country and Nestlé Mexico wanted to be respectful to the local cultural values.

These local insights and consuming habits were some of the main drivers in creating the advertising content and Nescafé Mexico created situations with themes like: “*Starting In a Rush*”, “*Changing Traditions*”, “*A Better Day*” and “*Making a Difference*”. Most of the content that was developed was made to air through TV media, as television is a very strong medium in Mexico. In addition, outdoors and product samplings were also key mediums to advertise the REDvolution. As REDvolution was a good platform for seizing an opportunity and being inspirational for creative execution of the mother brand, thus Nestlé Mexico took the opportunity to localize and target the local consumer with the biggest re-launch of coffee in the world. One week before the REDvolution was launched 200 icons of the “*RED accent*” were placed in different cities, with an inspiring quote and a date for the launch for the REDvolution (Philipp, 2015). The logo was kept un-branded till the launch date, to create a lot of speculation among the consumers, the “*RED accent*” was shown in news and people were taking pictures, thus the “*RED accent*” was highlighted on different media platforms. On the launch date a lot of outdoor activities were done where people could consume free coffee at different locations throughout Mexican cities, as seen in illustration 8 (Philipp, 2015).

Illustration 8: Examples from Execution of Outdoor Activities Nestlé Mexico (Philipp, 2015)



6.7 Turkey:

The idea behind implementing the REDvolution for Nestlé Turkey was to have a new communication brand engagement framework. The new logo implementation was standardized, but the brand slogan “it all starts with a Nescafé” had to be translated because the local Turkish consumers prefer advertising communication in the local language (Ismail, 2015).

“Turkish version of the slogan. The Turkish consumer consume coffee later in the day mainly after lunch and dinner, which is a challenge as many of the other markets, has the advantage that they can use the global slogan, to reach the morning consumer” (Ismail, 2015)

So overall the new logo with the new brand slogan was implemented, but translated into the local language. However, the English slogan was written with the local Turkish slogan to give the brand a more global appeal as seen in illustration 9 (Ismail, 2015).

Illustration 9: New Nescafé Brand Slogan Turkey (Ismail, 2015)



The local Turkish consumer mainly consumes coffee later in the day after lunch or dinner, which makes it a challenge as most of the markets where Nescafé is consumed globally, is consuming coffee in the morning which helps to create a story line with the slogan. Some consumer insights were worked upon to make the creative content and story line for the local adaptation of the global slogan in the ads. Another challenge on creating the advertisement in Turkey is that Nescafé has high brand equity, but low consumption, so the advertisement needed to inspire the coffee consumption habit within the Turkish population. Based on this challenge Nestlé Turkey researched the market to create consumer insights that could suit the local market within the global framework and also to use these insights in making creative content about togetherness and sharing, which was the idea behind the global slogan. The local insights were that the consumer that consumes coffee shares the idea of having a *brighter future, finding new ideas, connecting with people and waking up to life*. In addition to these insights coffee is consumed with whitener and sugar, mostly at home, in schools and café's together with friends and when socializing (Ismail, 2015).

Based on the market information Nestlé Turkey created advertisement that focused on themes like *friends enjoying coffee at home and sharing coffee with friends outside*, with the purpose to socialize and have a break during the day. A combination of consumer insights and using the advertisement idea from the French campaign created the local campaign "*Kahveni al gel*" as seen in illustration 10 (Ismail, 2015).

"For the global advertisement we got the idea from France, as the idea behind the French campaign was that the friends on Facebook, are they real friends or not, but in Turkey we do not have such a perception. The people on Facebook in Turkey are perceived as real friends, so we did not copy the French campaign actually. We adapted the idea to the Turkish reality, as the culture is different in Turkey compared to France" (Ismail, 2015)

Illustration 10: Examples from Execution of Advertising Activities Nestlé Turkey (Ismail, 2015)



The idea behind the “*Kahveni al gel*” was to trigger meaningful friendships on Facebook, telling people that the time spent over a cup of Nescafé is worth leading to a true meaningful friendship. The campaign was centralized around the idea of sharing a cup of coffee with a Facebook friend, that you have not meet for a long time and sharing past experiences over a cup of Nescafé. The local Turkish insights especially on culture were main drivers of this campaign as the Turkish people are warm and friendly. The campaign was created in Turkish settings with very common looking Turkish people, so consumers could relate the advertising to their own personal life (Ismail, 2015).

6.8 CWAR:

In most of the countries around the world coffee is about sharing and togetherness, but the consumer in CWAR has a different perception on coffee, which is about starting new opportunities in life. This insight relates to the new brand slogan, which is very much aligned with the local CWAR market. REDvolution was implemented in CWAR, with the same brand logo and slogan as instructed by HQ, there was a discussion on whether to translate the slogan into French, as the region mainly consists of French speaking people (Roman, 2015).

“Instead of enjoying the simple moments of life, coffee is more about starting new opportunities in life and this relates to positioning of coffee in CWAR. “ (Roman, 2015)

The research indicated that keeping the English slogan “*it all starts with a Nescafé*” could work well as most of the people are able to understand English. The old slogan was about being confident and taken the opportunity to try new things, which was very much in line with the HQ’s strategy for the REDvolution (Roman, 2015).

Illustration 11: Old and New Logo Nestlé CWAR (Roman, 2015)



Using the new brand slogan was helpful in creative content as it suits the local insights, but the cultural challenge in CWAR was that the black color symbolizes negativity that is related to the devil. Using the new black color theme for creative content was a cultural challenge for the local market, as Nestlé CWAR was skeptical about the consumer perception on the new look and feel of the brand (Roman, 2015).

The local positioning of the brand was developed mainly on local consumer insights, with the purpose of creating brand awareness and also to change the consumption habit. The local consumers in CWAR are mainly the youth segment as 55 percent of the population is under 20 years in CWAR. The challenge is that local consumers have still not developed the habit of drinking coffee and mainly young consumers will consume coffee when they want to study or celebrate certain occasions (Roman, 2015).

“I would say advertising is what you do locally, so the SBU gives you a guideline for the positioning of the brand, but when you do the advertising locally and wants to get your brand recognized locally, you have to make sure that the advertising works with the environment and in that sense the advertising created is within the environment of the local culture in CWAR.”
(Roman, 2015)

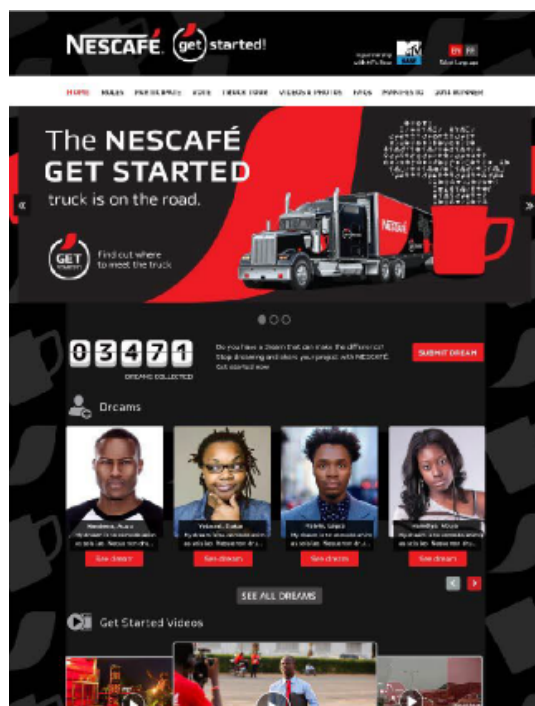
Since the brand slogan suits with the local market, as the consumer wants to start new things in life, the campaign content was mainly made around the situations: “*Seize new opportunities in life*”, “*Connect to others*” and to “*Manage the challenge*” of daily lives. In order to explore more creatively around the idea behind the brand slogan Nestlé CWAR used

Nescafé as an inspiring icon that could enable the local consumers to start their own success story and to follow their dream in life.

“ We did a very nice activity with the truck and the university campaign, where we went to the kids at the universities and ask the university students when they are starting to dream about a music band, or to start a new carrier, than another research was done, that was fully about the start, where we had conducted a campaign with the DJ on the radio” (Roman, 2015)

The youth in CWAR is full of energy and creativity they have a lot of innovating ideas, but the youth lack confidence, as they feel that they cannot contribute to any change in the world and no one is interested in their dreams. This consumer insight was explored to make the brand active and dynamic Nestlé CWAR wanted to play an active role in consumer’s life that can help the consumers achieve their dreams and lead to a more meaningful life. The big idea was taken and implemented into a campaign to ignite the creative mind of the youth and to provide a platform for conversation where the consumer’s dreams could be fulfilled. The campaign consisted of a branded Nescafé truck that travelled around several countries in CWAR starting in Accra and ending in Dakar. The truck was driven through these countries collecting young peoples dreams, consumers were invited to register online and Nestlé CWAR provided a mentorship program. With the objective to identify, support and encourage young entrepreneurs to help get their projects started in a professional way as seen in the illustration 12 (Roman, 2015).

Illustration 12: Examples from Execution of Advertising Activities Nestlé CWAR (Roman, 2015)



6.9 Chapter Conclusion:

The analysis section gives a detailed overview on how REDvolution has been implemented to contain the consistency of the Nescafé as a brand around the globe. It gives a clear idea on how the strategic framework is developed within the Nestlé HQ using the inputs from the local markets. It explains the HQ's role to create a strategic framework with clear guidelines about the brand logo, brand slogan, color themes and packaging that the local markets needs to implement in a standardized way. In addition, the local markets were given the opportunity to adapt the advertising content to suit the local culture, local insights and local consumption habits within coffee. The country specific section aims to explore the details on how advertising was developed and implemented depending on the local consumer. The analysis clearly shows that culture has a profound role, when implementing a global advertising strategy in emergent markets. Furthermore, it is evident from the analysis that consumer insights and consumer habits are different for each market, thus the advertisement content has to be very local to meet the local consumer demands. The analysis further reveals the important cultural elements for each country that effects the advertising content. For the *Chinese market* language, consumption habits and consumer insights like coffee consumption as a premium drink, sharing moments of friendship and conversation were the main drivers to target the consumers in China. For the *Pakistani market* the main cultural consideration was the fact that Pakistan is a conservative society, meaning that there are religious boundaries when targeting consumers through advertising. Furthermore, the consumption habits and consumer insights like: being more creative, more cool, more innovative and more sharable had to be reflected upon when creating the advertising themes. In the *Mexican market* language, religion, consumption habits and consumer insights like: want to amaze, find a sense of being, being open minded and want to enjoy more in their lives, were the key drivers on formulating successful ad campaigns. For the *Turkish market* cultural elements like language, consumption habits and consumer insights like: brighter future, finding new ideas, connecting with people and waking up to life were important elements to device the advertisement content. Finally, for the *CWAR market* consumption habit, perception of the new brand color and the local insights like achieve their dreams and lead to a more meaningful life were used to create themes for the advertising content. The analysis indicates that culture within each market is very different, which influenced the implementation process of the REDvolution locally.

7 DISCUSSION:

The purpose of the discussion section is to analyze the primary data presented in the analysis section in comparison to the literature review that covers previous research on the topic of study. The section will provide an overview of how the literature review relates to the findings from the analysis. The researchers also aim to discuss the similarities and particular differences from both a practical and academic perspective, with the overall objective to conclude the findings in both the conclusion and future research.

The literature review as well as the findings in the analysis suggests that MNCs use extensive communication strategies based on the local market needs. Nestlé employs partial multi-domestic market concept as described by Ghauri and Cateora (2010), which provides an adaptive approach when implementing the marketing mix in each market locally. The findings from the analysis show that some of the elements of the REDvolution were standardized being: brand logo, brand slogan, color themes and packaging. The HQ of Nestlé had the control on defining the degree of standardization and adaption, as suggested by Boddewyn and Grosse (1995) who argues that HQ has an important role in the decision-making process for MNCs on the implementation process of a advertising strategy. Although, the advertising content was adapted to the local culture in order to be more relevant to the local consumers. Furthermore, Nestlé HQ developed the global slogan “*it all starts with a Nescafé*”, as a universal framework that can be developed and redefined according to the local market needs. This is supported by Hollis (2011) who argues that advertising based on the universal truth can be easily adapted and accepted across different cultures around the world. Furthermore, Mooji (1998) argues that global slogans can have different interpretations according to the local culture, meaning that the global slogan cannot always suit each market in a similar way. However, the research done on the REDvolution shows that Nescafé has succeeded in creating a standardized global slogan that four out of the five markets have implemented in a standardized way. From the researchers perspective the research shows that it is important for any MNC to create the global brand slogan, that can be accepted and creative enough for each market to create a local story line relevant to the local consumer despite of the cultural differences.

It is evident from the analysis that the emergent market are highly dynamic and rich in culture, every MNC therefore needs to adapt to the local market in order to be more effective in communicating to the local consumers. Ghauri and Cateora (2010) suggest that the consumer in emergent markets are getting closer to the developed countries, setting aside the old traditions and developing new consumption patterns. The study on Nescafé REDvolution also indicates that a large number of consumers within China, Pakistan, Mexico, Turkey and CWAR are moving more towards the western consumption patterns within the younger generations. However, the older generations are still close to the old consumption habits like drinking tea and consuming products in the traditional local ways. Domzal et al. (1993) and Ghauri and Cateora (2010) further suggest that every marketing strategy is customized to the local situation and circumstances in order to be relevant to the consumer. This is supported by the researcher's findings in the analysis that proves that the local markets have the power to produce advertising content that suits the local culture and values, but for having more control and consistency over a global brand like Nescafé. Therefore, it is important to standardize the visual identity of the brand that includes the brand logo, brand slogan, color themes and packaging.

The literature review covers different standpoints to what extent MNCs employ standardization vs. adaptation. Findings by Ghauri and Cateora (2010) and Dimitrova and Rosenbloom (2010) suggest that there should be a strategic fit between standardization vs. adaptation and culture is the main factor that effects this decision process when it comes to marketing strategies. The findings in the analysis also support this argument, but there is a clear answer to what can be standardized and what should be adapted. The analysis gives a clear indication that standardization is important for any larger corporation to build a stronger brand image and consistency resulting in a standardized visual identity of the brand. However, the advertising content needs to be created locally and adapted to the culture to suit the local consumer demands and also to achieve the objectives and goals defined by the MNC while creating the advertising strategy.

Exploring the cultural element that needs to be adapted to the local market Hollis (2011) suggested that topics like sexuality, religion, numbers and colors can be essential elements that need to be considered when implementing an international advertising strategy. The analysis based on the primary data, also indicates that these elements can be important, the researcher's findings on the individual markets indicated that the above mentioned topics often will vary from one country to another depending on the culture. Meaning that religion

can be important for markets like Pakistan and Mexico, but does not reflect the culture in markets like China, CWAR and Turkey. Furthermore, perception on color was only relevant to CWAR and has not been indicated in any other market within the research. Both sexuality and numbers were not deemed to be important while analyzing each market and especially the use of the gender within the ads, is not something that effects the advertisement content, as the use of gender was equally seen throughout the advertisement from each market. Furthermore, Mooij (1998) explains the use of language as an important element when devising advertising campaigns across markets; he suggests that only translating the global advertisement message might lead to weak results. The findings in the thesis also indicates that language is the key element within culture, that can even effect the most standardized elements like brand slogan as in some markets like China, Turkey and Mexico the brand slogan was translated to target all potential local consumers when showing the ads on different marketing platforms. Based on the analysis the researchers can conclude that the key elements that MNCs needs to be aware of when implementing a global advertising strategy are *language, religion and local consumer habits* as these are the most essential elements when dealing with culture across emergent markets.

Furthermore, Hollis (2011) quoted the research within cross-cultural advertising by Millward Brown, which suggested that a few advertisements can be used cross culturally and Ryans et al. (2003) also supported the same idea, that standardization is when one ad can be used across boarders without any change other than language. However, the analysis suggests that some inspiration could be taken from other markets while devising advertising content, but there cannot be an exact advertisement that can be executed from one country to another when dealing with emergent markets, as the cultural elements are extremely dynamic. Herbig (1998) concludes his research by stating that an advertisement from a low context culture cannot be used in high context cultures, as the ad tends to be more verbal and contextual for the high context cultures and can be confusing when used in low context cultures. All five countries within the research can be defined as high context cultures (see appendix 1). However, the researchers conclude based upon the analysis that even countries from the same context culture cannot share the same advertisement across boarders, because of cultural differences. An example in the research indicates that religion and cultural differences are too extreme to share a similar ad even when looking at China and Pakistan that shares boarders, no advertisement material was similar when trying to communicate to the local consumer within each of these countries. Another example in the research showed that Turkey and

France that both are defined as high context cultures cannot share the exact same advertisement, as some inspiration from the French campaign was used by Nestle Turkey, but customized according to the local consumer insights on the Turkish market. These findings also indicate that economy of scale that is one of the key benefits of using a standardized approach according to Ghauri and Cateora (2010) has a limited value for large corporations. As it is more important for the advertising content to resonate the local meaning rather than focusing on cost savings by using the same advertising across cultures. Harris (1996) provides the argumentation that economy of scale does not improve sales or profit performance and thus cannot be quantified as a benefit for the given corporation. The researchers also supports this, as it is evident from the analysis that Nestlé empowers the local markets to device their own advertising content without having focus on cost savings.

Mueller (1991) concludes with his findings on the topic of research that advertising medium in comparison to culture is important, he suggested that standardization is more common within television than any other advertising medium across borders. However, the researchers can conclude based on the findings from the analysis that advertising medium has no relevancy, while deciding on standardizing or adapting the ads. The important element that can be adapted is the content of the advertisement, which varies from one country to another based on the culture. Further Kanso (1992) suggested that cultural orientation is important and advertising managers which are non- cultural orientated will tend to use a more standardized approach. However, the data analysis clearly indicates that the business executive managers comes from different cultural backgrounds, but still are very aware of the importance of culture and local consumer insights while devising advertising content for the individual markets.

Finally, Greg Harris (1994) concluded that MNCs use some kind of adaptation even if the MNC claims to have extreme standardization for a marketing strategy. The researchers also supports Greg Harris (1994) findings as the analysis shows that even a global brand like Nescafé that tries to standardize most of the elements for a global marketing strategy like the REDvolution, has to adapt to the cultural aspect. The analysis therefore shows that standardization is only confined to the visual elements of the brand and the advertising content is totally adapted according to the local culture within the emergent markets.

8 CONCLUSION:

The conclusion aims to answer the overall research question on: *How MNCs standardize or adapt a global marketing strategy in context to advertising within emerging markets?*

Table 2: Summary of standardized vs. adaptation for each market

| Country | Brand Logo | Slogan | Packaging | Advertising Content: Print, Outdoor, Television |
|----------|------------|--------------------------------|-----------|---|
| China | Standard | Semi- Standard (Translated) | Standard | Adapted |
| Mexico | Standard | Adapted | Standard | Adapted |
| Pakistan | Standard | Standard | Standard | Adapted |
| Turkey | Standard | Semi- Standard (Translated) | Standard | Adapted |
| CWAR | Standard | Standard | Standard | Adapted |

The findings and discussion in the thesis clearly indicates that culture has a profound impact when MNCs implement a global marketing strategy. The findings show that each emergent market chosen for the cross-cultural study is dynamic and rich in culture and values, thus MNCs needs to adapt advertising content, which includes print, outdoor and television in order to meet the local consumer expectations. The cultural elements that the researchers found to be most important throughout the analysis were language, religion and local consumption habits as these elements have a higher effect on the choice of marketing tools that help the local marketers to make the global brand more relevant to the local needs. In addition, the analysis shows that standardization is very limited and only confined to the visual elements of the brand, which includes brand logo, brand slogan and the color themes. In the markets like China, Mexico and Turkey the language element of culture cannot be ignored and calls for translating even the standardized slogan from English to the local language keeping in view that the translated slogan resonates the same idea as the global slogan. It can be concluded overall that standardization has a limited descriptive value and MNCs needs to adapt to the local culture in context to communication and advertising in emergent economies.

8.1 Future Research:

Considering the overall findings in both the literature review and the analysis the researchers would like to recommend a few areas of future research on the topic of interest, that could be relevant to explore further based on the findings and delimitations discussed in the thesis.

The thesis explores a topic within cross-culture research providing an analysis on different emergent markets, however the focus of the data collection has been centralized within one specific global brand being Nescafé. The researchers recognize the importance of including a wider range of global brands and countries within different continents in the analysis, to compare how culture influences the decision process on whether to standardize or adapt the advertising strategy and if different brands can result in different findings.

As discussed in delimitations it would also be interesting to explore the global consumer within digital media, as the interviews indicated that the digital consumer is less influenced by culture. Keeping this in view, in order to explore how much corporations can standardize the digital strategy across the globe for particular products and services. Furthermore, it would be interesting to analyze the integration between global marketing strategies and digital strategies and how digital advertising strategies create synergies across the globe.

Finally, the researchers also recommends a longitudinal study on the research topic on emergent markets, as it would be interesting to discover how rapidly consumer behavior is changing and effecting the advertising strategies within the emergent markets. As the findings shows that emergent markets are moving more towards westernization. In addition to the above the researchers also recommends to engage local consumers in the primary data collection to understand the consumer perception about advertising in relation to global brands, in order to get a deeper understanding on how well the global brands are communicating to the local consumer audience.

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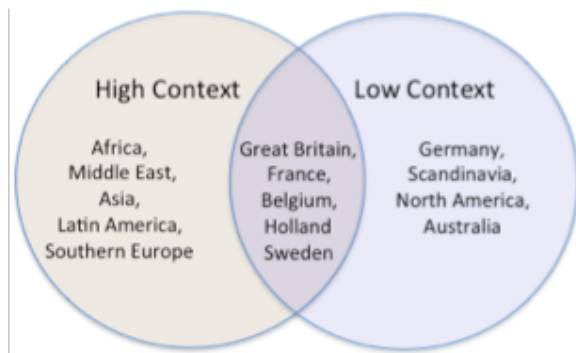
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10 APPENDIX:

10.1 Appendix 1:

Illustration 13: List of countries within High and Low Context Cultures (Strongminds.org, 2014)



10.2 Appendix 2:

Questions for Nestlé HQ Switzerland:

What was the main idea behind developing the REDvolution as a global brand strategy?

To what extent does HQ play a role when the REDvolution is implemented in the local markets in relation to standardization vs. adaption?

What were the key challenges when implementing the REDvolution from a global perspective in context to the local markets?

Does Nescafé use standardized advertisement across the different markets?

Are there strict guidelines from HQ on what a Nescafé ad should communicate when it's shown at the local markets?

To what extent are successful local advertising strategies transferable to other markets?

Do Nestlé use a foreign or local advertising agency – reason behind this?

What cultural elements did HQ take into consideration while developing the global marketing strategy for REDvolution?

How much does the advertising tools change depending on the local consumer knowledge?

How does a global slogan like *"It all starts with a Nescafé"* fit to the local consumer needs across different cultures?

Questions for Local Markets:

What expectations were demanded by Nestlé HQ, when REDvolution was implemented in Mexico?

What were the key challenges when implementing the REDvolution in Mexico in regards to advertising – how were these challenges overcome?

How much freedom did the local market have when the REDvolution were implemented in Mexico?

What are the main differences and pros/cons looking at before and after the REDvolution?

How much did Mexico keep the REDvolution advertising standardized and to which extent was it adapted to suit the local market needs?

What was the main idea behind the REDvolution campaign in Mexico?

Has Nestlé Mexico used a foreign or local advertising agency – reason behind this?

How is the global brand Nescafé perceived by the local consumer in Mexico, what is the main target group?

What cultural factors are taken into consideration when implementing the global REDvolution campaign?

How does a global slogan like *“It all starts with a Nescafé”* fit to the target market in Mexico?

Questions for Publicis:

Can effective advertising be Global and what would be your advise?

Do you see a “Global Consumer” for Nescafé?

What would you consider the most important barriers for execution of new strategic marketing strategies across cultures within MNCs today?

Is the trend today for MNCs, that global advertising is implemented based on a standardized or adaptive approach?

What are the key benefits and disadvantages of using a standardized advertising campaign approach?

What are the key benefits and disadvantages of using an adaptive advertising campaign approach?

How much should culture be taken into consideration when doing a international advertising strategy across different markets – relation to REDvolution as well?

What are the key challenges of developing local ads in emergent markets for a global brand like Nescafé- keeping in view cultural differences?