



Four Immutable Laws of International
Marketing & Localization

A Consilium Global Business Advisors Whitepaper

Four Immutable Laws of International Marketing & Localization

A confectionery and soft drinks manufacturer like Cadbury-Schweppes typically produces a range of standard items that are sold throughout the globe using similar marketing mix. However, differences may occur in such aspects as distribution channels and pricing as well as advertising in languages that are relevant to particular cultures.

In addition such a company would produce some products which cater for particular tastes, and which are relevant to particular cultures. New products might then be tested in a regional area, before consideration of which other areas of the globe to roll out that product to.

Marketing is an “Afterthought”

International expansion is a critical and compelling strategic imperative for many American companies. US Department of Government statistics indicate that while only 1% of American companies export, on average those which do experience substantially superior business performance, pay higher wages and experience significantly less trauma during domestic market downturns.

Yet initiatives such as an international business development program, while strategically compelling, trigger additional demands on internal departments. Legal, HR, Finance and Logistics wrestle with new and complex issues associated with initiating, growing and managing foreign business. Marketing is often an afterthought.

The first marketing challenge is that often, substantial resources have been committed to developing robust domestic marketing programs so senior management often discounts the need for duplicate budgets internationally. The typical assumption as resources are allocated to support international biz dev is that marketing programs can be easily transferred. Often some modest allocation is earmarked for “translation” services and occasionally an international marketing manager is hired. With that diluted focus the international marketing effort is doomed to mediocrity.

The key is understanding and observing the four immutable laws of International Marketing Localization. And make sure that corporate and product marketing work hand in hand to develop the localized programs.

Escaping Mediocrity

Limited resources are an organizational and business reality. Such constraints will impinge on the output of an international marketing effort. However, resource limitations need not result in mediocrity – indeed international marketing can be developed to produce dynamic and exciting results, even with limited staffing and budget. Doing so requires understanding the challenge you face. International marketing is simple in theory. Marketing localization is a unique and daunting challenge – one which mastered will yield satisfaction and success – and if overlooked will bedevil you and your company’s efforts.

Nearly everyone is aware of Intel. It is the world's fifth most valuable brand valued at around \$35 billion. Most of the world's personal computers are driven by Intel microprocessors. By concentrating on producing great microprocessors Intel was able to leave its competitors behind. The company invested billions of dollars in highly productive manufacturing plants that could produce more processors in a day than some of their rivals could produce in a year.

Today Intel is continuing to raise the bar. In January 2006 the company launched its new strategy based on identifying and creating new markets. Instead of just focusing on personal computers (PCs) Intel will play a key technological role in a range of fields including consumer electronics, wireless communications and healthcare.

Intel has been one of the world's high achieving businesses. Its global appeal is not surprising.

Immutable Law #1

Protect Your Company & Your Brand

It is a big world and a rough and tumble one for US-based businesses accustomed to certain standards of conduct. Vastly different structures and frameworks exist for defining, protecting and defending IPR and brand equity and reputation. In many cases the protections are limited and the available remedies are of limited value. Therefore, before launching any international forays you must first ensure that you have taken reasonable steps to protect all aspects of your corporate identity/brand. Trademarks, Service marks, local URLs, etc. should be researched, reserved and registered as appropriate.

Make sure that these properties are all reviewed locally to avoid any inadvertent faux pas. For instance, domains can carry very different meanings by approximating foreign language words when pronounced with local accents – at best those alternative meanings detract from your brand – at worst they repel customers with impropriety. The disastrous launch of the Chevy “Nova” in Mexico decades ago has been showcased in a widely-read case study and should provide fair warning to any US company marketing their products overseas.

Research local strictures structures regulating marketing messaging and delivery. For instance many markets strictly prohibit direct mention or comparison between competitors in marketing communications. Specific restrictions on email, fax and SMS delivery methods vary from market to market and are evolving quickly as telecommunications infrastructures mature in developing markets.

Understand any customs which must be observed in messaging to ensure protections of brand, IP and company interest. In some markets, for example, one must specifically disclaim any statements made by channel partners as their own. Additionally, limit your company's obligations to those which you explicitly commit in your own materials. And don't overlook labeling and packaging requirements, or any other product localization aspect which is indicated.

These are technical, legal issues which demand involvement by your domestic and local counsel. They vary from market to market and change frequently so don't overlook this critical piece of “localization.”

International marketing involves recognizing that people all over the world have different needs. Companies like Gillette, Coca-Cola, United Airlines, BIC, Cadbury-Schweppes and Nissan have brands that are recognized across the globe. While many of the products that these businesses sell are targeted at a global audience using a consistent marketing mix, it is also necessary to understand regional differences, hence the importance of international marketing. Organizations must accept that differences in values, customs, languages and currencies will mean that some products will only suit certain countries and that as well as there being global markets

Immutable Law #2

Adapt but Don't Copy

Understand that as much as you may wish to create an entirely new series of campaigns for each market, it's simply not feasible. You need to adapt the programs already developed for domestic marketing. But don't simply copy them!

Thoroughly research and understand the appropriate media channels that influence your target markets and localize your programs, messaging and media to effectively reach that audience. Marketing localization requires an experienced approach to a nuanced process that incorporates a number of different disciplines. Businesses that don't address the needs of foreign users will eventually miss out on the opportunities. When companies translate and localize their content they gain a significant competitive advantage, often becoming the dominant player in an entire country. (See our ebook on Penetrating International Markets)

You know you have to embrace change in your marketing strategy. That is the critical question at the crux of localization. However, to answer it you must first accept the volume of data that you don't have, and all the relevant details that you don't even know you don't know. We'll dive into that next – but you must understand that you don't have the answers, (see law #4 below) and are going to have to adapt in ways you can't even anticipate. To start, first plan to work from what is already developed for your domestic market.

And, before you begin the “adaptation” process you will need to develop a marketing plan for each new market. At a minimum it must incorporate traditional planning rubrics (e.g. “4 Ps” & “Competitive SWOT”) which will help you establish the baseline situation and codify reasonable objectives. This is going to take research; in-country time on the ground visiting stores, end-users, etc.; dialog with local channel partners and assistance from US Govt. Commercial Service representatives.

Slowly the fog will lift and the landscape will be revealed. But the “devil is in the details, and the details and nuance will dictate success. Uncovering the unintentional cultural errors and incorporating effective messaging, imagery and design is the essence of successful marketing localization. Just avoid costly errors!

Immutable Law #3

First - Don't Lose Them...Second – Entice Them

Long before you begin to outline how you will drive demand generation, you have to first understand how to avoid pissing people off !

You don't live in those markets; you weren't born in them; you weren't shaped by the political climate and economic trends which have defined them. Even if you speak their language you almost certainly don't have a command of their dialects, idioms and colloquialisms.

Fashion, communications, social networking, cultural taboos, gender roles and other factors will be different than those to which you are accustomed. And you won't know where the differences lay, because your lens is blind to them!

Naturally, language is an important component of localization. Proper translation (not necessarily grammatically perfect, but perhaps specific to dialect and local colloquialism) is a baseline requirement. It must be competently done and reviewed by your local channel partner or another capable, culturally attuned native speaker. In fact translation is perhaps the one area which demands that we violate the 2nd Law. Working from your marketing plan it may make sense to craft your copywriting from scratch. Word counts alone mean that often design is impacted by translation, and often the unwritten message simply “doesn't translate.”

But why take your perfect language and print it on a piece of paper which screams DIRFFERENT!?! (Do you print and create .pdfs as A4 or 8.5 X 11”) Why detract from the message with images which evoke counterproductive reactions from customers? Why highlight it with colors which carry connotations which tarnish your presentation?

Of course all would be folly – but all are common mistakes committed by even experienced marketers.

There's a long list of don'ts – too long to list here and often market specific. But the inverse is equally important. What should you do? Again you must rely on local cultural guidance. And rely on that guidance not only for design and message related questions, but also for delivery method.

You must consider various degrees of penetration and adoption when mapping out a campaign. Email might be an important outbound marketing tool domestically, but the target market may have limited penetration – or most email may be solely mobile device based. SMS (text messaging) is far

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more prevalent in many markets. Newspapers retain greater cachet and credibility in many markets than in the US. In the ultrafast growing urban areas in emerging markets billboard advertising is vigorous and effective. Among certain age demographics viral marketing is explosive. Remember you have 32 channels but need to focus on the two or three that fit your model and market, and avoid copying what you do domestically.

Adapt your basic campaign to the appropriate tone for the local market. Some are vibrant and optimistic, others reserved and maybe even dour. This needn't be a judgment, merely an observation. But to be effective your campaign must convey the appropriate tone.

Immutable Law #4

Don't Do It Yourself

The old saw reminds us that stereotypes always have some basis in fact. And for all of their negative associations, stereotypes can be helpful in reminding us that different groups and cultures have dramatically different habits and perspectives – so different that they often seem alien to us. And those differences which can range from cute to offensive similarly apply to us from the foreigner's perspective.

Others see us in certain ways and harbor certain predispositions toward Americans, American business practices and American products. The latter are often coveted – a fact which makes the challenge of international business development worthwhile. However, Americans and their business practices are not always viewed positively. And yet, the very subtle indicators which identify us as foreigners in our target markets, also impact perception of our products – and in ways which we are dangerously ignorant about.

Accepting our ignorance as natural fact rather than shortcoming lets us guard against errors which might result. The common sense solution is to engage others to assist. This will range from the skilled translator to potential local channel partners and a consultant with broad strategic marketing and localization expertise.

You wouldn't write your own trademark registrations, despite being related to your marketing work – so don't make that mistake with localization. Sure it is “sort of kind of” marketing related, but is a materially distinct and complementary specialty.

A properly localized campaign is a tapestry of numerous commercial, social and cultural factors and only succeeds with deliberate attention and careful execution.

Be Responsible & Be Effective

In the end you will be held responsible for the results of your international marketing campaign. Your resource constraints aren't unique, but with a careful approach your product marketing – your localized campaign – can be unique, effective and successful.

But localization is often misunderstood as translation. Certainly that is one aspect of localization – but as we have illustrated earlier, the topic is far deeper and broader. A properly localized campaign is a tapestry of numerous commercial, social and cultural factors and only succeeds with deliberate attention and careful execution.

Disobey the four immutable laws of international marketing and localization at your own risk. Embracing them will increase your organizations chances for a successful international launch, because you will be targeting your new audience with a message that appropriately resonates with them. This is effective global marketing!

About Consilium Global Business Advisors

Consilium Global Business Advisors assists companies in increasing sales and profits through international business development. The Consilium method uses a selection of advisory services synthesized into a unique export assistance solution, which includes— Marketing Localization, Market Selection, Product Localization, Channel Model Selection, Business Development, Process Management, Government Relations and Other Operational & Administrative functions. The Consilium model is a “big company” export model tailored for SME accessibility. With substantial real-world business experience spanning industries and regions, the Consilium principals deftly guide clients through—meticulous strategic planning, comprehensive preparation, and side-by-side market execution. Clients benefit through increased revenue and profit, business stability and survivability through diversification. Carefully selecting emerging and established markets for them results in enhanced enterprise value through international penetration and growth management.

Consilium is well positioned to help.

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