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The cover image is a composite graphic. In the background, a blue and white globe of the Earth is visible, with numerous small, glowing red and orange dots representing city lights or data points. In the foreground, two hands are shown in a firm handshake. The hands are rendered in a warm, reddish-orange color, contrasting with the cooler tones of the globe. The hands are wearing light-colored, possibly white, sleeves. The overall composition suggests themes of global cooperation, business deals, and market research.

MARKET RESEARCH

Networking together!

the author

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The implementation of international account planning in the automotive industry

By tradition, the automotive sector is multinational in nature and marked by cross-border processes. A common dilemma faced by its companies is whether to standardise the positioning of car models across all countries or allow for international differences. A key aspect of this is international advertising – it is often assumed that by standardising campaigns, companies can make significant savings.

Normally the term *international advertising* refers to unilateral, cross-border communications aimed at influencing consumer behaviour via a number targeted media such as magazine advertising or TV ads. The term *standardised advertising* refers to an identical campaign across a number of countries (see figure 1).

But strictly speaking we have to distinguish between two overall approaches:

- Standard campaigns, whereby international executions have identical layouts or structures, with regard to content and formal criteria.
- Standard processes, whereby the advertising planning stages are uniform internationally, irrespective of actual executions.

Standard processes in international advertising planning

By standard processes we mean the stages people go through during the advertising planning process, the corresponding information exchange process and how those involved are managed and coordinated. The term advertising planning – also referred to in advertising

agencies as *account planning* – is used to describe the process of working up the communicative positioning of the advertised product, including analysis and preparatory work processes. The aim is to arrive at an execution with the potential to influence consumer behaviour and create unique perceptions versus the competition. Broken down into its constituents, advertising planning involves an initial situational analysis, definition of the advertising strategy (goals and target audience), advertising development, budgeting, media planning and post-campaign back-checks versus initial objectives.

Potentially, standardising advertising planning processes has two benefits: raised efficiency and raised effectiveness (see table 1).

By standardising processes, companies can improve their likelihood of finding *the big idea* – and eventually develop a world-class campaign. In principle, it is possible to standardise almost any stage of the international advertising planning process (see table 2).

The extent to which standardisation works in practice depends on how successfully the automotive company and its import companies in each country

1

Standardised press ads for the Skoda Octavia. Left: UK, right Germany
(Source: SkodaAuto a.s., Mlada Boleslav)

share responsibilities. Key to this is the extent to which decision-making processes are anchored within the organisation, how well each stage is coordinated, delegation, and the attitude of individuals.

Cooperation in international advertising planning

• Avoid resistance

At a superfluous level, the highly centralised nature of automotive companies speaks in favour of standardised advertising planning. The producer wields power and as the one issuing instructions, it is always one step ahead. It is more intimate with the marketing process – and has more people.

Working against this is the fact that importers generally operate as profit centres and are only answerable to the producer to the bottom line. And they know their markets better, so it makes sense for them to choose which campaigns are best suited to local conditions.

So standardising processes is a delicate balancing act – on the one hand you have to make use of know-how at head office, on the other you have to respect local market knowledge. It does not always make sense to simply centralise planning and decision-making, as this brings with it a variety of monitoring processes. It also demotivates local management. Companies imposing planning procedures on importers often meet with resistance, an effect commonly described as NIH syndrome ("Not Invented Here"). The extent to which standardisation will be resisted depends on: how much local managers feel under pressure to perform; the importance of business procedures nominated by head office as potential standardisation candidates; how important democratic decision-making is; how capable local managers feel of doing the job themselves. There is always a danger that a move to standardise processes will be seen as a straitjacket obliging importers to conform. In all likelihood, the upshot will be a bureaucratic overreaction – and the company will find itself unable to react quickly enough to market trends.

The benefits of standardising processes in international advertising planning (Source: Dmoch 2004)

Effectiveness	Efficiency
Improved planning: Transfer of modern planning methods	Avoidance of overlaps
High quality information, transparency	Rationalised planning, management and information exchange
Comparability between countries with respect to stages and output	Synergies by pooling know-how and creativity
Simplified control and monitoring at a subsidiary level	Cost reductions

International advertising planning: potential standardisation, responsibilities (Source: Dmoch 2004)

Stage of advertising planning	Potential to standardise	Responsibility	
		Producer	Import co.
1. Initial situational analysis	✓		✓
2. Advertising strategy planning	✓	✓	✓
• Target audience	✓	✓	✓
• Advertising goals			
3. Budgeting	✓		✓
4. Advertising development	✓	✓	
5. Media planning			✓
6. Advertising effectiveness back-checks	✓	✓	

Further, the benefits of using an importer will be negated.

If the move to standardise planning processes is likely to meet with resistance, a company – and its importers – can take a number of preventative measures:

- Regular meetings
- International coordination teams
- Use a lead-country approach
- Use a network approach.

• Regular meetings

One of the first steps a company can take to coordinate international advertising planning is to organise regular get-togethers, with the producer and its importers sat around one table.

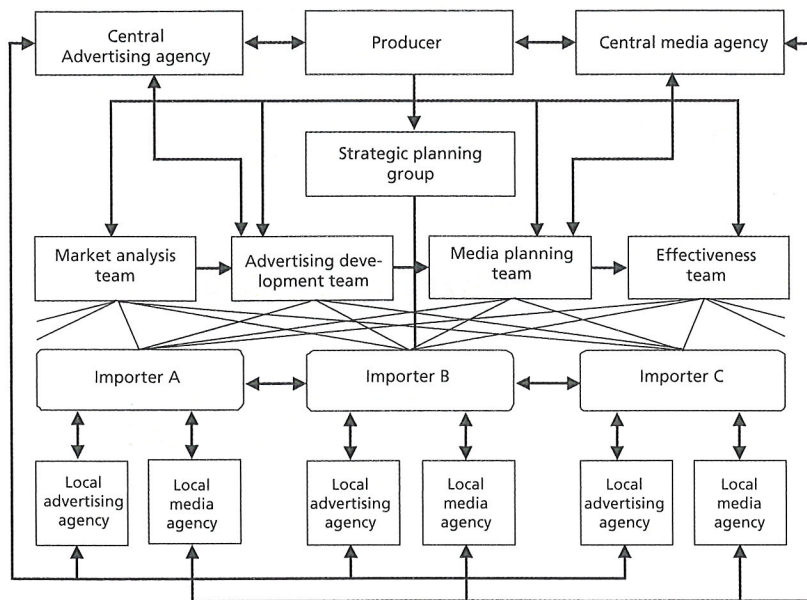
Apart from getting to know each other, dispelling prejudices and improving the atmosphere, regular meetings facilitate inter-company cooperation. For example, countries can decide whether it would make sense to adopt a successful advertising campaign from another importer. This approach also reduces complexity – meetings tend to be consultative; participants get a feel for how flexible the others are. However, a danger with this approach is that meetings can become monotonous and waste time.

• International coordination teams

A key factor with international coordination teams is the level of cooperation between the producer and its importer.

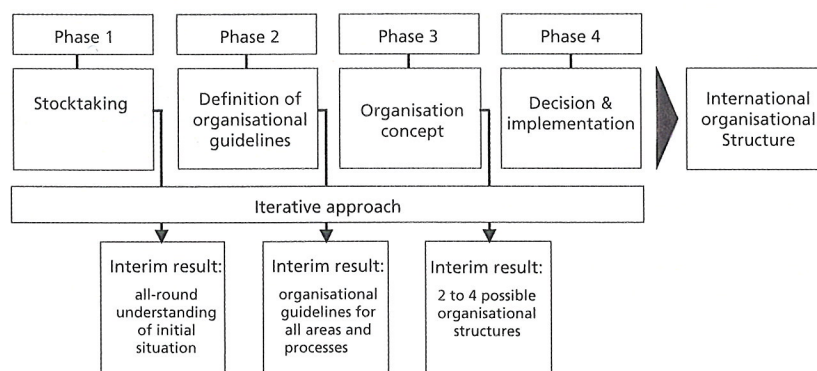
2

International coordination teams (from Kreutzer 1986)



3

Plan for the step-by-step standardisation of processes in international advertising planning (source: Berndt et al 2003)



ters. With this approach the focus is on identifying which stages of the international advertising planning process can be delegated and to whom. The coordination teams themselves should be made up of staff from the producer and its importers. These feed into a strategic planning group whose task is to define the advertising strategy (see figure 2).

The advantage with international coordination teams is that they reduce the burden on the producer without delegating strategic authority. They also take into account local market knowledge and allow the company to transfer know-how throughout the group. The

downside is that people can become quite removed from day-to-day business. As a result, importers will only agree to this approach if, in return, they are allowed to have a say in strategic planning.

• The lead country approach

With the lead country approach, one company within the group is turned into a first among equals. It is then agreed how long they will manage international advertising planning and where. Under their management, each country looks after specific parts of the planning process. The output of work is used as a template. Countries may deviate from guidelines laid down within the tem-

plate but only under exceptional circumstances. The lead country does not necessarily have to be the producer. For example, it could be the importer most affected by the introduction of a new model. Alternatively, the country chosen could depend on marketing skills, resources or individual market knowledge. It could even be company politics – the carmaker might want to bring a specific importer to the fore. The advantage of the lead country approach is that it is more participative and taps more efficiently into skills in individual countries.

One disadvantage is that the lead country might be rejected by the importers feeding into it – again, before they cooperate, they may want more say in strategic decision-making. Another risk arises when staff from the central organisation is kept out of the process, as this undermines the producer's overall strategic authority. Further, if the lead country only holds bottom-line responsibility for its own country, there is a significant risk that it will neglect the interests of other parties. To get round this, the company would have to completely reallocate responsibilities. Given ownership patterns, this is currently almost unthinkable for most European importers.

• The network approach

As the name implies, this approach involves a close-knit network encompassing both producer and its importers. Responsibilities are matched up carefully between each country; each part of the company can be given similar functions. The allocation of responsibilities depends on the comparative cost advantages. The good thing about the network approach is that it is highly efficient and involves a broad variety of people. The less good thing is that each part of the organisation has to be fairly similar in terms of resource. For this reason, given the differing levels of resources in the automotive sector, this approach is not yet a viable option.

The introduction of international advertising planning

These four cooperative models – between the producer and its importers – can enable companies to reduce internal resistance to planning – even before processes

are standardised. Actually sitting down together to work out the best approach to international advertising planning is, in itself, a good way to pull in people from various parts of the business. It can also be central to winning people over for the final standardised processes. To do this, you need a step-by-step introduction plan whereby each stage of the plan is designed to help overcome objections (see figure 3).

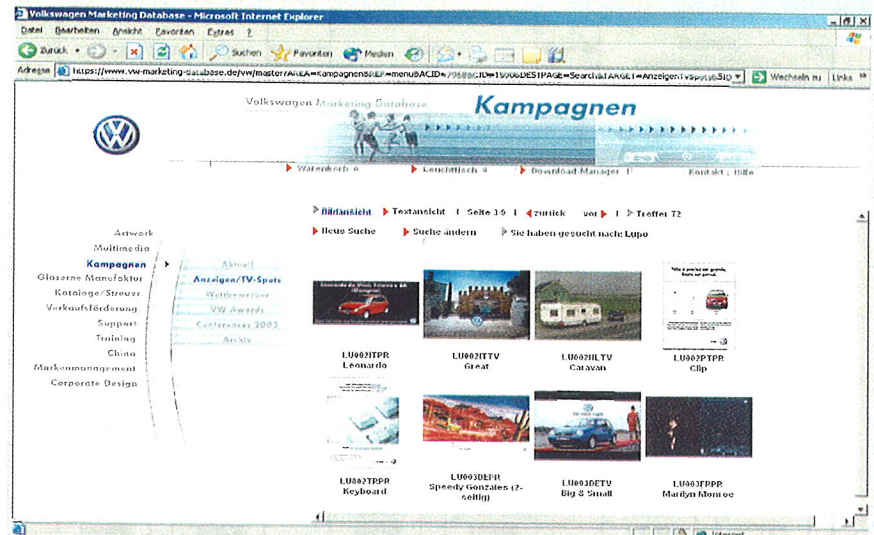
1. The first step is an international stock-taking exercise to see how advertising planning works at present.

2. Next, the company should identify the areas in which it could cooperate. It then creates new, standardised working processes hand-in-hand with responsibilities (see table 2). To gain acceptance at this early stage, it needs to keep working processes simple and demonstrate to importers what is in it for them. In these two initial phases it makes sense to hold regular meetings.

3. As the plan progresses there should be built-in back-checks. The first time round it is not so much about restructuring the organisation as allowing people to adjust to the new way of thinking. Once the company has established uniform planning criteria and laid down fundamental planning procedures, it can move on to the higher, organisational structure and the allocation of responsibilities – and tackle issues such as international coordination teams.

4. Once the project team has worked up first-stage guidelines and organisational structures, it can then use the launch of a new car model to introduce the new approach to the other importers. From now on, every time the company goes through the planning process, the standardisation process can be spread out step-by-step to encompass all activities within the international advertising planning process. In the interests of pushing things forward, it makes sense to do this by targeting the importer most likely to cause trouble – and make it the lead country. By turning it into both originator and recipient of planned changes it is more likely to identify with the overall aims of process standardisation. This also helps break down resistance throughout the international organisation. The timing and aims of

The Volkswagen Marketing Database (Source: Volkswagen AG, Wolfsburg).



the process should be moved along by higher level management, as much as anything to emphasise the significance of the project in writing. Further, the producer can provide input from planning experts to ensure that the methods being applied match quality criteria.

Information on international advertising planning

When standardising processes, it is particularly important to provide the right management information system to make sure everybody knows what is happening. A good example of this is the Volkswagen Marketing Database, which provides importers with online access to a variety of information on international advertising planning, such as competitive advertising (for analysing the initial situation), briefing documents (for planning advertising strategies), guidelines, press ads and photographic images for planning executions (see figure 4).

When standardising processes it is essential to supply people with the right facts. In this respect, introducing the marketing database at Volkswagen actually paved the way for the standardisation of processes and content. Six years later, the database is used by 98 % of Volkswagen importers worldwide. Indeed, prior to its introduction the company recognised that the dialogue taking place between itself (as the pro-

ducer) and each country (as its importers) had not come about as a result of international advertising planning – it was a prerequisite.

As Stanley Pollitt, the father of account planning in the UK, once put it: "Planning is creative thinking based on information."

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