

Preface

The dynamics of the international markets are reflected in the development of advertising expenditures. Global advertising expenditures in the year 2000 amount to about 320 billion US \$, and they are expected to increase by 6% in the next 2 years. About 72% of the advertising is done in North America and Europe, 18% in the Asian/Pacific area, and less than 10% in the rest of the world. These shares are expected to remain stable within the next few years.

Advertising expenditures worldwide

	1998	1999	2000	2001	2002
North America	121,998	130,575	139,592	147,981	156,296
Europe	79,480	84,262	89,475	94,934	101,035
Asia/Pacific	54,240	56,262	58,964	62,273	65,869
Latin America	23,153	21,375	22,968	24,785	26,308
Africa/Middle East	6,763	7,204	8,059	8,819	9,737
Total	285,634	299,678	319,058	338,792	359,245

Source: Zenithmedia, million US \$

There is absolutely no information available about the proportion of advertisers active in more than one country in relation to purely domestic advertisers. National companies advertise more or less in their own political, social and cultural area. For international advertisers the situation is fundamentally different, as international advertising always takes place under different national conditions. Although there is a certain homogenization of the demand in industrialized countries, the consumption is always local. A purely nationally oriented company normally has no problems in assessing the general framework. An international company faces a completely different situation concerning information about the market conditions in a foreign country. Compared with national advertising, standards of procuring and interpreting information are higher in international advertising.

During a sabbatical I intended to investigate international advertising. My objective was to do research on advertising conditions and the question as to how to implement advertising in different countries. As the last

decade of the past century was characterized by globalization and thus by an increasing number of companies that advertise outside their home countries, this topic seemed to be of particular relevance. Each company expanding its activities and advertising for its products to foreign countries faces the question of *how* to proceed. Some of the major questions are:

- What are the social, cultural or religious features of advertising and advertising practices?
- Are there any taboos?
- What legal restrictions do apply?
- What kind of advertising infrastructure is there? Are there any institutions, federations or boards of advertising?
- What media are readily available?
- How are media data collected? What are the methods of gaining advertising data?
- How can specific target groups be addressed?
- Are there any particular preferences concerning the use of media?

During my research I soon became aware that there is a lack of information on the questions I wanted answered. An advertiser has his agency networks with the specific know-how of the local agencies. But there is virtually no source that collects this information for a greater number of countries. So I changed the subject I had intended to devote myself to during my sabbatical and decided to contribute to answering the questions mentioned for a number of interesting countries.

The obvious problem consisted in bringing specialists in the respective countries together. It is (or was) exactly the difficulty inherent in this that explains why there is no overview of advertising conditions in different countries. But in the age of the Internet it should be possible to solve this problem.

By way of the Internet I obtained the e-mail-addresses of a number of colleagues, informed them of my intentions and asked whether they would like to contribute to a reader on this subject. Although the number of requests sent out greatly exceeded the number of replies, colleagues in Australia, Belgium, Finland, France, India, Japan, South Africa, Taiwan, Russia, and the USA spontaneously agreed, as did Marieke de Mooij, who offered to provide the chapter on the impact of culture on advertising, which opens this reader.

Even discounting the fact that media behavior is related to the communication styles of individual cultures, there are extremely wide differences in the advertising conditions per country. Just to mention a few:

- *Australia* is more tolerant than the US of nudity in advertising, though gratuitous use will still attract complaints and a likely ban from the Advertising Standards Bureau.
- *Belgium* is a culturally diverse country, divided into a French-, a Flemish- and a small German-speaking community. Thus, everything in advertising has to be done at least twice.
- *Finland* is a promised land for magazines. In 1997, their number totaled 5,015 (appearing at least twice a year). This is because many associations, clubs and societies publish their own magazines, as well as companies and organizations.
- In *France* state broadcasting stations (Radio France) limit the diffusion of advertisements on their wavelengths to public authority or general interest advertising campaigns only. Commercial brand advertising is not allowed.
- The *German* advertising scene is rather transparent, each advertiser knowing exactly what, how, where and how often its competitors advertise. In the case of TV advertising the advertiser knows as soon as the day after transmission how many people watched a particular commercial, and is even apprised of socio-demographic data relating to these people.
- A particularity of a developing country such as *India* is Rural Advertising. Most of the people living in rural areas are not literate, and the first task is to create product awareness among them.
- In *Japan* advertising agencies have different roles than their Western counterparts. Two of the idiosyncrasies are: nontransparent account billing practice and doing business with multiple accounts of competing clients.
- *Russian* and non-Russian concepts of advertising differ substantially. Foreign firms approach advertising as an investment, while Russian firms still think of it as an expense. In Russian tax law only 5% of the revenue spent on advertising can be written off as a business expense and exempted from profit tax.
- In *South African* society the separation of communities and racial groups has been the norm. Since 1994 the separation is being bridged, and the creativity of most of the media advertisements shows a marked change towards multiraciality. However, it remains difficult to forecast the reactions of a specific culture group.

- Though cable TV is developing strongly in *Taiwan*, with advertising spending competing with that of terrestrial TV, one of its major drawbacks is its application of unethical practices, such as failing to broadcast paid-for advertising, making unannounced changes in programming and even blacking out systems during commercial disputes.
- While there are a few other countries that have higher per capita income or average buying power and several other countries that have larger populations, the *United States* has by far the largest advertising audiences defined as potential buyers, i.e., the largest combination of a large number of consumers and firms with high per capita income or buying power.

I must thank all the authors for their cooperation, the response to an e-mail from a person they do not know and who also does not know them. It is somehow fascinating that this reader is the result of exclusively electronic communication and will probably even be distributed electronically. As far as I know, there is no comparable publication on this subject. Even only a few years ago such a reader would not have been possible.

This reader is aimed at an international market. The target group is made up of international marketing students, international advertisers, and advertising agencies.

I would be pleased if I could motivate more specialists to contribute to a further volume of this reader. There are many interesting countries left.

Ingomar Kloss

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