

Global Marketing Communication Strategies after the Lisbon Treaty

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Abstract

This paper seeks an answer as to which global marketing communication strategies are applicable for the EU market after the Lisbon Treaty, taking into account the fact that the most effective marketing communication appeal of a product may vary within different markets due to cultural, social and economic differences. Identifying the differences of local markets in terms of needs, demands, competition and local regulations is essential in choosing proper marketing communications targeted at the public. The final part of this paper presents the results of a qualitative survey of the business community in Macedonia which operates internationally with the EU. The objective is to detect the link between the implementation of the Lisbon Treaty, as the output of a globalized Europe, and developed global marketing communications as an output of rapidly globalizing businesses.

Keywords: *Europe, Lisbon Treaty, marketing communication, Macedonia, public.*

Introduction

In a rapidly changing world, Europeans look to the EU to address issues such as globalization, climatic and demographic changes, security and energy. As of December 1 2009, the Lisbon Treaty entered into force, thereby ending several years of negotiations about institutional issues, providing the EU with the legal framework and tools necessary to meet future challenges and to respond to its citizens' demands.

Borders count for very little in challenging times. The countries of the EU cannot overcome the growing challenges alone; they can only do so by acting in unison in a well organized, institutionally streamlined and efficient EU that can deliver results and respond to the concerns of the public. For this reason, Europe needs to modernize and act globally in order to respond to the rapid changes in the world, not only in political and diplomatic terms but in business terms as well. Local and global businesses communicate amongst each other and the public through marketing.

A marketing communication strategy for the new market of the EU cannot be framed within borders. People, companies and business are going global, and marketing is as well. Globalization requires global marketing strategies.

The Influence of Globalization and the Lisbon Treaty

In a rapidly changing environment where transparency matters, there is no option not to go global, regardless of whether the subject is trade, business, information, people, or diplomacy.

The single open option in this process is the dynamic of change and the speed of going global—or, more precisely: Is one changing at the same pace as the rest of the globe? How fast is fast enough?

There are many well known benefits to globalization—international market growth, increased international trade and competition, improved transparency and efficiency, rapidly developing technology, etc. Some studies, however, have shown a certain set of disadvantages arising from globalization as the process has been observed from other points of view. As observed by Klaus Schwab at the Davos World Economic Forum (2010), "We have moved from a world where the big eat the small to a world where the fast eat the slow." As Friedman says: "Globalization can be incredibly empowering and incredibly coercive. It can democratize opportunity and democratize panic. It makes the whales bigger and the minnows stronger. It leaves you behind faster and faster, and it catches up with you faster and faster. While it is homogenizing cultures, it is also enabling people to share their unique individuality farther and wider." (Thomas Friedman, 2003).

Globalization as a process can be seen at the level of business and trade as well as at the political level—which apparently reflects both. While the political contribution of globalization includes the formation of unions and organizations striving to substitute conflict with talking and war with negotiations, and while businesses are growing to mammoth dimensions and everything that is bigger seems better, the question arises as to what will happen to local companies operating in limited small local markets? Who will

protect them from big global players who are already winning with internationally recognized brands, economies of scale and developed technology?

“Globalization will always have cheerleaders who are blind to the destruction globalization can cause. And it will always have strident opponents blind to the way globalization gives some people their first opportunity to fulfill basic aspirations. As with most issues, the majority of people will be in the middle. They will see globalization not as something to worship or demonize. Instead, they will see it as something to mold, shape and manage for the betterment of everyone.” (Thomas Friedman, 2003)

The EU has also changed in line with global trends. In quantitative terms, the number of its member states has quadrupled. The EU recognized the need to follow global changes while consolidating its own structure to adapt to the increase in the number of its member states. Later, dealing with projected developments as an additional factor increased the need for a new treaty that would augment the existing treaties to provide the EU with a new instrument for dealing with the rapid changes taking place at the level of politics and trade.

Current members of the EU enjoy a wealth of benefits: a free market with a currency that makes trade easier and more efficient; the creation of millions of jobs; improved rights for employees; free movement of people; and a cleaner environment (Your Guide to the Lisbon Treaty. European Commission 2009). However, the existing treaties, rules and policies of the EU were intended for a much smaller union, not taking into account future rapid global changes, global crises, and the extent of international cross-border crime. The EU has the potential and the commitment to tackle these problems but can only do so by improving the way in which it works. This is the purpose of the Lisbon Treaty signed by 27 European Union Member States on 13 December 2007 (European Commission, 2009).

One of the core values upon which the Lisbon Treaty is based is the following: “To work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, with a high level of protection of the environment.”

From a political point of view, EU integration with the globe can be enhanced and strongly supported by the Lisbon Treaty. From a political point of view, the benefits can be summarized as written in the publication *Global Envision* (2005): “Globalization has enabled trade to grow, capital and education flows to increase, and a better allocation of resources to be met around the world.”

Global Marketing Communications

Marketing communications—or the 4th P of the marketing mix, usually known as promotion—refers to all forms of communication used by organizations to inform, remind, explain, persuade and influence customers' attitudes and buying behavior. The primary purpose of marketing communications is to tell customers about the benefits and values that a product or service offers, using different forms of advertising, public relations, personal selling, direct marketing and sales promotions. For international companies, a major question is that of which form of global marketing communications to develop in view of the way in which environments vary in different countries.

Advertising

Global advertising offers companies economies of scale. Unified themes build long term product identities and offer significant savings in production costs (Wells, 1992). Europe is experiencing an internationalization of brands as companies align themselves, buy up other companies, and get their pricing policies and production plans organized for the united region (Keegan & Schlegelmilch, 2001). However, the key question is whether to develop advertising campaigns in each region and country or to develop a standardized global advertising campaign? There are people who believe in "one world, one voice", who believe that the era of the global village is fast approaching and that tastes and preferences are converging world wide. This standardization approach can achieve great economies of scale by unifying advertising around the globe. Advertisers who follow the localized approach are skeptical of the efficiency of global campaigns, however, as customers still differ in different countries and must be reached by tailored advertising campaigns (Carter, 1997).

The standardization vs. localization debate escalated notably with the publication of Professor Ted Levitt's Harvard Business Review article entitled "The Globalization of Markets" (Keegan & Schlegelmilch, 2001). However, there are other authors whose research suggests that the trend is towards the increased use of localized international advertising (Kanso, 1992). As Kanso notes, this controversy over advertising approaches will continue for years, as there is no correct answer and he suggests that what is needed is a global

commitment to local vision for successful international advertising. On the one hand, a global campaign will result in benefits such as cost savings, increased control and the potential creative leverage of a global appeal. On the other hand, localized campaigns have the advantage of appeals that focus on the most important attributes of a product in each country. The conclusion is that companies should use each approach according to the type of the product and the company's objectives in a particular market.

Information technology development has a great impact on advertising campaigns, providing people with many more options than they had in the past. Thus "Marketers increasingly need to find ways to speak to customers individually or in smaller and smaller groups" (Tomkins, 1999).

Effective advertising may also require the development of different creative implementations or presentations for different countries or regions; especially when the creative implementation is connected with certain cultural attributes, the implementation may have to be adapted to each country. Typical obstacles include cultural barriers, communications barriers, legislative problems (for example, children cannot be used to merchandise products in France), competitive positions (the advertising strategy of a leading brand or product is normally quite different from that of a minor brand), and execution problems.

Food is the product category most likely to exhibit cultural sensitivity and marketers of food must be alert to the need to use localized advertising. A good example is the Heinz company: In Greece, Heinz shows ketchup being poured over pasta, eggs and cuts of meat, while in Japan they suggest using ketchup as an ingredient in Western style food like omelets, sausages and pasta (Levin, 1991). But there are also differences among countries and regions in Europe: in Sweden, for example, the "made in America" theme is so muted that Swedes don't realize that Heinz is American—they assume it is German because of the name. Advertising themes stressing American images still work well, meanwhile, in Germany.

Another obstacle to global communication is that of language differences and the issue of copy development and the translation of copy. It is much cheaper to develop advertising copy or slogans for countries with the same language. Mostly, however, the message needs to be translated into the local language, which presents a most difficult problem. Accordingly, there is a trend for European advertisements to employ many more visuals, conveying a

specific message and invoking the company name (Terpstra & Sarathy, 1991).

It is certain that the cultural environment influences advertising. The main concerns relate to values and motives, the advertising form and the execution of the advertising. The following table summarizes some characteristics of advertising styles in different countries.

Table 1 – Advertising styles

<i>Country</i>	<i>Advertising style</i>
Great Britain	Show individuals or couples. Young people teaching their parents. Class differences. Direct communication. Persuasiveness. Direct approach (comparison). Strong role differentiation (trend of reverse sexism). Humor and parody. Lesson format (presenter, testimonial)
Germany	Need for structure. Explicit language. Strong information orientation (direct, factual). Lesson format (presenter, testimonial). Important appeals are quality, technology and design, but also history and tradition. Attention to details. Winning is important. High regard for authority. High degree of freedom is not accepted.
Italy	Appeals are technology, design and quality. Conceptual thinking. Strong characteristic design, big ideas and affection for being theatrical. Respect for elders and educators. Sensuality is as important as emotions. Strong role differentiation. Advertising execution is important (products as works of art).
Spain	Use of visual metaphors (concrete and abstract). Design and art-oriented appeals. Innovation / stability paradox (desire for modernism but also sticking to tradition). Obedience to and respect for elders. Relations based on friendship and family. Tendency to decline authority. People appear in groups. Importance of dressing (to obtain a place in society). Feminine dimension (role of expert, provides unity in the family). Dignity and pride. Food and eating as an expression of the good life. Creativity (not hard work) as the tool for success.

France	Need to be different. Theatrical and bizarre elements in advertising. Dramatic. Orientation toward image. Fantasy. Theatre and pleasure. Need to show emotions (drama-like). Addressing or lecturing in the form of a story. Song or word games. Entertainment through symbolism. Humor and drama. Appeals are beauty. Aesthetics. Image. Style. Extravagance. Elders teach the younger.
Belgium	(See also France.) Direct address. Presenter and testimonial in combination with demonstration. Professional.
Holland	Obtrusive presenter perceived as authoritarian (uniforms, loud speech, experts). Direct presentation style. Presenters are typecast as a parody. Conformity / adventure paradox: leveling attitude but desire for adventure. Use of few power or magic words. Small role differentiation. Use of the word "free". Success can only be shown in understatements. Small children are shown as independent. Sociability (feeling of care, warmth, being together with friends and loved ones). Entertainment form (use of humor).
Sweden	Feminine culture (men shown doing work in household). Entertainment form. Disrespect for authority. Tendency to get together for meetings (coffee is always served).
Poland	Respect for elders. Strong family values. Strong role differentiation. Demonstration and result orientation. Humor. Need for tradition (use of folklore, historical drama).

Source: adapted from Marieke K. De Mooij, *Global Marketing and Advertising* (Thousand Oaks: Sage Publications, 1998)

The media environment is another obstacle that limits global advertising campaigns, as the media landscape varies in different countries. Even if the availability of media is not different, legal regulations could limit the usage of specific media. In some European countries, as in Denmark, Norway and Sweden, for example, television commercials either do not exist or are limited. The time allowed for advertising each day on public networks varies from 12 minutes in Finland to 80 in Italy, with 12 minutes per hour per channel allowed in France and 20 in Switzerland, Germany and Austria. Regulations concerning the contents of commercials also vary and may

need a longer time to be approved for airing before being broadcast (Keegan & Schlegelmilch, 2001). However, internet penetration presents a new global advertising medium, the World Wide Web, which is globally accepted and understood.

Public Relations

Regarding public relations (PR) activities for global advertising campaigns, it is very important that PR staff have direct contacts with local journalists and are directly involved in event planning and literature design and able to provide suggestions for tailoring global campaigns to the local needs of a specific country or region (Mullich, 1994). PR professionals with international responsibility must go beyond media relations and should serve to build an understanding, create trust, articulate and influence public opinion, anticipate conflicts, and resolve disputes (Nessmann, 1991). It is very important that management understand the importance of international public relations. One study found that, internationally, PR expenditures are growing by an average of 20 percent annually (Keegan & Schlegelmilch, 2001).

The ratification of the Lisbon Treaty, current global issues like the environment and the search for world peace, rapid technological developments... all of these drive the growth of international Public Relations and the number of international PR associations. The Austrian Public Relations Association is such a case. Yet PR professionals must still build personal relationships with journalists and other media representatives in each country and get to know their language, their style of communication and their culture. International PR practitioners can play an important role as "bridges over the shrinking chasm of the global village" (Grunig, 1992).

With regard to the place of PR in the organizational structure of companies, there is an additional difference between countries: in the United States, PR is increasingly viewed as a separate management function, while in Europe this perspective has not been widely accepted.

Sales Promotions

Sales promotions are an important element of integrated global marketing communications strategy and they differ in different countries—mainly on account of culture but also because of legal regulations and limitations. In the United States, for example, couponing accounts for 70 percent of consumer promotions spending, but the figure is much lower in other countries whose culture does not accept this form of promotion.

Sales promotions in Europe are highly regulated. Sales promotions are popular in Scandinavia because broadcast advertising is highly regulated and in Nordic countries promotions are also subject to regulations. If such regulations are relaxed as the single market develops in Europe and as regulations are harmonized, companies may be able to roll out pan-European promotions.

The Internet is also showing differentiation for certain countries or regions. For example, Amazon.com, Inc., the largest virtual book and music store in the world, has websites for Germany (www.amazon.de) and for the United Kingdom (www.amazon.co.uk). All other main global websites are developing different sites for specific regions, for example the Asian and European markets. Many factors have an influence on global campaign strategies, such as the intention of minimizing costs, maximizing flexibility and placing digital and social media at the heart of global strategy. Hence 75 percent of chief marketers are either currently restructuring their marketing organizations now or will do so by the end of 2011, according to a new Forrester research survey (Steven Noble, 2010).

Integrating all of the activities involved in marketing communications (direct marketing, personal selling, public relations, media advertising and promotions) provides synergies in terms of persuasive impact and cost efficiencies of “Delivering the right message to the right customer decision maker at the right time and right place”.

Overview of the Research

In order to balance the advantages and disadvantages of the ongoing and irreversible globalization process and to relate this process to globalizing marketing communication as an inseparable component of globalizing business, we undertook a focus-group survey of 20 middle and

top management businessmen from companies involved in trade with EU countries. The research reveals the opinions of the Macedonian business community regarding the Lisbon Treaty in general, their understanding of its values and key provisions, their opinion of globalizing business and marketing communications and their evaluation of the relations between these phenomena.

On the question related to their awareness and knowledge of the Lisbon Treaty and its key provisions, 95% of those surveyed answered that they were aware of the general purpose of the Lisbon Treaty and its benefits but were not aware of the details. Only one participant was totally uninformed, while none of the participants were deeply informed or involved with the Treaty of Lisbon or related policy.

Table 2: A summary of the survey regarding the knowledge and understanding of the Lisbon Treaty



The strong concentration of the answer: “I am aware of the general purpose and benefits of the Lisbon Treaty but not in detail” leads to the conclusion that while there is a low level of specific knowledge and understanding of the treaty, there is widespread consciousness of its existence and general import.

The survey question concerning the influence of the key provisions of the Lisbon Treaty on the business operations of the participants elicited diverse responses: 30% reported that they are not influenced; 40% are influenced to a small degree; and 30% are significantly influenced. However, none of the participants considers their business operations to be entirely influenced by the treaty and its key provisions.


Table 3: Summary of the survey regarding the influence of the Lisbon Treaty on the operations of the participants' organizations

Is your / your organization operations somehow influenced by the key provisions and rules of the Lisbon Treaty?	% of Respondents	Number of Respondents
Yes, completely 	0.00%	0
Yes in general 	30.00%	6
Merely, only small portions might be relevant 	40.00%	8
Not at all 	30.00%	6
<i>Number of respondents</i>		20

If we relate this answer with the previous one, we can conclude that even though the operations of the participants are affected by the treaty, still there is a lack of knowledge and understanding about the treaty.

The responses to the question: "Is your organization practicing global marketing communication?" are mainly positive: 70% of the answers are positive and 30% are negative.


Table 4: Summary of the survey regarding global marketing communications usage

Is your / your organizations activity practicing global marketing communication?	% of Respondents	Number of Respondents
Yes 	70.00%	14
No 	30.00%	6
<i>Number of respondents</i>		20

The dominance of the companies practicing global marketing communications justifies the assumption that the marketing communications of businesses which are going global are globalizing as well. International trade and business requires communication with international stakeholders and thus expands the target groups and relocates the structure of targeted segments. Companies which are operative on international markets face challenges such as diversified cultures, changing habits, different levels of standards and needs, local competitors, etc. In many cases, the targeted markets are different countries with completely different languages and cultures. In order for companies to obtain steady marketing and brand communication and achieve distinctive positioning, they need to unify their marketing communications to an extent relative to international reconcilability.

The relation between general globalizing trends, the globalizing EU, and increased global marketing communications as an inevitable aspect of global businesses, is also confirmed by the responses.

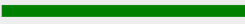
Table 5: Summary of the survey regarding the influence of EU globalization on global marketing communications

Do you believe that the globalizing effort of EU is related with globalizing marketing communication of all organization (companies, unions, organizations...)?		% of Respondents	Number of Respondents
Yes		80.00%	16
No		20.00%	4
<i>Number of respondents</i>			20

80% of the participants responded positively to the question concerning relations between the globalizing processing of the EU and globalizing marketing communications.

On the question concerning the disadvantages of EU globalization trends (Lisbon Treaty), 30% of the respondents recognize certain disadvantages and 70% share the opinion that the globalizing efforts of the EU (Lisbon Treaty) have no disadvantages.

Table 6: Summary of the survey regarding the disadvantages of the EU globalization process:

Do you believe that there are set of disadvantages from EU globalization process (referring to Lisbon treaty)?		% of Respondents	Number of Respondents
Yes		30.00%	6
No		70.00%	14
<i>Number of respondents</i>			20

In the opinion of the managers who were interviewed, the disadvantages of EU globalization include:

1. The threat of world media control by a handful of corporations
2. The spread of a materialistic lifestyle and attitude
3. International bodies infringing on national and individual sovereignty
4. The possibility of the local market being attacked by global players, placing the local companies in an inferior position
5. An extremely high level of imposed standardization

Unlike the attitude of participants about the disadvantages of the Lisbon Treaty (only 30%), the responses related to the disadvantages of the globalizing marketing was divided fifty-fifty.

Table 7: Summary of the survey regarding the disadvantages of the globalization of marketing communications

Do you believe that there are set of disadvantages from globalization of marketing communication of companies, organizations and institutions:		% of Respondents	Number of Respondents
Yes		50.00%	10
No		50.00%	10
		<i>Number of respondents</i> 20	

The respondents' opinions about the potential disadvantages of globalizing marketing communication mainly concern a general fear of losing local identity and succumbing to the law that the big eats the small. In these respects, the respondents' opinions are focused on protecting small companies operating in less developed countries with much smaller budgets against global companies operating with big budgets. Other opinions stress the necessity of state protection for local companies due to the fact that the globalization of marketing leads to the marginalization of local values related to local customers' habits. Globalization will be positive to the extent that it does not neglect domestic / non-global companies.

Conclusion

The globalizing process must be seen as an ongoing and fast moving trend that necessitates flexibility in the face of change. Everybody and everything is an integrated component in this process: companies, people, information, organizations, products, services, etc.

International business and trade must communicate internationally not only with customers but with all stakeholders in order to deliver and communicate its messages, values, USPs and with each targeted group. For this reason, marketing communication as a strategic method of business communication must also become internationalized—global. At the same time, experts and business representatives are recognizing the need to set rules to control the process, if possible, in order to establish the proper dynamics. This means the only question remaining is how fast is fast enough

in a globalizing world? And what rules need to be obeyed in order to prevent damage?

In the same way as the EU and other institutions are investing their efforts in emphasizing human rights over and above specific nationalities, religions or gender, and thus protecting minorities, so the new regulations should balance and protect the market position of local companies against the strength of global companies. This does not mean trying to halt globalization but balancing the process of globalization with healthy and constructive interaction with local companies and values in general. The practice of marketing recognizes this process as Glocalization, which means communicating globally by obeying and thus adapting to local values.

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Appendix 1:

Summary of research question 12 (open-ended)

12. Please give a short statement of your opinion / attitude related to Lisbon Treaty and its eventual correlation to global marketing communication ascends?

1 The Lisbon Treaty reinforces the Unions capacity to act and creates new possibilities for all Europe citizens as well as companies in various segments of internal and external action. It gives a possibility for better implementation of global policies that will ensure economic growth and competitiveness, improving employment and social conditions, enhancing personal and collective security, promoting a better environment and better health conditions, developing scientific and technological progress as well as improving its ability to act and communicate on the international scene.

2 Please have in mine that this is my own opinion about this issue, not Duna's or anyone else. So... Lisbon Treaty globalization process is one step ahead for this region. Balkan region and especially Macedonian market is not ready for something like this. Small markets such as ours has more disadvantages then advantages. Especially in the IT sector, entering of a global company can means death for many small IT companies. For medium as well, maybe not with that bad finish but with losing employees, cut profits etc. Globalization for small markets can mean destroying price market, salary issue and so on. however, the government can protect domestic companies from this kind of players by putting some restrictions that will give domestic companies advantages in tenders, projects and so on, that globalization can just means great opportunity for many companies to export/sale their product on the foreign markets.

3 In the short term there will be no effect of Lisbon Treaty on European business operations, however in the long term, the Treaty is a excellent opportunity and boon for business.

4 NA

5 The anti-monopoly measures and control on EU level (separate EU institution) is needed in order to prevent healthy competition and existence of free market mechanisms, and also to prevent high concentration of economic and financial power (problem which today is

actual in United States) which can be high systematically risk for the EU economy and currency in near future.

6 Firstly, some rules need to be reconsidered. The same way as EU and other institutions are putting effort for emphasizing human rights regardless of nations, religion and gender, and thus, protect minority, the new regulations should balance and protect the market position of local companies versus the strength of global companies. This does not mean stop the globalization, but balancing the process of globalization with healthy and constructive interaction with local companies and values in general. The practice recognizes this process as glocalization.

7 In my working field, the global marketing communication leads to: - unified brand - keeping the same level of brand image.

8 Actually I do not have a opinion of the Lisbon treaty, especially not related to global marketing communication.

9 We shall be able to implement the advantages that the Lisbon Treaty brought, allow higher access of new marketing communication strategies, follow the trends and though increase the efficiency of companies we work for.

10 At this point of market development and movements, I have no opinion about the correlation between the Lisbon Treaty and the global marketing communication.

11 No thoughts on the matter.

12 A treaty that enables the EU to fight cross-border crime and climate change whilst simultaneously enhancing national oversight of EU decision-making is in the interest of all Europeans.

13 no opinion in particular.

14 The processes are paralleled, and part of the total processes for globalization.