

INTERNATIONAL ADVERTISING DECISION MAKING: HOW ARE THE CHOICES INFLUENCED?

Ali M. Kanso, The University of Texas at San Antonio

Richard Alan Nelson, University of Nevada, Las Vegas

ABSTRACT

This study examines media selection considerations for foreign markets as perceived by U.S. multinational advertisers. The main objectives are to: (1) identify the most serious problems that American advertising managers face in their media selection for foreign markets, (2) investigate the levels of access to traditional media in international campaigns, (3) examine if advertising executives place more importance on certain factors in their media selection for overseas markets, and (4) determine if the types of advertising decisions (decentralization versus centralization) in U.S. multinational companies influence the media selection for non-domestic markets. A questionnaire was sent to advertising executives of U.S. consumer durable product manufacturers. The findings reveal that the most serious problem that American firms face is lack of reliable data about markets. Magazines, followed by newspapers, are the most accessible media in foreign markets. The findings also show that advertising managers tend to place more importance on general factors (type of product, target audience, budget size, cost efficiency, reach and frequency and competition) than they place on specific non-domestic factors (media availability, language diversity, legal constraints, level of economy, literacy and cultural considerations). In addition, the data suggest that the types of decisions have no bearing on the managers' views of the relative importance of factors of media selection. The authors make several recommendations for future research, including examination of the: (1) impact of accelerating changes in media technology, (2) influence of various product types and market areas, and (3) significance of consumer perceptions of media.

Keywords: Challenges of international media selection, levels of access to media, impact of culture, and centralization and decentralization of advertising campaigns.

INTRODUCTION

Advertising has always been an integral part of the promotional mix in international marketing. Only in recent years, however, have scholars investigated cultural factors that affect the development of international advertising programs. Because understanding of advertising is culture-bound, companies that strive to achieve successful international campaigns should recognize specific cultural aspects of every single market. Intense competition for world markets and increased cost of advertising production have led multinational corporations (MNCs) to seek more sophisticated advertising strategies. However, these companies have been confronted with many challenges ranging from using effective messages to selecting appropriate media. This study is concerned only with media selection decisions by U.S. companies operating internationally. In focusing on this major element of the foreign advertising campaign, one can

develop a better understanding of whether MNCs effectively consider cultural dynamics in media selection. Specifically, the objectives of the study are to: (1) identify the most serious problems that American advertising managers face in their media selection for foreign markets, (2) investigate the levels of access to media when designing international campaigns, (3) figure out if advertising executives place more importance on certain factors in their media selection for overseas markets, and (4) determine if the types of advertising decisions (decentralization vs. centralization) among U.S. multinational companies have any bearing on their media selection for non-domestic markets.

LITERATURE REVIEW

Much research in the last five decades has investigated creative advertising approaches (message selection) for foreign markets, centering on whether U.S. MNCs should use standardized (universal) or localized (individualized) ad approaches. Although most nations have the same kind of media, some specific considerations and problems differ across countries. An advertiser may not have many alternatives to choose from. Differences in media accessibility may hamper the advertising program. The practitioner may want to focus on the visual aspect of the product, but television may not be accessible to air the commercial. Recent studies have concluded that localization of advertising campaigns is gaining more ground than standardization and international advertising managers are becoming more sensitive to cultural differences in designing messages for foreign markets (Albers-Miller & Gelb, 1996; Boddewyn, Soehl & Picard, 1986; Cheng, 2014; Gillespie & Hennessey, 2016; Kanso, 1992; Kanso & Kitchen, 2004; Laroche, Kirpalani, Pons & Zhou, 2001; Papavassiliou & Sthakopoulos, 1997; Solberg, 2002; Wills & Ryans, 1977).

Very little research has addressed the issue of media selection, though media are as important as messages. An early study of factors of media selection for foreign markets revealed that the majority of U.S. international advertising managers depended on the same criteria they used for domestic markets (Donnelly, 1968). Another study of international media buyers examined the importance of media characteristics to these buyers in their selection decisions (Stewart & McAuliffe, 1988). The findings suggested a considerable commonality in the domestic and international media decisions. International media buyers placed importance on media characteristics that were also critical to domestic media purchases (further confirmed by Griffith, Chandra & Ryans, 2003).

Although most nations have the same kinds of media, some specific considerations and problems differ across nations. For example, an advertiser may not have many alternatives to choose from. Differences in media accessibility may hamper the advertising program used by his or her firm. He or she may want to focus on the visual aspect of the product, but television may not be accessible to air the commercial. Therefore, he or she has to consider other media to communicate with the target public (Bang & Moon, 2002; Cateora, 1993; Cateora, Gilly & Graham, 2019).

Several general environmental (marketing) factors may affect the firm's decisions in any media selection situation--whether in domestic or non-domestic markets. The most frequently mentioned factors are type of product, target audience, budget size, cost efficiency, reach and

frequency, and competitor's advertising (Barnes, 1975; Barnes, Moscovice & Rassouli, 1982; Coulter & Sarkis, 2005; Donnelly, 1968; Stewart & McAuliffe, 1988). The relative importance of each may vary from one situation to another.

However, there are specific cultural factors that enter into media selection decisions in non-domestic markets to a greater extent than in domestic markets. These include media availability, language diversity, economic level of the area, literacy level, cultural considerations and legal constraints. Several scholars suggested such factors add more complexity to the media selection process (Barnes et al., 1982; Cateora et al., 2019; Donnelly, 1968; Leighton, 1966; Mueller, 2010; Terpstra, Foley & Sarathy, 2016).

This study investigates the importance of both general environmental factors and specific cultural factors in media selection as viewed by U.S headquarters advertising executives. The general environmental factors are labeled general factors, while the specific cultural factors are called specific non-domestic factors. The following is an explanation of the significance of each group of factors.

General factors of media selection

Type of product. A product is the sum of the physical and psychological satisfaction it provides the user (Cateora, Gilly, & Graham, 2019). In both domestic and non-domestic markets, the basic characteristics of the product affect media decisions because they may limit media choices. Certain consumer products of an intimate nature may make it difficult to employ certain types of mass media without antagonizing large segments of the public, including potential customers (Dirksen & Kroger, 1973). Marketers and advertising agencies get frustrated by widely differing restrictions on how products can be advertised. Sometimes they have to produce several versions to comply with various national regulations. In the United Kingdom, for instance, advertisers cannot show a real person applying an underarm deodorant. Explicit advertisements of contraceptives are common in Sweden but far less frequent in most parts of the world (Czinkota & Ronkainen, 2012).

Target market. In every media selection situation the task of the advertiser is to develop a definite understanding of the market for his or her product. He or she can select the medium to carry the message after identifying the group of consumers to whom the message is to be targeted. This, however, may not be as simple as it seems—especially when it is recognized that an optimal medium may not be available in some areas of the world (Jeannet & Hennessey, 2004).

Budget size. Allocation of dollars to advertising limits the flexibility of media choice in both domestic and non-domestic markets. Often, the budget is not large enough to allow year round advertising. In such a situation the planner may allocate the advertising dollars to the best selling months (Sissors & Baron, 2010) In some cases, the budget may not permit advertisers to use more than one medium. Still in other cases, the cost of reach and frequency varies widely from country to country. Sometimes, the budget may have to be split between markets, taking into account the communication objectives of the company or brand (Mooij, 1994).

Cost efficiency. It is imperative for the advertiser to compare costs with ability of the medium to render the kind of service desired (Mueller, 2010). Most advertisers attempt to select the medium that can: (a) deliver their message to their prospects with a minimum of waste (Sissors & Baron, 2010) or (b) reach their target audience most effectively and efficiently (Belch & Belch, 2018). In general, a non-domestic campaign is more expensive than a domestic one. In several countries, additional costs may be incurred due to translations, rewrites and larger amount of management time needed to make sure that a campaign is executed properly (Dahringer & Mühlbacher, 1991). With chaotic buying practices in some international markets, media costs present a major challenge to advertisers in executing cost-effective advertising campaigns (O’Guinn, Allen & Semenik, 2006).

Reach and frequency Closely tied to media budget is the reach and frequency factor. When a media budget is very high, it may be possible to achieve both high reach and high frequency. But most often, the cost is too high to do both (Sissors & Baron, 2010). Media vary considerably in their ability to contact the target market. In many countries, a broad variety of media (national, regional, and international) must be used to reach the majority of the market. However, this tactic often spreads the advertising budget too thin, thereby sacrificing frequency (Dahringer & Mühlbacher, 1991).

Competition. Advertising efforts should always consider the activities of the competition (Sissors & Baron, 2010). By analyzing the competitive expenditures in various media, an advertiser can determine the relative evaluation of the different media by competitors. In some countries, the international company may stimulate national competitors to follow its course of action. In other countries, an aggressive entry may lead nationals to ask their governments to restrict the “intruder” to protect national producers. Also, sound advertising strategy in one market is not necessarily sound in another market with a different competitive situation (Mooij, 1994; Mooij, 2014; Terpstra et al., 2016).

Specific non-domestic factors of media selection

Literacy level. Firms accustomed to advertising in countries where high literacy is taken for granted may find it difficult to adjust to non-domestic markets where literacy is as low as 10%. Low literacy in many countries seriously impedes communication and calls for greater creativity and use of visual media to reach a large segment of the population (Cateora et al., 2019).

Level of economy. Markets require not only people, but people who have money to spend and are able to choose between different brands. The wide range of per capita income figures among nations may necessitate different media selections (O’Guinn et al., 2006; Terpstra et al., 2016).

Media availability. Media patterns differ significantly from country to country (Belch & Belch, 2018). The alternatives that are open to the advertiser in the United States are usually more limited in foreign markets (Cateora, 1993; Cateora et al., 2019; Czinkota & Ronkainen, 2012; Jeannet & Hennessey, 2004; Mueller, 2010; O’Guinn et al., 2006). American firms that depend heavily on television as an advertising medium find they have to forego it in some markets (for example, until rather recently Denmark and Sweden did not allow broadcast advertising) or wait in line for the limited amount of time they can buy in countries such as France and Germany

(Mueller, 2010). By contrast, advertising in cinemas—a relatively minor medium in the U.S.—is important in many countries (Czinkota & Ronkainen, 2012; Dunn, Barban, Krugman & Reid, 1990). Sometimes the problem is having a plethora of media choices rather than a dismal few. A nationwide ad campaign using newspapers in India would require the purchase of space in about a hundred major papers (Dahringer & Mühlbacher, 1991).

Legal constraints. The legal system of a country often has an impact on which media to select for campaigns. Broadcast advertising, for example, is not available in all countries. In some countries, radio and TV stations are owned and operated by government. The effects are not limited to types of media. They may extend to include prohibition on using certain words or styles such as comparative claims. Also, most countries do not allow broadcast advertising for cigarettes or alcoholic beverages though they usually permit such ads in print media (Belch & Belch, 2018; Dahringer & Mühlbacher, 1991; Jeannet & Hennessey, 2004; O’Guinn et al., 2006; Onkvisit & Shaw, 2000).

Language diversity. Media selection becomes more complicated when firms advertise in multiple-language areas of the world. The language multiplicity may entail fragmented media and higher cost per message delivery. Incautious handling of language may cause different kinds of problems (Cateora et al., 2019; Dahringer & Mühlbacher, 1991; Terpstra et al., 2016).

Cultural considerations. Cultural differences exist within as well as between nations requiring advertisers to be constantly alert to a wide variation in people’s beliefs, values and customs which pose a great challenge to their activities (Cateora, Gilly, & Graham, 2019; Kanso & Nelson, 2002). The presence of sub-cultures affects media options (Frith & Mueller, 2003). In the Netherlands, for example, major newspapers appeal to Protestant, Roman Catholic, or non-religious groups. In the U.S., radio programming is often designed to appeal to specific ethnic or regional sub-cultures (Dahringer & Mühlbacher, 1991). Some people in developing countries still do not own a television set, not because they cannot afford it, but reportedly because they believe that the medium corrupts their society.

Advertising decision alternatives

Related to factors of media selection is the management of international advertising. Various companies exercise varying degrees of control over ad practices. Numerous scholars have discussed the general scope of management. Some writers have criticized management’s insensitivity to foreign markets. Almaney (1974), for example, perceived the major problem in international business as failure to communicate effectively rather than any lack of business knowledge or technical skills. He suggested that multinational executives have to practice empathy, while minimizing ethnocentrism, to function successfully. Kothari (1979), on the other hand, attributed the failure of U.S. marketing programs in foreign markets to the adoption of a regional or global approach. He recommended U.S. firms follow a “country orientation” to satisfy the interest of the host country. Adherence to foreign cultures and adjustment to local (non domestic) conditions are some guidelines to the orientation. Though neither of these two writers specified international advertising management in particular, the implication was clear.

A constant issue running through the various attempts at establishing an organizational structure appropriate for international marketing is the role of the parent company headquarters. Goold and Campbell (1989) outlined three roles that corporate headquarters can play in dealing with subsidiaries scattered around the world: controller, coach and orchestrator. The controller gives considerable autonomy to subsidiaries and uses some measures to determine when to intervene. The coach also decentralizes authority but is ready to provide advice and support to subsidiaries. The orchestrator acts as an interventionist with central control and responsibility for various activities, thus, giving subsidiary managers less autonomy. In fact, the question of organizing international advertising is not separated from the company's overall organization for international business. A firm has three basic organizational alternatives: (1) it can centralize all decision making for international advertising at headquarters; (2) it can completely decentralize the decision making for foreign markets; and (3) it can use some blend of these two alternatives (Terpstra et al., 2016).

Complete centralization of international advertising implies that campaign preparation, media and agency selection, and budgeting are all done in the headquarters country. This alternative is less likely where the firm operates through foreign subsidiaries desirous of having a voice in decisions affecting "their" markets. However, centralized control is more feasible when media conditions are similar from market to market and international advertising is standardized by the firm (Terpstra et al., 2016).

Complete decentralization of international advertising means that foreign subsidiaries make all their own advertising decisions and have sufficient skills to perform successfully (Jeannet & Hennessey, 2004). This approach may result from several different considerations: (1) the volume of international business and advertising is too small to warrant executive attention at headquarters; (2) the communication problems between home and field render a centralized approach impossible; (3) the firm feels it can allow local decision making in this area to gain a more national image for itself; and (4) the firm feels that the nationals know the local scene best and will be motivated if given this responsibility (Terpstra et al., 2016). Between the extremes of complete centralization and complete decentralization of international advertising decisions a compromise approach can be reached. Some writers called this approach "coordinated decentralization" in which the advertising managers at headquarters are responsible for international advertising policy, and they establish standard operating procedures and prepare a manual for subsidiaries including budget and reporting forms. The role of subsidiary personnel is stronger in media selection and in the adaptation of advertising appeals to local market needs, while the headquarters' role is stronger in establishing budget and setting objectives (Terpstra et al., 2016).

From the discussion of the centralization and decentralization concepts one may assume that a company with centralized policy should place more importance on general factors because they enter into media selection in non-domestic markets to a greater extent than in domestic markets. One may also assume that a company with decentralized policy should place more importance on specific cultural factors because they enter into media selection in non-domestic markets to a greater extent than in domestic markets.

Thus, the study will deal with two alternatives of media decisions: centralization and decentralization. The “coordinated decentralization” will not be treated as an independent third type. This is specified because the approach emphasizes variations in management control over specific media decisions. Such variations can be measured along with the two alternatives: centralization and decentralization. The terms “foreign markets” and “non-domestic markets” will be used interchangeably.

RESEARCH QUESTIONS AND HYPOTHESES

The study addresses the following research questions and hypotheses:

- RQ1: What are the most serious problems that American advertising managers face in their media selection for foreign markets?
- RQ2: What are the American firms’ levels of access to traditional media in their process of selecting media for foreign markets?
- RQ3: Do international ad managers place more importance on specific non-domestic factors than on general factors when they make media selection decisions for foreign markets?
- H1: Managers in centralized decision firms tend to place more importance on general factors of media selection decisions than do managers in decentralized decision firms.
- H2: Managers in decentralized decision firms tend to place more importance on specific non-domestic factors of media selection decisions than do managers in centralized decision firms.

The proposed relationship in hypotheses 1 and 2 are based on the assumption that the structure of an organization may influence management perceptions of factors of media selection decisions. Thus, where decisions are made at headquarters’ levels, the management’s concern is expected to be higher with general factors (i.e., type of product, target audience, budget size, reach and frequency, cost efficiency, and competition) than with specific cultural factors (i.e., media availability, cultural considerations, legal constraints, level of economy, language diversity, and literacy level). This is mainly due to headquarters’ desire to have upper hands in advertising decisions that are equally related to domestic and non-domestic markets. By the same token, managers in decentralized decision firms may attach more importance to specific non-domestic factors (i.e., media availability, cultural considerations, language diversity, level of economy, legal constraints, and literacy). This can be attributed to managers’ recognition of diversified non-domestic markets and their adaptation to local (foreign) cultures.

METHODOLOGY

The study surveyed international managers of U.S. consumer durable manufacturers. The sample consisted of 118 firms from the *Fortune directory of the 500 largest industrial corporations*. The

business activities of each firm covered areas ranging in scope from three to 57 countries. Overall, the business network of the selected companies reached 120 countries. Most of these companies have conducted business overseas for at least 10 years. However, we cannot identify the individual companies that responded because of our promise of confidentiality. Two major attempts were made to ensure that all chosen firms manufacture consumer durable goods and are involved in foreign markets through either subsidiaries, affiliates or branches. The first attempt screened three industry directories to: (1) name and locate the American firms, and (2) verify their foreign operations. The directories were: *America's corporate families and international affiliates*, *Directory of American firms operating in foreign countries* (now *Uniworl online*), and *Directory of corporate affiliations - Who owns whom*. The second attempt involved long-distance telephone calls to U.S. headquarters of companies screened from the three directories. This effort aimed at (1) getting a precise list of the intended companies and (2) identifying executives who were in charge of international advertising. The latter was especially important because the job title of the international advertising manager varies from firm to firm.

Prior to data collection, a questionnaire addressing several issues of international advertising was mailed to 44 advertising executives whose companies sold consumer durable goods in overseas markets but were not listed in the original sample. These managers represented business firms with smaller operations than those who were included in the sample. Such a procedure was essential to validate the research instrument. Probing into all pretest responses, the writers found that the importance of two media selection factors (consumer database and mechanical considerations) cannot be determined by the majority of the advertising executives. Many managers said that the use of a consumer database is either unavailable, inaccessible, or questionable in non-domestic markets. Managers also wrote comments such as “no response,” “don't know,” and “unable to answer” on the question pertaining to mechanical considerations. This was mainly due to a wide variation in the availability and quality of broadcast transmissions and print reproduction techniques. Thus, the two factors of consumer database and mechanical considerations were dropped from the questionnaire. One open-ended question was revised concerning serious problems that ad managers face when selecting media for foreign markets. The first version of the question yielded some echo effect because it provided respondents with unintended cues.

The data were collected through a mail survey. For research purposes, it was stressed that both pretest and real test must be administered in the same manner. Three waves of the same questionnaire, along with cover letters and self-addressed, stamped return envelopes, were sent to managers in the chosen firms. Instructions in the second and third waves were given to recipients not to fill out the questionnaire if they already responded. Also, before the third wave went out, managers were called to determine if they received the questionnaire. Those who did not fill it out were urged to do so. Of the 118 advertising executives who were on the mailing list, 96 returned the questionnaire that addressed a wide range of international advertising issues. However, only 84 managers were able to answer questions pertaining to the media selection issue. The other 12 executives stated that they were not involved in media selection because their subsidiaries were in full charge. Thus, adjusting the sample size of executives from 118 to 106 and the number of respondents from 96 to 84 would make the return rate 79.3%.

To identify the most serious problems that American advertising managers face in their media selection for foreign markets (Research Question 1), respondents were asked through an open-ended question to pinpoint these problems. Their answers were coded in several categories which indicated the following: budget restrictions, lack of media research, lack of information about media effectiveness, unavailability of appropriate media, lack of reliable data, lack of market research, competition, government control, and inappropriate language and inadequate translation. The categories were established by a marketing professor and an advertising professor at a mid-Western university, and a co-author of this study. The responses were first coded by the co-author and then checked independently by the advertising professor. It turned out that 95% of the responses were placed in the same categories by the co-author and the professor.

To gain insight into the levels of access to media in foreign markets (Research Question 2), American advertising executives were asked to indicate whether they had no access, partial access, or full access to each of the following traditional media: direct mail, magazine, newspaper, outdoor, radio and television.

To determine the relative importance of culture in media selection decisions (Research Question 3), managers were asked to evaluate 12 factors (target market, type of product, reach and frequency, budget size, cost efficiency, competition, media availability, cultural considerations, language diversity, level of economy, legal constraints, and literacy) on a scale providing four levels of importance. The levels were: “very important,” “important,” “slightly important,” and “unimportant.” Scores from 4 to 1 were assigned to these levels respectively. A mean score was computed for each factor. The factors were grouped in two categories: (1) general factors such as product type, reach and frequency, target market, budget size, cost efficiency, and competition, and (2) specific non-domestic factors such as cultural considerations, legal constraints, media availability, language diversity, level of economy, and literacy.

To identify types of advertising decisions (Hypotheses 1 and 2), respondents were asked to estimate the percentage of advertising decisions that their U.S. home offices made for local foreign markets. The percentage of decisions was presented in six brackets: U.S. home office made no decisions, 1% - 25%, 26%- 50%, 51% - 75%, 76% - 99%, and U.S. home office made all decisions. In cases where U.S. home offices were involved in less than 50% of advertising decisions for foreign markets, they were classified as decentralized decision firms. The rest were categorized as centralized decision firms.

FINDINGS

In answering Research Question 1 about the most serious problems that American firms face when they make media decisions for foreign markets, an analysis of 62 responses to an open-ended question revealed that 25% of the reported problems pertain to budget limitation and excessive cost of media, 16% to lack of media research and audited circulation, 15% to lack of information about media effectiveness, 11% to unavailability of appropriate media and 8% to lack of reliable data. The remaining 24% of the mentioned problems relate to limited understanding of local foreign markets, presence of local foreign competition, government restrictions on media and inadequacy in language translation.

The overall picture indicates that the most serious problem that American firms face is lack of information about markets. Information about media availability, reach and effectiveness is either unavailable or questionable in overseas markets. About 39% of the reported problems relate to research matters. This finding itself is not surprising, but the intensity of such problems may raise a question about the appropriateness of media decisions for foreign markets. Such decisions, to be effective and meet market demands, must be based on accurate and reliable data.

In answering Research Question 2 about levels of access to media in foreign markets, an analysis of responses from 84 managers showed magazines as the most accessible medium in foreign markets. Newspapers come in second. About 85.7% of the respondents said they had full access to magazines while 71.4% said the same of newspapers. Amazingly, about 32.1% of the responding managers claimed to have full access to radio, and only about 27.4% reported full access to television (Table 1).

The last finding does not seem to be promising to those who stress the increasing power of television in facilitating unified worldwide advertising campaigns. The study is not concerned with reasons of inaccessibility. However, one can reasonably assume that legal restrictions and/or technical considerations as well as state ownership which rules out commercials are major barriers that prevent access to television in many areas of the world.

Table 1. Levels of Access to Media as Reported by Advertising Managers

	Full Access	Partial Access	No Access	Total Percentage*
Magazine	85.7%	14.3%	---	100%
Newspaper	71.4%	25.0%	3.6%	100%
Direct Mail	50.0%	39.3%	10.7%	100%
Outdoor	34.5%	36.9%	28.6%	100%
Radio	32.1%	39.3%	28.6%	100%
Television	27.4%	46.4%	26.2%	100%
*Base figure for each percentage is 84, the total number of respondents for these analyses.				

Research Question 3 addressed the relative importance of factors of media selection. The findings revealed, as presented in Table 2 that general factors were rated more important than specific non-domestic factors. Target market, product type, and reach and frequency had the highest mean scores (3.59, 3.58, and 3.27 respectively).

Table 2. Relative Importance of Factors of Media Selection Assessed by International Advertising Manager

Target Market*	3.59
Type of Product*	3.58
Reach and Frequency*	3.27
Budget Size*	3.21
Media Availability	3.05
Cost Efficiency*	2.89
Cultural Considerations	2.81
Language Diversity	2.63
Level of Economy	2.55
Legal Constraints	2.51
Competition*	2.32
Literacy	2.19

*General Factors. All others are specific.

Media availability (3.05), followed by cultural considerations (2.81), was rated as the most important in the group of specific non-domestic factors. This could be attributed to the complexity of media conditions in many countries which may have led advertisers to seriously consider the available options. The literacy factor had the lowest mean score (2.19).

Overall, the ratings suggest that in selecting media for foreign markets, U.S. firms still emphasize criteria supported by American domestic advertising research (i.e., target market, product type, reach and frequency, and budget size). Some of these ratings were similar to ones reported by Donnelly (1968).

Hypothesis 1 assumed that managers in centralized decision firms tend to place more importance on general media selection factors than counterparts in decentralized decision firms. The general factors involve: product type, target market, reach and frequency, cost efficiency, budget size, and competition. The data showed that 59 firms (70%) were decentralized in their advertising decisions for foreign markets. Only eight of the 25 centralized decision firms reported that U.S. headquarters made all advertising decisions for their foreign markets. In conducting a multivariate Wilks' lambda test, the findings (Table 3) did not support this hypothesis. Also, univariate F-tests provided no significant differences between the two groups of managers regarding their assessment of each factor of media selection.

Table 3. Importance of General Factors
Based on Alternatives of Advertising Decisions in the Firm

General Factors	Mean, Decentralized	Mean, Centralized	<u>F</u>	<u>P</u>
Product Type	3.54	3.65	.40	N.S.D.
Target Market	3.52	3.72	.17	N.S.D.
Reach and Frequency	3.20	3.41	.21	N.S.D.
Cost Efficiency	2.85	2.96	.51	N.S.D.
Budget Size	3.10	3.41	.07	N.S.D.
Competition	2.30	2.34	.86	N.S.D.

Wilks' lambda = .94, d.f. 6, 77; P = .58.

The degree of freedom for each univariate F = 1, 82.

In all statistical tests, the region of rejection was set at .05.

Hypothesis 2 assumed that managers in decentralized decision firms tend to place more importance on specific non-domestic factors than do managers in centralized decision firms. The specific non-domestic factors comprise: media availability, cultural considerations, legal constraints, level of economy, language diversity, and literacy level. Like the previous one, hypothesis 2 gained no support. Wilks' lambda test, as presented in Table 4, showed no significant difference. Also, none of the univariate F-tests revealed a significant difference.

Table 4. Importance of Specific Non-Domestic Factors Based
on Alternative Advertising Decisions in the Firm

Specific Non-Domestic Factors	Mean, Decentralized	Mean, Centralized	<u>F</u>	<u>P</u>
Media Availability	3.00	3.13	.45	N.S.D.
Cultural Considerations (e. g., customs, values)	2.89	2.69	.23	N.S.D.
Legal Constraints	2.47	2.58	.60	N.S.D.
Level of Economy	2.43	2.75	.14	N.S.D.
Language Diversity	2.68	2.62	.94	N.S.D.
Literacy Level	2.12	2.31	.41	N.S.D.

Wilks' lambda = .92, d.f. 6, 77; P = .43.

The degree of freedom for each univariate F = 1, 82.

In all statistical tests, the region of rejection was set at .05.

The findings of hypotheses 1 and 2 suggest that the relative importance of both specific non-domestic and general factors of media selection is not influenced by alternatives of advertising decisions. Advertising managers appear to have a consensus in favor of general factors. These factors affect media selection in any situation -- whether in domestic or non-domestic markets. The limited literature reported a relationship between alternatives of advertising decisions and

some non-domestic factors addressed in this study. For example, Donnelly (1968) noticed that managers in decentralized decision firms rated media availability, level of economy, language and literacy as being more important than did managers in centralized decision firms. This study, however, suggests that non-domestic factors of media selection are losing rather than gaining recognition.

DISCUSSION

In general, the findings are not fully consistent with the literature. International advertising managers do not seem to display a deep concern for specific non-domestic factors. Rather, they tend to be “domestic criteria oriented” in their media selection. Lack of recognition of non-domestic factors might be attributed to several reasons. One reason is that advertising managers may feel frustrated by variations in worldwide media infrastructure. As Terpstra and Sarathy (1994) put it, “One cannot take a successful media configuration from domestic operations and apply it abroad because the same facilities are often not available” (p. 474).

Another reason is that lack of research may lead managers to misperceive non-domestic media and consumer conditions. About 40% of the problems reported by advertising executives in this study relate to research matters. This finding itself is not surprising but the intensity of such problems may raise a question about the appropriateness of media decisions for foreign markets. Such decisions, to be effective and meet market demands, must be based on accurate and reliable data. Another reason is that potential communication problems with subsidiaries may diminish managers’ interest in estimating appropriate procedures. An additional reason is that some managers may perceive both the world market and the American market segmented into sub-cultures and, therefore, they consider cultural factors as equally important in domestic and non-domestic markets. In fact, media availability and language diversity are already main factors in media selection in the Southwest U.S. where there are major Hispanic and Asian populations. For example, in El Paso, Texas, Arbitron TV and Radio Reports give audience shares for Spanish-speaking and English-speaking audiences.

CONCLUSIONS AND RECOMMENDATIONS

The literature suggests that more American companies are using localized advertising messages in their international campaigns. Based on the findings of this study, one may conclude that cultural diversity seems to influence the advertising message (creative strategy), not the media vehicles (distribution strategy). While this study provides some meaningful answers about the relative importance of factors of media selection, it also suggests future research possibilities, including:

1. The study found that ad managers place more importance on general rather than specific non-domestic factors of media selection. Further research is needed to determine the relative weight for each factor or group of factors depending on area of foreign markets. For example, media selection criteria in the U.S., Japan and some Western European countries are quite similar. There are audience data companies, huge numbers of media outlets, large advertising budgets and major use of computerized media selection methods. However, media selection methods outside

- the most developed countries are quite different since there are fewer media alternatives and little data on media use by consumers.
2. The study revealed that advertising managers place little importance on literacy. Why this lack of concern exists requires additional research. Questions related to types of products (sophisticated or unsophisticated) and areas of markets (developed or underdeveloped countries) can be addressed.
 3. The study suggested that international advertising managers consider the most important factors in media selection for foreign markets are those frequently supported by domestic media research. Research is needed to determine if these criteria of selection are equally evaluated by a different type of research—research done by an independent foreign expert.
 4. The majority of the firms in this study are decentralized in their advertising decisions. Research is needed to determine if such an alternative is due to fragmented foreign markets or headquarters' intention to have subsidiaries dictate their own decisions. Research is also needed to examine if a relationship exists between the size of foreign subsidiary and alternative of advertising decision.
 5. This study did not address the effect of accelerating changes in media technology, especially social media. Researchers need to investigate if these changes have impacted criteria of media selection in favor of general factors.
 6. One may argue that the type of selling message dictates the appropriate choice of media. For example, advertisers interested in appealing the prospects by color advertisements may find billboard, film, magazine and television serve this purpose more than other media. Research is needed to test such a reasonable assumption.
 7. Consumer confidence of a vehicle should be an important consideration in the process of selecting media for foreign markets. There is a common belief in the U.S. that advertising messages in magazines and newspapers enjoy a higher degree of credibility than in radio and television commercials. Research is needed to determine if such a belief holds true in overseas markets.
 8. Future studies may want to examine the media selection strategies of firms using one policy approach in comparison to the other policy approach within a specific country or region.
 9. A final area worthy of future consideration is the utility of the media selection strategy. It may prove instructive to learn whether certain outcome variables are influenced by the choice of media selection strategy. Knowing whether sales, customer satisfaction, customer loyalty, etc. are impacted would provide additional insight about the significance of the selected media strategy.

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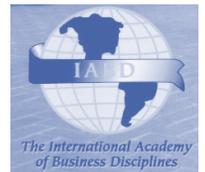
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