Solutions for a small planet: An examination of IBM's global campaign in the context of modern international advertising.

Javier Valdivieso
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SOLUTIONS FOR A SMALL PLANET: AN EXAMINATION OF IBM's GLOBAL CAMPAIGN IN THE CONTEXT OF MODERN INTERNATIONAL ADVERTISING

by

Javier Valdivieso

A Thesis submitted to the Faculty of Graduate Studies and Research through the Department of Communication Studies in Partial Fulfillment of the Requirements for the Degree of Master of Arts at the University of Windsor

Windsor, Ontario, Canada

May, 1996
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ABSTRACT

This thesis, based on a contemporary case study, provides an examination of modern international advertising from an intercultural communications perspective. I argue that in a world characterized by new economic models and the globalization of markets, concepts such as culture, cultural values, communication, and advertising acquire new meanings, renewed importance, and new forms in the realm of international advertising. I also maintain that in a world in which information constitutes a central resource, new communication modes and technologies are reshaping the practice of international advertising.

I examine several relevant theories, including an overview of different approaches to culture and related concepts, and review the relationship between communication and culture. Next, I turn to an analysis of the role of culture in shaping organizational communications, followed by a discussion of the practice of advertising as a persuasive output of efficiency-driven organizations. I review the practices of marketing, international marketing communications, and international advertising, and conclude with an examination of the issue of new information technologies affecting markets worldwide.

In the case study, I take a look at IBM's "Solutions for a Small Planet" campaign. Based on the previously discussed theories, a model describing the process of international advertising is proposed, and then used as an analytical framework for exploring the contemporary global environment in which this campaign is taking place. A discussion of the campaign using the same analytical framework follows. Here I discuss different organizational and
marketing issues which have led to its development, and analyze its advertising pieces from a cultural standpoint. Finally the concluding chapter sums up relevant ideas pertaining to the campaign, international advertising, and intercultural communications.
To my family, and especially to my parents, who have always trusted my decisions, for all their love and support, even at the distance.

To Paula, who has always believed in me, for her guidance and encouragement, for her sharing stimulating discussions and brilliant ideas, and especially for her priceless love, affectionate care, and unconditional support.

I love you all.
ACKNOWLEDGMENTS

I wish to acknowledge the invaluable help and cooperation of many people who have made possible the completion of my studies and thesis.

Former teachers and friends of the Faculty of Communications at the University of Lima, especially my good friend Pedro, who more than once went to great lengths to help me. Members of the Department of Communication Studies at the University of Windsor, and particularly Ann, not only a very resourceful person, but also a very dear friend. The members of my thesis committee, Dr. Kai Hildebrandt and Dr. Betty Jane Punnett, and of course my advisor, Dr. Christopher King, who showed a lot of patience and cultural understanding. My long-time friends living in Canada, and my new Canadian friends, all constant sources of good will and support. The Habas family, who welcomed me with extended arms, incredible generosity, and the greatest affection.

To all of you my sincere gratitude and appreciation.
# Table of Contents

**Abstract** ........................................................................................................... iv

**Dedication** ......................................................................................................... vi

**Acknowledgments** ......................................................................................... vii

**List of Tables** .................................................................................................. xi

**List of Figures** .................................................................................................. xii

**List of Exhibits** ................................................................................................. xiii

**Preface** ................................................................................................................ xiv

**Chapter 1: Introduction** ................................................................................ 1

**Part One: International Advertising in a Cultural Context**

**Chapter 2: The Study of Culture** ................................................................. 9

2.1- Approaching Culture .................................................................................. 10

2.2- Approaching Communication Between Cultures ...................................... 12

2.3- Approaching Culture and the Organization ............................................. 14

**Chapter 3: Communication and Culture** ..................................................... 18

3.1- Human Communication ............................................................................. 19

3.2- The Essence of Culture .............................................................................. 20

3.3- Cultural Values ............................................................................................ 22

3.4- Intercultural Communication Variables .................................................. 25

**Chapter 4: Organizational Culture and Communications** ............................ 27

4.1- Understanding Organizational Culture ..................................................... 27

4.2- Elements of the Organizational Culture .................................................. 29
4.3- ORGANIZATIONAL CULTURE AND MANAGEMENT............30
4.4- COMMUNICATION IN ORGANIZATIONS........................32

CHAPTER 5: COMMUNICATION AND ADVERTISING.................35
5.1- FUNCTIONAL PURPOSE OF PERSUASIVE
COMMUNICATION..................................................36
5.2- ADVERTISING MANAGEMENT..................................38
5.3- ADVERTISING CAMPAIGNS....................................40

CHAPTER 6: MARKETING AND INTERNATIONAL ADVERTISING......44
6.1- THE OVERALL FRAMEWORK OF MARKETING..............45
6.2- INTERNATIONAL MARKETING COMMUNICATIONS.........47
6.3- INTERNATIONAL ADVERTISING...............................50

PART TWO: SOLUTIONS FOR A SMALL PLANET

CHAPTER 7: THE NEW INTERNATIONAL ADVERTISING ARENA....55
7.1- UNDERSTANDING INTERNATIONAL ADVERTISING: A
MODEL.......................................................................55
7.2- NEW TECHNOLOGIES............................................63
7.3- VIRTUAL COMMUNITIES.........................................67
7.4- NEW MEDIA AND NEW INFORMATION PROVIDERS........71
7.5- NEW AGENCIES AND NEW ADVERTISING...................74

CHAPTER 8: SOLUTIONS FOR A SMALL PLANET..................80
8.1- COMPANY PROFILE..............................................81
8.2- IBM IN THE WORLD MARKETPLACE.........................83
8.3- THE CAMPAIGN..................................................84
8.4- THE STRATEGY...................................................86
8.5- THE ADS..........................................................88

CHAPTER 9: SUMMARY AND CONCLUSIONS......................105
9.1- SUMMARY........................................................105
LIST OF TABLES

TABLE 1
APPROACHES TO THE STUDY OF CULTURE ......................................................11

TABLE 2
APPROACHES TO DEFINING CULTURE ..........................................................12

TABLE 3
INQUIRY ABOUT COMMUNICATION AND CULTURE ....................................13

TABLE 4
INQUIRY ABOUT ORGANIZATION AND CULTURE .......................................16

TABLE 5
UNDERSTANDING VALUES ..............................................................................23

TABLE 6
VARIABLES AFFECTING INTERCULTURAL COMMUNICATION .......................26

TABLE 7
GLOBAL SETTINGS ........................................................................................29

TABLE 8
CATEGORIES AND EXAMPLES OF CULTURAL FORMS .................................31

TABLE 9
ADVERTISING AND INTERNATIONAL COMMUNICATION ...........................34

TABLE 10
THE DEVELOPMENT OF ADVERTISING .......................................................43

TABLE 11
BECOMING INTERNATIONAL ......................................................................48

TABLE 12
GLOBAL MARKETING SUITABILITY ..............................................................49
LIST OF FIGURES

FIGURE 1
THE PROCESS OF INTERNATIONAL ADVERTISING .......................... 56

FIGURE 2
INTERNET CONNECTIVITY ...................................................... 65
LIST OF EXHIBITS

EXHIBIT 1
INTERNATIONAL BUSINESSES INVOLVE CULTURAL DIFFERENCES ................................................................. 60

EXHIBIT 2
INTERNATIONAL ADVERTISING TRIES TO REACH DIFFERENT PUBLICS .................................................. 61

EXHIBIT 3
SUCCESSFUL STRATEGY IN QUEBEC ................................................................. 62

EXHIBIT 4
FINANCIAL BUSINESSES USING THE INTERNET .................................................. 66

EXHIBIT 5
CULTURAL DISCREPANCY AND ONLINE INTERACTION ........................................... 69

EXHIBIT 6
CANADIAN COMPANIES CATER TO GLOBAL MARKETS' NEED FOR ADVANCED INFORMATION SOFTWARE ........... 72

EXHIBIT 7
COMPUTER GIANT BECOMES INFORMATION PROVIDER ........................................... 74

EXHIBIT 8
QUALITY CANADIAN PRESENCE ON THE INTERNET ........................................... 76
The aim of this thesis is to explore the complexity of modern international advertising from an intercultural communications perspective. Hence I intend to shed light on this yet to be developed area by illustrating with a case study the cultural intricacies of global advertising, without necessarily trying to prove or disprove any specific hypothesis. The complex interrelatedness of the several variables involved in these kinds of processes merits this approach to the study.

For this purpose I intend to show how traditional notions of culture, cultural values, communication, and advertising acquire new meanings, greater importance, and new modalities in the context of modern international marketing communications. I also intend to provide insights concerning the preponderance of new high-tech media in the production and distribution of information in the new international marketing arena.

The rationale behind this endeavor lies in the intrinsic relationship between (1) values, (2) culture, and (3) communication. In other words, values are the core of any culture, communication is the instrument for influencing people and building cultures, and values permeate every form of communication. Advertising, a well known form of communication, has usually reflected such a relationship. As a cultural process, advertising is shaped by the organizational, managerial, and marketing practices characteristic in the social environment where it is taking place. As a cultural product, advertising reflects the cultural values prevalent in society as well as in markets.
In the context of international advertising these dynamics are much more complex, since they involve the engagement and interaction of target markets and marketing practices shaped by different cultures. Many obvious as well as more subtle factors such as specific consumption patterns, transnational market segments, international advertising networks, among others, affect the process of developing advertising. Thus, the resultant advertising products fall somewhere along a continuum between standardized and contextual-specific.

Furthermore, new elements are beginning to play an important role in contemporary international advertising. The move towards global economic modes in the information age is resulting in new economic activities and relationships, with the consequent emergence of new marketing problems and necessities. New information technologies are reshaping market segments, and even fostering the appearance of new ones with distinct cultural characteristics. In addition, these technologies are in themselves new tools available to marketers and advertisers for reaching and affecting markets.

Consequently many general questions of academic interest arise. What is the most appropriate approach for understanding current developments in international advertising? Is culture still an element playing an important role in such processes? How do organizational operating environments--internal and external--affect international advertising outcomes? How is international marketing communications different from domestic marketing and advertising? Are new information technologies changing people's ways of life and consumption patterns? What role do these technologies play in the contemporary international marketing and advertising arena? These and many other questions deserve to be explored, especially since we are in a period of transition and fast changes that will undoubtedly result in new modalities of businesses and communications in the near future.
This thesis is divided in two closely-related parts: a theoretical discussion and a contemporary case study. Both are preceded by an introductory first chapter in which I discuss how the world is changing from old to new economic and social relationships. Relying on well established theories, the first part examines different issues concerning culture, communication, and advertising. The second uses a global advertising campaign as a case study in order to analyze current trends in international marketing communications.

In the first part, the second chapter will begin with an introduction to relevant concepts of culture and intercultural communication, followed by an overview of the principal perspectives for the study of communication between cultures. In the third chapter, I will deal with the issue of human communication and the importance of symbolic exchange for the developing of cultures. After a brief examination of different perspectives concerning a culture's make-up, I will examine different variables in intercultural communication processes, identifying the importance that cultural values have for effective communication between people of different cultures.

In the fourth chapter I will address the relationship between culture and organizations. Here I will discuss how the particular culture of any given organization, which in turn is affected by the organization's cultural environment, is reflected in its institutional communications and advertising. In the fifth chapter I will discuss the concepts of persuasive communication and advertising. The objective of this chapter is to explore the dynamics of persuasive messages, and the importance of the link between attitudes, beliefs and values for attaining the desired effectiveness.

The sixth chapter will be devoted to a brief examination of the practices of marketing and of international marketing communications. The scope of this
inquiry makes relevant the study of how organizations engage in the
development of advertising messages targeting foreign cultures.

The second part will be devoted to the analysis of a case study
representative of global marketing in the information age: the "Solutions for a
Small Planet" campaign of International Business Machines (IBM). This campaign
marks a departure from both standardized global campaigns—the same message
for everybody—and specifically designed global campaigns—different messages
for different targets. "Solutions for a Small Planet" is built around different
messages based on, and targeted to, people from different cultures around the
world. However, all the messages are simultaneously shown to every target
audience around the world regardless of cultural backgrounds.

This case study will be conducted in two steps. First, in the seventh
chapter I will introduce a model based on the previously examined theories,
which I will then use as an analytical aid in order to identify and briefly examine
relevant issues concerning the current environment of international marketing
and international advertising, an environment in which IBM plays an active role.
This analysis will include, as far as possible, some other examples of
contemporary cases or campaigns related to the international advertising arena.
Second, in the eighth chapter I will use the same analytical aid to identify and
briefly examine relevant issues concerning IBM's campaign "Solutions for a Small
Planet" from an intercultural communications perspective. This analysis will
include some background information about the organization and the campaign,
yet the emphasis will be placed on discussing the IBM's advertising as a cultural
product.

For the last step, three printed ads and six television spots will be used for
the analysis. Special attention will be paid to the analysis of what Hugh Rank
(1991) calls desire-stimulating techniques, since they can be understood as the
persuasive core of the ads. As such they carry some added values—embedded and implicit values—that are supposed to stimulate the purchase act. Therefore, it will be interesting to know if such added values pretend to be "universal" or if they are instead culture-bound. In the final chapter—the ninth—I will summarize the main points of the thesis and draw some conclusions pertaining to the campaign, international advertising, and intercultural communication.

In conclusion, a few observations are appropriate at this point. First, the introductory paragraphs at the beginning of chapters two through six, should not be credited to anybody but myself. These paragraphs, which are intended for reference purposes only, reflect some of my experiences related to the issues discussed, and will be documented when appropriate.

Second, throughout this research I make constant reference to marketers and advertisers. Although in reality there is no clear-cut distinction between these two kinds of individuals involved in the marketing process, for my purposes I am considering them to be separate parties: marketers means those involved in the commercialization of products and services, and advertisers those devoted primarily to promoting consumption of such products and services.

Third, in my research I use the terms "international advertising" and "international marketing communications" almost interchangeably. Basically both refer to those advertising processes that are targeted to one or more foreign markets, that is markets located outside the country of origin.

Fourth, unless otherwise stated, the term global advertising refers to the current tendency of targeting and promoting products and services in as many countries as possible. Basically I am trying to use this term in a way consistent with its wide-spread diffusion as a buzz-word throughout business circles.
Nevertheless, as I will note later, there are very few products and services that are advertised in a truly worldwide fashion.
CHAPTER 1
INTRODUCTION

On the brink of the twenty-first century the world is experiencing changes on a scale that rivals that of the Industrial Revolution. The "New Economy" and the "Information Super-Highway" are household terms today. These terms represent a radical transition from an economic mode no longer efficient into new kinds of economic relationships characterized by the ever-growing use of computer technology, the shrinking of organizational structures, and the globalization of markets. The economic necessity to compete in foreign, not just domestic markets, is driving governments everywhere to sign free trade agreements intended to lift barriers imposed on international trade.

Canada has not been immune to this trend. The North American Free Trade Agreement (NAFTA), the opening of negotiations to create an Asian-Pacific trade zone, and the 1994 "Summit of the Americas," exemplify some of the efforts to advance international trade for Canadian businesses. After the severe recession of 1989-1992, Canadian companies are promptly jumping into the international playground and assuming an active trading role in a rapidly changing world.

The move to a "global village" represents far more than just economic trade. Today's international business arena is also trading in non-traditional currencies, especially culture, language, and values. Effective communications are more vital than ever, and therefore understanding modern international trade
from a communications point of view is increasingly important to the success of any forward-thinking business.

As in domestic operations, international businesses include communication processes that link manufacturers, distributors, retailers, and consumers. However, in this "global market" scenario the practices of marketing and advertising assume a new dimension of complexity. This means that on the one hand differences in cultural backgrounds represent major difficulties for marketers and advertisers when attempting to influence foreign markets, while on the other hand more exposure to products, services, and communications related to a foreign country may easily take its toll on the cultural integrity of any given society. In essence, this kind of communication process is complicated by cultural and linguistic variables, some of which are obvious, others so subtle as to go unnoticed by most business managers.

The issue of social influence is not trivial, given that human beings have to resort to exerting influence upon each other in order to satisfy their needs. Since individual efforts are seldom enough to accomplish people's objectives, they must organize themselves into groups, thus putting together a collective effort in the execution of tasks (Tolera Myers and Myers 1982, 5). Similarly, yet on a different level, sociocultural groups try to exert influence on other groups so as to accomplish more complex ventures.

These sociocultural dynamics help to explain the character of the intervention of certain organizations on foreign cultures. When the local markets of a given organization are saturated, the organization must seek out new markets in order to keep its margins of profit and growth. Often this is accomplished by looking outside the organization's indigenous environment to international and foreign markets. This action, expanding national markets to
international markets, promotes the development of international marketing communications in general, and of international advertising in particular.

Both globalization of marketing and of advertising are concepts surrounded by controversy. As I will explain later, one group of marketers feels that globalization per se involves standardization of products and services, as well as of other components of the marketing mix, including advertising. Others encourage marketers to develop marketing programs and advertising campaigns specifically designed for foreign markets. Within the relevant literature there is evidence of disagreement concerning the extent of standardization that advertisers can strive for without losing effectiveness.

Caught in the middle of this dispute, advertisers must decide whether it is convenient to employ standardized appeals when dealing with an international advertising project, or whether they should tailor their messages to suit the cultural uniqueness prevalent among each different segment of their international markets.

On the one hand, it may be reasonable to think about basic universal strategies of influence, since human beings seem to share the same elementary psycho-dynamics all the world over. On the other hand, histories of successes and failures seem to suggest that besides consumers' demographics, differences in factors such as cultural values, social roles, shared beliefs, and the like, affect directly the design and consequent impact of advertising messages.

Differences in cultural values are particularly relevant for advertisers, since no two markets are alike. Communication, being the principal way to exert influence, is consequently the foundation for building up and maintaining

---

1 For example, see Maslow's hierarchy of needs (1954), Rogers' humanistic self-actualization (1961), and Hofstede's mental programming (1981).
cultures. Since values are the core around which cultures are structured and shaped by establishing what is acceptable and what it is not in each specific context (Thiederman 1991a, 81 and 1991b, 101), cultural values pervade and mold all cultural manifestations, including communications and advertising.

Although cultures vary in countless ways, these variations can be analyzed systematically by using theoretical constructs such as, dimensions of cultural variability. It seems likely—as will be discussed later—that such variations stem from, and are reflection of, prevalent cultural values in each society. Moreover, the influence of values is not limited to tangible cultural manifestations. Values affect people's perceptions, habits and daily customs, and of course behaviors. Therefore, as in any other process of influence, values play an important role in advertising, since they are deeply ingrained in the psyche of the individuals engaged in, and affected by, this kind of communication process.

As a result, when advertisers try to exert influence on target cultures, they are left to answer questions about which values will be relied upon when designing messages. Should they appeal to the target culture's values or the host's? Or both? And in the latter case, to what extent will advertising rely on each set of values?

The complexity of global marketing is not limited to this dilemma concerning the design of advertising messages. The way businesses are carried out, the relevance of the product or service for different markets, legal formalities, consumption patterns, media preferences, organizational cultures, and many more, are all factors influenced by the specific cultural environments in which the processes of international marketing communications are to take place.

As complicated as it seems, this was the scenario of global marketing and global advertising until recently. Now the issue is even more intricate. In the
dawn of a new era in which traditional skills are rapidly losing applicability, in which technology becomes obsolete almost overnight, creating a frenzy for upgrading, and in which jobs are being replaced by individually owned and operated home businesses, new rules of engagement as to how to do business internationally are forcing marketers and advertisers to rethink their practices in order to effectively reach their targets.

Back in the 1960s, Marshall McLuhan observed that electronic media were putting human beings in contact with everything around the world, bringing about a new era of tribalization or global community (1964). In the 1980s, echoing these ideas, Alvin Toffler put forward the notion that human civilization was beginning to undertake a colossal shift towards what he called the "Third Wave of Change" (1994).

According to Toffler, humanity has already undergone two great phases of change in the course of its development. In the "First Wave" the agricultural society was developed throughout a span of many centuries, whereas in the "Second Wave" the industrial revolution took place in only three centuries. Nowadays human beings are confronted by an overwhelmingly fast "Third Wave" of change, which in just a few decades is bringing about the Information Society. This new civilization represents the rise of new ways of living and learning, the collapse of traditional political structures and the emergence of new ones, as well as the diversification of formerly rigid patterns of socialization, value systems, and even working time.

Important elements of this new civilization are, of course, new economic modes. Canadian economist Nuala Beck has coined the term "New Economy" to describe the technology-based economy that has been around for the last few years (1992). As opposed to the old economy sustained by the auto, housing, machinery, and retail industries, the "New Economy" is fueled by
instrumentation production, health and medical services, computer and software
development, and telecommunication and information services.

These changes are of great significance for marketers. Traditional products
are no longer easily marketable, either locally or internationally. Instead,
products and services related to the information age seem to be the driving
forces of economies in many industrialized countries.

In this new reality of empirically observable changes, global advertisers
find themselves trying to rethink a trade that inevitably has relied upon mass
media, which itself is changing. Despite the growth of media conglomerates
through acquisition and mergers, mass media are becoming more and more
specific and highly specialized. At the same time, new media seem to appear
almost unexpectedly, each loaded with high expectations as to its possibilities for
reaching potential audiences all over the world.

Multimedia and interactive media production houses abound, satellite TV
is becoming an alternative to broadcast and cable television, and virtual reality
and the 500 channel universe may be around in a few years. At the same time,
powerful interests are behind the merger of television, cable, telephone,
software, and entertainment in an "information superhighway" centered mostly
around consumption. And, although commercial on-line services threaten to
dominate the computer-networks universe, a more information-oriented
superhighway is already in place. Computer bulletin boards and the Internet
provide a more "democratic" and consumer-centered forum for electronic
communications.

The advertising industries are trying to understand and exploit
advantages provided by these technologies. Seminars on interactive media,
marketing on the Internet, and the like are booming. Discussions about
cyberspace abound in professional forums such as the 1995 Canadian Congress of Advertising recently held in Toronto.

Intellectuals are also trying to make sense of this information age. Paradigms dealing with the social effects of 1960s "new technologies" have become dated, and traditional views on intercultural communication no longer suffice. Since individual interactions have normally been the focus of intercultural communication research, still little is known about the social and cultural impact of these advanced media on societies all over the world.

From a cultural standpoint, several questions come to mind. Are the new technologies a new form of cultural imperialism? Is the information age bringing about a new global culture? Is national culture relevant--or rather irrelevant--for globalization in this new era? Are particular cultural values overridden by a new electronic culture? Certainly these and other pertinent questions deserve further inquiry by the academic community.

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PART ONE

INTERNATIONAL ADVERTISING IN A CULTURAL CONTEXT
CHAPTER 2

THE STUDY OF CULTURE

When I first came to Canada I was struck by the lack of touching between people engaged in some form of personal interaction. In hindsight, it was probably I who somehow confused people by consistently extending my hand to males and by kissing females on the cheek. This difference in socialization patterns between North Americans and Latin Americans is not unimportant. This is just one example of cultural differences.

Culture is everywhere and affects everybody around the world. Cultural entities and cultural manifestations are easily observable and distinguishable. However, the phenomenon itself is not. Scholars from different disciplines have tried to define culture in an attempt to reach comprehensive explanations of this phenomenon. Countless definitions attempt to provide an understanding of it, and all-encompassing classifications of cultural variables are plentiful.

Before venturing into any discussion of international advertising and of international marketing communications, it is advisable first to define the concepts of culture and intercultural communication. Culture is one of the most important factors governing human communication, and is specially important when people from different backgrounds interact with each other. It is also convenient to review current perspectives related to the study of culture, communication between cultures, and the relationship between culture and organization. After doing all this, it will be necessary to place this thesis in context with respect to the reviewed theoretical approaches.
2.1- APPROACHING CULTURE

According to Wuthnow et al. the study of culture has been approached under many different perspectives, yet the concept remains somewhat elusive. Whereas Marxism and neo-Marxism have seen culture as an ideological mechanism, other perspectives have dealt, with different degrees of success, with culture as a recognizable social phenomenon (1984, 1-17).

The authors go on to point out that structural-functionalism sees culture as a system of social action, whereas symbolic interactionism is concerned with perceptions, symbolisms, and meanings. Meanwhile, social psychology's attention is focused on attitudes and beliefs as links between personality and culture. On the other hand, less positivist and more interpretive theories approach the study of culture from a broader standpoint. For instance, phenomenology analyzes the inter-subjective aspect of social interaction, cultural anthropology examines rituals and systems of order in societies, structuralism posits a relationship between knowledge and power, and critical theory is concerned with issues of legitimacy and cultural evolution (ibid).

Table 1 summarizes the most prominent academic approaches for the study of culture. Whereas some of these approaches are closely related, others are very different to the point of representing, in some cases, conflicting points of view within the academic community. Thus, it is understandable that none provides an all-encompassing and agreed-upon understanding of the concept of culture.

Among these different approaches, social psychology seems to be the most useful for understanding the dynamics of international advertising. According to this perspective, the exchange of meaning is fundamental for the exertion of influence and for the consequent development of culture. At the core
of all processes of influence there are systems composed of attitudes, values and beliefs. That is why cultural values are the cornerstone for every social manifestation, including that of advertising.

**TABLE 1: APPROACHES TO THE STUDY OF CULTURE**

<table>
<thead>
<tr>
<th>Marxism/NeoMarxism</th>
<th>Culture as Ideological Mechanism.</th>
<th>Other Perspectives</th>
<th>Culture as recognizable social phenomenon.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positivist</td>
<td>Interpretive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural</td>
<td>System of social action</td>
<td>Phenomenology</td>
<td>Intersubjective aspect of social interaction</td>
</tr>
<tr>
<td>Functionalism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Symbolic</td>
<td>Perceptions, symbology, meanings.</td>
<td>Cultural Anthropology</td>
<td>Rituals and systems of order in societies.</td>
</tr>
<tr>
<td>Interactionism</td>
<td>Attitudes &amp; beliefs linking personality and culture</td>
<td>Structuralism</td>
<td>Relationship between knowledge and power</td>
</tr>
<tr>
<td>Social Psychology</td>
<td>Critical Theory</td>
<td></td>
<td>Legitimacy &amp; cultural evolution.</td>
</tr>
</tbody>
</table>


Concerning culture, several definitions have been suggested by theorists. Table 2 is a summary of the findings of Lustig and Koester (1993), who have identified four relevant approaches for defining culture. The first and most common approach is to define culture in terms of its components. A second set of definitions is based on the assumption that culture is composed of all the symbolic baggage that is learned by members of a given cultural affiliation. The third kind of approaches stresses the perceptual sharing of beliefs, values, and rules that set guidelines for people's behaviors. Finally, the fourth approach sees culture as historically transmitted meanings and beliefs (*ibid.*, 37-40).

These authors suggest that from a communications standpoint, culture can be defined as "a learned set of shared perceptions about beliefs, values, and norms, which affect the behaviors of a relatively large group of people" (*ibid.*, 41). This is a very useful definition, since it stresses the relationship between culture
and communication by pointing out that culture is acquired through social interaction.

**TABLE 2: APPROACHES TO DEFINING CULTURE**

<table>
<thead>
<tr>
<th>Culture in terms of its components.</th>
<th>Learned set of shared perceptions, beliefs, values, norms. Acquired through social interaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbolic baggage learned by people.</td>
<td>Affect the behaviors of a large group of people.</td>
</tr>
<tr>
<td>Shared beliefs, values, rules guiding behaviors</td>
<td>Distinguished from nation, race, ethnic group.</td>
</tr>
<tr>
<td>Historically transmitted meanings and beliefs.</td>
<td></td>
</tr>
</tbody>
</table>


Lustig and Koester further distinguish culture from nation, race, and ethnic group, yet these distinctions are not always clear-cut. Nation refers mostly to a political system, whereas race is related to the genetic makeup shared by a group of people. Ethnic group encompasses groups sharing different elements such as language, historical background, religion, and possibly an identification with a specific nation or a specific culture. It is important to make such distinctions, for while these categories could easily be often identified with a particular culture, this is not necessarily true in every case (*ibid.*, 44-48).

The terms sub-culture and co-culture must also be distinguished from culture. These terms, used almost interchangeably, pertain to cultural groups that coexist within national boundaries, possibly with one of them being the dominant one (Condon and Yousef 1975, 49).

**2.2- APPROACHING COMMUNICATION BETWEEN CULTURES**

Generally speaking intercultural communication takes place whenever people with different cultural backgrounds interact with each other. A subtle distinction can be made concerning people belonging to different sub-cultures or
co-cultures. Communication between these groups can be called intracultural, since it happens between people all belonging to a broader cultural grouping (Folb 1991, 119-123). Under closely related perspectives, other researchers theorize about communication between races, gender, and ethnic groups (Smith 1973, Rich 1974, Ross 1978, Williams 1977, Pearson 1985, Wood 1994).

As we can see in Table 3, Intercultural communication is not the only area of inquiry concerned with the relationship between communication and culture.

**TABLE 3: INQUIRY ABOUT COMMUNICATION AND CULTURE**

<table>
<thead>
<tr>
<th>Cross-cultural Communication</th>
<th>Intercultural Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>compares patterns of inter-personal comm. of people from different cultures.</td>
<td>is focused on interpersonal interactions between people from different cultures and ethnic groups.</td>
</tr>
<tr>
<td>Development Communication deals with the transfer of information to Third World Countries with the intention of fostering development.</td>
<td></td>
</tr>
<tr>
<td>Comparative Mass Communication establishes contrasts between media systems from different societies.</td>
<td>International Communication studies mediated communication between societies, telecommunications and the political repercussions of international news flow.</td>
</tr>
</tbody>
</table>


Cross-cultural communication is focused on comparing patterns of interpersonal communication of people belonging to different cultures. In contrast, international communication is concerned with mediated communication between cultures whereas comparative mass communication establishes contrasts between media systems from different societies (Asante and Gudykunst 1989, 9-10). In the middle of this conglomerate is development
communication, dealing with the transfer of information to third world countries with the intention of fostering socioeconomic development in places such as Latin America, Africa, and Asia (Rogers 1989, 67).

For all practical purposes, it should be stressed that intercultural communication is focused on interpersonal interactions between people of different cultures, races, or ethnic groups (ibid). In the meantime, the emphasis of international communication is on telecommunications and on the international flow of news, as well as on the political repercussions of such economic activities (Fortner 1993, 6-10).

2.3- APPROACHING CULTURE AND THE ORGANIZATION

Organizational practices across cultures are as different as the cultures themselves. In connection with the relationship between management and culture, Shuter makes reference to Nancy Adler's six categories of cross-cultural management research. Parochial research assumes similarities between cultures, thus applying findings from one culture to every other one. Ethnocentric research searches for similarities among cultures, whereas the polycentric approach seeks out differences, and the comparative approach focuses equally on similarities and differences. The geocentric approach is focused on the transnational corporation itself, while paying little attention to the influence of national culture. Finally, synergistic research--Adler's contribution--is interested in the effects of culture in every type of interaction involving work settings.

According to Shuter, prevailing perspectives in current research are parochial and geocentric in nature (in Asante and Gudykunst 1989, 393-94). This last point of view is best expressed by Adler herself who wrote that "...it is
evident that the majority of studies emphasizes...international comparison rather than cross-cultural interaction" (1980, 11).

Among the issues that an organization's management has to normally deal with is that of organizational development. In this area, studies are usually of the complex-organization type, and are focused on multinational corporations. This perspective assumes that organizational processes are the same throughout organizations all over the world, without too much regard for cross-cultural settings. Alternative approaches are that of corporate cultural analysis, which sometimes fails to recognize the relationship between corporate and national culture, and that of international human resource management, with some weaknesses in the planning and follow-up of cultural training, cultural competence, and cultural re-entry (ibid., 395-99).

Corporate cultural analysis, too, has not escaped from epistemological controversy. Traditional research--also known as climate research--sought universal principles by relying on quantitative methodologies. On the other hand, more progressive cultural research, which leans instead on qualitative methods, tries to understand the effects that shared values and meanings have on organizations (Deninso 1990, 22-24).

What we have here is basically two different ways of understanding corporate cultures. As Daniels and Spiker explain:

To the functionalist, a culture is something that an organization has—a set of characteristics that the organization possesses. The interpretivist sees culture as what the organization is—the essence of organizational life (1991, 120).

Although these authors recognize that there are some qualitative functionalist studies of organizational culture, they contend that the interpretivist methods are the most appropriate for understanding the
underlying meanings of organizational life (ibid., 122-29). Nevertheless, other points of view support the idea of using both kinds of research as complementary rather than exclusive.

Table 4 is intended to summarize different--and even conflicting--points of view in connection with cross-cultural management research, the relationship between organizational development and culture, and research in corporate cultures.

**TABLE 4: INQUIRY ABOUT ORGANIZATION AND CULTURE**

<table>
<thead>
<tr>
<th>Study of Cross-Cultural Management</th>
<th>Study of Organizational Development</th>
<th>Study of Corporate Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnocentric: Searches for Similarities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparative: Searches for Similarities and Differences.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geocentric: Focus on Transnationals (highly prevalent).</td>
<td>International Human Resources Management: Weak on cultural training, cultural competence, and re-entry.</td>
<td></td>
</tr>
<tr>
<td>Synergistic: Effects of Culture in Organizations.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


At this point it is appropriate to place this thesis in context with regard to the theoretical approaches just described. First of all, this is a study in intercultural communication, since it is focused on communicative interactions between parties that belong to different cultures and are potentially engaged in a trade process. Second, this thesis adopts a synergistic approach, given that I am trying to illustrate, at least within the scope of the research, how different value orientations may affect the development of organizational communication
messages. Finally, while acknowledging that a critical approach to advertising would deal with political decisions and sociocultural effects, the main thrust of this study is the development of advertising messages aimed at foreign markets.

This functional approach based on the utility of communication processes for a society, is particularly useful for understanding the emergence of marketing and advertising. Nevertheless, it is also useful for getting a grasp of the reasons behind international marketing communications without relying on a critical approach dealing with political economy and power relationships.
CHAPTER 3

COMMUNICATION AND CULTURE

In writing this thesis I have constantly struggled with communication patterns that come "naturally" to my mind as a result of the influence of my native language. I am constantly mixing the usage of "in" and "on" since one word in Spanish suffices to convey the meaning of both words in English. Also, while I am used to building an argument towards a conclusion, in North America I am supposed to make a statement and then back it up with the proper reasoning (otherwise people lose patience very quickly as I have noticed...). There is no doubt that our modes of communication are deeply rooted in our cultural backgrounds, and that could seriously hamper any attempt to communicate with people from different cultures.

Communication is too ubiquitous and pervasive a phenomenon to be defined easily. As with the concept of culture, there is no agreed-upon definition as to what communication entails. Communication and culture depend upon each other, and both are the foundations for human civilization. Culture entails a series of elements shared by people belonging to a certain group, and these elements are different from those shared by other groups.

At the core of those differences are cultural values, which in essence establish what is acceptable in each specific culture. Therefore, in order to analyze communication processes involving people from different cultures, it is necessary to take into consideration a wide array of variables embedded in such processes. Values, attitudes, perceptions, stereotypes, patterns of communication, and legal bodies, just to mention a few, are among the elements that directly affect the effectiveness of any intercultural communication attempt.
3.1 - HUMAN COMMUNICATION

To understand an intercultural communication event, first we have to look at the communication process in general. But if we search for a single, comprehensive, and integrative definition of communication, we face a very complicated task. Generally speaking, there are two types of definitions concerning communication, those seeing communication as a delivery of messages, and those visualizing it as an exchange of meanings (O’Sullivan et al. 1992, 42).

Definitions falling in the first group are concerned with the stages in which communication occurs, and also with the intervening elements. In this approach, the issue of intentionality is a matter of controversy. Emmet and Donaghy summarize this argument by stating that there are two conflicting points of view. One supports the idea that communication presupposes that anyone engaging in such behavior must have the intention of influencing somebody else through the use of symbols. The other one, based on the notion that it is impossible not to communicate, does not assume the presence of intention, given that anything that is said, any action, any event, is subject to interpretation by other human beings (1981, 43).

The second group of definitions examines the relationships between the elements necessary for meaning to occur. According to O’Sullivan et al., these elements can be categorized into three groups: (1) text, signs, and codes, (2) people and their particular sociocultural experience, and (3) awareness of an external reality (ibid).

When defining communication among humans, we must not overlook the special characteristics that this kind of process has. As Thayer points out, "Communication is not . . . a uniquely human phenomenon" (in Budd and Ruben
Since other species do communicate, communication among humans is characterized primarily by the intentional use of language and other symbolic systems. The author stresses that there is no way to understand human civilization without taking into consideration its underlying processes of communication.

3.2- THE ESSENCE OF CULTURE

The relationship between communication and all manifestations of human civilization is very strong. Hall and Reed more or less equate culture to communication: "Any culture is primarily a system for creating, sending, storing, and processing information" (1990, 3). Similarly, Gudykunst and Kim consider that culture can be understood as a system of knowledge and symbolic ideas shared by members of a social group, emphasizing that "culture influences our communication and that our communication influences our culture" (1992, 13).

The importance that culture has to our existence prompts Hofstede to theorize that social systems come into being because human behavior is somehow predictable, since we all share some form of mental programs that are partly inherited and partly learned. These mental programs are made up of three levels of uniqueness. The first level is the universal, which encompasses the biological programming shared by all humankind. The second is collective culture, which is comprised of all those common elements shared among people belonging to certain groups, which in turn differ from those shared by members of other groups. Finally, the individual level represents the individual personalities of each human being (1980, 14-19). Since these mental elements are highly subjective and intangible, Hofstede entertains the idea of resorting to the
use of constructs to infer their existence. The constructs that he uses are culture at the collective level, and values at both the collective and individual levels (ibid).

Given that values are essential for the development of culture, which is in itself the result of symbolic interaction among humans, there is also a mutual and causative relationship between values and communication. For Gudykunst and Kim, any communication process is influenced by cultural, sociocultural, psychocultural, and environmental factors, each composed of different variables. For cultural influences they understand all those factors that shape and give order to any given cultural group, such as values, dimensions of cultural variability, norms, and rules (1992, 32-35).³

In addition, sociocultural influences, which regulate the social ordering, consist of memberships in social groups, self-conceptions and ethnic identity, interpersonal and intergroup behaviors, social roles, and interpersonal relationships. Psychocultural influences, which provide human beings with a personal ordering, comprise all the baggage of expectations, stereotypes, intergroup attitudes, ethnocentrism, and prejudice that we carry around. Finally, environmental influences include both the physical environment and the psychological environment (ibid).

The distinction between all these types of influences is not clear-cut, and the same can be said about their constituent variables. Furthermore, there is no universal agreement on such categorizations, and that is why there is a wide

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³ These ordering factors can also be categorized as cultural patterns, since they limit behavioral alternatives by providing "the basic set of standards that guide thought and action" (Lustig and Koester 1993, 99).
array of interpretations and classifications concerning the diversity of elements that are related to cultural structures and cultural manifestations.\(^4\)

### 3.3- CULTURAL VALUES

Milton Rokeach, one of the foremost researchers on cultural values, argues that they are beliefs about the preferable, which are organized in systems that prioritize some of those beliefs over others. He adds that values can be categorized as instrumental when they refer to behaviors as means to an end, and as terminal when they relate to desirable final conditions (1973, 3-11). On the other hand, Kluckhohn and Strodtbeck, as described in Gudykunst and Kim (1992, 48-51), state that human beings all face common problems that must be solved by choosing from a limited range of solutions. These solutions are grouped in five different categories or dimensions which are concerned with human nature, person-nature relation, time orientation, activity orientation, and relationship to other humans. Therefore, when facing such common problems, human beings choose preferred responses for each of the five dimensions.

Rokeach explains that value systems and value orientations are different, even though they can be easily confused for one another. Whereas value systems involve preferential and hierarchical ordering of both terminal and instrumental values along a single continuum, value orientations involve preferential and hierarchical orderings of values for each of the five different dimensions mentioned before (1973, 22).

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\(^4\) See for example *Intercultural Communication*, 1988, by L.E. Sarbaugh with regard to variables in intercultural communication processes; and also *Communication Between Cultures*, 1991, by Larry Samovar and Richard Porter, concerning elements of intercultural communication.
Another approach worth considering is closely related to that of value orientations. Hofstede (1980) fosters the idea that cultures vary according to the emphasis—read value—placed upon four different indices: individualism, uncertainty avoidance, power distance, and masculinity-femininity. These four categories are known as the dimensions of cultural variability, which is also a respected notion for the understanding of culture. Table 5 is intended as a summary of these important points of view concerning cultural values.

**TABLE 5: UNDERSTANDING VALUES**

<table>
<thead>
<tr>
<th>Value Systems: Rokeach</th>
<th>Value Orientations: Kluckhohn &amp; Strodbeck</th>
<th>Dimensions of Cultural Variability: Hofstede</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferential and hierarchical ordering of both Terminal Values (desirable final conditions) and Instrumental Values (behaviors as means to an end) along a single continuum.</td>
<td>Humans face common problems that must be solved by choosing preferred responses from five categories: Human Nature, Person Nature Relation, Time Orientation, Relationship to Others, Activity Orientation.</td>
<td>Cultures vary according to the emphasis/values placed upon four dimensions: Individualism, Uncertainty Avoidance, Power Distance, Masculinity-Femininity.</td>
</tr>
</tbody>
</table>


As a result of the previous literature review, a few issues concerning values and intercultural communication have become apparent, and need discussion before moving forward.

The first thing worth noting is the evident difference between individual and collective levels of analysis when studying values and intercultural communication. Usually, the study of values is focused on the individual, whereas the study of culture is focused on societies (Hofstede 1980, 28). And, like values, intercultural communication is usually focused on the interpersonal level. As a result, most of the research available concerning these two elements—
values and intercultural communication—fails to provide a viable conceptual framework for the analysis of a mass media practice such as advertising, especially when it involves communication across national borders.

Moreover, the study of values does not offer a solid conceptual base capable of providing researchers with a set of analytical categories valid for both the individual and the collective levels. As mentioned before, there is a difference between the two basic analytical concepts of value systems and value orientations (Rokeach 1973). The latter seem to be more suited for collective analyses, since they involve patterns of preferred values within five different dimensions rather than involving a single rank ordering, which would be more representative of an individual's preferences.

Part of the problem may stem from the discrepancy surrounding the notions of values and cultural variability. Some scholars claim that differences between cultures are reflected in separate dimensions of cultural variability, among which are individualism/collectivism, high-/low-context communication, masculinity/ femininity, etc., and that in turn, cultural values result from those separate dimensions (Gudykunst and Kim 1992). Others argue that it is precisely cultural values that are reflected in some of the differences between cultures; among these are the biological make-up of the individuals, their specific interpersonal communication patterns and history, their formal structures and technology, and their environment or habitat elements, and that in turn, these differences result in dimensions of cultural variability (Lustig and Koester 1993).

Finally it should be pointed out that it is unwise to talk about national cultures when dealing with international advertising and processes alike, given
that, within societies, individuals are not uniformly enculturated.\textsuperscript{5} Also, particular societal trends can not provide reliable cultural indicators, since there seems to be empirical evidence to support the idea that prevalent cultural values change cyclically over periods of time (Namenwirth and Weber 1987).

3.4- INTERCULTURAL COMMUNICATION VARIABLES

When studying communication processes the criteria for selecting relevant information involve several variables such as the cultural backgrounds of the people we are dealing with, the level of personalization we are focusing on, the particular a priori assumptions and expectations that we have concerning how people and organizations behave, and the patterns of media usage, among others.

In the literature previously reviewed, it was evident that scholars do not agree on the elements that affect communication processes in general, and intercultural communication in particular. However, under closer scrutiny, some patterns started to emerge. After reviewing the writings of Condon and Yousef (1975), Gudykunst and Kim (1992), Hofstede (1980), Lustig and Koester (1993), Rokeach (1973), Samovar and Porter (1991a), and Sarbaugh (1988), I was able to single out eight kinds of variables that affect intercultural communication processes. Table 6 summarizes the most noticeable and important variables in any intercultural communication process.

**TABLE 6: VARIABLES AFFECTING INTERCULTURAL COMMUNICATION**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Cultural Variables</td>
<td>Dimensions of cultural variability/Value orientations.</td>
</tr>
<tr>
<td>2- Psychocultural Variables</td>
<td>Value systems.</td>
</tr>
<tr>
<td>3- Psychological Variables</td>
<td>Attitude systems, perceptions of self and others.</td>
</tr>
<tr>
<td>4- Psychosocial Variables</td>
<td>Stereotypes, prejudices.</td>
</tr>
<tr>
<td>5- Social Variables</td>
<td>Membership and roles as well as norms and rules.</td>
</tr>
<tr>
<td>6- Communicative Variables</td>
<td>Verbal and nonverbal patterns of communication, as well as media usage.</td>
</tr>
<tr>
<td>7- Contextual Variables</td>
<td>Magnitude and specifics of the process (interpersonal, organizational, massive, etc.).</td>
</tr>
<tr>
<td>8- Environmental Variables</td>
<td>Physical, legal environment.</td>
</tr>
</tbody>
</table>


These categories are based on academic literature about the subject and are not all-inclusive. Instead, they are a reference as to the complexity of these processes.

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6 Nonverbal variables include body appearance and dress, movements (kinesics) and gestures, facial expressions and eye contact, touching behavior, smell, paralanguage, personal space and distance (proxemics), formal and informal time (chronemics), and, silence. See Knapp and Hall (1992). Paralanguage is defined as vocal—but nonverbal—cues embedded in any face-to-face communication, that allow individuals to make judgments as to the other persons involved, and the communication process in general. See DeVito (1989).
CHAPTER 4

ORGANIZATIONAL CULTURE AND COMMUNICATIONS

Latin American countries tend to be very hierarchical, and Peru—my native country—is no exception. Strict vertical relationships are found across all sections of society, including most organizations. This phenomenon is mirrored in the ranks of the National Fire Department. Fueled by the elitist origins of fire services in many Western countries, hierarchy has become an intrinsic element of the organization's nature. Since communication has to be channeled through rigid formal structures, the development of informal networks, some times in open conflict with the organization and with each other, has also become part of the institution's daily life. When I was a member of the Fire Department, I participated in such informal networking, and one too many times got myself involved in serious institutional conflicts.

As with the rest of society, culture shapes entire organizations, pervading whole structures, and influencing behavioral manifestations. Organizational culture also is made up of shared values and beliefs which generally relate to those of the national culture. Management of the organizational culture is vital for a corporation's survival, since it is the foundation for every form of organizational behavior. In this chapter I will examine the dynamic relationship between organizational culture and organizational communication manifestations, including advertising.

4.1- UNDERSTANDING ORGANIZATIONAL CULTURE

Within organizations, culture is reflected in formal and informal practices such as rituals, jargon, humor, stories, and themes, and also physical
arrangements (Martin 1992, 37). These all represent part of what is known as organizational culture.

*Organizational culture* is the term that ... refers to the underlying values, beliefs, and principles that serve as a foundation for an organization's management system as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles (Denison 1990, 2).

As I explained before, there are two ways of understanding corporate culture: functionalist and interpretivist (see chapter 2). In a similar fashion, Mumby considers that organizational culture is always approached under two perspectives. For cultural pragmatists culture is an organizational variable that can be managed, manipulated, and changed. On the other hand, for cultural purists, the organization itself is a culture whose reality is socially constructed, and that exists only in the values and meanings shared by its members (1988, 7-9).

Lessem explains that the concept of organizational culture refers to an organization's shared values, which are reflected in the organization's technical, social, and ideological features. Also he stresses the relationship between corporate and national culture: "Culture ... is both nationally and organizationally based ... Both the global and the national setting will influence the corporate culture" (1990, 81).

Lessem posits four different global settings for organizations: Western, Eastern, Northern, and Southern Grounds.7 Western Grounds, namely Canada and the United States, are characterized by their being value and action driven, where autonomy and personal productivity are a must, and social mobility and

7 Western, Eastern, Northern, and Southern Grounds are terms used by Lessem to refer to four global areas which share some common cultural characteristics.
economic success something to strive for. Eastern Grounds, like Asia and Oceania, are characterized by their sense of nationalism, collectivism, endurance, hierarchy, and harmony with nature. Northern Grounds, mostly European, are characterized by their thrust towards diversity, creativity, and individuality. Finally, Southern Grounds, like Latin American and African countries, are characterized by certain attributes more rooted in nature and religion (ibid., 81-83). Table 7 is a comparison of the more salient differences between these settings.

**TABLE 7: GLOBAL SETTINGS**

<table>
<thead>
<tr>
<th>Western Grounds</th>
<th>Canada and USA</th>
<th>Action driven, autonomy, personal productivity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Grounds</td>
<td>Asia and Oceania</td>
<td>Nationalism, collectivism, hierarchical driven.</td>
</tr>
<tr>
<td>Northern Grounds</td>
<td>Europe</td>
<td>Diversity, individuality.</td>
</tr>
<tr>
<td>Southern Grounds</td>
<td>Latin America</td>
<td>Attributes rooted in nature and religion.</td>
</tr>
<tr>
<td></td>
<td>and Africa</td>
<td></td>
</tr>
</tbody>
</table>


### 4.2- ELEMENTS OF THE ORGANIZATIONAL CULTURE

As in society in general, values are also the core of corporate cultures. "Values provide a sense of common direction for all employees and guidelines for their day-to-day behavior" (Deal and Kennedy 1982, 21). Values create a sense of identity for the organization as a whole, and throughout time they set up structured and complex systems of corporate symbols and meanings. These symbols and meanings provide a unique identity to every corporation, and are reflected in every manifestation of organizational behavior, including communication.

Based on Schein's theory of the levels of culture, Gagliardi argues that culture is rooted in three distinct levels of the organizational structure: (1)
artifacts and creations (including behavior patterns), (2) values, and (3) basic assumptions (1990, 8-13). Goodman explains that items such as logos, physical infrastructure, and attire, among others, are examples of the organization's artifacts. Organizational values, in turn, are reflected in slogans, mission statements, clichés, etc. Basic assumptions, on the other hand, usually lie below the level of awareness since they involve conceptualizations about human nature, time, space, and the like (1994, 178-79).

4.3- ORGANIZATIONAL CULTURE AND MANAGEMENT

Organizational or corporate culture is reproduced and reinforced through heroes, myths, and stories that reflect the organization's values and beliefs. Such stories usually adopt the form of a metaphor, a powerful figure of speech usually built around a resemblance to a well known object. Alvesson notes, however, that in the Western world organizational metaphors are mostly bound to values such as efficiency, productivity, technology, and the like, to the loss of a more encompassing understanding of the assumptions and beliefs held by the organization's members (1993, 46-47).

The tendency to view culture primarily through metaphors such as that of a resource or an instrument means that attention is concentrated on the manageable dimensions while the deeper layers of culture and the cultural context of organizations and managerial actions are taken for granted (ibid).

Table 8 provides some examples of different cultural manifestations in organizations, such as symbols, language, narratives, and organizational practices. This table is not intended as an all-encompassing list, since there is a wide array of ideas, activities, and artifacts that reflect an organization's culture.
and these manifestations are always evolving as new ones appear while others fall into oblivion.

**TABLE 8: CATEGORIES AND EXAMPLES OF CULTURAL FORMS**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>EXAMPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbols</td>
<td>Objects (natural and manufactured); Settings; Performers and Functionaries.</td>
</tr>
<tr>
<td>Language</td>
<td>Jargon and Slang; Gestures, Signals and Signs; Songs; Humor, Jokes, Gossip and Rumors; Metaphors; Proverbs and Slogans.</td>
</tr>
<tr>
<td>Narratives</td>
<td>Stories and Legends; Sagas; Myths.</td>
</tr>
<tr>
<td>Practices</td>
<td>Rituals and Taboos; Rites and Ceremonials.</td>
</tr>
</tbody>
</table>


The importance of culture for any organization's management—a subculture itself—can not be overestimated. The exercise of leadership (Trice and Beyer 1993), the conduct of negotiations (Jessup 1993 and Goldman 1994), the handling of conflict (Khoo 1994), and the effectiveness of communication in general (Adler 1989), are all dependent on the cultural framework they take place in. The increased diversification in ethnicity within the workforce, and especially the growing presence of women in managerial positions, will undoubtedly foster changes in organizational values and cultures everywhere (Adler 1988 and Tanton 1994).

Because of these reasons, and because the success of any corporation is inextricably linked to its organizational culture, managers are called upon to guide change in a direction that is in harmony with current socio-economic trends. "For any corporation to survive, its culture must continue to evolve to meet the rapid changes in the global marketplace" (Goodman 1994, 182).

Since national culture directly affects every form of communication inside and outside an organization, Shutter (1989) proposes that the management of
such an important element for corporate effectiveness needs to be taken care of by an intercultural organizational communication system. This system, according to the author, would be concerned not only with all the areas related to traditional organizational communication practices, but also with the development, transmission, reception, and resulting effects of communication involving people with different cultural backgrounds.

4.4- COMMUNICATION IN ORGANIZATIONS

Generally speaking, organizational culture is reproduced by, and reflected in, formal and informal communication processes. Informal processes result from the development of informal links and networks which, according to Rogers and Agarwala-Rogers, are developed alongside formal communication channels (1976, 100-101). Daniels and Spiker (1991, 256-293) state that formal communication in organizations takes place in two great areas: (1) public relations and public affairs, and (2) training and development.8

Public relations and public affairs are concerned with the maintenance of the internal and external public communication programs of the organization, on the understanding that public communication involves any efforts by a source to communicate with specific audiences. In internal public communication—also known as employee communications—usual subjects that are dealt with include orientation and indoctrination, safety and loss prevention, compensation and benefits, organizational change and development, as well as motivation, morale, and satisfaction. External public communication deals with the practices of

8 Other aspects of communication in organizations such as decision making, problem solving, meetings, presentations, and the like, are usually referred to as business communication.
advertising and promotion of products and services, public relations and image building, and public affairs and issues management.

Training and development is focused, instead, on the improvement of communicative patterns and structures within the whole organizational system. As such, training and development's main focus is on the optimization of organizational processes and the achievement of organizational change.

Advertising is perhaps the most pervasive and well-known form of persuasive communication nowadays, at least in capitalist societies. Mucchielli (1977, 18) maintains that advertising involves impersonal actions with the objective of attracting a potential purchaser to a vendor. Brown seems to subscribe to this point of view, since he points out that advertising is a product of the mass-media society (1963, 165).

A particular variation of advertising is that which instead of promoting a product or service, promotes an institution. Corporate or institutional advertising usually deals with issues such as institutional diversity, technology, productivity, energy, ecology, corporate social responsibility, consumerism, capital investment, financial performance, economics, recruiting and labor relations, acquisitions and mergers, etc. (Garbett 1981, 11). Corporate advertising is closely related to issue or advocacy advertising, aimed directly to affect public opinion in favor of the institution. In that context, corporate advertising, as well as issue advertising, become an extension of the image-making efforts by the public relations unit.

Table 9 illustrates the relationship of advertising with other organizational communication processes, such as public relations, employee communication, promotion of products and services, as well as training and development. All these processes are in one way or another interconnected
attributes of particular importance for the effectiveness of any integrated strategy set forth by communication managers and advertisers.

**TABLE 9: ADVERTISING AND ORGANIZATIONAL COMMUNICATION**

<table>
<thead>
<tr>
<th>PUBLIC RELATIONS / PUBLIC AFFAIRS</th>
<th>(Maintenance of Communication)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTERNAL PUBLIC COMMUNICATION / EMPLOYEE COMMUNICATION</strong></td>
<td></td>
</tr>
<tr>
<td>Organizational Change and Development</td>
<td></td>
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<tr>
<td>Orientation/Indoctrination</td>
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<tr>
<td>Motivation/Morale/Satisfaction</td>
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<tr>
<td>Compensation/Benefits</td>
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<tr>
<td>Safety/Loss Prevention</td>
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<tr>
<td><strong>EXTERNAL PUBLIC COMMUNICATION</strong></td>
<td></td>
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<tr>
<td>Advertising / Corporate Advertising</td>
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<tr>
<td>Promotion Products and Services</td>
<td></td>
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<tr>
<td>Public Relations / Image Building</td>
<td></td>
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<tr>
<td>Public Affairs / Issues Management</td>
<td></td>
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<tr>
<td><strong>TRAINING AND DEVELOPMENT</strong></td>
<td>(Improvement of Communication)</td>
</tr>
</tbody>
</table>


Indoctrination is probably one of the most powerful and subtle vehicles for the proliferation and reinforcement of the corporate culture. Brown (1963, 247) explains that by means of indoctrination people adopt role behaviors to the extent that they become rooted on their perceptions concerning the roles and themselves, to the point that it no longer is role acting-out, but rather transformation into what the roles appear to be.

This brief examination has been useful for understanding the place and role of advertising within the average organization. As an organizational process, advertising also reflects, reinforces, and helps to reproduce the organization's culture, as well as the culture prevalent in the particular social context the organization is located in. Therefore, in the following chapters my review will mostly focus on the organizational dynamics of advertising.
CHAPTER 5

COMMUNICATION AND ADVERTISING

On December 1994 a crowd of advertisers and public relations specialists gathered in Vancouver to take part in a Multicultural Marketing Symposium. In different sessions and workshops they examined the spending habits, values and attitudes of new immigrants. In an attempt to move forward from traditional indifference towards visible minorities, these specialists discussed ways to incorporate multicultural elements into their marketing strategies in order to cater to the needs of Canada's ethnic segments. Put in simply, they were trying to follow a fundamental principle of advertising: Know the Consumer. As an immigrant myself, I consider these efforts by marketing and advertising professionals long overdue.

So far I have examined the relationship between culture, communication, and organization, and have briefly discussed the issue of advertising as an organizational communication process. Advertising is also a sociocultural process, and therefore is affected by a wide array of cultural variables.

Since values are among the cultural variables that affect communication processes, for advertising in particular the careful selection and manipulation of cultural values are of the utmost importance for achieving success. Therefore, it is advisable to explore the social origins of advertising, as well as the usual procedures, in order to later have a better sense of the complex dynamics involved in international advertising.

In this chapter I will examine the functional worth that communication and persuasive communication have for society, and will take a closer look at the way an organization's advertising is managed. This will serve as basic

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background to later briefly address the issue of how advertising is actually developed and executed as an organized social practice.

5.1- FUNCTIONAL PURPOSE OF PERSUASIVE COMMUNICATION

Communication is a form of behavior that pervades the life of human beings. It can be encountered anywhere and everywhere, since it is one of the most ubiquitous phenomena of social life. Most theorists agree upon the futility of trying to establish determined functions for communication processes, insofar as, in one way or another, most processes involve a myriad of intertwined functions all acting simultaneously. Yet given that there is a shared necessity to establish communication patterns, it is possible to talk about a functional purpose.

The rationale behind this assumption is based on the inherent necessity of human beings to reduce uncertainty, and consequently to exert an influence upon themselves, others, and their environment. "Our basic purpose is to alter the original relationships between our own organism and the environment in which we find ourselves ... In short, we communicate to influence--to affect--with intent" (Berlo 1961, 11-12).

There is no doubt that this point of view is very simplistic from a disciplinary standpoint, but on the other hand this functional purpose establishes the basis for the occurrence of any persuasive attempt, i.e., to exert influence upon others in order to achieve, by means of coordinated actions, the satisfaction of common necessities. Therefore, I will define persuasive
communication as communication intended to exert some form of influence upon some individuals.¹⁰

This influence is exerted on two levels: on the level of content by the construction of meanings and the exchange of symbols; and, on the level of relationship, by sharing common expectations. This transactional nature of communication is what makes possible cooperation among individuals in order to achieve common goals (Tolea & Myers 1982, 5-7).

Since the satisfaction of common necessities is the primary reason for the occurrence of persuasive communication, in order for any persuasive attempt to be effective it must culminate in action. Using propaganda as his conceptual referent, Ellul says that "... only action is of concern to modern propaganda, for its aim is to precipitate an individual's action, with maximum effectiveness and economy" (1973, 25).

The action sought as the ultimate goal of persuasion does not necessarily represent the goals of any given persuasive attempt. Depending on the circumstances, the development of certain attitudes, or the fostering of certain behaviors that will eventually lead to or facilitate the required one, could be the aim of a particular persuasive attempt.

Finally, two observations. First, with respect to the concept of persuasion, it is worth noting that some scholars like Jowett and O'Donnell (1992), as well as Larson (1992), attach an interactive character to it. For these authors, persuasion attempts to satisfy the needs of both persuader and persuadee. However, from a broader and more relevant perspective for this thesis, other scholars like

¹⁰Since communication is the principal tool for the exertion of influence, persuasion and persuasive communication are basically the same; therefore from now on I will use these two terms almost interchangeably.
O'Sullivan et al. define persuasion as "intended change of opinion, belief, value or attitude in one person or group by an external agent" (1992, 170).

Second, in persuasion it is important to take into account the setting or scenario in which the process takes place, since each type of scenario directly affects the dynamics of the communication process as a whole. For instance, Sarah Trenholm (1989) identifies three types of scenarios: persuasion taking place in interpersonal settings--usually the kind of scenarios which are the focus of intercultural communication research, persuasion taking place in group/organizational settings, and persuasion taking place in public/mass communication settings. Similarly, Kathleen Kelley Reardon (1991) also identifies three scenarios in which persuasion takes place: interpersonal persuasion, persuasion in organizations, and mass mediated persuasion.\(^{11}\)

5.2- ADVERTISING MANAGEMENT

As I stated earlier, advertising, probably the most salient form of persuasive communication, refers to mass mediated promotion of commercial products and services (see chapter 4). Advertising activities usually take place within the overall framework of a marketing approach, which I will discuss in the next chapter. Within this marketing framework, the systems approach seems to be very well suited to efficiently manage such activities.

This is particularly true if we remember that a system is a set of interrelated parts, in which each element affects the others. When running a communication program such as advertising within the parameters put forth by

\(^{11}\)A fourth setting considered by Reardon--political persuasion--is considered by Trenholm as form of persuasion taking place in public/mass communication settings.
marketing, we not only have two sets of programs running simultaneously—a marketing program and an advertising program—but also two sets of elements that are interrelated and mutually interdependent. This also holds true if we consider that advertising programs are carried out by organizational subsystems—departments—with the aid of external parties such as advertising agencies and production houses. In this case, the need for developing and efficiently managing coordinated efforts is paramount.

Generally speaking, a systems point of view for the management of communication processes has the advantage of taking into consideration the importance of every component involved, and of foreseeing the way any given element is going to affect the others and the process. As Simmons explains:

With the systems approach, the management or planning of a campaign can prevent problems that would result from spontaneously generated plans. That is, it helps you to anticipate and avoid flaws in campaign plans, whereas other approaches often create problems that become obvious when it is too late to make corrections. In particular, feedback makes adaptation possible (1990, 6).

Apparently this is not strange to well established persuasive practices, such as advertising or public relations. They all involve a set of step-by-step procedures to follow until the desired result is achieved. Furthermore, another important characteristic of the systems approach is the practice of management by objectives (MBO). Rather than relying on procedural objectives, which only represent the means to achieve certain final conditions, MBO relies on behavioral objectives, which accurately identify specific behaviors as the desired final conditions (ibid., 5).

If we keep in mind the systematic nature of advertising, best represented by the presence of feedback mechanisms throughout the whole process, we can identify certain stages common to most advertising ventures. In the next section I
will review such stages, paying special attention to the different sets of procedures that establish a common pattern of action for advertising practices.

5.3- ADVERTISING CAMPAIGNS

In general, persuasive communication endeavors fall into one of four categories: campaigns, programs, special events, or crisis responses (Brody 1991, 9-15). Advertising endeavors, in particular, usually adopt the form of a campaign, which is a kind of long-term process opposed to short-term processes like programs and special events.

It bears noting that the relevant literature on advertising regularly fails to coherently explain how influence is to be achieved by tapping into psychological mechanisms through persuasive communication. For instance, despite the principles espoused by the systems approach, advertising objectives are usually structured in terms of desired communication rather than desired behaviors, procedures are seldom consistent, and strategy focuses on advertising approaches instead of psychological mechanisms for the exertion of influence. With this in mind I will attempt to approach the development of advertisements in a systematic way.

Murphy and Cunningham (1993) maintain that developing advertising involves making decisions in five areas: advertising objectives, advertising budgets, advertising research, creative strategy, and media strategy. This decision making is usually done sequentially; thus it is appropriate to talk about

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12 Literature on social psychology tends to address the issue of psychological influence more than literature on advertising.
the development of advertising in five steps, all of which are important for coming up with sound advertising pieces.

First, establishing objectives is the starting point of every advertising enterprise. It usually comprises two steps: (1) identification and analysis of the problem, which should be based on a sound needs assessment and situation analysis, and, (2) formulation of goals in terms of ideal behaviors and effects that are sought after.

Second, determining an advertising budget is a difficult task that does not necessarily involve the participation of advertisers and communicators, since it is related to the allocation of available financial resources by the marketers. Murphy and Cunningham point out that the advertising budget is usually established as a percentage of past sales or as a percentage of the product's or service's market share (1993, 128-135). Most of the budget is used to pay for media placements and for the usual 15% commission to which the advertising agency is entitled.

Third, advertising research and investigation is mostly focused on obtaining primary and secondary information about the audience by utilizing quantitative and/or qualitative methods. This information is supposed to provide comprehensive insights as to the demographic, sociographic, and/or psychographic characteristics of the intended public for the purpose of description and explication of behaviors, as well as of target segmentation.

Fourth, developing a creative strategy means setting up procedures to achieve the desired goals, and it is central for the success of the whole advertising effort. "In formulating an advertising recommendation, strategy . . . is the key to success. A strategy is an ingenious design for achieving a goal" (Jewler 1992, 63).
In connection with these "ingenious" ways, Trenholm states that "While persuasion seeks to modify meaning, it can do so in many ways. It is possible to persuade by altering a target's beliefs, attitudes, values, or behaviors" (1989, 6). The strong links between these psychological elements, all of which are part of an individual's attitude system, has tremendous significance for the effectiveness of any advertising effort. This is because deeply held values will influence cognitive responses to messages, and because any challenge to value-related attitudes will face strong resistance since that would be threatening to peoples' self-conceptions (Zimbardo and Leipe 1991, 30-36).

Fifth, a media plan to carry the advertising messages is normally developed as a function of the selected target audience, chosen strategy, and of course, the financial resources allocated. It is imperative to carry the messages with effectiveness at the most affordable cost under the constraints imposed by the advertising budget. Furthermore, besides choosing the most appropriate media, the plan must determine desirable levels of reach, frequency, and timing for the advertising campaign\(^{13}\) (Barban 1993).

Once the advertising is developed--the first stage of any advertising campaign--it is necessary to actually produce the different advertising messages --the second stage--and, consequently, to engage in the actual execution of the campaign--the third stage. Table 10 illustrates in a simple fashion the process of an advertising campaign. For illustrative purposes I have additionally included the actual steps that take place after all the mental and creative work has been done by advertisers, but that were not necessary to include in the present discussion.

\(^{13}\) Reach is the percentage of the target audience that is to be exposed to the advertising message, whereas frequency is the level of repetition of such messages.
**TABLE 10: THE DEVELOPMENT OF ADVERTISING**

<table>
<thead>
<tr>
<th>STAGES</th>
<th>STEPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development</td>
<td>Advertising Objectives  \nAdvertising Budget  \nAdvertising Research  \nCreative Strategy  \nMedia Strategy</td>
</tr>
<tr>
<td>Production</td>
<td>Production of Advertising Pieces  \nPre-Testing</td>
</tr>
<tr>
<td>Execution</td>
<td>Delivery of Advertising Messages  \nEvaluation of Advertising Impact  \nRevision and Re-Planning</td>
</tr>
</tbody>
</table>

Based on Murphy, John and Isabella Cunningham. 1993. *Advertising and Marketing Communication Management.* Fort Worth, TX: The Dryden Press.

In summary, advertising is one of the most important forms of persuasive communication in our modern world. Its basic purpose is to exert influence upon a target audience in order to promote the consumption of commercial products and services. Given this ambitious and complex goal, advertising activities are best developed and managed in a systematic fashion.

However, advertising does not exist autonomously in the realm of organizational life. Advertising takes place within a broader organizational framework known as marketing. In the following chapter I will address the issues of marketing and of international marketing communications, in order to get a better perspective of the nature of international advertising processes.
CHAPTER 6

MARKETING AND INTERNATIONAL ADVERTISING

In 1988 the advertising agency "Publicistas Asociados" from Lima, Peru, was commissioned to record a TV spot for Pepsi Cola. This was to be an exact copy of the spot "The Neighbor" which ran simultaneously in different countries. Peruvian laws at the time prohibited the broadcast of foreign advertising, and remaking the spot was a valid way to circumvent the law. I was in charge of creating the illusion of a severe thunderstorm as depicted in the original. Although such a phenomenon is not known in Lima—by far the largest market in Peru—nobody seemed troubled by this. The commercial was a success and received favorable reviews from specialized sources. Given the high quality of the end result, and the relatively low production costs, the spot became a benchmark in Peruvian advertising.

If we want to sell a given product, we obviously need to advertise it. That is, we need to communicate to our potential customers messages concerning our product with the intention of influencing them into an actual act of purchase. However, this alone would hardly guarantee the success of our efforts. Simultaneously we need to optimize the quality and presentation of our product so as to respond to our customers' needs and expectations. We also need to establish an adequate price policy to cover our costs, give us some margin of profit, and at the same time respond to our potential buyers' purchasing power. Also, we have to promote our product in different ways, such as arranging free trials or giving samples of it. Finally, we must make our product easily available to our public, in order to facilitate the act of purchase.

The conjunction of all these activities, including that of communicating about our product, is known as marketing. After an examination of advertising as an organizational communication process, my review will move into the
discussion of advertising as a fundamental part of the marketing framework of any business organization. This examination will focus mostly on the international arena, since that is main context of this thesis.

6.1- THE OVERALL FRAMEWORK OF MARKETING

Marketing is a "human activity directed at satisfying needs and wants through exchange processes" (Kotler 1982, 6). As the author explains, marketing involves mutually beneficial exchanges that help to achieve organizational objectives, as well as to satisfy people's needs.

It is common practice to understand marketing in terms of for-profit organizations, i.e., commercial marketing. However, non-profit organizations have also learned to benefit from the advantages of this approach, i.e., social marketing. This involves organizations that seek the ideological and political transformation of society, as well as public services and organizations supporting social causes.\(^{14}\)

It is agreed that marketing plays a strategic role within many organizations. Walker et al. define strategy as a "fundamental pattern of present and planned objectives, resource deployments, and interactions of an organization with markets, competitors, and other environmental factors" (1992, 8). This important function is set in motion by a planning process that leads to the development of well-devised marketing plans. According to McDonald:

The Strategic Marketing Plan, . . . is the intellectualization of how managers perceive their own position in their markets relative to their competitors . . . what objectives they want to achieve, how they intend to

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achieve them (strategies), what resources are required, and what results are expected (1992, 3).

Marketing planning is conducted by establishing objectives, selecting target markets, and by developing the marketing mix. The latter is a set of variables that must be controlled in order to achieve the desired objectives: product, price, place (or channels of distribution), promotion, and positioning (McQuail and Windahl 1993, 197-8).\textsuperscript{15}

The marketing system of any organization does not exist in a void. It exists within the frame of a bigger social environment. Walker \textit{et al.} assert that this bigger macro-environment is composed of the physical settings where the organizational activities take place, and the inhabitants' demographic characteristics, as well as the economic structures, levels of technological development, and political and legal systems prevalent in such places (1992, 112).

Similarly, these authors state that sociocultural elements are important parts of marketing's environment. Among these elements are the values, attributes, and general behaviors characteristic of individuals in a given society (\textit{ibid.}, 126). This environment, however strong, is not permanent since it is subject to transformation. Moreover, any change in individuals' basic values and attitudes is in turn reflected in their purchasing decisions. Nevertheless culture is recognized as one of the most powerful agents affecting people's lives and values, which are acquired primarily through family, religious organizations, and educational institutions (Peter and Donnelly 1988, 65).

\textsuperscript{15} Product refers to tangible and intangible goods and services, price refers to the amount paid for such goods and services, place or channels of distribution refers to the ways products reach the end-users, and, promotion refers to communication activities (advertising, sales promotion, etc.) intended to foster the act of purchase. Positioning, a term introduced by Reis and Trout, refers to the way a product or service differentiates itself from other products and services in the minds of consumers (1986).
Yet in only a very few cases it is possible to find cultural homogeneity within a given social structure. The rise of co-cultures based on nationalities, ethnic groups, age, religion, and geographic habitat, plays a significant role in shaping marketing strategies (ibid., 67).\textsuperscript{16} Therefore, in order to develop effective strategies of influence, marketers are forced to follow the principle of segmentation so as to target their strategies to different specific groups within a social structure.\textsuperscript{17}

6.2- INTERNATIONAL MARKETING COMMUNICATIONS

In general, marketing communications involve any communication activity designed to stimulate an act of consumption. Given that the basic principles in the international arena are similar to those in domestic marketing, international marketing communications refers to the conduct of communication operations in an international environment (Griffin 1993, 3-11). Advertising is the major component of marketing communications, and because of that, the terms international advertising and international marketing communications are used almost as synonymous.

Obviously international marketing communications stem from an organization's move into the international marketplace. De Mooij and Keegan maintain that any given company undergoes five stages of development when becoming international, each involving particular approaches to the managerial and marketing operations of the company at any given time.

\textsuperscript{16} I use the term co-cultures to refer to minority cultural groups that co-exist with each other and with a dominant cultural group within a given social environment.

\textsuperscript{17} Segmentation—otherwise known as market segmentation—is defined by Buell as "the division of a market into those subgroups which have special needs and preferences and which represent sufficient pockets of demand to justify separate marketing strategies" (1984, 66).
In the first stage, domestic, the company is exclusively focused on the internal market of its native country. In the second stage, international, the company expands its range of action to foreign markets while maintaining a centralized control over its marketing operations. In the third stage, multinational, the company decentralizes its marketing operations and strategies, which are then specifically designed for each country in which the company operates. In the fourth stage, global, the company reverts to operating on a centralized basis, but this time conceiving the world as a unified mega-market. In the fifth stage, transnational, the company again decentralizes its marketing operations and strategies, which are this time specifically designed for each region (rather than countries) in which the company operates, while maintaining certain degree of interconnectedness. (1991, 7-8). Table 11 summarizes these stages.

**TABLE 11: BECOMING INTERNATIONAL**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Stage</td>
<td>Company focuses on the internal markets of its native country.</td>
</tr>
<tr>
<td>International Stage</td>
<td>Company expands marketing operations to other countries, and maintains centralized control.</td>
</tr>
<tr>
<td>Multinational Stage</td>
<td>Company decentralizes marketing operations, designing specific strategies for each country.</td>
</tr>
<tr>
<td>Global Stage</td>
<td>Company conceives world as unified market, and reverts to centralized control.</td>
</tr>
<tr>
<td>Transnational Stage</td>
<td>Company decentralizes marketing operations, designing specific strategies for each interconnected region.</td>
</tr>
</tbody>
</table>


Among many other factors, the success of an organization in international settings depends on the products or services offered to foreign markets, since, as many theorists agree, some products and services are more suited than others for international marketing. Table 12 is intended to provide an idea of the
international potential of certain products and services. It shows the relevance of the case study that I will address later, since IBM produces computer hardware and software, products considered highly suitable for international marketing.

**TABLE 12: GLOBAL MARKETING SUITABILITY**

<table>
<thead>
<tr>
<th>DURABLE GOODS</th>
<th>NON-DURABLE GOODS</th>
<th>SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Hardware (1)</td>
<td>Wines and Spirits (09)</td>
<td>Airlines (2)</td>
</tr>
<tr>
<td>Photography Equipment (3)</td>
<td>Nonalcoholic Beverages (10)</td>
<td></td>
</tr>
<tr>
<td>Heavy Equipment (4)</td>
<td>Tobacco (11)</td>
<td></td>
</tr>
<tr>
<td>Machine Tools (5)</td>
<td>Paper Products (12)</td>
<td></td>
</tr>
<tr>
<td>Consumer Electronics (6)</td>
<td>Cosmetics (13)</td>
<td></td>
</tr>
<tr>
<td>Computer Software (6)</td>
<td>Beer (14)</td>
<td></td>
</tr>
<tr>
<td>Automobiles (7)</td>
<td>Household cleaners (15)</td>
<td></td>
</tr>
<tr>
<td>Major Appliances (8)</td>
<td>Toiletries (16)</td>
<td></td>
</tr>
<tr>
<td>Hardware (99)</td>
<td>Food (16)</td>
<td></td>
</tr>
<tr>
<td>Confections (17)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing (17)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


This table is not intended to be comprehensive, and is primarily based on Bovée and Arens' product classification by rate of consumption and tangibility (1992, 177). This classification comprises three categories: (1) Durable Goods—tangible products that are infrequently purchased because their long-lasting qualities; (2) Non-durable Goods—tangible products that need constant replacement given their quick consumption; and (3) Services—non-tangible commodities provided temporarily to the client. Under each category I have included some examples in order to provide an idea of the global marketing suitability of different products or services. These goods and services—twenty-one in total—are the product categories considered most suited for global
marketing as mentioned by Peter and Donnelly (1988, 223). The index beside each product and service represents the order that a particular item has in the above mentioned categorization of suitability.

6.3- INTERNATIONAL ADVERTISING

Globalization is not only an approach to marketing. As I previously discussed in my introductory chapter, globalization is a social phenomenon that is transforming the world we know. Modern international advertising has not escaped the influence of this ever-increasing phenomenon. As Brigitte Lévy explains:

The term globalization has become a catch-all to describe economic movements as well as political events. The current globalization process involves the erasing of national borders in the production and distribution of goods and services. Implicit in the process is the clear understanding that those who are unable or unwilling to compete are going to be left behind (1995, 338).

The globalization of advertising, a direct consequence of the globalization of markets, has not escaped controversy. According to Bovée and Arens, some theorists argue that corporations should develop unique advertising strategies and campaigns for their different international markets, since there are significant differences among consumers' needs, purchasing habits, value-related attitudes, etc. across nations (1992, 670-697). Other theorists favor standardized

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18 The original source used by Peter and Donnelly is Ad Forum. April 1985. "How Executives Really Feel", 30. The authors do not provide information as to the ranking procedure, nor do they explain why certain products are tied.

19 Leiss et al. explain that globalization gained momentum in 1983 as a result of the writings of Theodore Levitt, professor at Harvard Business School. In The Globalization of Markets, Levitt advocated the standardization of all multinational corporations' marketing practices, including advertising, instead of adapting them to local peculiarities and tendencies (1990, 171-72).
strategies, campaigns, and advertising pieces. They base their beliefs on the notion that the unparalleled expansion of telecommunication and transportation services is resulting in a worldwide bridging of socio-cultural dissimilarities (ibid).

Whether it is standardized or not, globalization in general seems to be gaining popularity among marketers and advertisers, and also among policy makers and government officials. It appears to foster some degree of social and cultural homogenization around the world, which in turn leads to better conditions for further globalization.

Globalization of companies is continually growing in response to the changing environment of international trade... This accelerating trend is a result of global consumer convergence in socio-economic, demographic characteristics, habits, and culture (Kaynak 1993, 3).

However Banerjee warns against entertaining the notion of absolute globalization. While contending that international advertisers should focus on trying to get the same response from different publics to different advertising stimuli, Banerjee explains that "(t)he astute multicountry advertiser chooses to follow a transnational (decentralized but interconnected regional divisions) approach by thinking globally, acting locally, and managing regionally" (italics added, 1994a, 110). He suggests that operating transnationally should be the next logical evolutionary step from operating either internationally or multinationally, which are the prevalent modi operandi of many marketers and advertisers (ibid., 99).20

His point of view is somewhat supported by Sinclair, who explains that those opposing the notion of globalization advocate the multidomestic approach. He points out that this multidomestic approach is "a form of international

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20 These approaches are related to the stages of international development of any given organization, as discussed in page 48.
product differentiation which varies the marketing of products in accordance with whatever cultural differences are found in the various nations or regions" (1992, 27).21

The notion of operating multinationally or transnationally is not limited to the flow of products and services nor to the delivery of advertising messages across national borders. As with any particular approach, operating multinationally or transnationally also permeates the whole managerial and marketing functioning of any organization operating abroad. It is grounded on the emergence of cross-national segments and pan-regional clusters of consumers sharing the same cultural values and lifestyles.22

Consequently, the previously discussed transnational approach (decentralized but interconnected regional divisions) seems to be very appropriate for organizations operating and advertising abroad. Companies are called upon to adopt pan-regional management practices (Janssens and Brett 1994, Mendenhall et.al. 1995, and Sackmann 1992), as well as pan-regional marketing and advertising structures (Banerjee, 1994-a). Furthermore, the existence of these pan-regional cultural clusters prompts marketers and advertisers to adopt more life-stage-based forms of consumer segmentation, rather than traditional demographics or psychographics.23

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21 Sinclair's multidomestic approach refers mostly to operating in a decentralized basis, either multinationally or transnationally.

22 Referred to by Banerjee (1994), Kamakura et. al. (1993), and Mendenhall et al. (1995). Basically cross-national segments are relatively homogeneous groups of people scattered across national borders. On the other hand, pan-regional clusters are relatively homogeneous groups of people, not only scattered across national borders, but also across an extensive area in any region of the world.

23 Traditionally, consumer segmentation has been based on demographic or psychographic --value and lifestyle--characteristics. Banerjee calls for the adoption of life-stage segmentation, since it encompasses demographic, psychographic, as well as cultural and sociological characteristics. This pan-regional approach might also provide more comprehensive consumer clusters than those resulting from a standardized global approach, which even categorizes consumers in worldwide-based typologies. De Mooij and Keegan, for example, make reference to
It is evident that the way an organization operates, markets, and advertises its products abroad depends on many different factors, especially in these days in which many countries are moving from an industrial to an information society. Yet the starting point for any such venture is the organization itself, as well as its own host culture, since the latter will inevitably be reflected in the organizational culture and in all its manifestations. Assuming similarities (parochialism), or overlooking shifting trends in shared values, could seriously hamper the management and marketing efforts of any company dealing with foreign cultures.

Up to this point I have reviewed current academic literature involving culture, communication, organization, marketing, and advertising. In one way or another, all these elements are related to each other, and understanding that is crucial for engaging in any discussion of international advertising. Therefore, with this body of knowledge as a base, I will move forward into the analysis of IBM's campaign "Solutions for a Small Planet."

GLOBAL SCAN, a worldwide research on consumers' characteristics currently carried out by the advertising agency Backer Spielvogel Bates Worldwide (1991, 119).
PART 2

SOLUTIONS FOR A SMALL PLANET
CHAPTER 7

THE NEW INTERNATIONAL ADVERTISING ARENA

After reviewing the literature available concerning culture, communication, organization, marketing, and advertising, it is time to move forward into the case study analysis. In this chapter I will explore relevant issues with respect to the current international advertising arena. For this purpose, I will introduce a model that I intend to use as an analytical framework for examining advertising processes taking place across national boundaries. This model will help identify salient aspects of these processes, which I will then discuss in more detail.

7.1- UNDERSTANDING INTERNATIONAL ADVERTISING: A MODEL

This model stems from the basic premise that every process of international advertising springs from, and is mostly developed in, a specific and identifiable social and cultural environment (host socio-culture) and in turn targets one or more foreign societies and/or cultures (target socio-cultures). In each of these socio-cultures, different organizations and individuals are engaged as participants of these advertising processes, which, above all, are affected by the presence of unique kinds of cultural variables.

Figure 1 is a graphical representation of this model for the study and analysis of international advertising.
This model departs from traditional constructs of international advertising in that it incorporates a wide array of cultural variables involved in such activity. It does not intend to represent the process of developing and executing advertising campaigns (see chapter 5), but rather to give an idea of the multiplicity and interconnectedness of cultural variables influencing advertising outputs.

I will begin explaining the model by noting that it rests on Hofstede's notion (1980) that all human beings share some form of biological mental framework (see chapter 3). On top of this universal framework, there are psychological, cultural, social, and even physical variables that mold individuals and organizations, thus affecting behaviors and communication processes in general, as well as advertising in particular. Consequently I posit that variables affecting international advertising processes can be categorized—besides the universal framework—as individual, group/organizational, collective, and environmental.

At the individual level, needs exert the most powerful influence on peoples' behaviors by motivating them to seek the satisfaction of those needs.24 Needs are solidly intertwined with people's attitude systems, which are the core targets of any kind of persuasive effort, including advertising (see chapter 5). The presence of these two dynamic forces—needs and attitude systems—in every individual's mind directly affects the way people perceive themselves, their surroundings, other people, and of course, communication and advertising messages.

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At the group/organizational level there is a confluence of psychological and socio-psychological variables. This is no surprise since groups and organizations, which are themselves unique entities, are composed by different individuals, and therefore are also arenas for social interaction.

On the one hand, individuals bring to groups and organizations a complex baggage of self-conceptions, expectations, stereotypes, prejudices, and assorted kinds of behavioral patterns. On the other hand, groups and organizations are repositories of the identities, attitudes, social behaviors, and role patterns prevalent in their social context. Consequently, groups, and especially organizations, develop an internal culture of their own.

The organizational culture blends these individual and social inputs into a new and unique set of values and expected behaviors. Every aspect of the organizational life is affected by the organization's culture, including the marketing of products and services, as well as the symbolisms conveyed in its advertising messages (see chapter 4).

At the collective level we find the cultural patterns prevalent in a specific society, i.e., what is commonly known as culture. Here I am talking about empirically observable cultural manifestations such as language, nonverbal communication patterns, customs, food consumption, living arrangements, etc. Yet I am also talking about other cultural indices that are not evident to the untrained observer, and that are usually understood in terms of constructs such as value orientations or dimensions of cultural variability. Among those subtle indicators are cultural values, time and activity, space and power distance, uncertainty avoidance, degrees of individualism/collectivism and masculinity/femininity, relationships with others and with nature, etc. (see chapter 3).
The collective culture supplements and enhances individual mental patterns to the extent that all of human experience is perceived in terms of specific cultures. Furthermore, culture provides individuals and organizations with guidelines for adequate social behavior and interaction. As a result, any organization's culture is affected by, and is a reflection of, the collective culture prevalent in society.

At the environmental level, we find all the apparatuses needed for the adequate functioning of society: infrastructure, technology, economic and financial systems, as well as political and legal bodies. Although from an interpretivist perspective these apparatuses are nothing but ideological mechanisms, from a more positivist perspective they are manifestations of recognizable cultural patterns. Important parts of the environmental level are the various physical settings of each society, which depend mostly on their geographical location. Every culture is inextricably linked to its particular physical setting, which shapes social dynamics, ethnic identities, and individual behaviors.

From the model it is evident that the physical and biological bases are the two polar extremes between which every culture-related phenomenon takes place. The individual, group/organizational, and collective levels are intrinsically involved in the development of every cultural entity and cultural manifestation. Moreover, in the specific case of international marketing and advertising, the group/organizational and the collective levels act very much as a single entity, since we are talking about interaction between cultures, i.e. intercultural communication. Exhibit 1 provides an example of the cultural complexity encountered by business and marketing ventures involving different cultures.
The dynamic interaction between the variables that I have just described takes place within the host socio-culture in which advertising is developed, as well as within the target socio-culture(s) at which the advertising is targeted. However, the picture would not be complete if the leading players of these advertising processes were not identified.

**EXHIBIT 1: INTERNATIONAL BUSINESSES INVOLVE CULTURAL DIFFERENCES**

In June 29, 1995, during the television show Studio 2 on TV Ontario, Eric Margolis (*Toronto Sun*), Janice Stein (University of Toronto) and Richard Gwyn (*Toronto Star*), pointed out the conflicting cultural aspects of the on-going trade war between US and Japan. As an example they mentioned the car sizes and layouts preferred by the Japanese as opposed to the more voluminous cars that are favored by Americans. Successful international deals mean taking into consideration the cultural particularities of the parties involved.

Let us suppose that in the host socio-culture there is an organization (i.e., corporate headquarters) that wants to advertise some product or service in a foreign country, as well as an advertising agency (parent advertising agency) to which that task is commissioned. In the target socio-culture we would find the corporation's foreign operation(s), other organizations that might act as intermediaries (e.g., distributors), as well as a domestic advertising agency and the media. Of course the target of the messages that are to be delivered by the media would be the public of the particular target socio-culture. Exhibit 2 shows the importance of taking into consideration how diverse the targets of international advertising messages are.

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25 In some cases the corporation would deal directly with intermediaries such as licensees or distributors, while in other cases this would be left to the corporation's foreign operation if there is one. A corporation's foreign operation might be in the form of a subsidiary, a joint venture, a franchise, etc. In turn, foreign operations and/or intermediaries must deal with a domestic advertising agency that, if not an affiliate of or a partner of the parent agency, must at least follow some sort of alignment concerning the advertising input.
An important element implicit in the model is the process of developing advertising. When dealing with a process of this complexity, advertisers are called upon to develop the most effective strategy of influence possible. Usually, for theorists and practitioners advertising strategy refers to a statement detailing a series of procedures to follow in order to achieve pre-established goals.26 Yet, such statements are mostly tactical in nature, and therefore defeat the purpose of a solid strategy.

**EXHIBIT 2: INTERNATIONAL ADVERTISING TRIES TO REACH DIFFERENT PUBLICS**

In an article published in Advertising Age, Ashish Banerjee discussed the failures of Parker Pens and House of Chanel in their international ventures. Their mistake was trying to get the same favorable response from different publics by using the same advertising in different countries at the same time. Their mishaps were contrasted to the adequate steps taken by Unilever, Gillette and Nestle. These companies were mostly focused, according to the author, on eliciting the same response across national borders, rather than on using the same advertising for everybody (April 18, 1994-b, 23).

Consequently I posit that, when building up a strategy, three steps are required: (1) refinement of the initial goals into more performance-oriented objectives, (2) development of broad directions that set the course for the exertion of psychological influence, and (3) design of the tactical structures and technical elements of the advertising messages.

Strategic directions should establish a general operative framework for the development of future long-term tactical action. In turn, the tactical structure should be made up of different procedures or arrangements bound in time or place (e.g., communication plans in the case of public relations). In advertising,

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the tactical structure is normally set by a creative statement or platform containing the information that is to be included in the message. Tactical elements such as key and support benefits, brand image, and positioning are commonly used in advertising circles.

Ultimately advertising's strategy and tactics should materialize in a series of technical elements or formats that are used to shape the development of drafts, arts, scripts, and the like. Since techniques are basically different forms of executing a task, advertising formats and styles are numerous. Exhibit 3 illustrates the importance developing solid advertising strategies tailored for a culturally distinct audience.

**EXHIBIT 3: SUCCESSFUL STRATEGY IN QUEBEC**

As an example of a successful campaign, with solid strategy and execution, Marketing Magazine devoted an article to Pepsi's "Meunier" campaign in Quebec. Winner of a Cassie Award for effectiveness, the campaign tapped into Quebecers' sense of distinction and ability to laugh at themselves. The agency J. Walter Thompson chose Claude Meunier, a local comedian, as spokesperson. As a direct consequence of the campaign, Pepsi took over the lead in soft drinks' market share in Quebec, with several points of advantage over Coca-Cola (November 7, 1994, 10-12).

Some final observations concerning this model are required. If the foreign corporate operations and advertising agencies were eliminated from the picture, this might be a useful model for understanding intercultural advertising taking place inside national boundaries. In any case, the further we move towards the top of the model the more collectively-shared the variables become. However,
variables at all levels are important for the success of the advertising effort, since the ultimate goal is to persuade individuals to adopt certain behaviors.\textsuperscript{27}

One thing is clear: the process of international advertising is a complex one. Different kinds of variables are dynamically linked to one another, making it very difficult to study them separately. Using the model as a reference, a quick look at current events in the international advertising arena reveals that some aspects of the process are undergoing rapid and major transformations. Therefore, it seems pertinent to focus on the areas of technological innovation, and the emergence of new consumer segments, new media, and new kinds of advertising, in order to get a better understanding of modern international advertising.

\textbf{7.2- NEW TECHNOLOGIES}

There is no doubt that technological advances are changing the way we live, and of course, the way we communicate. New communication technologies are of particular interest for the international advertiser, since they are not absolutely bound by national boundaries or specific legal systems. The convergence of telephone, television, cable, entertainment, and computer technology into what is called the "information superhighway" seems to offer marketers new businesses opportunities abroad, at the same time that it provides advertisers with new media to deliver their messages.

Among the new telecommunication technologies, marketers and advertisers favor interactive media. Consumers are increasingly getting more

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\textsuperscript{27} That is why in the model I have omitted other organizations as possible targets of the advertising, thus gaining some simplicity in the layout.
exposure to these media (e.g., interactive kiosks), providing marketers with information about themselves, their consumption patterns, their likes and dislikes, etc. This provides the basis for accurately targeted promotional activities and information programs designed to boost sales efforts. In essence, interactive media constitute a very cost effective way to deliver advertising messages. David Napier reports in *Marketing Magazine* that leading agencies in Canada such as Vickers & Benson, McArthur Thompson & Law, Lowe SMS, BBDO, Chiat/Day, and Padulo Integrated, are taking decisive steps towards incorporating these new technologies into their everyday activities (December 1994, 17).

For the international advertiser, computer networks are probably the most promising tools for reaching global audiences. Joshua Quittner comments in *Time* magazine that building a global information superhighway is a priority for most countries in the world, including many developing countries. He quotes analysts who estimate that the commercialization of products and services through the whole information superhighway will be worth U.S.$3 trillion by the next century (1995, 52-53).

The backbone of this global web is the Internet, a network of computer networks that grew up from the U.S. ARPANET project. Currently the Internet is made up of different applications such as E-Mail and the World Wide Web (WWW). Along with the Internet, there are several commercial networks (e.g., America OnLine, Compuserve, etc.) many of them already linked to the Internet. Yet the Internet seems to be the most popular alternative for global connectivity as appears from Figure 2.

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FIGURE 2: INTERNET CONNECTIVITY

INTERNATIONAL CONNECTIVITY
Version 13 - 2/15/85

- Internet
- Bitnet but not Internet
- Email Only (UUCP, FidoNet)
- No Connectivity

This map may be obtained via anonymous ftp from ftp.cs.wisc.edu, connectivity table directory

Note: Some elements of this map have been slightly modified in order to facilitate its reading.
The future of the Internet for international marketers is as full of potential as it is of uncertainty. Since the Internet is already transforming the ways educational, governmental, and social development agencies deliver their services, it is expected that it will also reshape the business landscape. Exhibit 4 provides an example on how the Internet has made inroads into traditional business practices.

**EXHIBIT 4: FINANCIAL BUSINESSES USING THE INTERNET**

Canada Trust has become the first Canadian financial institution to offer services through the Internet. Using the WWW, customers are able to get account balances and transaction records. For other services such as transfers between accounts or bill payments, Canada Trust is providing a direct dial-in service via modem (Canada Trust Web Site, 1995).

Estimating conservatively, Vinton Gersf expects Internet related businesses to reach U.S.$50 billion by the end of this decade. Even though this amount does not match other forms of commercial transactions, he expects the Internet to become a global infrastructure for the 21st century (Computing Research Association Web Site, 1995). His optimism is shared by Canadian expert Jim Carroll, who believes that the Internet will become the backbone of global commerce. He bases his assertion on the Internet's capability for linking computers worldwide, on the booming of e-mail communication, and on the rapid development of the World Wide Web (Jim Carroll Consulting Web Site, 1995-a).

By December 1995, the Internet service Lycos (Carnegie Mellon University) reported more than seventeen million unique URLs (WWW addresses) on its databases (The Lycos Catalog of the Internet Web Site, 1995). Similarly the Internet Statistic Generator at Anamorph reported that as of February 1995 there were 27,000 web sites, and that the number was doubling
every 53 days. Consequently it is estimated that by December 1995 there were already more than one million web sites on the Internet, connecting more than 29 million people or 0.49% of the world's population (Internet Statistics Generator at Anamorph Web Site, 1995).

This ever-growing connectivity provides marketers and advertisers with new means to reach a wide array of potential markets. This in turn calls for a new understanding of consumers, since traditional segmentation systems might not apply that well to certain groups whose profiles are undergoing transformations resulting from the globalization phenomenon. As part of this phenomenon, new technologies appear to bring diverse people together in what is known as virtual communities or virtual cultures.

7.3- VIRTUAL COMMUNITIES

Nelson Thall, president of the Marshall McLuhan Center for Global Communications, notes that it is important for global advertisers to understand that people are "... unconsciously grouping themselves into segments that share characteristics and values and, at the same time, are trying to avoid mass markets" (Project McLuhan E-List post #1, April 9. In Project McLuhan, 1995). One of the ways for developing such groupings is the use of computer networks.

Marc Smith of the Center for the Study of Online Community at the University of California Los Angeles explains that virtual communities are

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29 Banerjee asserts that traditional segmentation based upon demographics or psychographics do not apply to cross-national segments of consumers. Instead life-stage segmentation, which additionally includes cultural and sociological variables, seems more appropriate for international advertising efforts (1994, 103-105). This point of view seems supported by research done by Kamakura et al. (1993) concerning cultural values among pan-European clusters of consumers. See also Chapter 6.
"...sites of social interaction, predominantly mediated by computers and telecommunications" (Center for the Study of Online Community Web Site, 1995). It appears that computer networks have an effect on people's social experience by fostering the creation of more egalitarian and democratic groups. His ideas are also espoused by Steve Mizrach of the University of Florida who maintains that in the context of these virtual communities, users define their own culture through the interactive experience and the interactive exchange of ideas (Department of Anthropology–University of Florida Web Site, 1995).

These new "virtual cultures" represent for marketers and advertisers an imperative call for diversification: diversification with regard to products and services to be offered, diversification in groups to target, and diversification in the appeals to use. Furthermore there is a need for new ways to approach such groups, since they are scattered across national borders, probably with computer technology as the only link.

Computer networks and the Internet are providing people worldwide with spaces—virtual spaces—that gather people with similar interests, tastes, experiences, etc. Author Howard Rheingold notes:

*Virtual Communities* are social aggregations that emerge from the Net when enough people carry on ... public discussions long enough, with sufficient human feeling, to form webs of personal relationships in cyberspace (1993, 5).

For instance, a quick look at Internet users reveal that only some of them can be considered mainstream: academics, researchers, students, government and agency officials, etc. To a great extent, Internet users are ordinary people or even people with alternative points of view or lifestyles, for whom the Internet represents a forum for the exchange of experiences and ideas. And, in some instances, these Internet users are developing a culture of their own, sharing
similar values and even specialized forms of technical and social discourse. Exhibit 5 shows an example of online interaction and exchange of ideas between people sharing a common interest in the cultural aspects of businesses, even though in reality they are geographically apart.

**EXHIBIT 5: CULTURAL DISCREPANCY AND ONLINE INTERACTION**

In a posting to the mailing list Ginlist (Global Interact Network), José Gómez Arias from the University de la Coruña in Spain made reference to a debate he was holding with people from Hong Kong. Whereas Gómez argued that *guanxi* was a form of networking influenced by economics and politics, the people from Hong Kong held that *guanxi* was a Chinese cultural form of establishing social and business relationships. The author of the posting recognized the strategic implications for businesses in China, and was asking for comments.

Furthermore, to some extent computer networks reflect particular national cultures. *Time* magazine, in a special edition devoted to cyberspace, reported that in spite of many similarities with the U.S., Canada's I-way development follows certain cultural patterns prevalent in our country. For instance, the magazine claims, Canada has developed a computer culture that is more focused on local activity, is more open to dialogue, and is more self-regulating than that in the U.S. (Jackson, Spring 1995).

Marketers and advertisers would be greatly mistaken if they believed that these new cultural clusters are uniformly scattered throughout the world, and that they are already widely distributed. For example, according to the above mentioned report, only Canada, United States, Iceland, Norway, Sweden, Finland, Australia, and New Zealand possess a high ratio of connectivity to the Internet.  

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30 A high ratio involves 200 people or fewer for each connection.
possess a medium ratio of connectivity, whereas the rest of the countries of the world possess a low ratio, or no connectivity at all.

Different surveys and investigations are being conducted in order to establish who the users of these computer networks are, and how that information could be of use for an increase in commercial transactions. Unfortunately surveys such as GVU's (Graphic, Visualization & Visibility Center Web Site, 1995) and O'Reilly's (O'Reilly & Associates Web Site, 1995) are mostly focused on the US and North America, and get few responses from Europe, and even fewer from other countries around the globe. This is not surprising since, as Derrick de Kerckhove, director of the McLuhan Program in Culture and Technology at the University of Toronto, points out, the new information age rests mostly on the sophisticated technology and the mass culture of developed countries (1995).

Interestingly enough, these surveys reveal that most computer network users in general, and Internet/WWW users in particular, present a somehow consistent profile across the borders. Generally speaking the ratio male-female is about 70% to 30%; most of the users are affluent, well educated, and lead-users of technology; and, most of them are involved in sales, engineering, management, and marketing. Among these users, obtaining commercial information is the third most preferred usage of the networks, just behind consulting reference materials and reading on-line publications. On-line shopping is still a minor activity for most people.

Since these kinds of research seem to refer only to upscale users of the I-way, SRI International31 explored the psychology of U.S. non-mainstream users

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31 SRI was founded in 1946 as a joined enterprise with Stanford University as the Stanford Research Institute. Currently it is an independent non-profit organization devoted to business and technology research (SRI International Web Site, 1996).
of the WWW by using the psychographic research system known as VALS 2.\textsuperscript{32} SRI found that not every group of the American society has a prominent presence among Internet users (SRI-Values and Lifestyles Program Web Site, 1995).

Even though this kind of information opens new possibilities to marketers and advertisers, it is still far away from being truly international, let alone global. Social and economic realities in most countries of the world prevent the vast majority of people from incorporating these new technologies into their everyday lives. However, if we consider that the bulk of international trade is done mostly by certain developed nations, or specifically by certain solvent companies within each country, it is no wonder why these new technologies are already part of the modern international advertiser's arsenal.

\textbf{7.4- NEW MEDIA AND NEW INFORMATION PROVIDERS}

New technologies are increasingly becoming part of our everyday lives, to the extent that traditional activities now take place in a different fashion. For example, publishing no longer remains the domain of the so-called cultural industries, nor is it limited to the print mode. Elizabeth Reid of the University of Melbourne documents that many people and organizations all over the world are currently publishing articles, papers, magazines, and even books on the Internet (Department of Electric Engineering--University of Melbourne Web Site, 1995). Furthermore, well-established and reputable sources are also jumping into the on-line publishing frenzy. The Globe and Mail, Maclean's magazine, Advertising Age, and Wired magazine, just to cite a few examples, are now publishing

\begin{footnote}{32} VALS, which stands for Values and Lifestyles, is a consumer typology currently composed of eight clusters: actualizers, fullfilleds, achievers, experiencers, believers, strivers, makers, and strugglers (Values and Lifestyles Web Site, 1995).\end{footnote}
electronic versions on the Internet and other computer networks. Furthermore, publishers and even academic institutions now publish magazines (e-zines) and journals exclusively in computer networks. The Electronic Journal of Communication (Annenberg School for Communication at the University of Southern California–School of Business Administration at Hebrew University of Jerusalem), and the Journal of Computer Mediated Communication (Communication Institute for Online Scholarship), are just two examples.

Organizations all over are adopting new technologies as a way to keep pace with changing times. The adoption of new technologies is becoming ingrained in organizational culture since, as Scholz points out, the manner in which individuals process information results from implicit guidelines, assumptions and values shared by all the members of the organization (1990, 233-249). Therefore, as opposed to earlier innovations, the new technologies allow organizations to establish information networks that reach different areas of the globe in spite of legal, cultural and technical differences. Exhibit 6 illustrates how some Canadian companies are responding to the needs of individuals and organizations adopting new communication technologies.

**EXHIBIT 6: CANADIAN COMPANIES CATER TO GLOBAL MARKETS' NEED FOR ADVANCED INFORMATION SOFTWARE**

As a result of the information technology frenzy, software companies are booming, and, Canadians in particular, are doing fairly well. In an article published in Maclean's, Deirdre McMurdy comments on Canadian companies' global leadership in the software market. Among the cases analyzed, the most well-known examples of these successes are Ottawa-based Corel Corporation and Toronto-based Delrina Corporation. Corel's graphics software and Delrina's communications software are products solidly positioned in their respective niches on the world-wide market (July 17, 1995, 24-29).

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In an effort to remain competitive, traditional media conglomerates are rushing to adopt new interactive technologies, at the same time that they try to diversify and increase their national and international reach by means of buyouts and mergers.\textsuperscript{34} In this way, media outlets that traditionally targeted mass-audiences, are now targeting and getting access to more focalized segments of the public.

Moreover, the convergence of television, telephone, cable, entertainment and computer technology alluded to earlier, is bringing new players into areas previously dominated by the media or more traditional information providers. For instance, telephone and cable companies are competing for the opportunity to provide high-speed Internet access to consumers. By the same token, software companies are now developing entertainment and informative products, mostly in the form of interactive CD-ROMs, and some are even becoming information providers by setting up online services targeted at the growing segments of computer users. Exhibit 7 provides an example of how in today's information age, some companies venture into areas that, even though related, were usually the domain of more established organizations.

For marketers and advertisers these innovations represent new opportunities to gain access to consumers. For example, the sponsorship of WWW pages is becoming customary as is the use of interactive booths in trade shows and the use of electronic boards in high-density urban settings.

\textsuperscript{34} The fusion of Time Warner with Turner Communication, Disney Corporation with Capital Cities-ABC, General Electric with CBS (Corlissi 1995, 36-37), as well as the recent take-over of Maclean Hunter by Rogers Communications, are examples of this trend.
EXHIBIT 7: COMPUTER GIANT BECOMES INFORMATION PROVIDER

In an article published June 5, 1995 in *Time* magazine, Philip Elmer-Dewitt discussed different issues concerning the software giant Microsoft Corporation, and its owner Bill Gates. Included in the article was a summary of Microsoft's wide array of technological interests. Besides the development of operative systems and applications, Microsoft is involved in the development of television software, interactive TV, electronic banking services and electronic payments, and wireless data transmission. In addition, Microsoft has just launched a business venture with Steven Spielberg and other Hollywood producers to develop multimedia products. As well, Microsoft is currently focused on the deployment and expansion of its own online service known as the Microsoft Network (34-42).

In essence, the availability of new technologies is forcing marketers and advertisers to rethink their concepts of advertising, in order to maintain a level of competitiveness in our current information age. Advertising has always been understood as the product of a mass-media society. Since new technologies are fostering de-massification given their ability to cater to the needs and interests of specific segments, advertising can no longer rely exclusively on the mass media nor can it pretend to always reach mass audiences with single-channel messages.

7.5. NEW AGENCIES AND NEW ADVERTISING

The adoption of new communication technologies by organizations of every kind has also reached the world of advertising itself. Agencies are taking steps towards the incorporation of these technologies into their organizational structures and operations. Canadian agencies, as I noted before, are also embracing new technologies as a modern recipe for success. As in any other

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organization, the degree of acceptance of these new technologies by advertising agencies depends on the levels of openness and innovation manifested in the organizational culture. An interesting example of how technological innovation has become rooted in the organizational culture of an advertising agency is Chiat/Day International.

In January 1994, Chiat/Day opened its redesigned corporate headquarters with the intention of working as a "virtual advertising agency," nicknamed "The Idea Factory." In this virtual environment the use of computer networking, electronic mail, cellular phones, etc. is extensive, to the point that there is minimal storage of printed paper (Chiat/Day Web Site, 1995). However, the real meaning of operating virtually lies in exploiting the advantages provided by these new technologies rather than simply adopting them in a conventional environment. That is why Chiat/Day has redefined its corporate architecture in order to promote the sharing of information. Private desks and cubicles are almost non-existent. Common areas, shared spaces, progress rooms and the like now make up the agency's landscape. Even the display of personal items is discouraged by the agency. Moreover, based on the idea that a change in the way people work and a change in the workplace will also affect the way people think, the agency has strengthened its corporate culture with the emphasis placed on integration and collaboration. Such values are considered not only fundamental for the agency's adequate functioning, but are also the basis for any current and future innovation. It is difficult to tell how fast advertising agencies will adopt these kinds of values and innovations. What is clear is that advertising is already

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being affected by technologically-driven changes, and it is already possible to find some interesting examples on the Internet.

Canadian consultant Jim Carroll is of the opinion that the Internet is a good method to market products and services to organizations and to individuals, and that the Internet allows marketers to build long-lasting information links with consumers (Jim Carroll Consulting Web Site, 1995-b). The author also states that there is an increasing trend for organizations to advertise on the Internet, in the form of links located in high-traffic WWW sites (Jim Carroll Consulting Web Site, 1995-c).

In an article published in Internet World in July 1994, Robert Brueckner urged advertisers to tap into the interactive opportunities the Internet offers. He based his argument on the notion that video is already an old technology, and that there is little interactivity on television (64-69). Less than a year later, the same magazine published an article by Michael Strangelove in which he pointed out that most of the more than ten thousand companies already advertising on the Internet were still merely transferring traditional marketing materials to their WWW pages. The author suggested that advertisers provide feedback mechanisms in order to satisfy the needs of global consumers, and to offer as much quality content as possible, since this new medium allows companies to provide a great deal of information at a relatively low price (1995, 40-44). Exhibit 8 gives an example of the use of modern information technology as a new medium for reaching new markets worldwide.

**EXHIBIT 8: QUALITY CANADIAN PRESENCE ON THE INTERNET**

In April 1995, the Toronto Dominion Bank Web Site was recognized by Interactive Age magazine as one of the best 100 business sites on the Internet. Being the only Canadian company to make it into such category, TD Bank was very pleased that its site was deemed relevant for the applicability of electronic commerce world-wide (Toronto Dominion Bank Web Site, 1995).
There is still little evidence as to the efficacy of the Internet, and of the World Wide Web in particular, as a marketing and advertising medium. This is no surprise considering that the WWW as we know it now has only been available to the general public for a few years. Hoffman and Novak from the Project 2000 at Vanderbilt University point out that in spite of all the attention devoted to the Internet by businesses and media, there is still a noticeable scarcity of scholarly research intended to understand its value as a medium for marketing communications (Project 2000: Research Program on Marketing in Computer-Mediated Environments Web Site, 1995). Still the authors suggest that there are surmises about, and some evidence of, the effectiveness of the Internet as a marketing tool as opposed to more traditional media. As evidence they cite a study by IBM which suggests that companies which publish catalogs on-line save money and reduce ordering times (ibid).

The bottom line, as Strangelove suggests, is that the Internet demands a better understanding of its nature as a new form of human communication and as a virtual culture. The full potential of this new medium, unlike old media, comes from building up close relationships within a virtual community, thus returning to a more tribal form of commerce (Internet World May 1995, 40-44).

There is no doubt that advertising is changing, and much of that change is fostered by the development of new communication technologies worldwide. As advertising executive Jay Chiat notes:

Nevertheless, our business--advertising--is changing . . . Advertising will become more self-generating, and self-censoring--more about individual information manipulation . . . as with most forms of interaction with technology, advertising will become less a passive experience and more an active engagement (Chiat/Day Web Site, 1995).

37 To close this gap, Hoffman et al. have proposed a model of the WWW as a marketing communications tool (Journal of Computer-Mediated Communication, Vol 1 #3, December 1995).
Similarly, international advertising is also evolving into new dimensions in its quest for reaching culturally diverse markets all over the world. New information technologies allow agencies to "operate virtually," thus making possible the allocation of the strategic and creative effort among geographically diverse executives. Once this kind of thinking makes its complete way into advertising agencies' own organizational cultures and practices, operating transnationally will be a common occurrence in international advertising efforts. An increase on the effectiveness of such enterprises will undoubtedly have powerful repercussions on a world that is moving towards the globalization of markets since, as information-technology analyst Frank Koelsch notes, advertising is a powerful agent for cultural and economic influence in modern society (1995, 233).

As a result of the availability of new information technologies, international marketers and advertisers have the possibility of targeting segments of consumers who might share commonalities despite being geographically apart. Furthermore, at the same time these new technologies facilitate reaching clusters of consumers scattered throughout different countries, they also facilitate the convergence of such consumers in virtual communities, which are cultural entities themselves. With respect to the diffusion of these new forms of communication, Nicholas Negroponte, director of the Media Lab at the Massachusetts Institute of Technology (MIT), says that, contrary to widespread belief, the real social and cultural division will not be between developed and developing countries, but generational (1995, 6-7).

The cultural impact of the increased use of new communication technologies by international advertisers is difficult to measure, yet it is not unreasonable to think that certain changes in cultural patterns will come about. Negroponte notes that "As we interconnect ourselves, many of the values of
nation-state will give way to those of both larger and smaller electronic communities" (*ibid*).

With this in mind, it is now time to address in the next chapter IBM's campaign "Solutions for a Small Planet." The analysis of this case study will be conducted by following the model introduced in this chapter. Special attention will be placed on uncovering the embedded cultural values conveyed by these messages.
CHAPTER 8

SOLUTIONS FOR A SMALL PLANET

So far we have seen that contemporary international advertising is an evolving arena. New communication technologies are changing the ways people communicate, organizations work, and advertisers deliver their messages. As a result, the world is becoming somewhat of a "village," and markets are increasingly becoming global. On top of the complexities that cultural diversity has always placed on the promotion of products and services internationally, shifts in cultural patterns and the emergence of new consumer clusters (e.g., what are known as virtual communities) place new demands on marketers and advertisers who intend to reach markets worldwide.

Companies in the technology business actively participate in the global market, since their products and services are in high demand. Among these companies, the computer giant IBM is a well established leader. Yet in order to remain competitive, IBM has taken dramatic steps in order to be up to the challenges posed by this new international marketplace. By early 1995 advertisers and consumers alike were surprised by an original and subtle, yet aggressive, campaign depicting people from different places of the world. "Solutions for a Small Planet" is a big effort towards recapturing a leadership position that has lately proved elusive to the computer giant.

In this chapter I am going to examine the cultural implications that "Solutions for a Small Planet" has for international advertising. For this purpose, using the model introduced in chapter 7 as an analytical aid, I will begin by briefly discussing IBM's corporate profile. Afterwards, I will identify and discuss
relevant issues concerning the campaign from an intercultural communications perspective. Following this examination, I will draw some conclusions in the next and final chapter.

8.1 - COMPANY PROFILE

International Business Machines--known all over the world as IBM or "Big Blue"--has, under the helm of the Watson family, a lengthy history in the business dating back to the early years of the 20th century (Mercer 1987, 23-102). The development and growth of IBM was based on shared beliefs that were instilled in the company--and in the company members, or course--by the Watson family. Values such as full employment, job enrichment, personal involvement, individualism, horizontal communication, and the like, have become rooted in a strong corporate culture that has been cultivated and maintained throughout the years. Such a culture provides IBM employees with a strong sense of belongingness and a shared group identity, to the extent that the company is to a certain extent involved in the individual lives of its members (ibid., 217-245).

For decades IBM had a steadily ascending curve on the tabulating machines business first, and on the computer business later. By the 1980's revenues reached billions of dollars, and at the peak of its growth in 1986, IBM employed more than four hundred thousand people all over the world (Cronin 1994, 80). However, IBM's bureaucracy grew out of control, producing a semi-paralyzed and highly cautious company. As a result, IBM lost its indisputable leadership in all fronts of the computer market to competitors such as Apple and Microsoft. Additionally, the whole organization became stagnant, its corporate
culture decayed, sales dropped dramatically, and marketing efforts were confusing and chaotic (Carroll 1993, 1-7).

IBM's advertising was not much help either. Its multiple ads, produced by different advertising agencies, did not display any consistency of concepts or themes, thus adding to the confusion about what IBM was and about what IBM produced. A well known anecdote within advertising circles refers to the case of Abby Kohnstamm, IBM's Vice-President Corporate Marketing, picking up a computer magazine and finding twenty-four different company ads. These ads, developed by different agencies, had no relation to one another, leading Kohnstamm to the conclusion that the brand image the public was getting from IBM was vague and confusing (Johnson 1995-c, s-4).

In 1993, Louis (Lou) Gerstner Jr., new Chairman of IBM, slowly began to revamp IBM's structure. By 1994 the company refocused sales and distribution on an industry rather than geographical basis (Johnson 1994-a, 2). Currently IBM offers a wide array of products and services to customers worldwide. Insisting on the quality and distinctiveness of their offerings, the company counts on the consumers to make decisions favoring IBM's products (IBM Corporation Web Site, 1995).

Regardless of its new efforts, IBM's operations are under close scrutiny by analysts, and still surrounded by controversy. For example, David Van Fleet from Arizona State University West hints that there might be some problems in the way IBM deals with independent developers. The analyst suggests the possibility of two cultures co-existing in the company: one committed to re-valuing customers and partners, and another which is a residue from the old decayed corporate culture that almost ruined IBM (1995).
8.2- IBM IN THE WORLD MARKETPLACE

Despite all the setbacks, IBM remains the world's largest computer marketer, worth around U.S.$63 billion (Johnson and Horton 1994, 36). A report published by Advertising Age noted that during 1994, IBM had worldwide sales worth U.S.$64 billion, which represented U.S.$3 billion in earnings (1995, 51). Yet IBM faces relentless competition coming from stable leaders in different product categories within the computer market itself, such as Compaq Computer Corp. in personal computers, Microsoft Corp. in software, Intel Corp. in computer chips, and even AT&T Global Information Solutions in telecommunications.

IBM's offerings are intended to satisfy the needs of different kinds of industries, businesses, and organizations. As a unified marketing theme, IBM considers its different products and services as "solutions to manage all of your . . . requirements" (IBM Corporation Web Site, 1995). These solutions are mostly focused on the business market, since IBM has always been essentially a business-oriented marketer. Unfortunately for the organization, IBM still remains well behind Microsoft in the consumer-oriented software market (Johnson 1995-b, 4).

IBM offers a wide array of products and services to customers worldwide.38 Insisting on the quality and distinctiveness of their products--and counting on the consumers to make decisions favoring them--IBM's "solutions" include mainframes, personal computers, client/server computing, software, networking, microelectronics, multimedia production and consulting services, as

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38 IBM claims to have a presence in around 100 countries around the world (IBM Corporation Web Site, 1995).
well as Internet products and services via the IBM Global Network (IBM Corporation Web Site, 1995).

The company's experience in the Information Highway is extensive. Prodigy, one of the biggest computer networks, was developed as a joint venture with Sears Roebuck (Koelsch 1995, 171). As a way to facilitate the interaction between customers and the organization, IBM has set a large WWW site (http://www.ibm.com), which is updated monthly. Through this site, potential and actual customers can get information about the wide array of products and services--"solutions"--offered, place orders, get technical support, etc. This site is also a gateway to other sites set by IBM subsidiaries around the world (IBM Corporation Web Site, 1995).

8.3- THE CAMPAIGN

In order to help the implementation of these "solutions," in April 1994 IBM began reviewing the effectiveness of its advertising. Advertising Age reported that in the month of May, in a movement that sent shock-waves through the international advertising world, IBM consolidated its U.S.$500 million global advertising budget into one single worldwide shop: Ogilvy & Mather Worldwide (1994-b, 1). Yet, in order to make this deal effective, IBM had to sever ties with a roster of around 80 agencies worldwide (Wells 1994, 37).

After the IBM-O&M deal was set in motion, Ogilvy & Mather's executives went immediately to work. By the end of September 1994 they were ready to launch a relatively small worldwide campaign for IBM's Aptiva computers. However, the big strike would come later with the campaign "Solutions for a Small Planet." This campaign can be credited to Steve Hayden on the O&M side,
and on Abby Kohnstamm on the IBM side. Kohnstamm, IBM's VP Corporate Marketing, set the goals of creating a unified image for IBM that would be based on emotional and rational appeals. The campaign was to rationally communicate IBM's innovations and experience in the field, and emotionally an image of IBM being easily accessible and responsive to people's needs (Johnson 1995-c, p.s-4).

SFASP portrays people from different cultures engaged in their everyday activities, speaking their own languages, and facing their particular problems. Some of the characters that have already appeared on the campaign are nuns in the Czech Republic, fishermen in Greece, businessmen in Morocco, opera singers in China, shepherds in Ireland, a grandfather and his granddaughter in Italy, a mason in Germany, a theater director in the United States, and an archaeologist in Morocco.

Given IBM's background and O&M's expertise, this multi-channel campaign attempts to rely more on technology than conventional campaigns (Johnson 1994-b, 36). However in spite of all the technological wonders available, a mishap occurred when the motto "Solutions for a Small Planet" was translated. In Japan it read "Answers that Make People Smaller" (Johnson 1995-a, 10). Evidently, no matter how sophisticated a campaign is, mistakes are always going to happen. However, given that examples of these kinds of "cultural inappropriateness" abound in the world of international advertising, it is surprising that executives in charge of a campaign of this scope would still commit such errors.
8.4- THE STRATEGY

IBM chose Ogilvy & Mather as a result of its expertise in new technologies and interactive media, and fundamentally because of its commitment to branding. Since IBM faced serious problems of confusion with respect to its products and primarily with respect to the company's image, the selection of O&M as its worldwide agency seemed appropriate. Branding—or "brand stewardship" as Ogilvy & Mather refers to it—is "the art of creating, building, and energizing profitable brands" (Ogilvy & Mather Web Site, 1996). Whereas a product is a tangible object with physical attributes, a brand refers to the feelings consumers have towards the product and the "personality" they see in the product. Therefore, for Ogilvy & Mather branding or "brand stewardship" refers to building and enhancing a positive relationship between consumers and products (ibid).

From a cultural standpoint, this quest represents a big challenge for the advertising agency. SFASP is a campaign running simultaneously in different countries, yet IBM expects to develop a solid and unified image as a result of it. The difficulties of accomplishing this task are evident, since a campaign of this scope targets people from a wide array of nationalities. Chances are that all these people will react differently to the campaign, given the diversity of their individual perceptions and needs, group preferences (social memberships, ethnic identities, etc.), collective traits and patterns (verbal and nonverbal communication, cultural values, etc.), as well as of their particular environment.

Strategically, SFASP is based on two notions. On the one hand, according to the concept of techno-branding, since technology-based products and services are complex, the branding effort must "focus on simplifying product messages in order to reduce buyer confusion" (Mulunovich, 1995). On the other hand, since
technology-based products are used everywhere in the same fashion, by people who share a common interest for information as well as a common technical language, advertising promoting these products supports a high degree of standardization (Nelson 1994, 22).

Research seems to support the feasibility of this strategical move. As I have noted before, some products and services seem more suitable for global marketability (see chapter 6). Among these, computer-related products, such as hardware and software, have a high degree of suitability. Furthermore, since information-based economies are expanding all over the world—especially in developed countries—the marketability of information technology and services is bound to succeed.

There is already a trend among computer marketers to rely on standardized advertising campaigns in order to create a worldwide identity and brand image (ibid). In order to cross national borders, and to overcome cultural barriers, advertising campaigns of high-tech products must deliver messages that consistently convey a well-defined brand image. Those messages must rely on such commonalities as readership of trade publications, kind and place of work, and acquisition of information via Internet (Johnson-c, 1994, 52).

The emergence of the so-called "virtual communities" (see chapter 7) might be a great stepping stone for advertisers to find and exploit common traits in order to promote high-tech products. As with any other cultural entity, members of "virtual communities" share among themselves certain attitudes, beliefs and values; develop an identity as members of a social organization—even though virtual; and even share some tendencies and patterns, among which, the use of computer-related terminology as a form of language is, perhaps, the most salient of their collective characteristics.
In essence, SFASP's messages are a variation of a central unifying theme. Canadian advertiser John Dalla Costa thinks that since IBM needs to persuade consumers that its name means difference, the constant repetition of its message conveys that idea to the public (1995, 15). Since it is shown simultaneously in different countries of the world, it strengthens the commonalties among actual and potential computer users, thus promoting the development of some sort of worldwide computer culture. As Usunier states, "advertising is a privileged method of cultural borrowing: advertising mirrors changing social behavior" (1993, 342).

8.5- THE ADS

As I said before, SFASP portrays people from different cultural backgrounds and nationalities. Consistent with IBM's overall marketing strategy--"IBM provides solutions for all your requirements"--the campaign shows different instances in the everyday lives of the characters in which they rely on IBM technology.

The campaign relies on different kind of media, since the motto "Solutions for a Small Planet" has now become the distinctive mark of every form of communication from IBM. For the general public, the most relevant aspects of the campaign are the television spots and the printed ads. So far, more than fifteen television spots and seven printed ads have been produced as part of this on-going campaign. For a more extensive list of the campaign's television spots see Appendix 1.

In what follows, I am going to concentrate my attention on six of the television spots and three of the printed ads. The scripts and story-boards of the
television ads were downloaded from IBM Corporation Web Site, as were the illustrations of the printed ads.\textsuperscript{39} The texts of the printed ads were obtained from Time magazine, spring 1995 issue. For the original scripts of some of the television spots, see Appendix 2. The scripts, text, story-boards, and illustrations appear here as in the original sources. All the television ads are subtitled, and IBM's logo and tag (Solutions for a Small Planet) fade in on the last scene.

\textbf{NUNS IN WESTERN EUROPE}

A group of strolling nuns discuss 32-bit operating systems, getting on the net and reading "Wired" magazine.

\textbf{Medium:} Television

\textbf{Duration:} 30 Seconds

\textbf{Script:}

\emph{We're somewhere in Prague. Two nuns are walking back to their convent after mass. Their conversation is subtitled.}

\textsuperscript{39} Since the story-board for the television spot "Irish shepherds" was unavailable, I have developed one by capturing video images and laying them out in two contact sheets.
Nun 1:

I'm trying to get that new operating system...Chicago. But they keep pushing back the release date.

Nun 2:

That new OS/2 Warp from IBM sounds pretty hot.

Nun 1:

OS/2 Warp?

Nun 2:

I just read about it in "Wired." You get true multitasking...easy access to the Internet.

Nun 1:

I'm dying to surf the "net."

*We hear an odd beeping noise.*

Nun 1:

Whoops. My beeper.

* MOROCCAN BUSINESSMEN *
Two Moroccan businessmen sip coffee in the marketplace as they discuss their problems.

**Medium:** Television

**Duration:** 30 Seconds

**Script:**

*We're in Marrakech. Two guys are at a cafe, having coffee.*

**1st Man:**

Man, I'm so stressed.

*His friend gives him a sympathetic look.*

**1st Man (continues):**

Corporate's on my case. They want our systems talking to each other.

*He shrugs.*

**1st Man (continues):**

Hey, I'm no wirehead.

**2nd Man:**

You check out IBM?

**1st Man:**

No.

**2nd Man:**

Look. IBM can make your stuff work with their stuff, anybody's stuff.

**1st Man:**

Got their number?

**2nd Man:**

Sure. I'll e-mail it to you.
A trio of Greek fishermen anxious for riches discuss the possibilities for global expansion.

**Medium:** Television

**Duration:** 30 Seconds

**Script:**

_We're in a small fishing village somewhere in Greece. A fleet of ships are leaving their port. On board one ship, three guys are preparing to dive. An elder guy, Andreas, is helping his younger colleague, Dimitri, put on the cumbersome diving gear: bulky suit, unwieldy helmet, etc. Their conversation is subtitled._

**Dimitri:**

So I was flipping through the "Harvard Business Review."

**Dimitri (continues):**

It got me thinking. If we crank up our overseas presence...we'd be swimming in drachmas.

**Boss:**

Get real, Dimitri. How can we pull that off?
Dimitri:
We'll tap into IBM's Global Network. We get cutting-edge voice and data communications. Plus expertise to make it all hum.

Boss:
Hmm...

Boss (continues):
We must do lunch!

Dimitri:
Sushi!

IRISH SHEPHERDS

Irish shepherds discuss the latest technological marvel from IBM. By the end they're both pretty impressed with the Think Pad. And so are the sheep.

Medium: Television
Duration: 30 Seconds
Script:

We're somewhere in the rolling green hills of Ireland. A storm is moving in: two Irish shepherds and their flock of sheep are walking toward a stone hut, where they'll sit out the inclement weather. One of the shepherds happens to be carrying a 755CD Think Pad. The shepherds are speaking in English, but we've got to translate it with subtitles.

1st Guy:
Why are you lugging around that laptop?

2nd Guy:
My ThinkPad is a technological marvel.

2nd (rhetorically):
I can use the speakerphone...play CDs...print...

The first guy yawns. He's not impressed.

2nd Guy:
And all without plugging into the wall.

1st (humbled):
Gee, my Pretentia 4000 can't do that.

2nd (rhetorically):
And the way it captures video is remarkable.

He flips open his ThinkPad and switches it on. We hear its little "start up" melody. The other guy, and a bunch of sheep, crowd over to look.

2nd Guy:
Look. Me and the Missus in Acapulco.

Sheep:
Baaah.
Actresses prepare for a performance while worrying about computer technical support.

Medium: Television
Duration: 30 Seconds
Script:

We're backstage at a Chinese opera house. The actresses are in their dressing room, applying their makeup. The conversation is subtitled.

1st Actress:

So last night my PC froze...kept having to reboot.

2nd Actress:

Did you check your config.sys file?

1st Actress:

Called their "help" line...they were anything but.

2nd Actress:

You know, I just read something about IBM. They can look inside your PC and fix it--over the phone line.
1st Actress:
Over the phone line? Neat!
They pause for a second to fiddle with their makeup.

2nd Actress:
Didja hear? I am up for a part in Grease.
Dissolve to the stage of the opera house. Now the actresses are on-stage in their full regalia, performing their opening number. Over this scene, our logo and tag appear.

ITALIAN FARMERS

An Italian and his granddaughter are out in the woods talking about the Internet.

Medium: Television
Duration: 30 Seconds

Script:
We're deep in the heat of the Apennine Mountains in Italy. It's dusk; the sun is setting over a farmhouse tucked away by itself at the end of the road. There we spy the farmer, a retired man in his late 60's, walking with his 25 year old granddaughter. In this
particular corner of the world, it seems like things haven't changed that much in the last 100 years. We move closer so we can eavesdrop on their Italian conversation.

Grandfather:
Well, I finally finished my doctoral thesis.

Woman:
Way to go, Gramps.

Grandfather:
Did my research at Indiana University.

Woman:
Indiana?

Grandfather:
Yup! IBM took the school's library...and digitized it. So I could access it over the Internet.

She cocks her ear to take this all in.

Grandfather:
You know...It's a great time to be alive.

A MASON IN DRESDEN

Restoration of a damaged church in Germany is in progress with the assistance of computer design.
IN DRESDEN, FREEDOM RISES FROM THE RUBBLE. Germany's greatest church, the Frauenkirche, was bombed flat in 1945. Where Bach and Wagner once performed, there now lies only broken rock. But recently, stonemason Franz Huber and a team of other artisans and architects began to painstakingly resurrect the city's symbol of harmony. Once IBM reconstructed the Baroque landmark in 3-D cyberspace, the team could begin to rebuild the ruins. Guiding them is an IBM RS/6000™ running CATIA™, a computer-aided design tool. By 2006, the church will reach to the heavens once more, thanks to 18th-century craftsmanship and a powerful 21st-century tool. What can IBM help you build? Call 1-800-465-1234 (ext. 449) and find out.

A THEATRE DIRECTOR IN NEW YORK

A theatre performance is put together with the aid of multi-conferencing.
IN NEW YORK CITY, THE POWER OF ART IS VAST BUT ITS RESOURCES ARE LIMITED. So when Cheryl Faver of the Gertrude Stein Repertory Theater dreamt of linking dancers and actors around the world, she came to IBM. On a tiny budget, IBM's Person to Person™ multimedia conferencing software turned the little playhouse into an international performance space. Now the artists hold virtual meetings to conceive the pieces, then choreograph wire-frame dancers on computer-generated sets. Could IBM multimedia enhance your performance? Call 1-800-465-1234 (ext. 300) and see.

AN ARCHAEOLOGIST IN MOROCCO

Archaeologists uncover fossilized human bones, and put them together using a technological aid.

Medium: Print

Size: Two Pages

Text:

IN CASABLANCA, A SLIVER OF BONE REVEALED A CHUNK OF HISTORY when Dr. Jean-Jacques Hublin unearthed a few fossilized skull fragments. Then Hublin and a team of IBM scientists fed this shattered 3-D jigsaw puzzle into a unique program called Visualization Data Explorer.™ The tiny pieces helped
form an electronic reconstruction of our early ancestor, the first Homo sapiens. This new IBM technology has turned time back 400,000 years, uncovering clues to the origins of mankind. What can visualization technology reveal to you? Call 1-800-465-1234 (ext. 150) and see.

Solutions for a Small Planet’s ads appeal to the senses, and to the audience’s sense of television-aesthetics. Colors, light, the image in general, as well as sounds, are all part of a good execution that might make the audience more receptive to the advertising message. The scenic images, shot in different places of the world, add an element of interest to the ads. Aside from appealing to the senses and emotions, the ads also contain a certain intellectual or rational appeal given by the mentioning and brief discussion of particular products, services, or even organizational features (e.g., OS/2 Warp operating system, IBM Global Network, customer support, etc.).

This kind of appeal is even more evident in the case of the print ads, since, contrary to the case of television ads, they can reach more focalized segments of the target audience, and are not limited by time. However, in neither case does the discussion about technologies fall into technicisms that would discourage potential customers. On the contrary, in every case the technological element is part of a slice-of-life usage demonstration—the executional format of the ads—making it easy for the public to appreciate the role that technological innovation can play in their lives.

Additionally, SFASP relies mostly on nonverbal clues for building audience confidence with respect to the advertising message. Whether we are talking about the soft voice of the Italian grandfather, or the smile in the archaeologist’s still photography, there is little doubt that all nonverbal language is intended to reinforce such a sense of confidence. Again, cultural differences
might appear to be an obstacle—the faces of the Chinese actresses or those of the Moroccan businessmen can be very alien to people from western societies. However, it is important to remember that the issue in the campaign is to create the sense that IBM products and services are being used by ordinary people all over the world.

In essence, the name IBM—its history and prestige—is what provides SFASP with reputability, since the characters portrayed in the ads are not authority or expert figures in the formal sense. These characters might have different levels of expertise concerning computers, and they might make a living in a wide range of occupations—shepherds, monks, fishermen, archaeologists, business people, etc.—but basically they all contribute to foster in the audience the idea that "if they can use IBM products, so can we."

Since we are talking about the portrayal of people from different countries—people that not only speak different languages, look different, and obviously have different cultural backgrounds—the degree of identification of the audience with these characters is questionable. However, what the campaign seems to seek is not identification with, but rather recognition of, these characters and their usage of IBM products.

Considering that IBM offers "solutions" mostly designed for business purposes, the degree of personalization of this campaign is remarkable. Yet, this is not surprising, since there might be a two-fold reason for this. On the one hand, as a good tactical movement, the campaign might be trying to reach the decision-makers, those who might have the power of choosing IBM over the competition. On the other hand, it is certain that IBM is trying to gain grounds in the PC and personal software markets, where it has fallen well behind other marketers.
For all the actual and potential customers, the motives for purchasing computer technology may be as varied as their backgrounds. Fundamentally SFASP--on behalf of IBM--offers people from all over the world "solutions" for certain problems they might have or they might encounter. That is the way IBM wants to be perceived, and that is the way the campaign positions it.

According to Rank, advertising messages attempt to link a product or service with something desired by the target audience (1991, 7-12). In order to do so, advertisers usually associate the product or service they are promoting with intangible values, which act as desire-stimulating mechanisms or techniques (ibid). In the specific case of SFASP, the intention is to link an organization--IBM--with actual or potential needs or desires the audience has. This is achieved by positioning IBM as a worldwide solution provider, thus re-inventing the company's image as the objective of this branding campaign.

SFASP seems to appeal to the need or desire for "problem solving," which would be the case of current IBM customers. The message seems to be that customers benefit from relying on IBM's products and services, since IBM guarantees the delivery of "solutions" to those who might need them. And, these "solutions" are offered as part of a "big package" that includes developing, manufacturing, and customer support, all under the name of IBM. A branding campaign such as SFASP, which conveys a revitalized company image, might be useful for developing and strengthening customer loyalty.

There are a few explicit and several implicit claims in the ads. By offering "solutions" and by conveying the image of being capable of delivering them, IBM's advertisements stress intangible values such as superiority (with respect to competing products), efficiency, reliability, and above all, utility. The printed ads discretely reinforce these ideas with a few key-words such as "powerful," "enhances," and "unique." Additionally it is safe to say that, in some way, all
these intangibles rest on the value of stability that the name IBM generally conveys.

Beside these values or claims conveyed by the advertising messages, there are other added or implicit values in the ads. Here I am talking about all those meanings SFASP associates IBM with, and which are subtly conveyed by the images portrayed in the ads. A quick review of the ads would reveal some interesting associations. The "Nuns in Western Europe" can be related to religion and spirituality—original for a computer company; "Moroccan Businessmen" refers to economy and success; and "Greek Fishermen" refers to nature and teamwork. Similarly "Irish Shepherds" values neighborhood as well as the backwardness and simple life of average people; "Chinese Opera Singers" relates to beauty as well as to artistic values; and "Italian Farmers" conveys a sense of intimacy and family. Also "A Mason in Dresden" gives the idea of hard-work and national pride, "A Theatre Director in New York" alludes to entertainment and efficiency, and "An Archaeologist in Morocco" relates to science and to some degree excitement. And in all cases, these values are skillfully and subtly associated with IBM, something which might seem surprising or contradictory, since there is no direct relationship between these values and computer usage.

Finally it should be noted that SFASP does not rely on any urgency appeals at all. It is mostly a "soft-sell" kind of campaign since it is part of a long-term effort to revitalize IBM's brand image. For this kind of campaign, repetition is of the utmost importance. Nevertheless, it is not out of context to say that there is a very subtle urgency-stressing in the campaign. The ads portray people who are solving problems and satisfying needs by means of computer technology. The computer has become an icon and a symbol of our time, and coming to the realization that it is probably being used in the most remote areas of the world
even by ordinary people, might be like a wake-up call for persons who would feel that they are "falling behind" in the race to keep up with the changing times.
CHAPTER 9

SUMMARY AND CONCLUSIONS

Taking into consideration that the overarching aim of this thesis has been to explore and illustrate the intricate complexity of contemporary international advertising from an intercultural communications perspective, the theoretical analysis and the case study have shown that (a) modern international marketing communications is no longer bound to traditional advertising practices nor is it affected by typical barriers to communication exchanges, and (b) culture is still an element playing a major role in the success or failure of any international advertising venture. This, in my opinion, calls for international advertisers to adopt new methods for reaching their targets (e.g., computer-mediated communication such as the Internet) and to actively embrace new techniques (e.g., interactive media) in order to maintain a competitive edge in the global economy of the late twentieth-century information age.

9.1- SUMMARY

The free flow of information resulting to a great extent from the opening of markets through free trade agreements has allowed traditional media and new high-tech media to simultaneously reach different areas of the globe, thus allowing people to establish contacts and interactions unthinkable not too long ago. For instance, given the emergence of new pan-regional clusters of consumers, all sharing the same interests and values, as well as the increased acceptance of certain products as "universally" useful, international advertising
no longer has to necessarily appeal to every different national market it targets with every message.

Consequently, modern international advertisers have to, for example, adopt new segmentation methodologies in order to adequately analyze the so-called global markets, and even have to, in some cases, re-engineer their own practice in order to meet the demands posed by rapid developments in international business. Nowadays, international advertisers have to be able to develop and exploit the communication capabilities made available to them by new interactive technologies, as well as by the ever-growing computer-communication networks available almost worldwide.

In order to conduct my examination, I have attempted to expand the study of intercultural communication and international advertising by including these new developments in the global marketplace and in communication technology. By recognizing that academic research on this area is still limited, my work has engaged in a wide-ranging investigation that addresses different but related issues.\(^{40}\) In this way, my thesis has extended the traditional scope of study of intercultural communication and advertising by blending these areas with the new international advertising context. My intention was to move the academic inquiry further, by scrutinizing major definitions in culture and communication, as well as in advertising and marketing, in order to relate them to our current age of globalization and new high-tech communication media.

I have approached this task by systematically organizing a theoretical framework, and by grounding the discussion with a case study. The case study has served to show how modern international advertising is developing. In order

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\(^{40}\) For some pioneering work on this area, see the works of Hoffman and Novice at Vanderbilt University's Project 2000: Research Program on Marketing in Computer-Mediated Environments (http://www2000.gsm.vanderbilt.edu).
to systematically build my theoretical framework, I have examined several
different issues: the changing global environment, the study of culture, and the
relationships between culture and communication, culture and organization,
communication and advertising, and marketing and international advertising.

I started by exploring how the world is moving towards an information
age. As a result, a new economy based on the exchange of information through
high-tech media and a new global community (tribalization) are emerging. Since
traditionally the study of culture, cultural values (the core of cultures), and
communication (the means for building up cultures) has been approached under
different irreconcilable perspectives, this new global context justifies the revision
of these theories, to see how well they hold in the modern world.

For example, in his theory of Dimensions of Cultural Variability, Hofstede
put forward the notion that cultures vary according to the emphasis placed upon
dimensions such as individualism, uncertainty avoidance, power distance, and
masculinity-femininity. In his research he identified characteristic traits of
different countries, which were dependent upon the degree of their adherence to
these dimensions. In a world that is increasingly exchanging information, these
traits might be growing less typical. Yet, Hofstede's notions of cultural
variability are still useful for developing advertising campaigns, as well as for
analyzing the cultural relevance of existing campaigns (such as the one in my
case study).

The effects of culture and cultural change in the organizational realm are
also notable, since culture affects the organization's decision making,
management processes, and every form of organizational communication. One of
these forms, advertising, is perhaps the most preeminent example of functional
and persuasive communication. It usually takes place within a marketing
framework, and is reflected in the development of a strategy of influence. When
the organization moves into the international marketplace, the same marketing principles apply, this time in a macro-environment.

Yet this macro or global environment is rapidly changing. Several elements or variables that affect the advertising process, such as demographics, economic structures, technological development, and cultural and social values and attributes are changing. In this context of deep transformations, international advertisers struggle with the dilemma of either standardizing their messages based on the (cultural) transformations that have already taken place, or of keeping their messages culture-specific. An important point made by Ashish Banerjee was to suggest to advertisers to operate transnationally, with decentralized but interconnected operations around the world (1994).

For the purpose of reviewing the case study--IBM's Solutions for a Small Planet campaign--I developed a model of international advertising that help identify different variables affecting the process (individual, group/organizational, collective, and environmental), as well as the different participants involved in them (manufacturers, distributors, advertising agencies, media, consumers). Throughout the case study examination this model was used mostly as an implicit analytical aid or reference instead of an analytical path, because of the interrelatedness of its variables. In the following section, however, I will relate my analysis more explicitly to the principal components of this model.

At this point it is convenient to address one of the limitations of my research. It would certainly have been an advantage to have detailed information about the campaign's intended target audience and its actual reach or extent (global, multi-country, pan-regional, etc.). Unfortunately, IBM is known for not volunteering any kind of information pertaining to its activities, not even to reputable researchers. That is part of its organizational culture, and my attempts
to get more information were not the exception. I was able, though, to track and contact by electronic mail people involved in the development of this campaign at Ogilvy & Mather headquarters in New York. However, despite their offering to provide some information to me, nothing ever materialized. In the end, after contacting an account executive at Ogilvy & Mather Canada in Toronto, I was at least able to get confirmation about the global extension of this campaign (Lenard, 1996).

9.2- ANALYSIS

In the model representing the process of international advertising which I introduced in chapter 7, there are several interrelated variables, all of which affect, in one way or another, this particular kind of process. A quick look at this model reveals several categories or classes of variables. First, variables related to individuals in the host socio-culture (i.e., perceptions, attitude systems, beliefs, needs, etc.). Second, variables related to groups, organizations, and collective bodies within the host socio-culture (i.e., stereotypes, ethnocentrism, self-conceptions, organizational cultures, memberships, roles, ethnic identity, communication patterns, customs, values, value orientations, etc.). Third, the host socio-cultural environment (i.e., the physical, political, legal, economic, financial, infrastructural, and technological environments). Fourth, marketers and advertisers in the host socio-culture (i.e., corporate headquarters and the parent advertising agency). Fifth, marketers and advertisers in the target socio-cultures (i.e., foreign corporate operations, intermediaries, domestic advertising agencies, and domestic media). Sixth, target socio-cultural environments (i.e., the physical, political, legal, economic, financial, infrastructural, and technological environments). Seventh, variables related to groups, organizations, and
collective bodies within the target socio-cultures (i.e., stereotypes, ethnocentrism, self-conceptions, organizational cultures, memberships, roles, ethnic identity, communication patterns, customs, values, value orientations, etc.). Eighth, variables related to individuals in the target socio-cultures (i.e., perceptions, attitude systems, beliefs, needs, etc., pertaining to the target audiences).

The particular order in which I have laid out these categories does not represent a specific path for the analysis of international advertising. Hence, my analysis does not follow a sequential path, but simply tries to take these categories into consideration. Since all the variables involved in these processes are interrelated, at any given time the discussion is not restricted to issues involving only the variables included under a particular category. Instead, my examination resembles a hypertextual format, since it moves throughout addressing different kinds of variables and issues. Finally, it bears noting that an in-depth analysis of both host and target socio-culture's environments, except for the technological aspects (see chapter 7), is not necessary given the intent of this thesis. Since environments involve aggregates of several external conditions, in-depth discussions about these variables would have involved other irrelevant issues. Basically my analysis focuses first on the host socio-culture's marketers and advertisers, second on the target socio-cultures' marketers and advertisers, third on the target socio-cultures' individuals, and fourth on the target socio-cultures' groups and collective bodies.

First, the most important aspects in regard to the host socio-culture's marketers and advertisers are the cultural intricacies of the campaign and the marketing strategy behind it. In this age of standardized global advertising by computer companies, SFASP represents an interesting effort to move around cultural barriers, thus becoming appealing to people from different cultural
backgrounds. As such, it is a campaign that has received favorable comments from insiders of the international advertising industry (Cohen 1995, 4).

Created under IBM's general marketing theme of "offering solutions for your requirements," and around a general "slice-of-life" format, SFASP's ads show different situations in which ethnically diverse people are actively using and enjoying IBM's products and services. The campaign stresses functional problem-solving, which is not necessarily a trait shared by all cultures. Yet, given the nature of the products and services offered by IBM, this value might be relevant for those segments and clusters of consumers that make up the target audience of this campaign.

It is important for the success of this advertising endeavor to systematically manage the campaign as part of a long-term marketing effort. This quality, which marks the difference between an advertising campaign and, for example, a communication program, must follow an equally important process of development. Unfortunately, I do not have any details concerning the decision making process that led to SFASP. What is clear is that the campaign is the product of an organizational needs assessment. This intensive needs assessment involved the whole of IBM's structure and functioning; it eventually led to the restructuring of the organization and its marketing processes, and to the allocation of an impressive U.S. $500 million as advertising's operative budget.

It is also clear that SFASP, as a marketing concept, has come to play a strategic role within IBM. It is safe to assume that such a concept is currently an integral part of IBM's marketing plans and, consequently, its whole marketing mix (see chapter 6). A review of IBM's institutional literature suggests that "providing solutions" shapes the development of the company's lines of products—all of which can be categorized as durable-goods—and services, as well
as of the channels of distribution worldwide. An interesting facet of SFASP as a marketing concept is the degree to which it pervades different aspects of IBM's corporate communications, as well as other aspects of the organization itself. It is safe to say that for many organizations—and IBM is not an exception—the integration and amalgamation of communication activities and messages strengthens and reinforces the concepts and ideas they convey. In that way, it is not surprising that SFASP has become a unifying theme for different manifestations of IBM's communications, both external and possibly internal.

Incorporating this concept within IBM's internal communications is crucial for the success of the overall marketing effort. In simple words, if IBM intends to become "The" worldwide computing solutions provider, and intends to convince customers of this, then its own employees have to believe it, too. If the advertising campaign and the marketing operation in general are successful, the concept of "solutions provider" has the potential to make it into different manifestations of IBM's corporate culture (see chapter 4). Evidence suggests that it is already embedded in the corporation's marketing practices. It may also become part of the organizational language or terminology, and it might not be too long before stories about the campaign and its consequences begin spreading in organizational circles. In order to become part of IBM's corporate culture, the concept of "solutions" has to move beyond mere representation in the organization's artifacts and creations to commingle with deeper levels of organizational culture, such as basic assumptions and values.

Concerning the translation of this marketing concept into an advertising product, it can be said that it is highly unlikely, given the credentials of Ogilvy & Mather, that parochial and ethnocentric points of view—both assuming similarities across national borders—were intentionally present in the development of SFASP (see chapter 2). It would be interesting to know how the
creative executives intended to exert influence on their target audiences by means of this worldwide campaign. Yet, unless there was a strong presence and active participation of a network or pool of creative personnel from different areas of the world, it is also safe to assume that the outcome of this creative effort was unconsciously shaped by values prevalent in Western societies, since cultures tend to be ethnocentric by nature.

The strategy chosen resembles a "shot-gun" approach, since it targets every country in which IBM has a presence. In addition, all the different ads that make up this campaign are shown to this vast worldwide target audience. The campaign relies on different media to reach its targets—a multi-channel approach, but it seems to use television (probably the most popular communication medium in the world) most heavily. The basic criterion for the allocation of the ads is to selectively place them mostly during business and computer shows.

Second, the most important aspect in regard to the target socio-cultures' marketers and advertisers would be the extent of their actual participation in this campaign. The demands placed on IBM by such a monumental marketing enterprise can only be met by an extensive web of international divisions. IBM's ventures in several countries, most of them highly autonomous, allow the company to operate on a decentralized basis—transnationally—without having to exert a tight control on foreign markets or having to function hampered by lack of resources. Therefore, it would be interesting to know to what extent this transnational approach to marketing operations applies to the specific case of IBM's advertising.

Similarly it would be interesting to know the degree of involvement that people from outside Ogilvy & Mather's New York headquarters had in the development of SFASP, a campaign obviously intended for worldwide
audiences. As one of the most important international advertising networks, O&M has offices in many countries around the world, and it would be expected that people from those offices were, and still are, active participants in the creative process of the campaign.

As I have mentioned above, television is the principal media outlet SFASP relies on. As such, it is not only the gateway between advertisers and the target audiences, but also the medium that sets in motion the "shot-gun" strategy of this campaign. Whether IBM is trying to attract regular customers, technological-savvy customers, or both, the ample scope of television seems to be appropriate for reaching these targets.

Third, the most important aspects with regards to target socio-cultures' individuals (i.e., target audiences) are their particular characteristics, which certainly influence the development and effectiveness of any advertising enterprise. As I have noted before, advertising is a form of persuasive communication. Hence, its basic function is to alter relationships and influence others, both at the level of content and at the level of relationship (see chapter 5). In order to effectively exert influence, SFASP must fulfill the expectations placed upon IBM--its products and services--by actual and potential customers worldwide, thus establishing shared relationships with the target audiences. Given the quality of IBM's products, this might not be a difficult task to achieve, provided that the campaign's claims are backed up by an efficient marketing system. Above all, SFASP must be able to convey the idea that it is capable of satisfying customers' needs through the use of adequate symbols. The construction and exchange of relevant content is the most crucial and delicate aspect of the campaign. I will return to this point later; for now I will add that success in fostering the development of a favorable attitude towards IBM
depends on establishing a transactional relationship between the company and customers worldwide.

Some theorists maintain that persuasion—the exertion of influence—can be achieved by altering certain beliefs, attitudes, values, or behaviors of individuals (see chapter 5). This task is, of course, much more difficult when the persuasive effort attempts to exert an effect in public or mass mediated scenarios—which is the case of SFASP, since the available alternatives are somewhat limited by the media available. With that in mind, and given that SFASP attempts to position a solid and unified image of IBM as a "worldwide solutions provider," thus promoting the development of a positive attitude towards IBM's products and services which would eventually end in purchases, it is likely that the campaign attempts to appeal to meaningful values held by the intended audiences as a viable strategy or course of action. I will comment below on the values conveyed by the ads using Hofstede's theory of dimensions of cultural variability as a reference. For now it is important to take into consideration that, as with any other advertising campaign, SFASP must convey and appeal to values shared by the target audience, which in this particular case is widely spread throughout the world.

If SFASP messages successfully appeal to deeply held values, the campaign could move around the barriers and challenges that cultural values usually represent for any kind of intercultural communication. Moreover, because values are an important component of people's attitude systems, effective action upon target audiences' values would probably result in the intended positive modification of attitudes towards IBM (see chapters 3 and 5). The important thing O&M's strategists and copy-writers have to take into consideration is that challenging deeply held values and value-related attitudes will undoubtedly evoke strong resistance from the target audience.
The target audience of the campaign seems to be quite diffuse and widely spread. The only homogenizing factor might be their actual or potential use of computer technology. This is highly likely since it appears that this kind of technology is fostering the development of consumer clusters that cut across national borders. These consumers seem to share a unifying technical language, common interests, and even a computer-based culture, that radically differentiates them from other segments of consumers.

The grouping of many of these consumers in what have come to be known as "virtual cultures" is a phenomenon highly representative of the late twentieth-century information age. These groupings, usually geographically dispersed, offer new possibilities for advertising products considered suitable for global marketing. Computer-related goods and services appear to be highly suitable, given the relatively high disposition of these potential customers to keep up with advances in technology, their educational backgrounds, and their relatively high purchasing power. Some analysts suggest that these traits will increase the gap between developed and developing countries, and between the economically affluent and the not-so affluent. However, Nicholas Negroponte surmises that the differences will be mostly generational, arguing that openness to new forms of communication and communication technology is not that much a matter of cultural or economic background (1995, 6).

Fourth, the most important aspects in regard to target socio-cultures' group, organizational, and collective entities are, without doubt, the values shared by the members of such cultural bodies. Earlier I presented the idea that the marketing concept "solutions" might become part of IBM's corporate culture's values. This notion is not far-fetched, especially if we consider that SFASP, as a marketing and advertising product, already reflects some of the values espoused by the members of the organization. Furthermore, since there is usually a
relationship between corporate and national culture, SFASP becomes, to a certain extent, a product of the national environment from which it comes. Values such as effective action, technology, and productivity—very much related to effective problem-solving—are not uncommon in the Western world. For instance, metaphors stressing efficiency and capability can be found in many Western corporations, and IBM is probably not an exception.

Since communication involves not only the delivery of messages, but also the exchange of meanings (text, signs, codes, etc.), it is inevitable that any form of communication coming from an organization—in this case IBM—would reflect the values espoused by it. Furthermore, since culture influences communication, and vice versa, the national culture of the company's native environment is also reflected in any organization's communication, advertising included. Consequently, it is safe to say that SFASP messages convey ideas about what is acceptable and shared by people from the Western world; these values are not necessarily shared by people living in different cultural contexts.

As we can see, the adequate manipulation of different variables affecting an intercultural communication effort such as SFASP can determine the difference between success and failure. Cultural variables, such as values, and psychological variables, such as attitude systems, are inextricably linked, and the difference between them is mostly a matter of conceptualization. Yet, other variables of a communicative nature (e.g. verbal and nonverbal communication patterns), social (e.g. social roles and norms), psychosocial (e.g. stereotypes and prejudices), and the like, are also elements playing an important role in the ways the messages are perceived by the audiences. Furthermore, given that it is almost impossible to directly act upon highly subjective elements, such as values and prejudices, persuaders must rely on more empirically observable symbolisms. Such symbolisms—verbal and nonverbal communication patterns—are an
effective gateway into peoples' innermost perceptions and meanings, since patterns of thought are interrelated with patterns of communication.

This seems to be the case for SFASP, in which advertisers resort to portraying a wide array of cultural images with the intention of making the messages relevant to people from different cultural backgrounds. For instance, all the television ads use the original language of the characters portrayed. The superimposed translation does not pretend to substitute for the original dialogue. It would be useful to know to what extent these dialogues actually reflect the intended verbal and cultural patterns. The spot "Irish Shepherds," for example, provides an interesting example of language usage (see chapter 8). Even though the native language of the characters is English, it is pronounced so differently that it requires translation, and perhaps a little bit of interpretation, in order to be understood by us. Similarly, the ads are intended to be accurate reflections of nonverbal communication patterns. Take the example of the spot "Italian Farmers," in which time seems to pass quite slowly, and in which nonverbal cues such as voice tone and pitch (paralanguage) are in marked contrast with, for example, those in "Greek Fishermen."

It is possible that these images are nothing more than cultural stereotyping, especially if they result from the perception advertisers have other cultures. This point is highly controversial, and leads to endless debates not relevant for this thesis. The bottom line is that the advertising format severely restricts copy-writers' capabilities of accurately portraying people from different cultures. Consequently, if they are to rely on simplified images in order to convey their messages, the adequate manipulation of the different variables that make up such images must be the result of skillful strategic and tactical planning. Failure in doing so would certainly backfire, since in that case the
messages would not be relevant for the different segments that make up the intended target audience.

The key issue then is to establish if the advertisements' added values intend to be "universal"—perhaps shared by "virtual communities"—or if they are instead bound to specific cultural contexts. For the creative team, the dilemma probably was to communicate a single corporate image that will hold consistently for people from different cultural backgrounds, or rather to communicate "equivalent" corporate images relevant to different segments of the international markets. It is very probable that according to the "shot-gun" strategy the campaign tries to accomplish both objectives. For example, IBM might try to convey a sense of efficiency. Yet, what some people consider to be a sign of efficiency might be different from other people's perceptions of efficiency. The solution is to broadcast different ads, all of which intend to convey the same sense of efficiency, yet in a different way by resorting to different evocative elements (i.e., different signifiers that convey the same meaning).

Given the major theme the campaign relies on (problem solving), as well as the strategic objectives of the campaign (developing a unified image by means of simple and standard messages), SFASP is a clear example of functional communication. The values conveyed by the ads are mostly those prevalent in Western Grounds (see chapter 4). If the ads were to appeal exclusively to the general public, this distinctive character would be a danger for the success of the intercultural effort, since computers were developed in the Western world as tools for increasing efficiency and productivity, qualities that not every social group strives for. For example, the relatively low use of computers and computer services by women all over the world seems to support the notion that computers are built mostly as a result of valuing masculine attributes, a characteristic more typical of the Western world. Some of the additional implicit
values conveyed by the campaign are not universal either. For instance, "Nuns in Western Europe" stresses religion and spirituality, "Greek Fishermen" stresses nature and teamwork, "Chinese Opera Singers" stresses beauty and artistry, and so on (see chapter 8).

It is possible to associate the ads with particular cultural traits by using Hofstede's findings. Of the eight countries represented on the ads previously analyzed (see chapter 8), five are included in Hofstede's analysis of cultural variability among 40 different countries (1980). Germany ("A Mason in Dresden") is a country low on power distance, medium to high on uncertainty avoidance, medium on individualism, and medium to high on masculinity. Greece ("Greek Fishermen") is a country high on power distance, high on uncertainty avoidance, low on individualism, and medium on masculinity. Italy ("Italian Farmers") is a country high on power distance, high on uncertainty avoidance, medium to high on individualism, and medium on masculinity. Finally, Ireland ("Irish Shepherds") and the United States ("A Theatre Director in New York") are countries low to medium on power distance, low to medium on uncertainty avoidance, high on individualism, and high on masculinity (ibid).

Consequently it is possible to reveal more values the ads are supposed to relate to. With respect to power distance, "A Mason in Dresden," and to a lesser degree "Irish Shepherds" and "A Theatre Director in New York" should relate to equality, respect for individuals, and knowledge, whereas "Greek Fishermen" and "Italian Farmers" should relate to hierarchical differentiation, authority, and ancestry. With respect to uncertainty avoidance, "A Mason in Dresden," "Greek Fishermen," and "Italian Farmers" should relate to resistance to change, formality, clarity, and specialization, whereas "Irish Shepherds" and "A Theatre Director in New York" should relate to calmness and risk-taking. With respect to individualism, "A Mason in Dresden," "Italian Farmers," and especially "Irish
Shepherds" and "A Theatre Director in New York" should relate to self-realization, family identity, initiative, and achievement, whereas "Greek Fishermen" should relate to group goals, collectiveness, cooperation, and group belonging. Finally, with respect to masculinity, "A Mason in Dresden," "Greek Fishermen," "Italian Farmers," and especially "Irish Shepherds" and "A Theatre Director in New York" should relate to differentiated sex roles, assertiveness, ambition, independence, work satisfaction, advancement, and challenge.

If the ads adequately portray the cultural traits prevalent in these countries they would relate to the values mentioned above. In order to establish if this is actually the case, a formal content analysis would be necessary. Yet, a quick look at the ads reveals that to a certain degree many of these associations take place within the ads.

For example, "A Mason in Dresden" conveys a sense of resistance to change and formality (rebuilding an old Cathedral), knowledge and specialization (the mason's skills), and achievement, challenge, and work satisfaction (accomplishing the task). "Greek Fishermen" conveys a sense of hierarchy and ancestry (older fisherman), resistance to change (traditional fishing boat), group belongingness, collectiveness, cooperation, and common goals (team of fishermen), and assertiveness and challenge (preparing to dive). "Italian Farmers" conveys a sense of hierarchy and ancestry (image of grandfather), resistance to change (traditional scenario), family identity (presence of grandfather and granddaughter), and initiative, achievement, ambition, assertiveness, and advancement (obtaining a doctoral degree). "Irish Shepherds" conveys a sense of equality and calmness (walking shepherds), knowledge (discussion about technology), and family identity (picture of shepherd's wife). Finally, "A Theatre Director in New York" conveys a sense of knowledge,
challenge, and initiative (using teleconferencing to put together a theatrical play), and achievement and work satisfaction (accomplishing the task).

Consequently, I would venture to say that SFASP's ads are to some extent adequate reflections of the cultures they portray, since they seem to generally conform with Hofstede's findings. I must stress once again that these portrayals can be considered by some as cultural stereotypes. However, if this is the case, the management and manipulation of these stereotypes would be part of a well-developed creative strategy (see chapter 5). The ongoing development and broadcast of the campaign seems to suggest that so far this is a successful campaign.

When considering the heavy tilt towards values associated with masculinity, it appears that the ads—at least those included on this sample—mostly relate to values prevalent in the Western world. Yet, given that these and all the other values are, depending on the specific theme of each particular ad, selectively placed in the appropriate cultural context within each particular ad, the campaign acquires intercultural relevance and recognition as a result of the multiplicity of the ads. In the long term, despite cultural differences, any new ad might come to be recognized as part of the overall campaign, which promotes IBM as a "solutions provider."

In essence, relying on problem-solving values might make the campaign relevant to computer users worldwide. And relying on culture-specific values might make the campaign understood by actual and potential customers all over the world. These two conditions match Ashish Banerjee's formula for the success of any international advertising campaign: to be relevant and understood across national borders (see chapter 7). Accomplishing this task might facilitate the eliciting of the same response—positioning of a solid and unified image of IBM as "solutions provider"—across different segments of the target audiences.
It might well be that eliciting the same response from consumers across national borders is mostly something to strive for, rather than a reality. Research done by Martin Roth established that the success of functional image branding depends on cultural factors such as uncertainty avoidance, individualism, and regional socioeconomics (1995, 163-174). The possibility of success is greater among societies with a high degree of uncertainty avoidance, with greater individualism, and with stronger regional socioeconomic performances.

According to this point of view, it is likely that the campaign will succeed mostly in cultures and/or cultural groups that show specific combinations of these cultural values. On one hand, low tolerance for ambiguity, and high appreciation for rules and consensus correspond with high uncertainty avoidance. On the other hand, emphasis on individual achievements and relatively low group involvement correspond with individualism.

Relying on Hofstede's theory (1980), and once again assuming that SFASP's ads are an adequate portrayal of different cultural groups, it is probable that the ads would be successful among clusters of countries sharing the same cultural traits. For example, "A Mason in Dresden" might appeal to people in Austria, Switzerland, and Israel; "Greek Fishermen" to people in Yugoslavia, Turkey, and Iran; "Italian Farmers" to people in Belgium, France, Argentina, Brazil, and Spain; and, "Irish Shepherds" and "A Theatre Director in New York" to people in Australia, Canada, Great Britain, New Zealand, and South Africa.

It is important to consider that this is only a small sample of ads, part of an ongoing campaign that has already produced several more. For example, ads depicting people from Argentina, Brazil, and France, among others, have already been broadcast around the world. A wide variety of ads increases the chances of appealing not only to the particular cultural groups depicted in the ads, but also to other closely related groups. As a result, more than one ad can be directly and
indirectly appealing to people from a given culture, thus increasing the probabilities of success.

In addition, the light-hearted tone of the campaign further enhances the possibilities of acceptance by the audience. Lynette Unger established that humor offers a degree of universality that standardized campaigns require to promote image branding across national borders (1995, 66-69). Ads featuring computer-savvy nuns and an Irish shepherd trying to impress a friend—and his sheep—with his notebook computer, among others, can be considered somewhat humorous, at least from a western point of view. Thus, without being excessively humorous, the ads convey certain lightness that might be enough to perceive IBM as an easily accessible provider of "solutions."

9.3- CONCLUSIONS

The previous examination yields some interesting conclusions which I will address immediately. In turn, these conclusions pose a series of questions that eventually have to be answered by further research.

First, as the world is moving towards a new economy and towards the information age, we are bound to see more global campaigns, especially those promoting products and services more suited for international marketability.

Second, in order to understand this phenomenon, a comprehensive approach linking the new economy and the information age with communication and intercultural communication, as well as with advertising and marketing, is needed.

Third, even though cultural patterns are no longer rigid, given that new communication technologies facilitate cultural borrowing, advertisers still need
to be aware of the diversity of cultural patterns and variables, given that culture is the ultimate influence upon communication patterns.

Fourth, since organizations need to keep pace with changing times, organizational cultures should be open to embrace the adoption of new communication technologies that would, in turn, facilitate interactions with culturally diverse people.

Fifth, it is imperative for advertisers to understand these new communication technologies as new communication media, and consequently to redefine advertising in order to consistently take advantage of the possibilities offered for communicating across national borders.

Sixth, given that new technologies facilitate interactive work and networking, advertising agencies will be more able to operate transnationally by linking pools of executives all over the world via computer-mediated communication technology.

Seventh, operating transnationally should go hand in hand with the adoption of new procedures for conducting market research (e.g., segmentation), and for developing a solid strategy of influence coordinated from a central agency.

Eighth, international advertisers, even in the age of globalization, must not lose sight of the difference between standardized and culture-specific messages; they must strive for a balance even when promoting products suited for global marketability.

Ninth, even if globalization results in a strong convergence of cultural values, it is unlikely that cultural differences will disappear (at least not in the foreseeable future), especially since any trend fosters the appearance of a corresponding counter-trend or reaction.
Tenth, the bottom line is that every communication process, advertising included, is interwoven around culture and cultural values; taking this into consideration marks the difference between unskillful and competent intercultural communication.

It would be interesting to see more investigation in this area. Future researchers must address questions such as: How well do concepts such as new media and new international advertising fit into traditional bodies of knowledge? How much do we have to redefine the traditional understanding of intercultural communication and international advertising in order to make these new concepts fit? Would increased diversity among advertising executives be reflected in increased efficiency in developing international advertising campaigns? Would interests shared by members of new consumer clusters, particularly by members of virtual communities, ever take precedence over cultural values? To what degree might the expansion of the Internet, and of advertising on the Internet, homogenize cultural values? Would environmental settings make cultures and cultural values resistant to the homogenizing effect of new communication technologies? Even if cultures become somewhat homogenized, what would be the ultimate outcome? Would Western-capitalist values prevail? Or would democratic values spontaneously fostered by on-line communities maintain cultural identities as we have come to understand them today? Would cultures that have survived for centuries succumb to new communication technologies and new advertising practices?

Only time will provide answers to these and many other questions. Nobody knows the extent of the effect current developments in communication technology will have on the way people do business, and on the way people communicate. As a result, it is up to theorists and practitioners to find creative
ways to cater to everybody's needs and interests, while still respecting cultural differences and cultural integrity.
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## APPENDIX 1

### LIST OF TELEVISION ADS

<table>
<thead>
<tr>
<th>Country</th>
<th>Spot</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Tango Dancers</td>
<td>Voice Recognition</td>
</tr>
<tr>
<td>Brazil</td>
<td>Brazilian Rain Forest</td>
<td>OS/2 Warp Connect</td>
</tr>
<tr>
<td>China</td>
<td>Chinese Opera Singers</td>
<td>HouseCall (Customer Service)</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Nuns in Western Europe</td>
<td>OS/2 Warp</td>
</tr>
<tr>
<td>France</td>
<td>French Guys</td>
<td>Optical Storage</td>
</tr>
<tr>
<td>Greece</td>
<td>Greek Fishermen</td>
<td>Global Network</td>
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<tr>
<td>Hungary</td>
<td>Hungarian Organ Grinder</td>
<td>365 ThinkPad</td>
</tr>
<tr>
<td>Ireland</td>
<td>Irish Shepherds</td>
<td>ThinkPad</td>
</tr>
<tr>
<td>Italy</td>
<td>Italian Farmers</td>
<td>Digital Library</td>
</tr>
<tr>
<td>Italy (Swedish Characters)</td>
<td>Fashion Models</td>
<td>Data Mining</td>
</tr>
<tr>
<td>Japan</td>
<td>Japanese Surgeons</td>
<td>Aptiva</td>
</tr>
<tr>
<td>Morocco</td>
<td>Moroccan Businessmen</td>
<td>Openess (Customer Service)</td>
</tr>
<tr>
<td>South Africa (Zulu Characters)</td>
<td>South African Kids</td>
<td>Kid Riffs</td>
</tr>
<tr>
<td>Thailand</td>
<td>Thai River</td>
<td>Consulting</td>
</tr>
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</table>
Tibet
Tibetan Monks
Lotus Notes

Tonga
Upper Tonga Islanders
Comdex 95 (Conference)

United States
California Surfers
AS/400

World
Something Magical is Happening to Our Planet
Worldwide Network Computing
APPENDIX 2

ORIGINAL CZECH VERSION (NUNS IN WESTERN EUROPE)

Jsme někde v Praze. Dvě jeptisky se vracejí po msi do klásteřa. Jejich rozhovor je v titulcích.

Nun 1:

Tak se snazím sehnat ten nový operacní system...Chicago. Porád oddalují jeho uvědení na trh.

Nun 2:

Ten nový, OS/2 Warp od IBM se zda byt vynikající.

Nun 1:

OS/2 Warp?

Nun 2:

Zrovna jsem o něm "četla v casopise." Más tam opravdovy multitasking... snadný prístup do Internetu.

Nun 1:

Hrozné ráda bych tu sít vyzkousela.

Slysíme zvláštní zapínání.

Nun 1:

Ou-To. Je muj "beeper."
نحذ في مراكش شخصان ببدلاتهم الصيفية، جنسان في
مقهى وبشريان كأس شاي.
أصحابي أنا مقلع.
(يبتسم صديقه)
أمراتي الإدارة تجعل جميع الكمبيوترات
يصلب بعضهم
وأنا ما كان صنع الصوارخ؟
وأشر بـ "& " بـ م" في الموضوع؟
(الأول يقول لا برأسه)
يمكن ليهم بإيجادوا الكمبيوتر ديالك يتصل بديالهم يتصل
عندى النمرة ديال تسليفون ديالهم؟
معلوما، غادي نصاطرها، ليك بمكاله إلكترونية.
السطر الماضي: إمكنا ليم إيجادوا الكمبيوتر ديالك
يصلب بديالهم.
كيفنحو: أوبو الإتصالات.
ΔΗΜΗΤΡΗΣ: Ξεφύλλιζα τα οικονομικά φύλλα τις προάλλες.

ΔΗΜΗΤΡΗΣ: Μ’έβαλε σε σκέψεις. Αν μπορούσαμε να επεκταθούμε στην παγκόσμια αγορά, θα κολυμπούσαμε στο χρήμα.

ΑΝΔΡΕΑΣ: Σοβαρέψου (ρε) Δημητράκη. Και πώς θα τα κάνουμε όλα αυτά;

ΔΗΜΗΤΡΗΣ: Θα μπούμε στο IBM Global Network.

ΔΗΜΗΤΡΗΣ: Και θα μαςτε σ’ένα πρωτοποριακό δίκτυο, όπου μπορείς να διακινείς και φωτή και data, με την τεκνογνωσία της IBM, που τα κάνει όλα να δουλεύουν.

ΑΝΔΡΕΑΣ: Θα τσιμπήσουμε κάτι για μεσημέρι.

ΔΗΜΗΤΡΗΣ: Είσαι για sushi;

IBM. Λύσεις για το μικρό μας πλανήτη.
ORIGINAL ENGLISH VERSION (IRISH SHEPHERDS)

We're somewhere in the rolling green hills of Ireland. A storm is moving in: two Irish shepherds and their flock of sheep are walking toward a stone hut, where they'll sit out the inclement weather. One of the shepherds happens to be carrying a 755CD Think Pad. The shepherds are speaking in English, but we've got to translate it with subtitles. Note: Subtitles are in ALL CAPS.

1st Guy:

So I suppose you'll be having beds made up in the spare room for the lambs next?

WHY ARE YOU LUGGING AROUND THAT LAPTOP?

2nd Guy: (rhetorically)

Sure, haven't I got the speaker phone? Can't I play CDs, and print?

I CAN USE THE SPEAKER PHONE . . . PLAY CDS . . . PRINT . . .

(mystery sound—see below)

The first guy yawns. He's not impressed.

2nd Guy:

And without getting within a bull's roar of the hole in the wall.

AND ALL WITHOUT PLUGGING INTO THE WALL.
1st Guy: (humbled)

Well, my Pretentia must have been behind the door on that.

GEE, MY PRETENTIA 4000 CAN'T DO THAT.

2nd Guy: (rhetorically)

And wouldn't me video capture capabilities make a cat bark?

AND THE WAY IT CAPTURES VIDEO IS REMARKABLE.

*He flips open his Think Pad and switches it on. We hear its little “start-up” melody. The other guy, and a bunch of sheep, crowd over to look.*

2nd Guy:

Isn't that a right picture. Meself and herself down Acapulco way.

LOOK. ME AND THE MISSUS IN ACAPULCO.

Sheep:

Baaah.

FABULOUS.
昨晚，我的私人電腦不停出毛病，我要開了又開。

你查過Config.sys檔案嗎？

打過他們的“熱線”電話。但是，都幫不了我。

你知道嗎，我剛剛看到IBM的資料，他們可以在電話上檢查和修理你的私人電腦。

經過電話?好棒! 喂，我可能當新劇中的主角。
VITA AUCTORIS

Javier Valdivieso was born in Perú, where he obtained a Bachelor’s Degree in Communication Sciences from the University of Lima in 1986. After different ventures in academic research, the private sector, and in fire services, he came to Canada in 1989. After he decided to go back to school to get his Master’s Degree, he became a Canadian citizen in 1994.