INTERNATIONAL ADVERTISING CAMPAIGNS IN FAST MOVING CONSUMER GOODS COMPANIES

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Abstract

A particularly interesting area of research concerns how international Fast Moving Consumer Goods Companies (FMCG) from small and open economies that operate in turbulent markets plan successful advertising campaigns for international markets. The objective of this research was to determine how international advertising campaigns are planned in FMCG companies and what factors affect this planning. The theoretical part of the study reviews literature related to the internationalization of firms, international advertising campaigns, and standardization versus adaptation of international advertising. Based on the literature, a theoretical framework and propositions regarding the international campaign planning process for FMCG companies were developed. The empirical part uses the multiple case study method to examine four FMCG companies that were founded in Finland. The empirical results show that five stages are especially important in the international campaign planning of FMCG companies. Moreover, the companies need to consider a number of factors when deciding on international adverting campaigns. A novel finding relates to the importance of understanding the impact of the internationalization / globalization phase of the company. The study presents a number of theoretical contributions and managerial implications. It concludes with the suggestion that truly global FMCG companies should also be researched and compared with international ones.

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1. INTRODUCTION

The highly competitive market place and rapidly changing consumer trends in the Fast Moving Consumer Goods (FMCG) field require these companies to introduce new products at an increasing rate and effectively promote them in their target segments of the international market. The turnover rate for inventories in this field is especially high. Understanding the impact of globalization and finding the right advertising strategy, campaigns and media worldwide are important in this area (Kitchen, 1993).

Fast Moving Consumer Goods can be found in many fields such as high fashion clothes, design articles, many consumer electronic fields, and the food industry. Companies such as Nokia, Nike, Zara, Luhta, Ikea, Wilson, Finlandia Vodka, Fazer, and Lumene, all of which are well known brands, are included in this field. In this study special emphasis will be on international advertising for high fashion clothes, cosmetics and spirits.

International advertising research has focused on standardization of international advertising (Laroche et al., 2001, Agrawal 1995; Peebles et al., 1977), consumer responses to international advertising (Zhou & Belk, 2004; Pae et al., 2002), the content of international advertising (Harris & Attour, 2003; Mueller, 1991), social/ethical issues (Borgerson & Schroeder, 2002), cultural values (Aaker & Williams, 1998), and international advertising agencies (Cheung & Leung, 2007, Aydin et al., 1984). Nevertheless, research on international advertising or promotional campaigns has been limited (see e.g. Zou, 2005). Peebles et al. (1978) have also stressed the importance of understanding the steps involved in international advertising campaign management. This is especially important, as international advertising is a complicated process that often involves company HQs, company subsidiaries, agency head offices, and local agency branches (Vardar, 1992, p.7). More research (Taylor, 2005) is required for an understanding of the factors affecting international advertising campaigns. In this context, the impact of internationalization and globalization on international advertising campaigns is an especially neglected research area.

As investments in advertising are large for often relatively small companies in SMOPEC countries, it is important to plan and execute international promotion campaigns effectively in order to stay competitive, and this is particularly so in the FMCG field. Based on this discussion, the main research question may be formulated as follows: *How are international advertising campaigns planned in FMCG companies from SMOPEC countries and what factors have an impact on this planning?*

This research is limited to the FMCG field and especially to companies that originate in Finland, a typical small and open economy (SMOPEC) country, and produce high fashion clothing, cosmetics and spirits. Fast moving consumer goods companies (FMCG) are companies that manufacture and market goods with a short shelf life either as a result of high consumer demand or beause the products become obsolete relatively fast (see e.g.Vyas, 2005). The research method selected for conducting the investigation is qualitative and the multiple-case study method in particular was used (see Yin, 2003).

2. INTERNATIONAL ADVERTISING AND THE FRAMEWORK FOR FMCG COMPANIES

2.1 Internationalization of FMCG companies from SMOPEC countries

The concept of internationalization is described as the process of a company's increasing involvement in international markets. Research shows that companies develop in a stepwise manner (Johanson & Vahlne, 1977; Luostarinen & Welch, 1990, 248-256). Douglas and Craig (1989) found that companies evolve through three phases in the global market: initial entry, the local market expansion phase, and the global market rationalization phase. The management orientation also appears to evolve during globalization. The orientation of the firm may be described as ethnocentric, polycentric, or regiocentric / geocentric, depending on the viewpoint of management (Perlmutter, 1969; Wind et al., 1973). During internationalization, companies need to decide upon issues related to products, markets, and operations, but they also need to decide during the internationalization process on elements related to marketing such as advertising (De Mooij, 1994, p. 470-485). Mastering of international campaigns has become increasingly important during the internationalization process in FMCG companies. It is expected that the stage of the company in the internationalization process and the international management orientation have an impact on the international advertising campaign processes of FMCG companies.

2.2 International advertising campaign process

Earlier research has proposed steps needed in advertising campaign planning (Peebles et al., 1978; Davies, 1993; De Mooij, 1994; Parente et al., 1996). However, empirical research is very limited. Peebles et al. (1978) propose a six-step framework consisting of the following steps: (1) development of advertising strategy and objectives, (2) individual market input, (3) testing, (4) campaign review, (5) budget approval, and (6) finally campaign implementation. The model is based on the assumption that individual subsidiaries develop proposals that are reviewed with the home office for comment and final approval in relevant phases. De Mooij (1994, pp. 470-485) depicts a model with the following steps: (1) situation analysis, (2) marketing communication strategy and objectives, (3) determining the total communication budget, (4) message decisions, (5) selection of media and means of communication, (6) agency selection, (7) budget allocation, and (8) organization, implementation and evaluation. As we can see, these include some of the same stages, although they also differ in the number of main steps and activities. The decision regarding whether to standardize or adapt an advertisement is an important one, which is addressed in the model by Peebles et al. (1978). De Mooij (1994) considers media-related decisions and agency selection to be important steps.

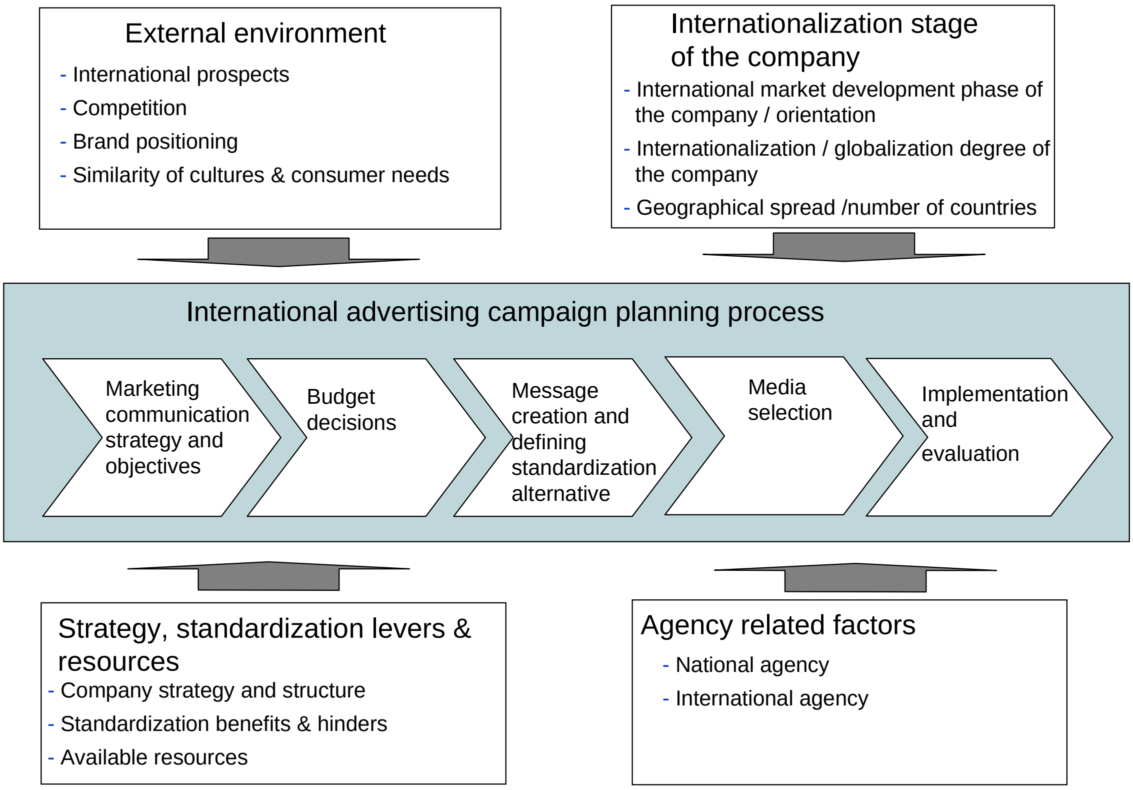
2.3 Standardization versus adaptation in international advertising

Whether to standardize international advertising across countries or to adapt it to countries is a highly debated area in international marketing literature. Proponents of standardized advertising (Elinder, 1965; Fatt, 1967; Levitt, 1983) argue that global market segments are emerging and standardized advertising may be applied across countries bringing advertisers a number of benefits such as cost reduction in advertising planning and control, a consistent brand image, and support for rapid global product launches. Opponents favoring a more localized approach (Britt, 1974; Wind 1986; De Mooij, 1994, p. 203) argue that there are still differences among countries including culture, consumer needs, languages, legislation, media availability, and stage of country development. Some recent studies have recognized that neither complete standardization nor adaptation of advertising is always necessary and the advertiser can select from a continuum based on the situation (Quelch & Hoff, 1986). Research has found a number of factors affecting standardization decisions (Jain, 1989; Buzzell, 1968). Some studies have also indicated that the international management orientation (Wind et al., 1973) or export ratio (Sandler & Shani, 1992) may have an impact on the advertising standardization decision. Peebles et al. (1977) have proposed an interesting perspective on advertising standardization by presenting two alternatives for the company to consider: prototype standardization and pattern standardization. International companies in multiple markets may use prototype standardization, which consists only of the appropriate translations and possibly a few idiomatic changes. When the pattern standardization form is used, the campaign, consisting of the overall theme and its individual components, is originally designed and developed for use in multiple markets to provide uniformity in direction, but not necessarily in detail. This can be seen as a modified standardization alternative, in which certain elements are standardized while flexibility is provided for adaptation to country differences. We may conclude that a company may choose from a standardized, modified or an adapted (localized) standardization alternative and several factors need to be considered.

2.4 The framework for international advertising campaign planning in FMCG Companies and proposition development

The campaign planning process can be seen to consist of the following main steps (De Mooij, 1994, p. 472; Peebles et al., 1978; Davies, 1993): (1) Marketing communication strategy and objectives setting, (2) budget decisions, (3) message creation and determination of the standardization alternative, (4) media decisions, and (5). implementation and evaluation. Agencies are often selected for an extended period and then used for a number of campaigns. Hence, agency selection is not shown as a separate step in the process. The factors affecting advertising campaign planning can be divided into (A) the external factors of the company, (B) the internationalization stage of the company, (C) internal strategy, standardization levers and resources, and (D) factors related to the advertising agency. See Figure 1 for a framework of the international advertising campaign planning process in FMCG companies.

Figure 1. The framework for the international campaign planning process in the fast moving consumer goods companies



The external factors that can be expected to affect international campaign planning are international prospects, competition, brand positioning, and similarity of cultural and consumer needs across countries (See e.g. De Mooij, 1994, p.471). Earlier research has found that the similarity of consumers and their needs across countries (Elinder, 1965; Sorenson & Wiechmann, 1975; Levitt, 1983) and other environmental factor such as competition and laws (Jain, 1989) favor a standardized advertising campaign. It may be postulated as follows:

Proposition 1. The more similar the environment across the countries, the higher is the degree of standardization of the advertising campaign.

Also, the internationalization and globalization stage of the company can be expected to have an impact (Luostarinen, 1979; Perlmutter, 1969; Douglas & Craig, 1989). Earlier research has found that a higher export ratio increases the advertising adaptation (Sandler & Shani, 1992). Research has also found that the global market development phase has an impact on marketing program standardization (Douglas & Craig, 1989, Gabrielsson & Gabrielsson, 2004). In the initial entry phase, the company is expected to select a standardized advertising campaign approach due to simplicity and resource constraints. When the company moves to the international penetration (local expansion) phase, it is expected to select an adapted campaign approach in order to be able to penetrate local country markets. As it reaches the global rationalization phase, it is expected that standardized advertising campaigns will become increasingly important. Moreover, the international management orientation can be expected to have an influence on the standardization of the advertising campaign (Wind et al., 1973). The ethnocentric orientation favors a more headquarters-directed standardized advertising campaign approach while the polycentric orientation, which allows local country management freedom in decision-making can be expected to favor a country-adapted campaign approach. Geocentric management orientation is about striking a balance between decision-making by headquareters and local country responsiveness, thus favoring the modified campaign approach. The following may be postulated:

Proposition 2. In its advertising campaigns, the company will select a standardized approach in the initial international entry phase (a low internationalization degree and an ethnocentric orientation), a modified approach in the international penetration phase (a high internationalization degree and a polycentric management orientation), and a modified or a standardized approach in the global rationalization phase (a high globalization degree and geocentric management orientation).

The internal factors such as the company strategy and structure, standardization benefits and drawbacks, and available resources are expected to influence international advertising campaign planning (De Mooij, 1994). Benefits related to standardization can be seen to arise for example from a consistent company image, reduced creative and production costs, reduced message confusion, and reduced media overlap (Peebles et al., 1977, p.573; Fatt, 1967; Buzzell, 1968) and these factors may be expected to have an impact especially on the standardization alternative used. Moreover, decisions on whether an international agency or a national agency is selected in a target market may be expected to affect international campaign planning (Peebles et al., 1977, p. 574). Use of an international advertising agency is expected to favor a standardized advertising campaign while a national advertising agency would favor a more adapted advertising campaign. The following proposition may be postulated:

Proposition 3. Greater benefits related to standardization and more frequent use of international advertising agency services are expected to favor a more standardized advertising campaign.

3. RESEARCH METHODOLOGY, CASE DESCIPTIONS AND ANALYSIS

3.1 The research method and justification

Multiple case study methodology was selected for this research. The method selected is particularly suitable as the research questions are of the “how” and “why” types and the study focuses on contemporary events (Yin, 2003, p. 5). The evidence from multiple cases is often considered more compelling and the overall study more robust. Moreover, the method is suitable for this paper, as there has been very little research on international advertising campaigns in FMCG companies in the area of high fashion clothes, cosmetics and spirits. The purpose of this research is a deep understanding of selected cases in this very narrow field of research. The selected case study utilizes holistic design, which means that a single unit of analysis has been selected. (Yin 2003, p. 42-46) The multiple case study design allows for logical replication and the results altogether are expected to be more convincing. Four cases were selected. As the information would have become saturated after this point, the number was seen to be adequate. The first case company is Nanso, which is a Finnish high fashion design clothing company, the second case company is L-Fashion Group, which is a Finnish high design sports clothing company, the third one is Lumene, a Finnish cosmetics company, and the fourth is Finlandia Vodka Worldwide, a manufacturer and marketer of spirits originating from Finland. It was previously part of the Altia Group, but is now part of the global Brown Forman conglomerate. These companies are interesting as they have international operations and advertising and other promotion campaigns are important for their success.

The multiple case study research design in this research used many of the principles presented by Yin (2003) regarding selection of cases, data collection, and analysis. To select the case companies, the authors familiarized themselves with the companies included in the Directory of the Association of Fashion Retailers in Finland 2006. The case companies for the studies were selected to meet the following criteria: 1. They meet the definition of Fast Moving Consumer Goods companies. 2. They are from the high fashion clothing, cosmetic or spirits sectors and are Finnish companies by origin (or the business units of the companies studied originated in Finland). 3. They have considerable international sales; over 20% of sales come from outside of Finland. 4. They had international campaigns in 2005-2006. In addition to advertising campaigns consisting of newspaper, magazines, radio, television, cinema and outdoor advertisements, other promotional campaigns such as point of sale and event-related campaigns were also included in the scope of the empirical part. A summary of the background of the four selected case companies including sector, sales turnover and internationalization degree can be found in Table 1.

Table 1. Background of the selected case companies

Company	**Field**	**Turnover**	**Internationalization degree** (foreign sales %)
Nanso Group	Clothing, tights and socks designer and manufacturer	76 million Euros (2006 estimate)	22,6 %
L-Fashion Group	Clothing apparel and accessories designer and manufacturer	156,5 million Euros (2005)	~70% (sport brands)
Lumene Group	Skin care, color cosmetics and hygiene products manufacturer	136 million Euros (2005)	54%
Finlandia Vodka Worldwide	Spirits manufacturer	112,8 million Euros (2005)	96-98%

3.2 Background of the case companies

<u>Nanso Group</u>**.** Nanso Group was established in 1921. Its sales revenue in 2006 totaled EUR 76 million of which exports accounted for 22.6 percent. There were slightly more than 900 employees and with agents included nearly 1000. Nanso Group manufactures over 6 million articles of clothing, over 14 million tights and over 5.3 million pairs of socks a year. Brands like Nanso, Lempivaate, Finnwear, Black Horse, Hyvon, Vogue, Amar, Norlyn, Elisabeth, KS socks, and Finnwear socks belong to the conglomerate. Nanso Group spends around 1.5 million euros of its turnover on marketing.

The most international brand is the Nanso with a little over 40 percent of production going to foreign markets. Nanso Group bought Black Horse and Finnwear in 2001 and Vogue Group in the summer of 2005. It started exports in the middle of the 1970s, first to Sweden and then to Germany. The first exports went through representatives who sold Nanso clothes to Sweden. At the same time it started foreign marketing through special journals.

Nanso Group sells its clothes straight to retailers. Furthermore, it has a subsidiary and agents in Germany, which is the most important export country. Sweden, Norway and Denmark are also important export countries; Sweden is the most important. Scandinavia is basically a home market for the company. Denmark accounts for most of the Lempivaate brand clothing. Switzerland, the Netherlands and Austria are also very important export countries. Russia is the third area where Nanso Group is currently focusing.

L-Fashion Group**.** L-Fashion Group specializes in the designing, marketing and production of apparel and accessories. It consists of four divisions, each operating in its own business areas, which are high fashion clothing, sportswear, trading, and retailing. It is one of the biggest clothing companies in Scandinavia. Its sales revenues amounted to 156.5 million euros in 2005. The oldest and best-known brands of the group are Luhta, Rukka, Skila, IcePeak, Torstai, Ril’s, Story, Big-L, Beavers and O.i.s. The group has its own production in Finland, Portugal, Estonia, and Russia, and distribution centers in Finland, Portugal, and Germany.

The company entered the international market at the end of the 1950s by exporting mainly to Russia and soon started exporting to the western markets as well. At that time it did not have its own brands and sold mainly production capacity, which was less costly than in Western Europe. Actual penetration of the international market took place in the mid 1960s. At that time the company also started to focus on international markets with its own designs and Luhta brand. Luhta’s unique design was well suited to the fashion trends of those days; the skiwear assortment in particular did well on the international market.

In the early 1990s the collapse of trade with the Soviet Union, the new outdoor trend in sportswear, and the recession in Finland hit sales of the Luhta brand hard and as the production of clothing shifted to the Far East, the number of personnel decreased from 6000 to 3000. The company responded by buying a number of other well-known Finnish brands and thus continued to increase its turnover. By then, the group was already exporting to over 40 countries. Luhta, Rukka, Skila and Ice Peak brands in particular are sold on the international market. Around 70% of the sales revenue from these sportswear brands are sold to the international market, although mainly to European countries and Russia. Sales outside these areas account for less than 10%. The most significant export countries are Germany, Russia, and France, followed by Italy, the Netherlands, Spain, Austria, Switzerland, Slovakia, and the other Nordic countries. The company also sells to South Korea, Japan and will soon open some 20 shops in China in addition to the four existing shops, so sales outside Europe appear to be increasing rapidly. Due to customs formalities, the company has sales subsidiaries in non-EU countries such as Norway and Switzerland. The active sales companies are in Germany and China and one was started at the beginning of 2007 in Russia.

Lumene. Lumene Group develops, manufactures, markets and sells high-quality skin care and color cosmetics as well as cleaning and hygiene products. By combining nature, science, and technology, they promote daily well being. The history of Lumene Group dates back to 1948, when the pharmaceutical company Orion founded a company called Noiro (Orion backwards), which was renamed Lumene in keeping with the new strategy adopted in February 2005. From the very beginning, the cornerstone of their success has been innovative product development, pure ingredients and knowledge of Nordic conditions.

The cosmetics products were launched on the Nordic market in 1970. Lumene became the market leader in Finland in a few years and was also received well in Sweden and Norway, the markets of which were handled by using importers at that time. The Soviet market was entered at the turn of 1970 and 1980s by concluding a contract with a large local partner. Further penetration of the international market led Lumene to establish its own subsidiaries in 2005 in Russia, and then also in Estonia and Latvia. The latest subsidiary was established into Norway in 2006. Detergents and cleaning products were added to the company’s product range in 1985. This became an important addition particularly for the Western markets such as the USA, which was entered in 2006 by establishing a separate sales and manufacturing company. In 1997-1998, sales activities were also started in Asia, and currently China is a growing export market whereas operations in Japan have ceased.

To mention some key figures the personnel in 2005 was 1021 and the turnover 136 million euros. In respect to the distribution of turnover, Finland accounts for 46%, Russia 23%, the United States 12%, and other markets 19%. The other markets include for instance the Baltic States, Ukraine, Belarus, Hungary, and China. Hence, the company is indeed international as over 50% of its revenue is generated in Finland. This limit was achieved in 2000-2001 in revenue and in 1996-1997 in volume.

<u>Finlandia Vodka Worldwide</u>**.** The company’s history goes back to 1888 when an excellent spring was discovered in Rajamäki municipality. Since then one of the most sophisticated distilleries in the world was established in the small village of Koskenkorva, which started to produce Finlandia Vodka. In 1970, Finlandia Vodka was introduced in the U.S. and Scandinavian duty free market and Alko first launched Premium Finlandia Vodka. In 1994 the first line extension was launched with the introduction of Finlandia Arctic Cranberry Vodka. In 1996 the American Brown Forman Corporation started to import Finlandia Vodka to the U.S. In 2000 it formed a joint venture, Finlandia Vodka Worldwide Ltd, with Altia Corporation (the former Alko) by acquiring 45 percent of Finlandia Vodka. The aim was to market and sell Finlandia Vodka. In 2002, Brown Forman acquired an additional 35 percent of Finlandia Vodka and in 2004 the remaining 20 percent. Thus, Finlandia Vodka originated in Finland, although Finlandia Vodka Worldwide Ltd now owns the trademark.

Finlandia has become the world’s sixth largest vodka brand. In the duty free channel it is the third largest vodka brand. By 2005, Finlandia was the No. 1 imported vodka in Poland, Puerto Rico, Bulgaria, Israel, Romania, Hungary, Ukraine and Belarus. Today Finlandia Vodka is 42nd of the top 100 premium spirits brands worldwide. It is the only product brand under which it sells its product range consisting of 300 products. This product range includes 6-flavored vodkas and Finlandia classic premium vodka, which is sold in three different strengths - 50, 40 and 37.5 percent. The mother company Brown Forman Corporation has 36 brands of which 3 are international such as Jack Daniels, Saloon Comfort and Finlandia Vodka.

The market is divided into the local economy and duty free markets. The company sells Finlandia Vodka to about 100 countries and in addition there are the duty free markets, so altogether Finlandia Vodka Worldwide Ltd operates in 150 markets. Finlandia is a very global brand and the company regards this as an asset. After entering the U.S. and Scandinavia, the company expanded rapidly into eastern Central Europe, the former Soviet Union, and also expanded strongly into other international markets. Their business has grown all over the world, primarily due to entrepreneurial zeal. The entrepreneurs have been importing distributors, who have created huge growth for the company.

Sales are distributed so that 65 to70 percent come from Europe, 20 percent from the U.S. and 10 percent from the remaining countries. Exports from Finland account for some 96 to 98 percent, including sales on passenger ferries. Only 2 to 3 percent stay in the domestic market. Poland is the single biggest country for exports, accounting for 25 percent of total sales.

3.3 Cross case analysis of the international campaign process

The main empirical results of the international campaign process are discussed next. A pattern in the steps of the international campaign process could be found on the basis of a cross case analysis as the campaign process included the following steps in this order:

Marketing communication strategy and objectives phase. All the companies had set their marketing communication strategy and objectives in the first phase. In two of the companies, the strategies and communication objectives were based on the brand in question (Nanso Group, L-Fashion Group), while in Lumene Group the communication objectives were set as an integral part of the process. Finlandia Vodka Worldwide belongs nowadays to the Brown Forman conglomerate and Finlandia Vodka Worldwide participates in its global strategy process. The communication strategy is set for each campaign by Finlandia Vodka Worldwide and is approved by headquarters in USA. An interesting finding was that as many as three companies were of the opinioin that either the Finnish origin or the arctic origin is an integral part of their marketing communication strategy (L-Fashion Group, Lumene Group, Finlandia Vodka Worldwide). See Table 2.

Table 2. Summary of main findings of international campaign process in case companies

Company	Nanso Group	L-Fashion Group	Lumene Group	Finlandia Vodka Worldwide Ltd
Marketing communication strategy and objectives	- Strategies and communication objectives set for each brand, not per campaign. - Special focus on new growth from international markets and international sales targets.	- Strategies and communication objectives set for each brand, not per campaign. - Finnish origin emphasized. -Targeting with different brands different retail channels.	-Marketing communication objectives part of campaign process. - Brand content and arctic ingredients very important.	-Based on conglomerate's strategy ideation process, including European strategical ideation meetings and a final global strategical ideation meeting. - Global campaign objectives and projects created for Finlandia Vodka in Finland and approved in U.S. -Finnish country of origin emphasized.
Budget decisions	-The firm first considers the necessary advertising and media agencies for the campaign. Then it plans cost and budget. - Budget impacts message creation and photographing scope.	- Decisions depend on the brand and the campaign objectives. -Before the decision how much sales a campaign will generate is estimated. -2-5 percent of sales,varying per brand.	-Budget decisions are based on sales and campaign objectives - 15 - 20 percent of campaign sales expectations, may be exceeded depending on objectives.	- Local budgets based on a program, which allocates budgets to each country. - Global budgets for campaign and concept development based on research on market gaps and global campaign targets of Finlandia.
Message creation and defining standardization alternative	- Advertising agency creates the message based on brand /sub brand objectives. -Rather standardized advertising material across countries with photos as main material, Russia more adapted.	- Separate internal advertising and communication department to plan and create each campaign. - Adapted campaigns across countries based on retail customer needs. Content, language, and media differ.	- Brand guideline given that advertising agency must follow. -Campaign message is created with help of advertising agency - Rather standardized campaigns. Same slogans and pictures, argumentation may differ and language is localized.	-First feedback from countries, then global brief given to campaign agency, which develops the global campaign and its elements. - Modified campaigns across countries based on standardized campaign concepts and elements, but adapted by selection of different campaign elements and media in countries.
Media selection	- Mainly trade marketing in events and other trade publications. Together with retail customers advertising in periodicals on smaller scale. - POS material such as poster and gifts to retail customers in Germany.	- The media related to point of sales most important (POS material), also billboards in certain countries. - TV, radio, and magazines useldom used and only together with retail customer.	-International and local medias used. -TV, periodicals, magazines and billboards used widely. -Media vary somewhat per country.	- Media selected for each campaign. - Event marketing and trade press most important, in some countries TV, Radio and print advertising. -Legislation limits media alternatives.
Implementation and evaluation	- Follows mainly sales development after campaign implementation.	- Implementation internally with separate department. - Evaluation based on customer feedback and by product sales.	- Evaluates by following product sales and margin and achieved brand recognition.	- Follows how sales develop per activity, how many customers try the products; customers are interviewed by e-mail.

The budgeting decision phase. This was the second phase in the international campaign process in all of the case companies. The sales and campaign objectives in the cases determined the amount budgeted for the campaign. The importance of the choice of partners at this stage was stressed, as it would have a major impact on the budget. The amount invested in the marketing campaign varied for each company. L-fashion Group invested 2 to 5 percent in marketing campaigns depending on the brand while Lumene Group invested 15 to 20 percent or more. It can be concluded that the more consumer-targeted campaigns are, including TV and printed advertising, the larger the budget required. Finlandia Worldwide seemed to use the most sophisticated process for determining the optimal country budgets.

Message creation and defining the standardization phase. The key question in the message creation phase was whether the companies used an advertising/campaign agency. As many as three case companies used agencies to develop the message (Nanso Group, Lumene Group, Finlandia Worldwide Ltd), while one of the case companies (L-Fashion Group) used their own communication department to develop most of the campaigns. The extent to which the company standardized the marketing campaigns across countries varied a lot. Nanso Group and Lumene Group ran the most standardized campaigns. Finlandia Vodka Worldwide used a modified campaign approach across countries, while L-Fashion Group had selected a highly adaptive approach.

Media selection phase. Media selection was an important step in the campaign process, although it varied considerably across companies. It became evident that Lumene Group used the widest variety of media alternatives - TV, periodicals, magazines, and billboards. Finlandia Vodka Worldwide used mostly event marketing, but also other media when legislation allowed. L-Fashion used a great deal of POS marketing in co-operation with channel members and Nanso Group mainly used trade marketing in events in addition to small scale advertising together with channel members. The conclusion here seems to be that the higher the internationalization degree and the more consumer-focused the marketing, the more varied the portfolio of media used.

Implementation and evaluation phase. The campaign results were systematically evaluated in all of the companies. Finlandia Vodka Worldwide Ltd and Lumene Group underwent the most extensive evaluation. Both L-Fashion Group and Nanso Group relied heavily on tracking sales development. The more international and global the company is, the more sophisticated the systems used to evaluate campaign results.

3.4 Cross case analysis on factors affecting the international campaign process

The factors affecting the international campaign process were analyzed in the case companies. See Table 3 for a summary of impacting factors.

External environment related factors. Analysis of the external environment shows that the international market potential, globalization impact, competition/positioning, and similarity of cultural and consumer needs have an impact on international campaigns. One finding is that globalization and a trend towards more similar cultures and consumer needs tend to increase the use of more standardized campaigns. In two of the cases (Nanso Group, Lumene Group), the differences related to cultural and consumer needs were very small across countries, which was also reflected in the use of more standardized campaign approaches. However, in the cases where there were still differences across countries in these factors, an adapted or modified campaign approach was applied. Finlandia Vodka Worldwide still experiences strong national cultures in drinking habits and L-Fashion group still sees some differences in the cultural compatibility of products and available media across countries. Another interesting finding was that there is also some evidence that market and customer size influence the degree of adaptation (L-Fashion Group) and that market size also seems to limit the size of the campaigns that can be run in a particular country (Finlandia Vodka Worldwide).

Internationalization / globalization stage of the company related factors. Analysis of the internationalization stage of the company shows that management orientation, geographical spread, number of foreign countries, and international experience have an impact on international campaign planning. The international management orientation varied in the companies from ethnocentric (Nanso Group) to polycentric (L-Fashion Group) and to geocentric (Lumene Group and Finlandia Vodka Worldwide). The impact was as expected as the ethnocentric approach meant marketing campaigns determined by headquarters in countries (a rather standardized approach across countries), polycentric meant a campaign process driven by markets and customers (an adapted approach across countries), while a more geocentric management orientation allowed for a balance between campaign guidelines determined by headquarters and country responsiveness (a modified approach).

Both the internationalization degree (percentages of sales outside the home country) and the globalization degree (percentages of sales outside the home continent/Europe) need to be taken into account in an analysis of the distribution of sales across countries. The least international company Nanso (a 22% internationalization degree) used a standardized approach to campaign planning. L-Fashion Group with a high internationalization degree (70%), but a still low globalization degree (below 10%) used an adapted approach. The companies with high internationalization degrees and increasing global presence such as Lumene Group (a 54% internationalization degree and an over 10% globalization degree) and Finlandia Vodka Worldwide (a 96/98% internationalization degree and an over 30% globalization degree) used either a rather standardized or a modified approach in campaigns. It seems to hold that as the companies internationalize and penetrate deeper into countries, often within the home continent, they have to increasingly adapt their campaigns across them. However, as they start to globalize to other continents and the number of target countries increases, they must standardize their campaigns to a certain extent and select a modified or a standardized campaign approach across countries.

One interesting finding is that as the number of countries increases rapidly the available budget that can be allocated per country often diminishes. Here the trend seems to be towards planning campaigns together with the retail channel, which is a less costly endeavor than separate campaigns (Nanso Group and L-Fashion Group). Limited international experience also seemed to increase the importance of co-operating with distributors and retailers (Nanso Group). On the other hand, long international business experience also made it easier to co-operate with channel members (L-Fashion Group).

Table 3. Factors impacting on the international campaigns in the case companies

Company	Nanso Group	L-Fashion Group	Lumene Group	Finlandia Vodka Worldwide
External environment (International prospects, globalization impact, competition, brand positioning, similarity of culture &consumer needs, product characteristics)	-Big potential drives to the international markets, but due to small company size it must co-operate with distribution in advertising. -Globalization impacts towards more similar markets, and the same advertising materials used in many countries. -Tough competition increases focus on differentiated offerings and this position is reflected in campaigns. -Similarity of cultures and tastes enable standardized target segments and campaign material.	-Market potential and customer size influence the degree of campaign standardization. -Globalization contribute to spread of retail chains over borders allowing use of standardized campaigns -Customer tastes still differs but increasing similarity on long term means opportunities for standardized campaign messages.	-International prospects promising, success requires focus on selected markets and differentiation. -Globalization harmonizes advertising communication across the world. -Tough competition increases focus on image and quality of products and communication. -Similar needs of customer, some differences in product references and benefits in campaigns.	-Size of the target market limits the campaign size that can be run in a given country. -Legislation impacts on campaign content and media selection. -Premium positioning requires global campaigns and guidelines in campaigns. - Cultural differences in drinking influences campaign content.
Internationalization stage of the company (Number of foreign countries, geographical spread, International experience, international management orientation)	-Large number of export countries (16) and limited campaign budget favor co-operative marketing together with retail channels and product-centered campaigns. -Internationalization degree 54% and globalization degree over 10%. -Limited experience of international business forces to rely on distributors who emphasize products rather than Nanso brand. -International channel expansion justifies increasing investment in advertising and give bigger brand and media visibility. - Ethnocentric management orientation prevails, HQ determines campaigns in Sweden. Polycentric towards Russia.	-International penetration to a large number of countries (40) has meant different messages. Further expansion done with consistent message. -Internationalization degree 70% and globalization degree somewhat below 10%. -Long international experience gives easy access to joint campaign planning with customers. -Polycentric management orientation as countries and customers impact campaign decisions.	-Number of countries has decreased lately from 30 to 15-20, impacting on more systematic campaign process. -Internationalization degree 54% and globalization degree over 10%. - Increased international business experience means better understanding of target segments, sharpened communication,and media selection. -Geocentric management orientation including brand quidelines from HQ, but also local decision-making in campaigns.	-Large number of countries (around 100 countries and in addition 50 tax free markets). -Internationalization degree 96-98% and globalization degree over 30%. -Understanding of international business and trends impacted on use of Finnish origin in campaigns. - Geocentric management orientation as foreign campaign proposals are evaluated on equal basis. US campaigns influenced by parent company.
Strategy, standardization levers and resources (Company strategy & structure, standardization benefits & hinders, available resources)	- Emphasis on brand strategy leads to advertising of lead collections and brands resulting in scale advantages in international campaigns. - Scarce resources favor initial testing of campaign concepts in Finland and later introduction in international markets.	-Divisions with different retail target segments and brand strategies influence campaign messages. -Financial resources and personnel in own communication department influence campaigns.	-Vision focuses attention on strengthening key brands. -Relatively limited resources influence towards use of standardized campaign process, prioritization of campaigns and avoidance of risky campaigns.	- Strategy and ownership means that international campaigns planned from Finland except those in US. -The channel strategy of using distributors decreases control of campaigns
Agency related factors (National agency versus international, other.)	- International advertising agencies brings benefits from large agency networks knowing how to communicate and execute campaigns.	-Own communication department doing almost all campaigns. Enabled adapted campaigns, may limit type & number of campaigns.	- International advertising agency creates main message and local agencies do localization.	- US advertising agency used for TV, while local agencies for events allow speed and local knowledge.

The strategy, standardization levers, and resource-related factors. The strategy, standardization levers and resources also affect international campaigns. The impact of the company strategy, brand strategy or vision on the content of international campaigns, which could be seen in all the case companies, was the most evident. Both financial and personnel resources also influence the type and number of campaigns. The impact of standardization levers (the advantages and disadvantages of standardization) was emphasized in some interviews (Nanso Group), but their impact was not so evident across all the cases.

Agency-related factors. Agency-related factors have an important impact on international campaign processes. Three of the case companies used an advertising agency (Nanso Group, Lumene Group, Finlandia Vodka Worldwide) and only one (L-Fashion Group) used its own communication department. Nanso Group used an international advertising agency that also had an international network of agencies. Lumene Group used an international lead advertising agency, but used also national agencies for localization of the campaign. Finlandia Vodka Worldwide used a U.S. based advertising agency for TV advertisements and local agencies for organizing event marketing. L-Fashion's use of its own communication department differed from the other cases. This enabled fast and flexible adaptation of campaigns to customer needs, but may have limitations on the type and number of campaigns.

3.5 Examination of the propositions

Next the three propositions developed in the theoretical discussion will be examined based on the findings of the empirical analysis. Proposition 1 asserted that the more similar the environment across the countries, the higher the degree of standardization of the advertising campaign. Evidence was found in the cases that similar cultures, consumer needs and legislation across countries tend to promote more standardized international advertising campaigns. In the cases that used rather standardized campaign approaches (Nanso Group, Lumene Group), it was evident that the culture and consumer needs were to a great extent similar across countries as expected. Likewise in the cases that used adapted or modified international campaigns (L-Fashion, Finlandia Vodka Worldwide) it was evident that there were still differences with regard to either cultural issues or consumer needs. Also, in one case there were still considerable differences in legislation across countries (Finlandia Vodka Worldwide). We can thus conclude that proposition 1 received support in this research.

Proposition 2 stated that the company will select a standardized approach to advertising campaigns in the initial international entry phase (a low internationalization degree, ethnocentric orientation), an adapted approach in the international penetration phase (a high internationalization degree, polycentric management orientation), and a modified or a standardized approach in the global phase (a high globalization degree, geocentric management orientation). The case analyses showed that the market development phase, the management orientation and the internationalization/globalization degree had an impact as expected in all the cases (Nanso Group, L-Fashion Group, Lummene Group, Finlandia Vodka Worldwide) and therefore proposition 2 received support.

Proposition 3 asserted that the greater the benefits related to standardization and the more frequent the use of international advertising agency services, the more standardized advertising campaigns are favoured. Some support was received for the importance of benefits related to standardization when the same material was used across countries in one of the case companies (Nanso Group), although not constantly across cases. The impact of the use of advertising agencies was analyzed. Nanso Group had selected an international advertising agency and used standardized international advertising campaigns as expected. Lumene Group used an international lead agency and national advertising agencies for localization which was in line with the use of rather standardized advertising campaigns. Finlandia Vodka Worldwide used a US lead agency for television advertising and national agencies for event advertising, which is partly in line with the modified advertising campaigns used. The L-Fashion Group did not use an advertising agency and did the work in-house. The benefits related to standardization were not brought up across all cases and as many of the case companies used both a national and an international advertising agency, interpretation was more difficult, and it can be concluded that proposition 3 received only partial support and more research is needed for verification.

SUMMARY AND CONCLUSION

The international campaign process for Fast Moving Consumer Goods (FMCG) companies was first developed on the basis of the literature (see e.g. Peebles et al., 1978; De Mooij, 1994, p. 470-485; Davies, 1993). Then a theoretical framework was developed to describe the main factors affecting the international campaign process. Four international Fast Moving Consumer Goods (FMCG) companies of Finnish origin were selected in the empirical part and the multiple case study research method was used to collect the data and conduct the analysis.

The theoretical contributions of this research can be seen from the framework and propositions developed. First, there has been little research on the factors affecting the international advertising campaign process (see e.g. Taylor, 2005) and this is particularly true of the factors related to the impact of the internationalization/globalization phase. Earlier research in this area has merely recognized the impact of the export ratio (see e.g. Sandler & Shani, 1992) and presented somewhat conflicting findings on the influence of management orientations (see e.g. Wind et al., 1983). This research has contributed to the theory by asserting the impact of the internationalization and globalization degree and management orientation on the international advertising campaigns and their standardization. Secondly, this research gives support from the FMCG field to earlier research (see e.g. Quelch & Hoff, 1968), according to which companies need to see standardization as a continuum from adapted to standardized international advertising campaigns. Some parts of the campaign (e.g. the campaign theme) may be highly standardized while adaptation is possible in other parts (e.g., language, media selection).

Several managerial implications for FMCG companies can be drawn from the results of this research. It has described the stages in the international campaign process in the FMCG companies that the managers must decide upon. In each phase there are specific learning based on this study. Firstly, in marketing communication strategy, it appears to be especially important to decide upon a strategy that builds brand awareness instead of focusing only on product-based campaigns. The brands and sub-brands should be named carefully so that they can be used in all markets. Finnish origin and arctic characteristics were often an important part of successful communication strategy. Secondly, the more TV and print advertising is included in consumer-focused marketing, the higher the reserved budget should be for campaigns as consumer marketing is especially expensive compared with trade marketing. Thirdly, the message creation phase varies greatly depending on whether an advertising agency is used or the company does its own campaign development. Moreover, the company needs to define how standardized are its international advertising campaigns. Fourthly, in addition to conventional advertising campaigns media alternatives such as TV, magazines and billboards, companies also need to consider other promotional types of campaigns at point of sales or events. These alternatives were even more common than conventional advertising media among these FMCG companies. Finally, the importance of evaluating the campaign results should be emphasized.

The generalizability of case study research is a much-debated area and therefore one should be cautious about generalization beyond the case companies. The relatively few cases studied may be seen as a limitation. However, a thorough analysis of the cases in this study will provide a deep understanding of international advertising campaigns and the factors affecting the development. This will allow ‘naturalistic generalization’ (see Stake, 2000), meaning that other managers reading the results understanding the similarities and differences of the case companies compared to their own companies may take advantage of the findings and recommendations which suite also their company. Development of a theoretical framework and propositions, which were examined in real life case companies, will also allow theoretical generalization, meaning generalization back to theory instead of generalization to a larger population (see Yin, 2003).

A number of suggestions for future studies may be identified. It would be interesting to extend the research from the international FMCG companies studied in this research to truly global FMCG companies and to investigate their campaign processes. A comparison of international companies with truly global ones might bring interesting findings with regard to these processes. Also, it would be interesting to study whether the results of this study also hold in other fields.

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