BIZCOMMUNITY

Globalisation: Could it be the fall of marketing?

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Acquisition by international firms of South African founded companies is killing marketing in the country. Yes I said it!...well most of them, not all.

In marketing class, not sure if it was first or second year, we were taught about the different forms of segmentation and targeting methods which would direct what type of marketing strategies companies would look to develop and execute. I remember there was Globalisation, Localisation and Glocalisation.



Photo via FreeDigitalPhotos

For convenience, international is also regarded as globalisation. I'm sure former marketing students and current marketing executives know the differences in these strategies, but for those who have never walked into an International Marketing lecture (it was third year, now I remember) in simple English here are the explanations of all three, (based on multinational/global companies and brands)

Localisation

This occurs when a multinational creates marketing communication strategies that are suited for and specific to each of the markets they are entering. (I somehow like this one. Emphasis on "SOMEHOW").

Globalisation

This occurs when a multinational uses one corporate strategy and executions/implementation, which probably has worked in its home market, in all the different markets which it enters, without taking to account the cultural differences in the different markets. (I AM NOT A FAN...unless it's Apple of course).

Glocalisation

This occurs when a multinational uses a corporate strategy from the main home market, in all the markets it operates in, but instead of using the same execution and implementation, it tailors the executions and designs the implementations to suit the different markets in which it operates. It will take learnings and expertise from its different markets to steer the business, but executions are tailor-made for each market. (I LOVE this one...a lot!).

OK, now that we're all on the same page, back to the topic at hand....why do I think most international companies that acquire local companies are killing marketing?

Access to everything

As much as globalisation is a reality today, country borders are no longer "borders" as such, and social media and the World Wide Web have taken over and given anyone access to any place, at any time, and people haven't changed. As much as people want to belong, they also want to be different.

Well, I guess they become different by belonging, or vice versa, I'm not sure. Think of the heterogeneous groups within a homogenous group concept of segmenting and you'll get what I'm talking about. Anyway, differentiation means everything to anyone, and proof of this has been the wars fought over race, language, cultural group, patriotism to a country, etc, with the biggest of them all, which is still being fought today, being religion.

Think of the "Proudly Venda", "100% Zulu" ... stickers which we've seen on a lot of cars on our roads.

Anyhow, because of this need to belong, by differentiation, consumers need marketers to speak in a way which makes them feel as if the message was designed specifically for them. Not just having the name of a person on an email, but the design of the entire message.

With that, when companies use one corporate message to speak to the different markets in which they operate, they ultimately end up "alienating" all the other markets on which the messaging wasn't based or designed for, which in turn portrays a company/brand that doesn't understand the market in which it operates.

Confusing the consumer

This ends up confusing the marketing teams in the different markets, which leads to schizophrenic messaging from the brand as the marketing teams try their best to adhere to the corporate messaging, which they truly do not believe in. In the end of this confusion and schizophrenia from marketers, the messaging gets lost in translation and results in less than admired return on investments, as consumers have no idea what you're trying to say to them.

After-sales have been hammered and ROI has sunk in a black pit, accountants are brought in to "assess" the situation and control costs, which ends up seeing marketing budgets and positions shrink drastically.

If we were to use ABSA as an example, does anyone know what they're communicating, what their angle/strategy is? Look at all the people that left ABSA and how confusing, undirected and schizophrenic their message became after Barclay's took over.

I'm not saying this type of strategy doesn't work, clearly it does, which would be the reason why it still exists, but before it is implemented, cultural, economical, lifestyle and political differences need to be taken into account.

ABOUT SANELE MGAGA

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