Globalization demands new marketing skills

BY JOHN A. CASELONE

Globalization is reshaping business strategy on a scale never before seen in modern history, and nowhere is it more obvious than in marketing—especially marketing strategy. And marketing is where we have experienced some of the greatest—even insurmountable—challenges in business, as marketers and their companies strive to transition from essentially a domestic marketing focus to one of true global proportions and perspective.

At the same time, relatively few marketers are prepared to translate their well-intentioned will to become global into actual on-the-ground practice.

This has long-lasting implications, because—despite the fact that the worldwide recession has slowed the previously breakneck pace of globalization—marketing professionals must accelerate the speed with which they retool themselves and their departments to fully exploit new opportunities on the global horizon. Even the most skeptical of gloom-and-doomayers, as well as legions of former opponents of globalization, will concede that today’s period of decelerated proactivity is nothing more than a transitional phase through which we will pass until the worldwide economy inevitably shifts into its next phase of global expansion and growth of accelerated reactivity.

From a business perspective, globalization—and specifically marketing on a global scale—has traditionally revealed itself in one of two forms. The first is a period of rapid growth, high sales and often times, but not always, high profit. Additionally during this period of rapid growth, heightened competition for limited resources is clearly evident; customers, suppliers, governments and so forth often become arrogant, and constructive partnerships among and between customers, suppliers and governments are relatively hard to find. During this period, a specific infrastructure and unique behavioral model of collective thinking and actions prevail. We call this the “accelerated proactivity phase of globalization.”

Conversely, the contrasting period of slower economic growth—the period in which the global economy exists today—is characterized by comparatively lower sales and profits, and reduced competition for limited resources—for example, the available talent pool of workers is very high and the demand is comparatively low making it easier for businesses to attract and hire workers easier and for less money than during more robust economic times. Furthermore, during this depressed economic period, a relatively much easier time to gain access to customers, suppliers and governments with a bias toward more constructive alliances and partnerships as these groups are struggling with ways to improve these situations as well. During this period a very different, but equally specific, infrastructure dominates and a different mode of behavior—a more proactive and collaborative one—tends to prevail. We call this the “decelerated proactivity phase of globalization.”

The phase of accelerated reactivity is usually the time when companies build greater profits. The pace of business is usually faster and more subject to wild fluctuations in the marketplace than during the decelerated proactivity phase. The accelerated reactivity phase typically reveals higher growth rates in both sales and profits than does the decelerated proactivity phase.

As the vast majority of companies during the accelerated reactivity phase see their profits increase, often at astounding rates, a premium is placed upon resources that become increasingly scarce. This scarcity and higher cost of resources places an increasingly heavier burden on the existing infrastructure to create more and more of what is needed to sustain the accelerated reactivity phase.

During this time, few people seek to improve the infrastructure; the primary focus is on generating higher and higher profits than to proactively pay attention to what is most certain to follow the eventual ramping down and conclusion of the accelerated reactivity phase. Individuals and organizations merely react to what is going on around them—they are comfortable with the current climate and do not want to rock the boat. The inevitable overstressing of the inadequate then-current infrastructure in accelerated reactivity phase is typically the driving force and ultimate catalyst for the inevitable transition to the decelerated proactive phase.

Once the high profits and relatively easy money begin to evaporate, executives place a priority on fixing the infrastructure and trying to get back to the accelerated reactivity phase. Marketing organizations that recognize these cycles embrace initiatives to repair and minimize the shortcomings of the current system and build new infrastructures in a proactive manner during these times of economic deceleration. For enlightened companies, the decelerated proactive phase is the time to keep and build market share first. Once market share is secured, these companies then extend their focus to profits. This is where we collectively exist today, in the United States and worldwide.
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Doing business globally, which is rapidly becoming a way of life, has never been more complex, competitive and difficult—or more important. The companies that are globally successful earn the label "best practices companies." Those that do so by definition typically excel in marketing on a global scale.

What distinguishes truly successful global marketers from those who are simply struggling to figure it out? Certainly recognizing and exploiting the two principal phases of globalization and behaving accordingly, within the context of:

- Measuring results within each country and region.
- Using a combination of marketing communications media.
- Using a globally centered mix of communications, marketing and advertising.
- Building the corporate brand globally, country by country.
- Appointing an experienced, highly motivated multicultural marketing team.

Today, businesses are looking at increasing globalization of everything from the manufacture of their products to their purchasing of raw materials. In many companies, experience in a global marketing role is seen as a prerequisite to a more senior management position. The world of marketing has changed and with it many of the skills demanded of marketers.

There now exists a level of global marketing leaders, and 56% stated that they had fewer global marketing leaders than needed. Despite the many documented successes of U.S. companies driving business in the global marketplace over the past 50 years—especially in marketing—a quick tally shows that more than 80% of the companies surveyed stated that they were otherwise lacking the global marketing professionals they believed they needed in their companies.

While marketing is always in a state of transition, the rapidly changing and evolving new profiles of global marketing success in the new global economy is placing intense pressures on global marketers—and opening up new avenues of opportunity for executives with the vision to see the need and the will to learn the cross-cultural skills now so greatly in demand.


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panic customers were in English, Nut-

mary says.

As a result, business among Hispanic consumers slowed down for Geico because of poor post-sales experience. Existing customers turned away, and the experience led to negative word-of-mouth across communities, Nutmey says. In late 2002, Geico revamped the Hispanic marketing program to ensure that everything was written in Spanish and that sales and customer service were handled in Spanish, as well, using MCNeil Multilingual Inc., a Springfield, Va.-based company that specializes in language translation services, says Suraj Singh, managing director of MCNeil Multilingual. (However, Singh has no data tracking the results of the site’s linguistic renovation.)

Translation gone bad

Stories of bad translations make the rounds of marketers more often than an e-mail chain letter. Consider the translation of the Perdue chicken slogan, "It takes a tough man to make a tender chicken," which in Spanish apparently meant, "It takes a sexually excited man to make a chick affectionate." Another was the Coors beer slogan, "Turn it loose," which in Spanish became, "Suffer from Diarrhea." (Fortunately, the slang he learned from his family," she says."

"Errors in Spanish translation are all about cultural relevancy in the translation, whether it works in a particular marketplace or not," says Christine Clav-

go-Kish, CEO of Miami-based LatinClips Inc., a company that provides Web-based monitoring services focused on tracking Hispanic media in the United States. "You need to know the market, and know that the culture is varied to know whether you’ve phrased everything (correctly)."

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