

# The A, B, Cs of advertising management: perceptions and practices of managers in Chile, Japan & the United States

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This study attempts to shed light on selected aspects of advertising management in three countries – Chile, Japan, and the United States – as perceived by practitioners. Prior research indicated a dearth of comparative work on this subject. Specific topics addressed include approving advertising, planning media, measuring effectiveness, and budgeting. The criteria used to evaluate each of the four topics revealed significant differences in advertising management thought even though, directionally, findings were frequently similar. While the principles of advertising management may be universal, cultural, organisational, and quantitative (versus qualitative) emphasis were deemed to be factors accounting for differences in the practice among the three countries.

Comparative analyses of the management of advertising are central to developing scientific understanding of this critical component of international marketing (Samiee and Jeong, 1994). This study explores and compares the beliefs and practices of advertising managers in Chile, Japan, and the US with regard to the importance and use of advertising management ideas and techniques in advertising planning.

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The general research question can be stated as follows: in managing advertising, to what extent are similar management processes used by advertising executives in Chile, Japan, and the US? What underlying factors are believed by those managers to be most and least important in their work?

To shed light on this general research question, specific questions pertaining to essential elements of the advertising planning process – creative, media, measuring effectiveness, and budgeting – were asked:

- What criteria are considered important when approving advertisements?
- What is the relative importance of various factors in media planning?
- What testing and measurement techniques are used to determine advertising message effectiveness and how meaningful are they?
- What advertising budgeting methods are used?

## LITERATURE REVIEW

The value of prior research with respect to establishing bench-marks for this study is minimal. Some time ago Kaynak and Savitt (1984) asserted that the paucity of comparative studies in advertising indicated that large gains could be made by pursuing studies in this field. In regard to more recent comparative studies, Samiee and Jeong (1994) pointed out in their study of the literature on advertising research across cultures from 1980 to 1992 that most of the published research has been focused on advertising content rather than its management. This is exemplified by the recent work of di Benedetto *et al.* (1992), Mueller (1992), and Ramaprasad and Hasegawa (1992).

Other themes that have been given considerable attention in recent years have been the standardisation–adaptation issue (Harvey, 1993; Hill and James, 1990; Hite and Fraser, 1990), and client–agency relations (Michell and Sanders, 1995 – UK; Verbeke, 1989 – The Netherlands; and Michell, 1988 – UK).

Two studies were found from the 1980s that dealt with advertising practices around the world. One was a comparative three-country analysis of industry advertising practices, the role and functions of advertising in a macro sense, and the client–agency relationship



(Kaynak and Ghauri, 1986). The other was a 15-country survey about advertising practices of leading brand advertisers (Synodinos *et al.*, 1989). From this latter work, which included an exploration of budgeting methods, measures of advertising effectiveness and creative executional techniques, certain parallels can be drawn with this current effort as brought out in the discussion section later.

## COUNTRY CHARACTERISTICS

Despite obvious cultural, demographic, and economic differences, the advertising infrastructure and major media alternatives in the three countries are similar. Television and newspapers draw the greatest media expenditures in all three countries. As for advertising as a percentage of GDP, Chile and Japan were on a par at 0.86 per cent in 1995. This compares with the US at 1.35 per cent. The outlook is for continued growth in advertising expenditures through 1998 in all three countries with the biggest increases estimated for Chile (Zenith Media Report, 1996).

## RESEARCH PROJECT DEVELOPMENT AND IMPLEMENTATION

### Questionnaire design

After a considerable interchange of ideas to satisfy both Japanese and US needs, the English version of the questionnaire was pre-tested in spring 1994 among advertising/marketing executives in seven firms that otherwise would have been included in the US sample frame. Suggested changes were made in English and translated into Japanese by the Japanese author, Toshio Yamaki, who is fluent in both languages. The Japanese version was independently back-translated by native-speaking Japanese. Discrepancies between these English versions were reconciled and incorporated into the instrument in both languages.

### **Sample construction, fieldwork, and response rate**

In Japan, a sample of the top 360 companies was drawn from a current list of the largest 500 advertisers published by the Nikkei Advertising Research Institute. Questionnaires were delivered by mail and picked up by hand except for a small number returned by mail from Osaka, Nagoya and more remote areas of Japan. This resulted in 181 usable questionnaires – a response rate of 50 per cent.

In the US, a stratified random sample of 539 companies was drawn from the *Leading National Advertisers* list of the top 1,000 advertisers based on January–December 1993 expenditures. Names of advertising or marketing managers in these companies were obtained from the *1994 Standard Directory of Advertisers*. An initial and two follow-up mailings produced a response of 121 or 22 per cent.

Our Chilean partner at the Universidad de Chile became interested in participating in this study. With backing from his university, our colleague and two assistants translated the questionnaire into Spanish. Then, from among the 130 top advertisers in Chile, after eliminating media companies, universities, and a few companies distant from the Santiago region, a sample frame of 109 companies was drawn. National Advertising Association (ANDA) records and telemarketing were used to identify names of managers in charge of advertising. The questionnaire and two cover letters, one from our colleague and the other from the president of ANDA, were delivered by hand. Telemarketing was again used to stimulate replies. A total of 60 questionnaires, amounting to 55 per cent of the sample, were returned.

### **Sample frames and respondent characteristics**

For comparability, samples were drawn from published lists of the top advertisers in terms of expenditures in each of the three countries. The sample sizes and response rates, however, were not the same. The willingness of addressees to respond, methods of collection and geography, along with manpower and budget constraints, contributed to these differences.

### **Within-country differences**

Other factors considered in advance but not controlled in sample construction were type of business and the actual duties of respondents. Observed differences among countries may be due to



these within-country variables (Samiee and Jeong, 1994). To reduce this possibility, the findings are limited to those respondents who (1) reported that their core product was a consumer (not industrial) product or service and (2) had consumer advertising as an assigned duty.

### **Non-response bias**

Non-response bias is a particular problem in smaller, potentially more unrepresentative samples of focal populations. In both the Chilean and Japanese cases, more than half of the sample population was included as final respondents. Non-response bias in these cases is a much less significant problem.

The US sample, however, with its much lower response rate of approximately 22 per cent, could be affected significantly by it. Two methods of evaluating non-response were used. Armstrong and Overton (1977) maintain that a profile of non-respondents is likely to be more similar to late respondents than to early respondents. These groups were easily determined since this study used three successive mailings of the questionnaire, the second and third mailings roughly four and eight weeks after the first. The means of the last set of respondents did not differ significantly from those of the first set when comparing the variables discussed here.

Another procedure consisted of gathering secondary data on total advertising expenditures for the firms in the sample. This measure of overall advertising effort indirectly captures differences in firm size and level of resources available for communication, co-ordination, and sourcing. A two-tailed test of mean differences on this measure over the whole sample indicated that no significant differences existed between firms that responded and those that did not. This was also carried out on the Chilean and Japanese samples with the same result.

## **FINDINGS**

The purpose of this study, as introduced earlier, was to determine whether there was a difference in the thought processes of advertising managers in Chile, Japan, and the US with respect to approving advertisements, planning media, measuring advertising effectiveness,



and budgeting. To gather input on the first three topics, category scale questions were used to record respondents' answers. The fourth topic involved a checklist question to permit multiple answers.

For the three questions with category scales, first, the Wilk's lambda test, derived through a one-way *manova* between groups' design, was used to determine country effect. In each case a country effect was found. Then the Tukey-Kramer HSD was used to test for differences between all pairs of countries at the 0.05 level of significance to determine how the countries differed on individual factors. The results are shown and discussed below under the appropriate topic headings.

### **Creative – approving advertisements**

When approving advertisements, respondents in each country were asked to rate the importance of 11 criteria on a one to five scale, one being 'not at all important', and five being 'extremely important'. Means were computed and are shown in Table 1. Looking at in-country means first, one can observe that Chilean managers generally attached more importance to the 11 criteria than did their Japanese or US counterparts. The greatest importance was attached to (being) 'on strategy', 'clarity of expression', and 'attention-getting', in that order. US findings paralleled these results but with lower mean scores. The Japanese placed greatest importance on 'clarity of expression' and 'attention-getting'. They ranked 'in keeping with company image' third in importance.

Some other noteworthy results, where advertising manager thinking in the three countries diverged, are detailed below:

- On strategy: Chile and US versus Japan – rank order and mean differences.
- Ethical: US and Chile versus Japan – rank order and mean differences.
- Being simple, not complex: Chile versus Japan and US – rank order and mean differences.
- In good taste: Chile and US versus Japan – mean differences.
- Arousing emotion: US and Chile versus Japan – mean differences.
- Not evoking competitive criticism: Japan and Chile versus US – mean differences.



**TABLE 1** THE RELATIVE IMPORTANCE OF SELECTED CRITERIA WHEN APPROVING ADVERTISEMENTS

Criteria	Chile (C) (n = 54)		Japan (J) (n = 95)		US (U) (n = 92)		Tukey- Kramer Result
	Rank	Mean	Rank	Mean	Rank	Mean	
On strategy	1	4.94	5	4.16	1	4.74	C&U>J
Clarity of expression	2	4.76	1	4.67	2	4.54	C>U
Attention-getting	3	4.67	2	4.41	3	4.49	
In keeping with company image	4	4.53	3	4.34	5	4.22	C>U
Being simple, uncomplex	5	4.53	7	3.72	9	3.74	C>U&J
Ethical	6	4.33	9	3.44	4	4.47	U&C>J
In good taste	7	4.24	8	3.52	7	4.13	C&U>J
Fresh, original	8	4.16	4	4.39	6	4.20	
Not offensive to audience	9	4.08	6	3.97	8	3.88	
Arousing emotion	10	3.63	11	3.14	10	3.77	U&C>J
Not evoking competitive criticism	11	3.06	10	3.16	11	2.46	J&C>U

Note: The results of the Tukey-Kramer HSD test for significant differences at the 0.05 level are shown in the right-hand column. Example: C&U>J = the criteria is significantly more important to managers in Chile and the US than in Japan.

### Media planning

On this next topic advertising managers were asked to rate the relative importance of 11 factors in planning a media programme. Was the factor 'very important' (3), 'somewhat important' (2), 'not important' (1), or 'not normally considered' (0)? Answers to this question are found in Table 2 by rank in importance and mean score for each country.

'Estimates of effective frequency and reach' and 'demographic characteristics of those likely to buy' are the two most important Chilean factors in planning a media programme. Japanese managers ranked 'responsiveness of medium to advertiser's promotion' as most important, followed by the same second choice as the Chileans: 'demographic characteristics of those likely to buy'. This factor, the most homogeneous of all 11 factors, was the first choice among US managers followed by 'usage potential of customers and prospects'.

**TABLE 2** THE RELATIVE IMPORTANCE OF SELECTED FACTORS  
IN MEDIA PLANNING

Factor	Chile (C) (n = 53)		Japan (J) (n = 95)		US (U) (n= 92)		Tukey- Kramer Result
	Rank	Mean	Rank	Mean	Rank	Mean	
Estimates of effective frequency and reach	1	2.87	4	2.45	3	2.53	C>U&J
Demographic characteristics of those likely to buy	2	2.69	2	2.57	1	2.85	U>J
Geographic pattern of sales	3	2.42	9	2.01	5	2.15	C>J
Competitive advertising activity	4	2.40	10	2.05	11	1.85	C>U&J
Responsiveness of medium to advertiser's message	5	2.36	1	2.54	8	2.05	J&C>U
Pattern of consumption by time of year	6	2.31	8	2.16	4	2.34	
Usage potential of customers and prospects	7	2.27	5	2.21	2	2.77	U>C&J
Preferred position possibilities in a medium	8	2.24	3	2.47	9	2.05	J>U
Psychological characteristics of consumers	9	2.22	7	2.16	10	2.03	
Editorial/programme compatibility between medium and message	10	2.18	11	1.75	6	2.24	U&C>J
Gross impressions of media being considered	11	2.16	6	2.34	7	2.16	

Note: The results of the Tukey-Kramer HSD test where significant differences existed at the 0.05 level are shown in the right-hand column. Example: U&C>J = the factor is significantly more important to managers in the US and Chile than in Japan.

With respect to differences between countries, most noteworthy are:

- Estimates of effective frequency and reach – of cardinal importance to Chilean managers.
- Usage potential of customers and prospects – of major importance to US managers.
- Editorial/programme compatibility between medium and message – of minimum importance to Japanese managers.
- Competitive advertising activity – of comparatively little importance to US and Japanese managers.
- Geographic pattern of sales – of comparatively little importance to Japanese managers.



### The meaningfulness and use of various measures of advertising message testing

There were two questions on the subject of advertising message testing. Respondents were queried about the meaningfulness of certain testing measures and frequency of use of various techniques. As for the former, the managers were asked to rate changes in levels of awareness, attitude, understanding, buying intention, and sales on a scale of one to five, one being 'not at all meaningful' and five being 'extremely meaningful'. Rankings, mean scores, and significant differences are recorded in Table 3.

**TABLE 3 RATING MEASURES OF ADVERTISING MESSAGE EFFECTIVENESS**

Changes in:	Chile (C) (n = 52)		Japan (J) (n = 95)		US (U) (n = 92)		Tukey- Kramer Result
	Rank	Mean	Rank	Mean	Rank	Mean	
Sales	1	4.56	5	3.96	1	4.46	C>J
Buying intention	2	4.54	4	4.14	3	4.27	C>J
Levels of awareness	3	4.33	1	4.48	2	4.26	
Understanding	4	4.31	2	4.19	5	4.02	
Attitude	5	3.94	3	4.19	4	4.13	

Note: As in previous tables, the Tukey-Kramer result is shown in the right-hand column.

In examining Table 3, two things stand out. First, it should be noted that in the three countries all but two mean scores are four or better, while the mid-point on the one to five scale is three. Second, 'sales' is relatively more important in Chile and the US than in Japan. To a somewhat lesser degree this also holds true for 'buying intention'. 'Levels of awareness' is of prime importance in Japan, and is also important in the other two countries.

In regard to advertising message testing in their own organisations, respondents were presented with a list of both pre and post types of testing and asked which ones were used 'routinely' (3), 'sometimes' (2), 'seldom' (1), or 'never' (0). The results are presented in Table 4.



**TABLE 4** ADVERTISING MESSAGE TESTING: TYPE, RANK AND MEAN FREQUENCY OF USAGE

Type	Chile (C) (n = 54)		Japan (J) (n = 95)		US (U) (n = 92)		Tukey- Kramer Result
	Rank	Mean	Rank	Mean	Rank	Mean	
Awareness	1	1.94	1	1.49	1	2.11	U&C>J
Attitudinal	4	1.72	2	1.40	2	1.85	U>J
Creative concept	2	1.84	4	1.29	3	1.75	U&C>J
Copy	7	0.82	6	1.22	4	1.39	U&J>C
Action taken	8	0.64	5	1.27	5	1.08	J&U>C
Buying intention	3	1.74	7	1.10	6	0.84	C>J&U
Readership (Starch test – magazines)	5	0.98	3	1.34	7	0.80	J>U
Day-after recall (TV)	6	0.90	8	0.60	8	0.59	

Note: As in previous tables, the right-hand column show the Tukey-Kramer results where significant differences exist at the 0.05 level.

'Awareness' was the type of testing that ranked first, with the highest mean scores among all three countries, even though there was a significant difference between US/Chile and Japanese means. 'Attitudinal' testing was ranked second by American and Japanese managers although the means, again, were significantly different. 'Creative concept' testing was among the higher scoring types for all three countries as was 'buying intention' testing on the part of Chilean managers and 'readership' testing on the part of the Japanese. Significant differences among countries can be noted in each instance.

Comparing the findings of meaningfulness versus frequency of use, there is a much stronger positive response in terms of mean scores of the former over the latter. There is also little consistency in terms of ranking and mean scores; for example, 'sales' versus 'action taken', two similar measures.

### Advertising budgeting

In this final question, respondents were given a list of nine methods of advertising budgeting and asked to check all methods that were used for their core business. In Chile and the US respondents also reported which method was considered to be most important.

In Table 5 the number of different methods used in each country is recorded. The three advertising budgeting methods with the highest incidence of use among Chilean managers were 'relating ad budget to change in market share or sales', 'relating ad budget to product profitability', and 'advertising to sales ratio'. The first and third



methods were of similar importance to American managers. 'Advertising to sales ratio' was of greatest importance to Japanese managers with considerably wider use than the second ('relating ad budget to change in market share or sales') and lower ranking methods. The technique of 'relating ad budget to product profitability' ranked in the mid-range among US managers, and was not even included in the Japanese study because of non-usage. Judgment ranked relatively high among both US and Japanese respondents, as compared to the low ranking among Chileans.

**TABLE 5** USE OF SELECTED ADVERTISING BUDGETING METHODS

Method	Chile (n=53)		Japan (n=93)		US (n=87)	
	Rank	% who used	Rank	% who used	Rank	% used
Relating ad budget to change in market share or sales	1	64.2	2	35.7	2	44.8
Relating ad budget to product profitability	1	64.2	—	—	5	35.6
Advertising to sales ratio	3	52.8	1	61.3	1	47.1
Share of advertising (voice) to share of market ratio	4	41.5	6	14.0	4	37.9
Objective and task	4	41.5	3	29.0	6	35.6
Relating ad budget to change in awareness, attitude, or understanding of key benefit	6	34.0	5	22.6	8	19.5
Judgment	7	32.1	4	26.9	3	43.7
Mathematical model	8	28.3	7	7.5	9	18.4
Zero-based approach	9	13.2	8	6.5	7	35.6

In Table 6 the number of different methods used for budgeting purposes can be observed. Three distinct patterns of response are evident. In Chile the most frequently mentioned number of different advertising budgeting methods used was four. In the US that number was three, and in Japan it was one. The second most frequently mentioned number of different methods was three and five in Chile, and two in both Japan and the US. The mean number of methods for each country is shown on the right-hand side of the table: 3.8 in Chile, 3.2 in the US, and 2.0 in Japan.

**TABLE 6** NUMBER OF DIFFERENT METHODS USED

No. of methods	1	2	3	4	5	6	7	8	9	Mean
<b>Country</b>										
Chile #	4	7	10	15	10	5	1	1	–	3.8
(n=53) %	7.5	13.2	18.9	28.3	18.9	9.4	1.9	1.9	–	
Japan #	37	27	20	7	1	1	–	–	–	2.0
(n=93) %	39.8	29.0	21.5	7.5	1.1	1.1	–	–	–	
US #	11	20	27	11	8	7	–	3	–	3.2
(n=87) %	12.7	23.0	31.0	12.7	9.2	8.0	–	3.4	–	

As for the single most important advertising budgeting method, answers to this question were only recorded in Chile and the US. The top four choices for each country are shown in Table 7. The remaining choices were considerably less significant.

**TABLE 7** THE MOST IMPORTANT BUDGETING METHOD

Method	Chile (n=44)			US (n=67)		
	Rank	#	%	Rank	#	%
Advertising to sales ratio	1	14	31.8	1	19	28.4
Relating ad budget to change in market share or sales	2	11	25.0	4	9	13.4
Objective and task	3	6	13.6	2	12	17.9
Relating ad budget to change in awareness, attitude, or understanding of key benefit	3	6	13.6	5	6	9.0
Zero-based approach	–	0	–	3	10	14.9
Total of top four methods		37	84.0		50	74.6

The 'advertising to sales ratio' method was the first choice of both Chilean and US managers. Second choice among Chileans was 'relating ad budget to change in market share or sales' – fourth choice among US managers. The second choice of US participants was 'objective and task' – third choice among Chileans along with 'relating ad budget to change in awareness, attitude, or understanding of key benefit'. The third choice in the US was 'zero-based approach', a method not reported as being used in Chile. Of the nine choices given to managers in both countries, the top four accounted for three-quarters or more of the methods used.



## DISCUSSION

Creative, media, measurement, and budget are major operating issues in the advertising management process (Buell, 1975; Harvey, 1993). Ad managers in Chile, Japan, and the US were queried on these topics to determine differences (and similarities) in thought.

### **Convergence of national management practices**

With the spread of multinational business since World War II, and the emergence of the global enterprise, accompanied by home country advertising agencies forming worldwide companion networks, it would appear reasonable to assume that the principles of advertising and marketing have permeated most of the major business centres in the world. Support for this phenomenon is provided by Kaynak and Ghauri (1986, p 125) who point out, 'techniques of advertising have been applied by multinational companies in environments (developed and developing) different from those in which they were originally developed'.

Differences, then, would become a matter of interpretation and application of the principles to meet the idiosyncrasies and peculiarities of the individual nation state. For example, 'The Japanese believe it's right to adapt anything that makes sense and fits their lifestyle into their culture' (Reed, 1983). This applies to advertisers as well as other cultural groupings.

Considering responses to all questions, Chilean and US mean scores were consistently higher than Japanese scores. Assuming we agree that most modern marketing and advertising principles have emanated from the US, and because the questions in this study are largely based on those principles, we can hypothesise that this result is a reflection of Japanese selectivity in adopting western principles. In contrast, the Chilean scores could be attributed to the direct translation of US principles into that country's business system as a result of comparable advertising and marketing education and the presence of US multinational firms and advertising agencies operating in Chile.

### **Approving advertisements**

All mean scores, save one among the three countries, were above the mid-point with respect to 11 criteria in approving advertisements.

**TABLE 6** NUMBER OF DIFFERENT METHODS USED

No. of methods		1	2	3	4	5	6	7	8	9	Mean
Country											
Chile	#	4	7	10	15	10	5	1	1	-	3.8
(n=53)	%	7.5	13.2	18.9	28.3	18.9	9.4	1.9	1.9	-	
Japan	#	37	27	20	7	1	1	-	-	-	2.0
(n=93)	%	39.8	29.0	21.5	7.5	1.1	1.1	-	-	-	
US	#	11	20	27	11	8	7	-	3	-	3.2
(n=87)	%	12.7	23.0	31.0	12.7	9.2	8.0	-	3.4	-	

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Relating ad budget to change in awareness, attitude, or understanding of key benefit	3	6	13.6	5	6	9.0
Zero-based approach	-	0	-	3	10	14.9
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### **Approving advertisements**

All mean scores, save one among the three countries, were above the mid-point with respect to 11 criteria in approving advertisements.



This is an indication of the overall importance of the criteria. However, significant differences were recorded among countries in several respects.

One finding of considerable disparity between the Japanese and respondents from Chile and the US concerned the criteria of being 'on strategy' – most important in the latter two countries, considerably less so in Japan. While it has been acknowledged that few Japanese advertisers work without strategies (Wagenaar, 1980), they are far more cumbersome and detailed than in the West. Points of view of many participants are covered. This results in giving more respect for the general direction and feeling of the ad rather than the specifics and concern over what people will think of the ad once produced. An alternative explanation can be traced to some of the best creative companies in Japan such as Suntory, Shiseido, and Matsushita – all were led (creatively) by their founders and founders disciples. It could be considered as a form of creative dictatorship.

Another finding of considerable disparity between Japan and the US and Chile related to the 'ethical' criterion. We believe this finding has little or nothing to do with behavioural differences. Rather, it relates to differences in type of advertising that is produced in Japan. This is characterised by executions that place more emphasis on visual than verbal elements, avoid confrontation, are not directly competitive, are follow-the-leader orientated, are humorous without mentioning what's desirable about the product, and have little relationship between ad content and product (Reed, 1983; Wagenaar, 1980; Kishii, 1992).

### **Media planning**

Aggregate results of the media question are similar in nature to results of the advertising approval question. Mean scores of 11 media planning factors were above the mid-point in every instance among Chilean managers, in all but one instance among US managers, and in seven out of 11 instances among Japanese managers. This can be attributed to the overall importance of these factors in planning media.

When it comes to individual factors, it appears that Chileans place highest priority on 'reach and frequency' numbers. This suggests a preference for quantitative as opposed to qualitative measures. US managers indicate the greatest preference for linking media plans with



'usage potential of customers and prospects', placing emphasis on vehicles to deliver messages to heavy users. The first choice of Japanese managers – seeking media that are most 'responsive to an advertiser's promotion' – is hard to rationalise.

While editorial/programme compatibility between medium and message is not particularly important to any country group, it is conspicuously unimportant to Japanese respondents. This might be attributed to the fact that there have been fewer television viewing hours per day in Japan than in the US (not Chile) and there has been considerably greater viewing of non-commercial than commercial TV in Japan as opposed to the US (Grey Daiko, 1991). Hence, greater competition in Japan for available commercial time thereby reduces any desire that might exist for programme compatibility. An alternative or complementary reason could be due to the type of commercials produced in Japan.

Managers in both the US and Japan reported being significantly less concerned with 'competitive advertising activity' than Chileans. As has already been pointed out, advertisers in Japan often 'follow the leader' when creating advertisements. This same approach may also apply to management of advertising planning.

Competitive advantage may be less important in settings where first mover advantages in advertising are prized for their competitive impact (i.e. the US), or where critical points of competition centre on channel relationships (i.e. Japan). In each of these settings the advertising management schema followed is integrated with the national conditions facing firms.

### Message testing

Differences were found between manager beliefs and company practices regarding message testing. The meaningfulness of all five measures for testing advertising effectiveness received above-average ratings in each of the three countries. However, mean scores for eight types of testing conducted within respondents' organisations lay predominantly between 'sometimes' and 'seldom'.

The Synodinos *et al.* (1989) study reported on usage of various measures of effectiveness in 15 countries (not Japan and Chile) and found that 'sales' and 'awareness' were most frequently used. These findings bore some similarity with the findings in this study. However, their study did not elicit which methods were perceived to



be the most meaningful nor discriminate among the various methods by extent of use.

In Japan, advertising research techniques, such as Starch readership testing, were introduced a number of years ago. According to Kobayashi (1985), while these techniques and the principles are known, research information is often not believed. Input for advertisements is derived from one's own feelings and perceptions, not from research information. Expressed in another way, Japanese marketers do not have much faith in numbers; more weight is given to experience and intuition. This could be due to a culturally taught trust in one's own and one's colleagues' 'feel' versus numbers.

In the US, where all the advertising research techniques are well known, the lack of testing could be attributed to the cost associated with this work and the unwillingness of ad managers to take funds away from other items in the advertising budget. This is particularly likely in instances where message testing is not highly thought of. One authority, for example, believes that ad testing should be dispensed with because it never actually predicts what will happen in the market (Miller, 1991).

### **Budgeting**

Similar findings existed with respect to the use of advertising budgeting methods in the Synodinos *et al.* (1989) study and the three countries under examination here. The three most frequently used methods in the former study were 'objective and task', 'per cent of sales' (comparable to advertising/sales ratio), and 'executive judgment'. These were among the most frequently used in one or more of the three countries being reported on in this paper. Another similarity found was the marked differences among countries in regard to frequency of use of the nine different methods. Even though the frequency of use was considerably more extensive for some methods than for others, relatively high usage was widely spread over the nine methods as reported by Chilean and US managers as compared with the Japanese. This is demonstrated by the domination of one method – 'advertising to sales ratio' – and by the fact that the mean usage of methods was 2.0 as compared with 3.2 for the US and 3.8 for Chile.

These findings may be due to the different forms of organisation found in Japan as opposed to Chile and the US. In Japan the



advertising function is usually separate and apart from marketing while advertising is widely considered a sub-function of marketing in the US and Chile.

Marketing is very much a numbers game. Judging by the number of different methods used in Chile, there is a strong indication that Chileans like to play this game. The opposite appears to be true in Japan as already indicated in the discussion of measuring advertising effectiveness.

While the A, B, Cs of advertising management may be widely known, management practices, as revealed in this study, varied considerably among the three countries. US practitioners can be identified with the development of the basic principles. Managers in Japan, with its hybridised business culture, have adopted the principles and concepts to the extent that they jibe with their own norms and standards. And the Chileans have taken the principles and concepts and applied them more completely and with greater fervour than US practitioners.

The fact remains that there is a paucity of comparative studies of this critical component of international marketing. Hopefully, this work will stimulate additional comparative research activity in the field of advertising management.

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