GLOBAL ADVERTISING WHICH ACTS LOCALLY: THE IBM SUBTITLES CAMPAIGN

For many decades, IBM has been an international marketer of products and services. More recently, the company became a global marketer, a goal it achieved by merging its business and marketing communications strategies into a unified worldwide business strategy and advertising and marketing campaign.

In the late 1980s, IBM developed and put into place a measurement system designed to evaluate and improve its domestic marketing communications. With the adoption of a single worldwide business and marketing strategy, this system was deployed to assess not only the effectiveness of the company's new global advertising campaign but also the robustness of the measurement system itself.

This paper reviews the development of IBM's worldwide business and advertising strategy and the concomitant advertising and marketing communications campaign, called the subtitles campaign. The role of the measurement system in assessing the effectiveness of the ad campaign in both local and regional markets is also discussed.

Early in 1995, IBM introduced a massive worldwide campaign designed to communicate more consistently worldwide than ever before. Unlike many previous campaigns, this advertising—the Subtitles campaign—was directly linked to the company's new business strategy. The worldwide rollout of the campaign posed new challenges for the communications measurement system.

Even though IBM has been an international company for almost eight decades, global marketing and communications have posed very new challenges in dealing with global competition and more readily accessible markets. The issues faced by this firm are very similar to those of other global durable, service, and packaged-goods firms. The worldwide learning of IBM has application not only to business-to-business marketers, durable-goods manufacturers, and packaged-goods manufacturers but also to worldwide service providers. The following article briefly chronicles IBM's history as a worldwide marketer and the introduction of the Subtitles campaign.

IBM's Global Advertising Then and Now: The Development of IBM's Global Messages

The International Business Machines Company was formed over eight decades ago as an organization selling the latest technology of the times: scales, tabulating machines, and time recording devices. Early on, the company's business interests were centered in the midwest with headquarters in Dayton,
Ohio. It was not very long before the organization became international, with operations in Canada and Brazil in 1917. By 1923, IBM also operated in Europe, Latin America, and Asia. As such, IBM was an international company many decades before competitive pressures forced many other firms to seek growth markets external to the United States for continued profitability.

The real growth of the company and major changes internationally came about with the introduction of the electro-mechanical typewriter. This was the hallmark for which IBM became widely known and the interchangeable typing element made it somewhat easier to design and market typewriters for local markets. It was during the 1950s and 1960s that IBM saw some of the most dramatic growth and development internationally, especially with the introduction of the System 360 in 1964. This product ushered in the age of true large-scale business computing for larger organizations. This eventually led to the development of the IBM personal computer, which was introduced in 1981. Today, the offerings include a full range of computers from mobile laptops through supercomputers, operating system and application software, and a full range of computer and consulting services.

A hallmark of the early organization was to hire and train nationals to assume operational responsibilities in each geography. As the company grew, there was considerable autonomy with regard to the positioning, marketing, and communications about the broad spectrum of offerings. Marketing communications were supported by local agencies and, consequently, the articulation of the “sameness” of IBM was not cohesive.

By early 1993, there were over 50 marketing communications firms working worldwide on IBM’s behalf. The net effect was that oftentimes there were distinct and inconsistent messages delivered by IBM around the world.

IBM’s current global communications strategy was developed with strong linkages to the global business strategy. Most are aware of the perturbations in IBM’s business performance over the last decade. It was actually the increased worldwide business competition that encouraged coalescence of the communications strategy.

From a combined marketing and communications perspective, marketing globally has advantages for product development and the brand image. First, as global marketers like Coca-Cola and Procter and Gamble have learned, product development costs amortized across worldwide markets result in significantly less per-country investments than independent efforts. Second, marketing and communicating from a single perspective enhances the ability to position products and the brand globally. This can be achieved with much greater ease and efficiency. And third, following the second proposition, it is easier to isolate the “human” or universal response from local or cultural responses to products and communications.

Late in 1991, IBM embarked upon a business strategy that had at its core 13 semi-independent business entities. Each business unit could develop its own independent business strategy with the concomitant communications strategy. These businesses, of course, overlapped and inherent in the mix were potential communications conflicts.

The appointment of a new chairman of the corporation in early 1993 led to a change in both the business and communications strategies. The new chairman saw greater potential in future success by reintegrating the 13 different units into a more cohesive whole—greatness was in the sum of the parts. Part of that strategy was to emphasize the resynthesized parts and the key role the corporation played in technology around the world, while reinforcing the heritage of the company. Central to the implementation of the new worldwide strategy was the worldwide articulation of this vision in a single voice. In June of 1994, IBM announced the appointment of one advertising agency with the prime responsibility for executing IBM’s strategic voice singularly around the world.

### The Market-Based Communications Measurement System

For many years, IBM followed the pattern observed by Zaltman and Moorman (1988a) in their analysis of how corporations test advertising. That is, much testing was done through advertising agencies or with very heavy reliance upon external research firms rather than in-house expertise. Non-agency research was principally limited to day-after-recall telephone interviews for ads that were running in the marketplace. Agency research relied quite heavily upon one-on-one interviews. Both techniques had strict limitations for providing advance diagnostics of in-market executional or campaign success.

In 1987, IBM asked the author to develop and implement a measurement system which was both “state of the art” and able
to provide timely, diagnostic, and actionable information. To this end, the mission statement of the function was crafted. It read: “To gather and distill the voice of the customer and have it represented in communications deliverables.” The “development” requirements were actually twofold. Clearly, the customer requirements and responses to the marketing communications deliverables had to be collected systematically and in a valid and reliable fashion. But almost as important was the ability to provide the standard basis for discussing “the voice of the customer” (Zaltman and Moorman, 1988b) internally to the marketing and communications staffs. And, it was not simply the delivery of information, but training in the acquisition and use of the information which was so important (Deshpande and Zaltman, 1982). The training and education process was never-ending. It was one that had to be repeated as new members joined the marketing communications team. The resulting common framework of what’s important and what drives attitude and behavior change allowed for significant improvement in the overall efficiency and effectiveness of the creative process.

From a strict data collection perspective, it was required that measurements of advertising success or improvements be provided more quickly than the four-week turn-around provided by the day-after recall measurements employed at the time. In addition to the use of electronic hand-held technology, which reduced reporting times of data collection to three days, three different forms of tracking a campaign’s success were initiated, one of which is employed today on a worldwide basis.

The system design was to satisfy the information requirements of both senior management and functional producers directly responsible for advertising and other communications deliverables. The dimensions of assessment for both individual executions and campaigns were designed to tap affective, executional, and communication measures and provide rich diagnostic information (Stewart, 1989; Yalch, 1990). It was recognized that successful implementation of the system could not be achieved without a strong education support function to help both functional management and producers realize the value of the data acquired on their behalf.

The original mission was to develop and implement this measurement system for the domestic U.S. market. Since 1994, it has been deployed internationally. Standard measures derived from the assessment dimensions noted above have been employed since 1988 and validated with other known metrics. As the Subtitles campaign was implemented worldwide, the measurement system was deployed worldwide. The core set of measures has remained constant, although “calibration” was necessary to different countries. As the system has been deployed more consistently worldwide, we find there are very strong commonalities in data collected from markets around the world on virtually every one of the key measures—both in the imagery of the brand and responses to the advertising executions and campaigns.

The strength of the measurement system resides in several fundamental pillars. First, the standard measures provide the basis for understanding the universality of response to advertising executions across geographies as they are collected in highly similar ways with the use of the electronic technology. Second, the uniformity of response captured along important communication and executional dimensions contributes significantly to our understanding of how well an advertising execution works worldwide. And third, the measurement system allows the professional staff to have a useful and functional dialogue about the merits of specific executions and about the campaign in general.

Subtitles: The Message for Use Worldwide

The basis for the introduction of the Subtitles campaign was the universality of the brand imagery of the IBM corporation—prior to the introduction of the campaign. As the platform for the new IBM, it was to serve as the umbrella for other marketing communications activities worldwide. Had there not been commonly held perceptions of the strengths (and weaknesses) of the brand, the building and introduction of the campaign would have been significantly more difficult. The initial platform was strong and consistent. The campaign was introduced to the U.S. and worldwide targets starting in January 1995. With the exception of the Chaplin campaign, it has had one of the longest and most successful runs of any image campaign for IBM in recent history. The departure from the business strategy of late 1991 which brought 13 semi-autonomous business units to a unified, more tightly focused organization provided the basis for communicating with a single voice worldwide.

From a marketing perspective, the overriding message of the Subtitles campaign design is that
IBM delivers solutions that are both simple and powerful enough to manage information anywhere, anytime, and for anyone. The intent was to quickly communicate that the company was changing; that the resources of the company were now more accessible than before; and that its people were strongly willing to do business with individuals and companies of all sizes. These messages were central to the campaign. Simultaneously IBM sought to communicate that the company remained vigorous, innovative, and a purveyor of technology and solutions while retaining the latent strengths of global scope, leadership, and reliability.

This single, worldwide voice is achieved simply with the Subtitles campaign. The global imagery is achieved through the use of the same footage in each country. The difference is the use of local subtitles to translate the “foreign” language of the commercial. The use of local subtitling allows each country to retain its home cultural accent and employ the country vernacular to enhance communication. It is a simple, but elegant, solution to having one voice presented worldwide.

Further, the design point of the campaign was to address the rational aspects of the IBM brand and products (most of the previous advertising had done this well) and the elusive emotional characteristics of the brand. The advertising was to create excitement about a different (and potentially new) IBM, an IBM which is approachable and demonstrates a strong willingness to design solutions for and do business with organizations of all sizes as well as individuals. The breadth of the campaign was to extend the viewer’s sense of the company’s capabilities and do it in an entertaining and credible manner.

Natural obstacles to a worldwide implementation, even for such an elegant campaign, occasionally occur. There are instances in which access to television commercials is limited. Further, there are limitations on the use of “talent” not from the local country, or the strongly accepted use of dubbing for foreign language films and commercials. There were relatively few exceptions across the 47 countries in which the campaign is run.

**Subtitles: The Message Heard Round the World**

The campaign has been either pretested and/or tracked in over 20 markets worldwide. While there is some variation in individual markets, there is considerable consistency in response to the campaign. Pretesting of individual executions and portions of the campaign demonstrated the advertising’s ability to positively and significantly shift respondents’ perceptions on key attribute dimensions of the company’s vitality and responsiveness. There was strong directional improvement on virtually all other key dimensions.

For the first six months of worldwide tracking after introduction of the campaign, there was significant improvement on key attribute dimensions among those aware of the campaign versus those who were unaware. In addition, there was a significant decline on measures which are characterized as negative attribute dimensions. And, among those brands tracked for the category, only IBM has shown this positive movement through the first half of 1995.

**The Integration of Global and Local Action**

The experience with the Subtitles campaign strongly suggests that it is possible to very successfully advertise worldwide with focused, singular messages. This is true if: the product or brand is perceived similarly in each of the markets and the markets are similar in their maturity levels. This campaign has been instrumental and successful in communicating and shifting attitudes about the corporation.

The experience of constructing the advertising was valuable in capturing the knowledge and guidance from the IBM and advertising agency staffs from around the world. This input has allowed the advertising creative to be shaped to reflect the local country requirements which allows the creative to be true to local conditions. Without the worldwide input, the success of the campaign would have been significantly less successful. The worldwide creative process has therefore been changed to reflect the necessity of this worldwide input, in advance of finalizing advertising executions.

From the perspective of the measurement system, several key features have been validated. First, the ability to collect data in very similar ways around the world has been demonstrated—even with the use of advanced technology. Second, the consistent response patterns to both the company and the advertising from the wide range of countries further demonstrates the validity and reliability of the measurements. The pretesting system had additional advantages of allowing for local or unique country questions. Third, the attitude change dem-
onstrated in the tracking system is consistent with the attitude shifts demonstrated from the pretesting of the campaign. Finally, having a common world-wide framework for discussing what is important and what drives attitude and behavioral change for internal dialogue has represented a tremendous step forward.

References


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For seven years he managed a communications research function which was charterred to develop a "state of the art measurement" system for IBM. Since March of 1994 he has been responsible for the deployment of a worldwide marketing communications measurement system for IBM.

He is a director of the ARF, trustee to the Marketing Science Institute, member of the ad hoc advisory committee to the Advertising Council, and member of the Conference Board's Council on Marketing Research. He received an A.B. in psychology from Princeton University and A.M. and Ph.D. degrees in social psychology from the University of Michigan.

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