

CULTURAL ISSUES IN INTERNATIONAL MARKETING-A COMPREHENSIVE STUDY OF FACTORS DETERMINING SUCCESS IN INTERNATIONAL MARKETING

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Abstract:

With the globalization of business and proliferation of Translational Companies, a proper understanding of local cultural issues which determine the success of marketing efforts has assumed a greater significance. Present study is an attempt to analyze these factors which will assist the managers in this field in formulating the correct marketing strategies for ensuring success in the target market.

KEYWORDS:

International Marketing , globalization ,marketing strategies ,

INTRODUCTION

Minimal condition for successful global marketing operations is a full and complete understanding of local culture. Although cultural understanding alone cannot guarantee a firm's success in a new international market, not fully understanding the local culture and engaging in marketing practices that may be discordant with the local culture will guarantee failure. Many companies find that their new foreign firm is about to collapse because they have failed in learning the country's "customs, cultures, and laws." One study conducted in 1993 by Sami Abbasi and Kenneth W.Holman claimed that two out of every three U.S. businessmen sent to Saudi Arabia were brought back home due to difficulties in adapting to the local culture, which proved very expensive for the companies involved. Culture is recognized as having a general influence on consumption. It is expressed in the consumption of numerous products and services, in homes, offices, stores and marketplace sites, with differences noted across various subcultures and nations. Cultural factors also exert a profound influence on the firm's other stakeholders, such as government representatives, national and international consumer groups and interest groups, service providers, suppliers, channel members, and shareholders. Culture is the key determinant of the manner in which individuals do business, or respond to a company's marketing strategy.

Culture, a society's personality, is defined as a continuously changing totality of learned and shared meaning, rituals, norms, and traditions among the members of an organization or society. The pivotal constitutes of culture are :

- Ecology – The manner in which society adapts to its habitat, i.e., the distribution of resources within an industrialized country versus a developing country; the desire for efficiency, space-saving devices, or green products.
- Social structure – The organization of society.
- Ideology – The manner in which individuals relate to the environment and to others. This includes attitudes toward time, space, possessions, and peers.

Elements of culture

Language

Language has a prominent role as an element of culture. The language one learns in the community where one is born and raised shapes and structures one's worldview. The key to communication in a particular culture is understanding all nuances and complexities of the language of the target market. At a primary level, language has two aspects: the spoken / written language and the nonverbal language.

i.Spoken/ Written language

Spoken / written language poses a number of concerns to marketers. In terms of translation, the diversity of languages creates numerous difficulties for marketers operating internationally. Even if the same language is shared by different countries, marketers should be aware of differences in meaning: Procter & Gamble sells "nappies" in the U.K., as opposed to "diapers"; the "boot" of the Ford automobile is actually its "trunk"; and housewives or househusbands who are "hovering" in the U.K. may actually be "vacuuming" using an electrical vacuum cleaner. Problems could arise in the process of translation. Firms have placed in jeopardy the viability of their brands by relying on primary translations and not ensuring that either the product name is appropriate in a given culture or that the communication actually conveys the intended message. Marketing practitioners using the same marketing strategy in a unified market experience a similar dilemma, deciding which language to use or whether to use multiple languages. The European Union presents an interesting case. When companies target this market, product information is typically provided in two to three languages. A product that has French, Dutch, and German labeling is probably sold in France, Belgium (Where both French and Dutch are spoken), the Netherlands, Germany, Austria, Luxembourg, Liechtenstein, and in the German and French regions in Switzerland. It is important to communicate in the appropriate language with the target market in areas where multiple languages are used. Marketers selling their products in the United Arab Emirates will find that a significant proportion of consumers there do not speak the national language, Arabic. Guest workers in these counties are predominantly Indian, Pakistani, and Southeast Asian. In targeting these markets, firms would benefit from using English, which is widely understood, and the main language used in business, rather than Arabic.

ii.Nonverbal Communication

Nonverbal communication includes body language, gestures, grimaces, eye contact, and even silence. Silent communications, especially gestures, have different meanings across cultures, and marketing managers must be aware of them in order to avoid embarrassing or costly mistakes. Some important nonverbal communication venues are the following:

- Proxemics refers to the relationship between physical space and the process of communication. One of the peculiarities of American culture that most foreigners find intriguing is the "Bubble", the space around the individual, which, if one violates, one must apologize. In countries where standing in line means that the person behind another will periodically engage in a "poking exercise", pushing him or her lightly and hoping that he or she might advance somewhat, the bubble is unheard of. In these counties, even in polite society, it is not necessary to apologize for maneuvering too closely or cutting off another. In general, Greeks, Central and Eastern Europeans, Japanese, and South Americans feel more comfortable standing or sitting closer to strangers than do members of other nationalities. Similarly, in the Middle East, even in the business world, men prefer standing close to people with whom they are conversing and take great offense if someone backs away from them.

- Postures, Orientations, and Oculistics refer to individuals positioning relative to their counterpart and the use or avoidance of eye contact during communication. Individuals' approaches to greeting differ in different parts of the world. In the United States, when shaking hands, one is supposed to look his or her counterpart in the eye; this should make an impression of being forthright, as well as having a take-charge attitude. The handshake should be firm and brief. This same handshake, however, would be perceived as arrogant and aggressive by an Asian counterpart. In Asia a soft handshake, a humble posture, and avoidance of eye contact conveys an attitude of respect. In Eastern Europe, a woman expects to have her hand kissed (this also conveys respect for her as a representative of her gender), and men typically kiss each other on the cheeks. Certain sitting positions may even get one in trouble. A person should not cross his or her legs or show the sole of his or her shoe to another person in the middle east because the gesture implies that the person is "worthy of being stepped on," or, according to other interpretations, "likened to a shoe sole."

- Chronemics refers to the timing of verbal exchanges. Americans expect prompt responses and are

uncomfortable with a slow response or silence. They attempt to fill in the silence and to further probe into the issue at hand to ensure that their counterparts understand them. Other nationalities – the Japanese, for instance – prefer to use this “quiet time” as contemplation time, where they evaluate the message.

· Haptics refers to the use of touch while conversing. This is rarely used by Anglo-Americans, who prefer to keep others at the periphery of their “bubble”. Latinate cultures tend to make extensive use of touch in order to convey their message.

· Kinesics refers to the movement of part of the body in order to communicate. Compared with many cultures, Americans gesture very little while communicating. The French and Italians, however, use hand gestures frequently to express themselves. It is important to understand the meanings of these gestures to function efficiently in these cultures. At the same time, it is wise not to assume that the gestures used in one's home country are identical with those used in other countries. It is possible, for example, that those gestures may have no meaning in other culture, or, worse yet, they may have meanings other than those one would like to convey. The sign of “OK” commonly used in the U.S. signifies zero in France, is a symbol for money in Japan, and is a vulgar gesture in parts of South America. One of the most difficult movements to interpret is head shakes. Western gestures such as shaking the head up and down to signify “yes” and from side to side to signify “no” have different equivalents in other cultures. In the Middle East, people raise their head in a haughty manner to say “no”, while sometimes accompanying the gesture with a click of the tongue. “No” is conveyed with a wave of the hand in front of the face in parts of Asia, and with a shake of the finger from side to side in Ethiopia. On the other hand, the U.S. gesture to slit one's throat means “I Love You” in Swaziland, folding one's arms conveys respect in Fiji and arrogance in Finland.

· Paralinguistics refers to nonverbal aspects of speech that include emotional intonation, accents, and quality of voice. A louder, more aggressive intonation denoting self-assurance and strength in some cultures, such as that of the United States, may be perceived as threatening or insulting by other cultures, where softness is equated with politeness and respect. In the cultures of West Africa, laughter indicates embarrassment, discomfort, or surprise, whereas in some other cultures, laughter is discouraged altogether. Although many people view North Americans as fairly loud and aggressive, the Spanish speak even louder, often shouting at each other to express enthusiasm.

· Olfactions refer to the use of odors to convey messages. Typically, such messages have a religious meaning. Incense is frequently used to purify the air of evil presence in both temples and churches, as well as in private homes. Finally, odors are evaluated differently in different cultures. For example, U.S. cultures avoid consumption of dairy products believed to cause intolerably bad breath.

The Nonverbal language and High-versus Low-Context Cultures

The high-low context continuum defines the extent to which a spoken statement conveys a full message. In low-context cultures, what is said is precisely what is meant. In the United States, Canada, Germany, and Switzerland, a verbal message carries the full meaning of the sentence. In this environment, business is typically done at arm's length and change is readily accepted. In high-context cultures, such as those of East Asia, the Middle East, and North Africa, the context of the message – the message source, his or her standing in society or in the negotiating group, level of expertise, tone of voice, and body language – are all meaningful. Marketing managers must evaluate the nonverbal communication accompanying a message and interpret the full message accordingly. In low-context cultures, business is conducted via e-mail or on paper, in contract form, whereas in high-context cultures, it is more important to establish solid personal relationship and trust in the process of conducting business.

Religion

Religion defines a society's relationship to the supernatural and, as a result, determines dominant values and attitudes. Religious beliefs are important determinants of consumer behavior, purchase motivation, consumption preferences and patterns, customs and business practices, attitudes toward authority, family, peers, and foreigners as well as attitudes toward material possessions. Cultural values, and norms, among others, can all be traced to religion. Religion can be linked to cultural behaviors that have an impact on economic development and marketing.

The Protestant religion stresses hard work and frugality and is linked to the development of capitalism and economic emancipation.

Judaism, with its disdain for ignorance and sloth, stresses education and has led to industrial development.

Islam dictates social etiquette and consumption and bans the use of interest rates, affecting, respectively, the relationship between men and women in society and in the workplace discouraging the consumption of

pork products and alcohol; and requiring procedures to reconcile Islamic banking laws with Western banking practices – by, for example, charging periodic fees, rather than interest.

Religion and Business Days

In terms of working days, in countries where Christianity predominates, it is customary to work full days Monday through Friday and a half day on Saturday. In Islamic Countries, businesses are closed on Friday, the holy day of Islam. And, in Israel, the Shabbat (Saturday) is the day of worship when all businesses close. In addition to noting business days, individuals doing business abroad must also note national holidays, when businesses are usually closed, and religious events/ holidays. One religious observance that can substantially affect business operations is the month of Ramadan in the Islamic religion, when observers are not allowed to eat until sundown. This is typically not a productive time in the Near East and North Africa. In Israel, no business is conducted during the High Holidays (Rosh Hashanah and Yom Kippur).

During the regular work week, one should not be surprised if a Muslim with whom he is talking business abruptly ends the conversation by gathering his rug, kneeling on it, and then praying. Muslims are required to pray five times a day at specific times. In this situation, a businessman should just find a seat and wait quietly until the prayer is finished.

Religion and Gender Roles

In the most traditional Islamic countries, women's business activities are channeled toward interaction in a women-only environment. As such, a salesman cannot engage in door-to-door selling in Saudi Arabia, for instance, in an effort to appeal to the woman of the house. In this country, women depend on men in the family for simple activities, such as driving them to and from a destination. The law does not permit women to drive a car. Personal services can be performed only by individuals of the same gender. The genders typically do not interact in the very traditional Islamic countries except within the family. Even in the less traditional Islamic countries, women often are seated separately from men, in a separate dining room or area.

Religion and Gift Giving

In countries where Christianity is predominant, holidays such as Christmas and Ester constitute important dates for product sales. In addition to these holidays, Saint Nicholas is celebrated on December 6, when gifts are offered to children, usually placed in their shoes which are nicely lined up under a window. During the time predating these holidays, promotional activity, advertising and sales promotion, is intense. In Eastern Orthodox countries, such as Greece, Bulgaria, Serbia, Romania, Russia, and other European countries of the Commonwealth of Independent States, among others, name days (days of the Saints after whom one was named) are celebrated, and gift giving is a must. Days for common names such as Saint John and Mary are also national holidays.

Religion and Marketing Practices

Firms must adapt their offering to the local culture to address consumers' religious concerns. Fast-food restaurants operating in Israel find that they can better serve their Jewish consumers by offering ample choice of vegetarian food, which does not compromise consumer kosher requirements. Keeping kosher requires, among others, the separation of milk products and meat products and implements used to serve or process them.

In advertising substantial censoring occurs in many countries. In Saudi Arabia, woman should not be portrayed in advertisements. It is appropriate to show the covered arms and wrists of a woman demonstrating product use. In other Islamic countries, such as Malaysia, woman should not be portrayed sleeveless, whereas in the streets of Turkey, one can actually see advertisements of women modeling bras.

Cultural Values

Values are enduring beliefs about a specific mode of conduct or desirable end state. They guide the selection or evaluation of behavior, and are ordered by importance in relation to one another to form a system of value priorities. Values guide individuals' actions, attitudes, and judgments, which are derived from and continuously modified through personal, social, and cultural learning, ultimately affecting their

product preferences and their perception of products. Members of a culture share a system of meaning, a set of beliefs about what is right or wrong. Values are learned from those with whom individuals are in contact, family, friends, teachers, clergy, politicians, and the media.

Enculturation, Acculturation and Assimilation

The process by which individuals learn the beliefs and behaviors endorsed by one's own culture is known as enculturation. Learning a new culture, which most managers must do when doing business abroad, is known as acculturation. Acculturation encompasses intercultural interaction and adaptation, and it includes the assimilation of a new culture, maintenance of the new culture, and resistance to both the new and old culture. Consumer acculturation refers to contact with a new culture and the resulting change for consumers in terms of their approach to consumption in the new environment, whereas marketer acculturation refers to contact with a new culture and the resulting change for the marketer.

Cultural norms- Imperatives, Exclusives and Adiaphorous

Norms are derived from values and are defined as rules that dictate what is right or wrong, acceptable or unacceptable. To be successful in the markets where the firm is currently operating or where it is planning a presence, marketers need to be capable of discerning between the following:

- What an outsider must or must not do-Cultural Imperative
- What locals may do but an outsider cannot-Cultural Exclusive
- What an outsider may or may not do- Cultural Adiaphoras

Familiarity with the first two constitutes a minimum requirement for survival in a new country environment.

Imperatives

Imperatives refers to that one must or must not do in a certain culture. Respecting rank and position, especially in more formal societies, is crucial in developing a lasting relationship. In Germany, for example, individuals in a close business relationship would address each other formally, by their last names. A representative of a U.S. firm working in this environment would need to be aware of this expectation. One example of imperative is provided by the special situation women in management positions face when dealing with clients in North Africa and the Middle East. Women are not allowed, by law, to drive or walk in public unaccompanied by a male in Saudi Arabia. They are not allowed in the streets, nor in shops by themselves. A female marketing manager sent to this country would have to make arrangements to be chauffeured to client firms, to be permanently in the company of a male in public. She also would have to wear clothing to cover her wrists, ankles, hair, and face.

Exclusives

Exclusives refer to activities that are appropriate only for locals and from which an individual from a foreign country is excluded. A citizen of Kenya is likely to show allegiance to the government of Daniel Arap Moi by wearing a pin in his party's colors bearing his picture, a foreigner wearing such a pin would not only raise eyebrows, but he or she also may be perceived as attempting to interfere in the country's internal affairs.

Adiaphoras

Adiaphoras refer to customs that a foreign representative may engage in, but conformity in this respect is not required. Eating with chopsticks in East Asia, drinking banana beer in East Africa, greeting a woman by kissing her hand in Hungary or Romania are all examples of Adiaphoras.

National/ Regional Character

Each country is thought to have a distinct set of behavior and personality characteristics, characteristics that may be shared by a number of countries in a certain geographical region.

- Time Orientation-An aspect of time relevant to marketers is related to the manner in which tasks

are approached. Monochronic time (m-time) is attributed to individuals who usually do one thing at time, and in sequence. These individuals tend to be prompt and to adhere strictly to agendas. Countries where individuals typically operate on monochronic time are Germany, Switzerland, Austria, the Scandinavian countries and the countries of Benelux, the United States, and Canada. Polychronic time (p-time) is attributed to individuals who tend to perform multiple tasks at once. For these individuals, time is not linear but, rather fluid. They are less likely to adhere to schedules, and they consider business as an opportunity for socializing. Countries where individuals operate on polychronic time are Italy, France, Spain the countries of North Africa and Middle East, and Latin America. North Americans like to plan their activities or to expedite matters by setting deadlines. Arab facing deadlines, on the other hand, may feel threatened and would back into a corner. A saying translated as 'God willing tomorrow' means, loosely, 'if I feel like it and I have the time, I will take care of it tomorrow or any day thereafter.' At times, businessmen in the Middle East arrive late for a meeting or do not arrive at all; they believe that Allah (God) controls time, so punctuality is unimportant. One should not be surprised if a Middle Eastern businessman is not ready for an appointment. It is imperative that one does not criticize this lateness or absenteeism because the individual would most likely become offended and resentful.

Gift Giving

Knowing what gifts are appropriate to one's hosts is very important. Some gifts are considered inappropriate in certain cultures, whereas other may be appropriate on certain occasions and inappropriate on others. In the United States, bringing a bottle of wine to one's host is perfectly appropriate; the same gesture would not be appropriate for a similar occasion in the Middle East, where Islamic religion prohibits alcohol. This rule holds true for any other gifts that may contain alcohol, such as chocolates. Also in the Middle East, bringing food or drink to the home of one's host could represent an insult, implying that the host's food is inadequate. Other inappropriate gifts are cutlery in Latin America, signifying cutting off a relationship, or handkerchiefs in Latin America and in Southern and Eastern Europe, signifying a final imposed separation, usually death. Handkerchiefs and small hand towels are typically given as gifts at funerals of the Eastern Orthodox faith. Although an even number of flowers (a dozen roses etc.) constitutes the norm of gift giving in the United States, in Eastern Europe, odd numbers are expected, while even numbers of flowers and, especially, calla lilies, are offered only at funerals or religious commemorations. Giving one's host an even number of flowers or calla lilies could even trigger superstitious fears. Even the manner in which gifts are given is very important. In the Middle East, gifts should be presented publicly in order to avoid the appearance of bribery, whereas in Asia, gifts of significance should be given privately, to avoid embarrassment.

Socializing

If a marketing manager is planning on a working breakfast or a working lunch, or on discussing business over dinner, as is often done in the United States, it may be useful to first inquire about the extent to which such a practice is appropriate in the country where business is being conducted. Although many business partners may have been schooled in the United States and will accept this, other parties involved may feel uneasy if business is conducted during a meal.

In the countries of South America and in many countries in Europe, a meal is widely seen as an important occasion to personally get to know one's business counterpart, hence, the suggestion of a working lunch or dinner may indicate to the local representative a lack of interest to establishing a friendly basis for the future working relationship. It is important not to plan a business meeting at first with a Mexican businessman because he usually prefers to become acquainted with his counterpart in a social atmosphere before doing business. Similarly, when first meeting a businessman in the Middle East, one should not begin right way with talk about the business at hand; instead, one should initiate 'positive small talk.' The first meeting in the Middle East is only to start developing a friendly relationship, not to secure business dealing.

Cultural Variability

Cultural variability is the term used to identify difference between cultures using the Hofstede dimensions. All cultures can be classified based on a number of dimensions. Each dimension should be thought of as a continuum.

Power Distance

Power distance refers to the manner in which interpersonal relationships are formed when differences in power are perceived. In some cultures, a vertical relationship is typical, whereas, in other, relationships are based on equality and informality. In United States, individuals customarily address each other on a first-name basis, regardless of rank. Top managers often illustrate their solidarity with the lower ranks by engaging in work activities that they do, going to the plant floor or eating in the workers cafeteria. However, in Latin America, Eastern Europe, the Middle East, it is a flagrant mistake to address a superior informally or for superior to mingle with underlings. In these countries, most decisions are determined by upper-level executives and only much later disseminated to individuals in the lower positions. In such environment it is important to address the senior management first, before addressing other individuals in the company.

Uncertainty Avoidance

Uncertainty avoidance refers to the extent to which individuals feel threatened by uncertainty, risk and ambiguous situations and thus adopt beliefs, behaviors and institutions that help them to avoid the uncertainty. In countries where uncertainty avoidance is high, there is a feeling that what is different is dangerous; consumers are resistant to change and focused on risk avoidance and reduction. In cultures low in uncertainty avoidance, there is a feeling that what is different, such as new products and services, is interesting and worth exploring.

Masculinity

Masculinity is the degree to which a national culture is characterized by assertiveness, rather than nurturing. Femininity is the degree to which a national culture is characterized by nurturing, rather than by assertiveness. Masculine societies emphasize value such as wealth, material success, ambitions, and achievement; whereas, in feminine societies, benevolence, equality, caring for the weak, and preserving the environment are emphasized. In masculine societies, such as those in Australia, Canada, Great Britain, and the United States, successful marketing strategies focus on consumers' achievement motivation: Marketing communications should stress personal accomplishment and have ego appeal. In feminine societies, such as in Asian cultures, marketing strategies should steer away from a materialist, acquisitive focus and, instead, appeal to consumer's sense of good will.

The Self-Reference Criterion and Ethnocentrism

When interpreting cultural phenomena in other countries, marketers must avoid the unconscious reference to their own value system, to their own way of doing things. They should refrain from resorting to the self-reference criterion. Instead, they should assess each culture as objectively as possible. Ethnocentrism is a belief related to the self-reference criterion that a particular culture is superior to another and that strategies used in the home country, presumably a developed country, will work just as well abroad. Consumer ethnocentrism is the belief that purchasing foreign products is wrong because it hurts the domestic economy, causes loss of jobs, and is plainly unpatriotic. Although ethnocentric attitudes are, to a degree, related to the standard of living and economic performance in a country at a particular point in time, it is important to note that consumer ethnocentric tendencies frequently affect foreign firms. The North American Free Trade Agreement was, to a certain extent diminished by ethnocentric feeling in the United States. Similarly in the 1990s, the potential of Japanese business in the United States did not entirely materialize due to strong ethnocentric feeling of U.S consumers, many of whom felt that they had an obligation to buy American goods.

The Global Consumer Culture

Global consumer segments—consumers who associate similar meanings with certain places, people, and things—have developed worldwide and, with them, a global consumer culture. The global consumer culture is defined in terms of shared sets of consumption-related symbols such as brands, and consumption activities that are meaningful to segment members. A global consumer culture is often attributed to the diffusion of entertainment from the United States to the rest of the world and to the dominance of English in both business and entertainment. Global consumer culture is attributed to the following trends:

· The proliferation of transnational firms and their bands worldwide and the related globalized capitalism.

· Globalised consumerism and the desire for material possessions such as the desire for fashionable or novel goods used to gain status and social acceptance.

· Global consumption homogenization, wherein consumers worldwide eat similar foods, desire similar brand names, and are exposed to the same entertainment.

In response to an increasingly global consumer culture, marketers have devised marketing programs that appeal to individuals who would like to feel one with this culture. Among such messages are 'United Colors of Benetton', "ADM, Supermarket to the World', and Phillips' 'Let's Make Things Better', which feature individuals and synopses from different countries. Such strategies are examples of global consumer culture positioning and identify a particular brand as a symbol of current global culture.

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