

EFFECT OF CULTURE ON MARKETING STRATEGIES

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Abstract: Most of the people are aware about the issues faced by multinational companies when they expand their business into new countries. International business requires people from different culture to communicate with each other across national boundaries in order to improvise and better understand different cultures. The popular failures include the conversion of company tag lines into the subsidiary country's language causing huge mistake in the translation. This simple, yet important example shows how different element of cultures of different places plays a significant role in planning out the marketing strategy for that place. The success or failure of the business depends on the customers. Customers make their judgement based on their sense of values imbibed in them since ages. If a company can succeed in convincing the customer that their product is the one, then the company can sustain in the market for a long time. This conceptual paper talks about various aspects of cultures like language, religion, technology, politics, values, attitude, business norms, customs and taboos affect marketing strategies.

Keywords: Marketing Strategies, Culture, Cross culture, international marketing strategies.

1. INTRODUCTION

Once upon a time, business market performance was dependent on how much domestic-currency revenue was received. With the passing of time; the most successful companies started expanding their brands beyond their home countries and becoming known in global markets (Ricks, 1993). Today, this is the standard, since many of the most productive and profitable businesses in the world operate in multiple countries. Marketing exists in a culturally shaped environment. Organizations planning to market products in different countries have to be alert to the cultural factors in their target markets at work. Culture is complex and it requires significant time, energy, and experience to fully appreciate its impact. (Usunire and Lee, 2005). Different traits of a culture may create an illusion of similarity, yet marketers need to dig deeper to ensure that they really understand the people and cultures they work in. As the global business evolves, foreign marketers continue to enter new markets, new culture that inevitably brings new opportunities and challenges (Karim, 2015). Culture impacts heavily on consumer preferences. Consumers can only be drawn when the product suits their practices, beliefs, norms and cultural criteria. Cultural effects on the marketing of goods must be studied in depth for a foreign marketer. Because of the globalization of the business environment, businesses are faced with rising competitors' speed, presence and magnitude (Kaur and Chawla; 2016). Culture has a profound influence on consumers' choice of product, inspiration and life style. Cultures are simply different, not good or bad, better or worse (Cateora and Graham; 2002). Thus, for any firm who wants to venture out in the international waters to grow their brand, should keep in mind the different elements of culture of those countries where they are planning to expand. Giving importance and respect to each and everyone's culture is a major step towards globalisation and all firms should cater to that.

2. LITERATURE REVIEW

Any firm before venturing out in the international markets gains a strong foothold in their domestic or national markets (Jeannet & Hennessey, 2004). Some firms work internationally right from the time of inception and some take time to venture out in the new arena. The researchers found out that the most important strategic decision to be made by the management of any organization is how the company can improve the international process in terms of time, scope and size. They found a new phenomenon called International New Ventures (INV). INVs have at least two inherent

characteristics that ultimately influence strategic choice: their general lack of capital and their difficulties with regard to physical global presence (Jeannet & Hennessey, 2004). Brandmeir (2016) uses Hofstede's cultural dimensions theory to find out how cultural differences can contribute to differing interpretations of online marketing messages for higher education services. He says that despite the rise of demand as a part of the global economy, marketing of higher education services lacks a theoretical basis. A stronger theoretical understanding of selling these programs is vital to the success of these marketing efforts and organizations as the competition for more students grows between institutions and entire countries (Brandmeir; 2016).

Lung Li (2008) in his paper discusses how American and Chinese local managers of multinational companies analyse and promote the establishment of effective business relationships. He found out that the organizational culture orientation created by the company's home culture has a deep impact on the strategic orientation of the local managers. Zhan (1999) talks about different strategies of marketing across cultures. For marketing, cultural awareness is much more than just effective translation. She believes that each culture has subtleties and complexities and there are some with just simple taboos. So each firm has to be considerate about every aspect of the culture where they are going to expand their business. Mickalites (2001) in his article talks about the cultural and communicative variations between more relationship-oriented and more deal-oriented business cultures in the world. Globalization is pushing corporations to pursue international expansion in order to retain or expand their businesses (Hapsari, Stoffers and Gunawan; 2017). Global marketing is the tool used to achieve the goal of enhancing one's current positions. Global marketing allows customers throughout the world to find higher product choices at lower prices and boost their lifestyles and comfort (Czinkota and Ronkainen; 1993). Identifying and recognizing the dynamics of each of these dimensions is the key to successful global marketing. Thus, any international or global marketing study is based on basic knowledge and understanding of the cultures of the world (Phillips et al., 1994).

3. CONTENT

Culture

Culture is defined as the thoughts, practices, customs and social behaviour of a particular individual or a specific community. Examining or analysing a country's culture means studying the lifestyle of a country, living standards, how they do everything from morning to night. Even in a given country, due to differences in geography and faith, the culture of different groups of people is different from that of another. Castillo (2018) clarified in a delightful way that culture typically encompasses every faith, caste, community of education. Thus, the resilience of a culture of extreme need for multinational shareholders, when handling customers who speak in numerous languages or believe in different religions, helps investors to decide how to execute their strategies where consumers vary. Smaller markets make up the world economy. The whole world economy consists of smaller economies, which in themselves are distinct. Such societies have cultures and languages of their own (Selfridge & Sokolik, 1975).

Marketing strategies

Marketing strategy is a long-term, forward-looking strategic approach, with the underlying aim of achieving a sustainable competitive advantage. To gain maximum profits, an effective marketing strategy will concentrate on the right product mix. Marketing strategies include all long-term and short-term marketers' efforts to introduce, promote and grow a new product over a long period of time (Chung, 2007). A carefully made marketing strategy should be grounded in the value proposition of a product, which sums up the competitive advantage a company has over its competitors (Webster, 1995). Thus, creating an understanding of cultural differences will help shape the messages that best connect with your audiences. So, "Think global. Act Local" is important for every firm operating internationally.

4. ELEMENTS OF CULTURE AND ITS IMPACT ON MARKETING STRATEGIES

A lot of studies demonstrate how society influences human behaviour. Pikturniene (2005) explains that there are many aspects of culture which affect the marketing strategies of any firm. They also mention that "these elements of culture send direct and indirect messages about the availability of goods and services to customers." Few of those elements of culture which affect marketing strategies are:

1. Language

The language is the gateway to one country's culture. Where a corporation has long been interacting with other cultures, studying their language becomes important for the development of the organization (Leonard, 1999). Every market to which you enter is different and the things that work in one country or region won't work in another. So it becomes very

important for firms to understand the language of the country and their culture through language for better workings of the firm (Zhu, Nel and Bhat; 2006). Clague (2019) talks about barriers to communication which generate a lack of understanding and hamper the flow of information within organizations.

2. Technology

Technology advances shape the world around us in many different ways. Marketing is one of the business areas which are being greatly affected. The transition is caused mainly by the increasing popularity of mobile devices, computers and internet. The Internet is making a big difference in the product and services available (Kaur and Chawla; 2016). It allows consumers to access a lot of information quickly. There is also commoditisation where people 'box' new goods and services together and sell them at a lower price, through technology. Payment online makes it more convenient for consumers and also makes the collection of cash faster and cheaper for suppliers. Technology also helps you to keep up with the activities of your rivals and customers. The marketing partnership is becoming more and more critical as a way of fulfilling the marketing needs of the sales companies (Zhu, Nel and Bhat; 2006).

3. Religion

All religions have sets of laws that influence everyday purchases and behaviours. The preferences and tastes of each individual is greatly affected by the religion they follow (Assadi; 2003). Religion plays a significant role in shaping social and consumer behaviour in a society that is constantly changing and increasingly globalized (Fam, Waller and Erdogan; 2004). Differences in religious practices continue to affect people's way of life and their decisions. Spiritual requirements or prohibitions may affect the outlines of consumption. Marketers should evaluate people's faith and beliefs because customers become more drawn when any product is marketed by connecting it to people's religions and beliefs (Kaur and Chawla; 2016).

4. Values and attitudes

Values and attitudes of individual or groups are helping agents which help the firms in deciding what people think is right or necessary, what's important and what's attractive. Any interest that rewards the consumer and heightens his desire to buy the product he has bought again, marketing strategies helps the customer to choose that product (Liu, 2006). Through providing education, generating a need, and targeting the target market, marketers must create value for goods (Capatina; 2014). The values that customers from different countries put on such items as time, success, employment, prosperity and risk-taking will have a serious impact not only on the products offered but also on the practices of advertising and communication. A company's methods of empowering its workers are also heavily influenced by local culture and practices (Doole and Lowe, 2008).

5. Business norms

The market norms vary from country to country. This poses difficulties for foreigners who are not used to working according to the host country's unique norms. Alcohol's position in business meetings vary widely according to culture. For example, throughout Middle Eastern societies where alcohol is forbidden, serving or offering an alcoholic beverage can be disrespectful. But in China, as part of formal dinner meetings several rounds of toasts are customary (McLean; 2010). Business norms often differ around greetings and physical contact. Most societies have embraced American-style handshakes as a business practice but this tradition is not universal (Matveev and Nelson; 2004). Connection between men and women is a delicate issue in Islamic societies, even in business environments. The Namaste in India remains a respectful traditional business greet especially when it comes to interacting with women and the elderly (Karpinski; 2004).

6. Politics

It is necessary for companies to understand every country's political environment in which they want to do business in a global market. The disparity in the political cultures is a crucial cultural factor for global businesses (Susan, 1997). When a country is politically stable; business activity tends to grow and prosper. Legal and political structures are often a clear codification of behavioural norms which the local culture considers appropriate. Cultural sensitivity to policy issues is of utmost importance in international markets (Abdin 2008). When a country is politically unstable, there are higher risks associated with business operations, and often higher costs. Political instability is making a nation less competitive from the perspective of business investment. So, foreign and domestic companies doing business in such countries often have

to pay higher interest rates on business loans, higher insurance premiums and often higher costs to protect the safety of their workers and businesses (Tian and Borges; 2011).

7. Customs and taboos

Every culture has its own collection of taboos and customs. Marketers need to know about these traditions and taboos to do business across boundaries seamlessly and effortlessly to earn profits and maximise their brand presence around the globe (Markus and Kitayama, 1991). For example, in Japan, number four is considered unlucky, and many consumers avoid packages of products containing four items. In Middle Eastern countries who have very strict Islamic laws, images showing the female body's uncovered arms or legs are deemed offensive (Hofstede, 2001). Thus, while formulating their marketing strategies for different countries, marketers need to keep in mind these customs to keep their consumers happy and increase their customer base.

5. CONCLUSION

Culture plays a very important role in everyone's lives. We all are so much governed by the cultures and customs we live in and thus we practice it in our everyday life. When different firms want to venture out in international markets, they should understand and grasp these cultures and customs of all countries and market their products and services accordingly so as to satisfy their customers wholly. Thus, understanding of these cultural elements and their contribution in the society is very useful for any marketer. The companies should make their marketing strategies around these elements of culture so as to reap the maximum benefit from a country they are venturing into. India is a country with many different states and each state has huge variety of people. Indian market is a very difficult market to capture because of the huge diversity. All the topics that are discussed in this paper have huge impact as a whole in formulating a marketing strategy. The key take away from this paper is that diversity depends on various factors and each factor affects business in a different way. The intension behind this paper was to cumulate these factors in order to get a better clarity and ease in doing further research.

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