

Final project multinational marketing assignment

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In addition, a manager just understand how to communicate a message across cultures and decide on which marketing-mix to be used In a given situation. According to Ralston (1 993), cultures can change, which creates another challenge to the marketing manager. Anyway, especially in the cultural context, a marketing manager should be aware of ethical pitfalls. In this project I will be addressing issues involved with marketing to an international audience. By doing so, I will be using academic literature and articles to create the theoretical framework on this topic.

In order to show success and failure in the scribed areas of International marketing, I will provide real-world examples and combine it with the theories described. * Issues of Multicultural Marketing There are many issues involved with multicultural marketing as cultures often differ to a great extent. Cultural diversity forces a marketer to take effective action In order to reach the consumer no matter which cultural circumstances exist In a given market. In the following, I am presenting key Issues In multicultural marketing, which often Influence each other and cross. Consumer Behavior In Different Markets The marketing to an international audience creates the issue that a marketer must develop a suitable marketing-mix that is appealing to consumers in deferent markets and consequently with different cultural backgrounds. Hefted (1991) describes cultures on the basis of four dimensions (Uncertainty Avoidance, Power Distance, Individualism and Masculinity) and by this pointing out that there can be immense differences between cultures.

Furthermore, Chewier (2009) outlines that there is a national political culture In form of “ shared conceptions of legitimate forms of social organizations”, <https://assignbuster.com/final-project-multinational-marketing-assignment/>

which results from symbolic stories of the foundation of a country and has influence on how people behave. Obviously, within one culture, there can exist sub-cultures, which possibly needs to be approached differently. Cultures influence how people respond In certain situations (for Instance, how people response to promotional efforts), and thereby Influence consumption behavior.

As marketing Is a tool to convince customers to choose a product over another product, it becomes considered in the way of approaching a consumer. The example of Avoidance's approach to conduct business in Japan shows that the roper understanding of cultural circumstances is essential to succeed in a market that is dissimilar to home and other markets. Avoidance entered the Japanese market in 2000 through the purchase of Japan Telecoms and tried to serve the market with a " one-size-fits-all"-approach.

Avoidance tried to push its sales agenda without heeding local quirks. But Japan turned out to be extremely different from Europe, which resulted in massive losses in the Japanese market. For example, features that worked well in Europe or the US were seen as primitive and clunky in Japan (Fickler, 2005). Customers were extremely technology focused and demanded high-resolution color screens, high-class cameras and full Internet access almost two years before the rest of the world did so (Fickler, 2005).

Therefore, Avoidance was unappealing to Japanese customers.

Consequently, as consumers differ in terms of culture it is the challenge to know and understand the differing needs, preferences, perceptions and

behaviors in order to serve them successfully. * Suggestions The Avoidance example emphasizes the need for understanding the local market in which business is conducted as well as the need for tailoring business models to customers in different countries and cultures.

According to Chevalier (2009) the national political culture should be considered as well in order to understand what, why and when something is shared within a culture, which might require to change the marketing approach. In order to understand consumer needs in different cultures, research studies must be conducted in order to gain local knowledge. In addition to market research, the creation of social capital can be an asset to understand the local environment. Marketers have to know everything about consumers in order to satisfy their needs ND serve them successfully.

Having gained all information necessary, a manager needs to decide about how to approach each individual target group (cultural and sub-cultural groups) on the basis of regional circumstances. Consequently, the adaptation of the marketing-mix to local cultural circumstances in a given market instead of using a standardized global marketing-mix, would be a suggestion to follow. * Strategies in Different Markets Mere et. Al (2008) addresses the issue of how to approach different markets with differing cultural circumstances.

The concept of globalization calls for a universal denaturalized strategy that is applicable in any part of the world and does not consider local cultural factors. Localization refers to the approach to customize strategy and align it to market and culture specific situations. Globalization is a mixture of both

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forms and follows a “ think global, act local” point of view (Mere et. Al, brand and represents the fundamental of overall marketing success. A marketing-mix includes the aspects of product (features, designs, brands, names, etc), price (list price, discounts, allowances, etc. , place (distribution channels) and promotion advertising, sales promotions, PR, etc.). However, some local consumption cultures are resilient against globalization, which often requires a more customized marketing-mix and needs to be embedded in the global strategy. For instance, Chevrolet experienced some difficulties to market the Chevy Nova in Latin America due to the fact that “ no VA” means “ it does not go’, which made people to be reluctant towards this car. The example makes it clear, that the customization of the product name would have been a wise thing to do.

On the other hand, McDonald’s acts often lever in view of the “ think global, act local”-approach. Due to a standardized set of products (core products burger, French fries and Coca-Cola) that is generally accepted throughout the globe, it is able to save extensive costs. In order to address local and cultural needs, it adds certain meals to the menu, changes the ingredients used in a meal or adapts the taste or preparation of a meal. Consequently, the marketer should decide on the proper marketing-mix to be applied while approaching culturally differing markets. Suggestions When engaging in a market with a culture dissimilar to home culture, an adaptation of the business model and the integration into the global framework is from the most importance (House et al. , 2004). The examples of Avoidance’s failure in Japan or Chevrolet failure in Latin America demonstrate how cultures can clash and emphasizes what fatal consequences a “ one-size-fits-all”-

approach can have. As both, globalization and localization are relevant to succeed from an overall corporate view and a local market view, globalization appears to be a useful approach.

Standardized strategies clearly bring some important advantages, especially in cost reduction. However, different cultural circumstances, including customer attitudes and expectations often call for local adjustments. In line with this, I find it effective to reach people on the emotional level. Where Avoidance failed in Japan, they succeeded in South Africa. Being a subsidiary of Avoidance, Voodoos effectively reaches consumers on an emotional level as they are referring to the "Voodoos way" in their campaign.

The African culture and being an African citizen is deeply embedded in Voodoos' vision, mission and values. Even after the takeover from Avoidance, this was acknowledged by sticking to "the Voodoos way", a well established slogan used by Voodoos to transport African values and picks up the beautiful landscape and the colors of South Africa. In addition, it uses soccer as a unifying source as people regardless of black or white love soccer and all can identify with it. Avoidance products such as "Avoidance Live!" and "Maybe" have been adapted to suit the African culture.

This is also a good example of the "global integration and local adaptation" approach (Sheehan and Lou, 2009) and shows that both is possible.

Avoidance decided to align to the local unique African circumstances he original Voodoos logo and aligned it to the global Avoidance branding, while remained the well-established name of Voodoos. In addition, products and service were integrated in the global supply chain, but tailored to the local

circumstances. Obviously, a suitable marketing concept should be developed that considers consumer targeting, positioning and segmentation related to local circumstances.

In order to gain local knowledge and combine it with global knowledge, the interaction within a global network is important in order to seize opportunities and create nominative advantages through the creation of social capital. Social capital provides the members of an organization, and by this the marketing team, with deep market insights and customer understanding and enhances the creativity process. As members can share important information about local circumstances, such knowledge can be used to address local customer needs and can therefore be integrated in the marketing concept to be applied for each target group or market.

Superior knowledge within a market can help to optimize the marketing-mix within a even cultural diversified market that differs from other markets and requires customization. In line with this, it would be a wise step for the headquarter to share some responsibilities and consider local knowledge from subsidiaries while deciding on the marketing-mix and adaptations to it.

* Communication in Different Markets The development of communication technology was certainly one of the key factors that fastened global transactions and made communication across borders quicker and easier.

Especially the Internet broad some major changes to communication with customers. In addition, the spreading of English as a world language helped to increase communication between countries and therefore enabled companies to sell products to international customers. Customizes (2004)

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states that “ humans internalize communications within their frame-of-reference and experience” and is referring to the fact that everything that is communicated outside of this frame is likely to be misunderstood, which needs to be avoided.

Knowing this frame-of-reference of a diversified international audiences makes communication stronger and more effective. Anyway, such culturally local understanding is hard to access and to pack in a strong communication in order to reach a target audience. Coca-Cola does a great Job as it adds local features to their communication campaigns. For instance, during the World Cup 2010 in South Africa, it created an African based marketing campaign that was very welcomed by the South African customers. To emphasize the African spirit, it used the song “ Waving flags” from the African artist K’ nana in its commercials.

In contrast, the example of Chevrolet with the Chef Nova is a case of miscommunication. The challenge is to create a message hat is effective in all markets. * Suggestions Again, a deep understanding about cultural diversity is from the most importance messages differently. Therefore, a marketer must know exactly how to reach a customer on what level and in which way. A universal message can be misunderstood and result in consumer retention. Therefore, if a message is customized in the way that it fits in the frame-of-reference, it is more likely to be understood by the recipient.

The communication to market a product or service should address the individual needs of people in an individual market. Hereby, it is important to

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identify such needs and to know how customers want to get satisfied, which is the way how a customer can be reached. Additionally, a marketer must use language that is understood by the target group, which again requires customization. By doing so, an effective translation that guarantees the proper understanding of everybody is important and requires consumer research (Sheehan and Lou, 2006).

Cultural taboos related to politics, religion or historical events should be avoided in order to not disturb the customer. Furthermore, it is not only important what the message contains, but also to send the message the way it is understood adequately by the receiver on a cultural diversified basis. In line with this, words, signs, symbols, colors, designs, product personalities, humor etc are understood differently in different parts of the world. Furthermore, consumers differ in their emotions, senses and intellect, which are often related to individual cultural values that rely on religion, traditions, history etc.

It is important to be aware of such factors and be appealing on an emotional basis to each customer group. Consequently, cultural insensitivity and the matching of local needs is of the most importance. * Cultural Shifts Most traditional theories such as Hofstede (1980) define culture as the sharing of norms, values, beliefs, customs and attitudes that works as a stable constant. Ergo, most traditional theories do not consider cultural change and by this neglecting cultural convergence, divergence and economic evolution.

In contrast to traditional theories, Ralston (1993) points out, that culture is influenced by certain factors and defines a concept of crosscurrents that addresses evolving cultural disposition in relation to enhanced socio-economic interaction such as FAD, JP and market entrants. Cultures do evolve differently, and a manager must understand to which extent a culture has already evolved and adopt practices accordingly. The same is true for sub-cultures that exist in many countries, which cannot be understood the same way than other cultures in the same country.

The empowerment of certain groups plays a role in cultural change and cannot be disregarded as there are existing differences by countries and changing situations as empowerment (e. G. , black empowerment, gender equalization, etc.) takes place. Following the concept of crosscurrents by Ralston (1993), marketers face the issue of cultural shifts. * Suggestions An efficient manager should understand the culture to its fullest and develop skills to predict movements in culture in order to respond adequately to movements.

It is obvious that it is a difficult task to predict changes of culture or forecast international Mead and Andrews (2009) suggest a manager to pay attention to changes in values and behavior of individuals and groups and emphasize the need to develop skills of predicting those changes. It is thereby important to forecast events that may affect aloes and behavior and impact the way of marketing. If a manager understands these shifts and predicts its impact on consumption, he/she is well prepared to cope with related opportunities and risks.

Consequently, marketers who engage in international business must not only learn to manage in different cultures, but also to spot shifts in culture in order to then adjust practices to shifts. * Ethical Implications of Multicultural Marketing When reaching out for an international audience, a manager must be aware of cultural and ethical pitfalls. For a marketer, the proper understanding of ethics is crucial to success or failure, which again requires local knowledge and the creation of social capital. The marketing campaign must be ethically correct in order to get commitment from customers.

Understandings of ethics differ from culture to culture. For instance, including a model only wearing bikini in an advertisement might be appropriate in Western countries but would possibly create consumer retention in parts of the Arabian world. The same is true for words, signs, slogans, gestures or taboo topics. Further ethical issues can be advertising to children as well as misleading or false advertising. In addition, fast food restaurants are often confronted with the issue of obesity and the proper education about nutrition and health.

In addition, if a company suffers from serious problems in other parts of the company (for instance, bad quality of products and services), advertising campaigns are often seen as negative as consumers don't have understanding why the budget is invested in marketing instead of improving services. Another ethical issue could be the collection of data about customers and especially the way a firm makes use of it. Especially the tracking of consumption behaviors of nonusers, using Internet and Internet based devices, can be seen unethically by some people.

Micromanagement aggregates individual consumers into relatively small groups, based on data available about them. This enables companies to individualize messages and transmit them via nonirritating, e-mail and mobile devices etc (Lingerer, 2012). Tests or Wall-Mart are good examples of how powerful a company can get and make use of such consumer knowledge, which is often seen negatively if the company knows too much about a customer. * Conclusion In conclusion, marketing to an international audience creates some serious issues to management.

Many issues are involved with different cultures and markets, which calls for deeper cultural and local understanding. If those issues are avoided it can be fatal to the company and lead to failure, as seen in the Avoidance and Chevrolet case. Anyway, Avoidance learned from its mistakes in Japan and approached the South African market with a more customized initiative. Furthermore, there are also some ethical aspects involved with international marketing, which a manager should To sum up, engaging internationally creates tremendous opportunities to a firm but also bears some risks.