

Ways in which global marketing campaigns can address ethical differences between ...

[Business](#), [Marketing](#)



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Executive Summary

The following sets out a proposal for a research study looking at the global marketing of alcohol. Although globalisation has led to some homogenisation of attitudes, there still exist widespread differences between nations.

Cultural differences have been theorised by a number of researchers including Hofstede, and have been shown to have considerable impact upon consumer behaviour and attitudes towards products. Alcohol is a particularly sensitive product, with its consumption frowned upon in many cultures.

However, developing countries are emerging as large markets for alcoholic products, with India experiencing demand in growth estimated as up to 15% per annum. It is therefore useful to look at the differences between markets such as India and more traditional markets for alcohol products, to assess the extent to which cultural differences impact upon marketing practice, and

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to see what approaches work best. In this context, this proposal suggests a primary study looking in depth at the attitudes of two marketing managers for a large multi-national alcoholic beverages corporation. One manager is based in the UK, the other in India. The proposal sets out the structure of the research, looking at conceptual models about cultural differences and recent (post 2008) studies in the area. It also lays out the methodology to be used to collect and analyse data. The data will be qualitative in nature, looking in detail at the experiences of both managers in regards to marketing across cultures.

1. Introduction

The following sets out the structure of a proposed dissertation. The dissertation focuses upon a multinational alcoholic beverage company which markets internationally to several culturally distinct nations. Different cultures hold vastly different views about a wide range of topics, and these different views need to be taken into account in any successful marketing campaign (Herbig 1998). Some products are particularly sensitive. The consumption of alcohol, for example, is frowned upon in many cultures (Cushman et al 2005), which poses challenges for global marketing campaigns. However, issues in global marketing are not confined to prohibitions against alcohol, but embrace other areas including different attitudes to business ethics, sense of community and cultural values (Gillespie et al 2010).

The increasing push towards globalisation means there is a continuing need to understand precisely how cultural differences affect the market place, consumer demand and attitudes towards alcohol. To aid this understanding, the dissertation will investigate whether there are culturally specific differences in marketing products in an European country such as the UK, compared with India, an Asian country, and how any differences can best be addressed within global marketing campaigns. A primary study gathering qualitative information from one major global alcohol brand will be included. This introduction section sets out the area of investigation, the objectives of the research, and the background to the organisation studied.

1. 1 Background to Problem, Definitions, Why Chosen Area

Easier transport around the world, better communication technologies and changes to political climates all mean that there is an increasing need for organisations to compete on a worldwide stage (Doole and Lowe 2008). However, marketing products to an international group of buyers is not a matter of simply scaling up techniques which have been successful at home. While globalisation has meant that culture is increasingly homogenous (Martell 2010), there are still widespread differences in people's attitudes, actions and ways of life around the globe. Hofstede, for example, carried out some highly influential research analysing different cultural types and offering a framework within which different nations can be understood. His notion of 'cultural dimensions' suggested several ways in which attitudes can differ from country to country, for example attitudes to power and degree of individualism (Luger 2009). Such differences can make the task of

making a product attractive trans-globally very difficult. Some emerging markets including Brazil and China offer opportunities for increasing the sales of alcohol products (Babor 2010), however other countries pose more of a challenge. Pittman (1964) suggested four ways in which cultures relate to alcohol, outright prohibition, for example Muslim countries, ambivalent cultures where different attitudes to alcohol from the negative to the accepting are present, permissive cultures, which tolerates alcohol consumption, and overly permissive cultures, where consumption is encouraged. India seems to display a mix of attitudes to alcohol (Heath 1995), which makes the challenges of marketing to this culture particularly intense. In addition, the Indian market is unique. Hailed as one of the quickest growing markets for alcohol in the world by the late 90's, growth potential is calculated at 10% with a large population and an expanding middle class. However, spirits are most popular, taking nearly 70% of the market (predominantly whiskey), rather than beer or wine. Additionally, Indian brands are more attractive to the consumer than multi-national ones (Thottam and Hannon 2009). India is the second fastest growing market for alcohol after China, and the growth rate may be as high as 15% (Business Wire 2011 [online]) Given that the market is growing so rapidly, and given the unusual cultural preferences and product choices, it seems appropriate to assess the best ways of approaching marketing here.

1.2 Investigation's Objectives

The objectives of this dissertation are, in the light of the above, as follows:

To investigate the nature of the Indian market for alcohol

To understand how cultural differences impact upon this market

To compare marketing techniques used in the UK for alcohol products with those in India

To assess whether marketing approaches suitable for the UK market are transferable to the Indian situation

To find out the best approach a global marketing campaign can take to the specifics of the Indian situation.

1.3 Background to Organisation

The dissertation focuses upon Heineken. Heineken promote themselves on the web pages devoted to their organisation as “ the world’s most international brewer” (Heineken. com 2012 [online]). They divide their territories into Western Europe, Central and Eastern Europe, Africa and the Middle East, The Americas, and Asia Pacific. As of 2010, Western Europe is the biggest beer consumer, with Asia Pacific the smallest. The largest part of the Asia Pacific operation is based in Singapore, and is run jointly with Fraser and Neave / Asia Pacific Breweries (APB). In India, Heineken own just over 1/3 of United Breweries Ltd and a 50% share in Millennium Alcobev with UBL, the Indian Market leader. They also import Heineken. In 2011, this brand was launched as a super-premium lager aimed at discerning drinkers, brewed and bottled locally, near Mumbai. The beer was not only brewed locally but packaged in a way designed to appeal to the local market. A full marketing plan, targeting the “ affluent, sophisticated and discerning consumers in India” was launched (indianinfoonline. com 2011 [online]).

2. Literature Review

This section will first expand on relevant theoretical models, before turning to recent empirical research studies.

Hofstede's work will provide a framework for understanding cultural differences between nations. His five factor analysis of 'cultural dimensions' has proved useful since he developed it in 1981. These dimensions include 'power distance': the extent to which people accept the unequal distribution of power, 'uncertainty avoidance': the extent to which people are happy with uncertainty, individualism / collectivism: whether the society celebrates individual successes or the group, 'masculinity/femininity', and orientation towards the long-term. India and the UK score very differently for Hofstede's dimensions. India, for example, scores highly on power distance, and lower for individualism (geert-hofstede. com 2012 [online]).

There have been numerous empirical studies over the last 5-10 years looking at cultural differences in international marketing, and global alcohol marketing. From the wider perspective, there has been a reaction against the idea that globalization means one strategy fits all, and a growing acceptance of the role of local culture (Hollis 2010). Some commentators have carried out case studies to illustrate this, for example Parson's (2009) examination of the accounting firm Deloitte's 'flexible marketing concept' (Parsons 2009, p. 9). There have also been a number of empirical research studies looking at this area. Foscht et al (2008) explicitly used Hofstede's model of cultural dimensions to assess the ways in which these differences

impact on perceptions of brands. They found that an identical brand was 'read' very differently from culture to culture, irrespective of brand positioning. They also recommend the need to take cultural differences into account when thinking about product marketing. Sinton (2009) looks explicitly at the Asian case (although restricts his study to the digital market), and also argues that there is a need to understand the specifics of the Asian culture for marketing. He interviewed 6000 consumers, and found evidence of a need to be aware of what makes the culture 'Asian'. Others offer a wider perspective. Paliwoda and Slater (2009) look at theoretical issues surrounding global marketing, suggesting that globalisation overall should be seen as "A set of processes, rather than just one" (Paliwode and Slater 2009, p. 373), but also that sales have a regional, rather than a global focus.

There have also been a number of studies of the issues involved in marketing and doing business in India specifically. Some look at the effectiveness of different marketing methods, for example Bidya and Maity's (2010) study of the effectiveness of integrated marketing communications. Kaur and Sharma (2009) take a theoretical perspective, looking at the ways in which marketing in India has involved from a "barter system to a customer centric one", and has only recently come to embraced notions of quality and the sales process. This has meant that customer satisfaction is especially important in the Indian market. Banerjee (2008) carries out a detailed analysis of the implications of Indian culture and the most central values for marketing in the country. He suggests that there is a pressing

need to take what is unique about Indian culture into account when making marketing decisions.

Others have looked at the issues involved with marketing alcohol and similar products. Walker et al (2005) look at the issues involved in advertising “controversial products” in 4 different countries including the UK and Malaysia. They found, analysing the results of participant exposure to advertising, that countries with a higher population of Muslims had significantly different responses to countries where the percentage of the population was lower. Again, the need to be aware of country-specific differences was stressed. Pettigrew and Charters (2010) look at Alcohol consumption in Hong Kong, which sheds some light on Asian attitudes to alcohol, offering some general insight about the differences with Western culture, particularly their idea that drinkers in Hong Kong have “internalised” messages about drinking, and these internal ideas influence subsequent decisions about drinking. In general, however, there is less available research looking at the problems of marketing alcohol globally, and a particular lack of investigations looking at the Indian case. This underlines the need for this study.

3. Methodology

3.1 Methodology of Project

The proposed project takes the form of a qualitative study examining different marketing styles and responses to cultural differences amongst marketing professionals within one global alcoholic beverage firm

(Heineken). The aim is to uncover the problems faced by marketing departments when trying to work multinationally, look at the extent to which these problems are a function of cultural differences, and examine the attempts made to overcome these.

It is proposed to carry out qualitative research, rather than conduct a quantitative study. Quantitative studies collect numerical data, and typically large volumes of such data. The emphasis is upon scientific method and proving or disproving rigid hypotheses through statistically significant testing. By contrast, qualitative techniques concentrate upon textual responses, and the richness of experience of subjects included. Conclusions are developed as the study progresses and research is shaped by broad ideas rather than tightly defined hypotheses (Babbie 2010). It is felt in this case that although there is a lack of studies of both qualitative and quantitative types looking at global marketing of alcohol in India, a qualitative approach will provide a useful insight into the details of how industry professionals view culture and marketing within their work. The notion of culture and the impact it makes upon marketing decisions is a complex one, and it is also felt that a qualitative approach is better able to capture this complexity.

The agreement of Heineken has been confirmed in principle, following an initial contact to the UK Human Resources department. This contact took the form of a 15 minute phonecall to a senior HR manager. During this, it was agreed that two marketing managers, one based in the UK but with responsibilities for marketing in Asia (including India), and the other based

with the Asian division of the company. Both will be interviewed over the telephone, or using Skype.

The interviews will be semi-structured in form. Semi-structured interviews offer both flexibility and guidance for interviewer and researcher. Unlike fully-structured interviews, they allow an exploration of the range of thoughts of the respondent, as there is only a general guidance on subject. However, they support a number of broad topics for discussion, unlike unstructured interviews, and are hence useful for the inexperienced researcher (Grinnell and Unrau, 2008). The questionnaires will therefore include a number (six to 10) of open-ended questions, for example “ what cultural differences do you perceive between India and UK in terms of the market for your products”. They will cover the areas outlined in the research objectives above, and include experience of global marketing, responses to cultural differences in the two markets, problems generated by these differences for marketing, and solutions to the problems. The researcher will use techniques of probing and related strategies (Daymon and Holloway 2010) (asking, for example “ anything else” when a respondent finishes speaking, or asking respondent to elaborate upon statements they have made) to make sure that as much information as possible is collected. The interviews will be tape recorded, and this transcribed. The resulting text will be analysed and coded for key, emerging themes, read and re-read to pick out frequently mentioned categories and within these, sub-categories (Sapsford and Jupp 2006).

3. 2 Access

Initial access was gained by personal contact. The researcher has a friend who works in the marketing department of Heineken, who acted as an intermediary between researcher and HR. Subsequently, access to research subjects was carried out through the HR manager.

3. 3 Sampling

Two respondents will be interviewed at length. One will be located in the UK, the other in Asia. Both will have considerable dealings with marketing in the Indian market. It will be necessary to ensure that the respondents selected have the correct experience of both UK and Asian market, and that this experience is sufficiently adequate in length, but also that they are, as far as possible, representative of the organisation and the industry in general.

3. 4 Data Evaluation

The interviews will be tape recorded, and this transcribed. The resulting text will be analysed and coded for key, emerging themes, read and re-read to pick out frequently mentioned categories and within these, sub-categories (Sapsford and Jupp 2006). When the analysis of key themes is complete, the results will be assessed to see to what extent they support the general hypotheses of the study, and what light they throw on the research objectives.

3.5 Research Questions

As this study is primarily qualitative, it is thought appropriate to offer research questions to prompt investigation, rather than hypotheses to be proved or disproved by the data. The research questions are as follows:

What is the nature of the Indian market for alcohol, and how does it differ from the UK market

How do cultural dimensions specific to India impact upon this market

What marketing techniques are used in India How do these compare to those used in the UK

What problems arise due to cultural differences between India and elsewhere

To what extent are UK techniques for marketing transferable

What is the best approach for a global marketing campaign in order to adapt to the specifics of the Indian situation.

4. Conclusion

The proposal above has set out details of a research study looking at the extent to which cultural differences between India and the UK (as well as between India and elsewhere) impact upon global marketing for an alcohol brand (Heineken). The study will include a literature review, and incorporate a qualitative examination of the views of two marketing managers, one based in the UK, one in Asia. Above the aims and rationale of the study were set out, an overview of the area to be covered by the literature review explained, and the methodology discussed.

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8. Timeline

Research ActivitySchedule

Define objectives, clarify questions1 month

Literature review6 weeks

Carry out research (design questionnaire and consent forms, prepare, carry out interviews)1 month

Data analysis1 month

Write conclusion, introduction1 month

Complete first draft2 weeks

Address tutors comments2 weeks

Final editing1 week

Submit dissertation