

Self reference criterion and importance for international marketing



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Self-reference Criterion and its importance for International marketing

If you take a look around yourself you will find how many goods and services are solely produced in your own country around you? Your clothes might be produced in Pakistan, your cell phone from China, your computer in Singapore; your Coffee might be from Latin America. Whatever we talk about music, clothes, movies or our soft drinks for everything there are good chances that most of these products are produced in somewhere else in the globe. This is the global market place where good price and quality is welcomed by consumers irrespective of the region of its origination. In this scenario the need is to adopt the marketing practices that are effective beyond the borders so the importance of international marketing cannot be denied.

International marketing is not an easy task. The international marketer has to face many obstacles in the way to achieve his goals. One of the primary obstacles is whenever we face a problem; we react abruptly and take decisions on the basis of values, meanings, behaviors and symbols that we have taken from our own culture. This type of decisions usually do not proved to be correct, as values, meanings and all other elements of culture usually differ from country to country. This is called self-reference criterion. According to Cateora et al (2007), the self-reference criterion is when decisions are taken on the basis of experiences, values and knowledge of one's own culture.

The understanding of self-reference criterion is very much important for the marketing firm that plans to enter in international markets. In local markets on the basis of self-reference criterion; the marketer can predict the future responses of customers to a particular product but in the markets of some other country or culture the responses of customers will be based on their unique cultural environment. Even when the marketing strategy for international market is developed very carefully, chances of misunderstandings cannot be entirely vanished due to many un-avoidable factors. The intervention of self-reference criterion in international marketing practices can be easily understood with the help of following examples.

In an advertisement created by Nestle' corporation for their Kit Kat, a voice cover of local language was used for both countries UK and Italy. In that advertisement the quack, universal language of ducks, and duck callers were used by duck hunter to attract the ducks. Meanwhile in the commercial they became frustrated and to have a cheerful break they need a Kit Kat. That advertisement could not be succeeded because of the cultural differences between the consumer's culture and marketer's culture. In Italy the hunting is considered as a negative act and Italian also took Kit Kat as a luxury and product. From this example we can clearly say that the success of a marketing strategy is critically based on customer understandings and its important is raised more when we talk about international marketing.

In 1996 McDonald's opened seven restaurants in India. The 40% population of India is vegetarian and they do not eat meat or animal proteins. The fish, frozen meat and spicy foods were also not frequently used by remaining meat eaters. So in order to be successful in new market the McDonald's had <https://assignbuster.com/self-reference-criterion-and-importance-for-international-marketing/>

make many changes to its prime products and needed to use separate tools and kitchens to make burgers and other products according to the needs of Indian markets. This all created many problems for the company and company had also incurred many extra costs. This example shows that how companies have to face self-referencing criterion when expanding their business in new international markets.

When Unilever started its operations in Brazil and wanted to introduce detergents, the biggest issues that company faced were that people in Brazil don't have washing machines, in rural areas people used to wash their clothes at the river and most of the population of Brazil was poor and they were very much conscious about the products. So to avoid self-reference criterion the Unilever first developed a formula of soap, they made the plastic packing of soaps to conveniently use while washing clothes on rivers and they made small packing of detergents in order to low their prices and made them affordable for maximum number of population that have low incomes. This was the most successful tool used by the company to avoid the effects of self-reference criterion and recognized the existence of this influence in our behaviors.

It is argued that one can never understand deeply each and every aspect of the culture but awareness about major aspects can be obtained, and he should ask about that he does not know and should be open enough to accept the differences. The global awareness can be used as most effective tool to control the effects of self-reference criterion and ensure the success of an international marketing campaign. The global awareness is described by the

Cateora et al as to be:

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Objective to understand the opportunities in correct manners make correct assessments of organizations potential and design responses to the expected problems. Mostly the western companies attracted towards India due to its huge market of more than one billion population and take it as a good opportunity and market with a lot of potential but they ignore the purchasing power and low income factors of the economy of India, the inefficient media, poor distribution, poor and low standard of infrastructures and many other factors that cause the reduction in potential of this huge markets for many kind of products.

Tolerant towards the differences prevail among cultures. It is referred to the understanding of differences prevail among cultures and acceptance of these differences when working in a common working place with those who belongs to different cultural group. As in Romania when some Arab businessmen came to visit the country for opportunities and a local student was attached to them as translator. She spent two week with them to visit the different Romanian cities but she could not adjust herself with their eating habits and showed the behavior of lack of tolerance for other cultures.

Knowledgeable of history, cultures, general trends and real potentials of markets. The awareness of culture is very much important if one wants to know the behaviors of some particular market place. The basic element of the environment in which the company is going to start its business is culture of that place and consumer behaviors are very much influenced by this. The history of that place is very much important to understand the behaviors of consumers as past events always have great effects on the way people behave in a particular case. By analyzing the history we can
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understand why British were not in favor of the channel tunnel between France and Britain and why Turkish products are not liked in Greece. The understanding of market potential is important because they are varying very fast. If we see now we will find many regions of the world that showing increasing potential, many markets have emerging trends and most of the European markets have been saturated. In next twenty years the emerging markets from Asia will show huge potentials for future businesses. The understandings of general trends like global political, economical and social trends are very much important because growth process of the market is depend upon these trends. A good marketer will identify the market opportunities before anyone else could know them.

Now it is very much clear that the success of marketing firm is very much dependant on its ability to understand the customers and even more like a life blood for firms that are operating at international level. Following are some more examples given by Housden and Lewis to develop more understanding of the concept.

In China green color is used to represent the people who sells vegetables so British racing green has no chances to be successful in China.

In Brunei the Yellow color is considered as royal color and its public use is not appreciated.

In order to show the sorrow of death purple color is used in Mexico.

In china number 8 is taken as lucky number and considered as premium number to take as number of cars but number 4 is considered vice versa.

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The firms operating at international level must be very much conscious about the translations of their slogans, tag lines or brand names etc in local language of that place. If they don't take it seriously it can be very harmful for their marketing campaigns. Hundred of examples can be presented about the improper selection of Brand names and designs that caused failures because of self-referencing criterion.

Superpiss that is a Scandinavian dicer it cannot be translated into English properly.

Pschitt is lemonade from France and cannot be advertized in Germany as its proper translation is not possible in German.

Bimbo bread and Bum Crisps are brands from Spain and their advertisement is not possible in United States as their names are not acceptable there.

The slogan of Pepsi Cola " Come Alive with Pepsi" is not acceptable in china as in Chinese it means " Pepsi raises relatives from the dead."

In 1966 James Lee accepted the importance of self-reference criterion for marketing firms and provided an approach of four stages in order to mitigate the biases raised by this self-referencing criterion especially in international marketing.

In first step the problem is defined on the basis of culture of home country.

In second step the problem should be defined again on the basis of culture of the country in which company wants to start operations without involving value judgments.

Control the effects of self-referencing criterion on problem definition and analyze the problem.

Then problem is redefined without the self-referencing criterion.

The importance to understand the effects of self-reference criterion cannot be overlooked by the marketing firm that wants to operate at international level. It can act as life blood for the success of the marketing campaigns designed by the company and their effectiveness is based on the understanding of the campaigns developers about the culture of the host country.

Knowledge of sub-cultural groups and Market segmentation

The segmentation of the market involves the dividing of entire market into small customers groups who have different type of responses for different marketing strategies for particular service or product. In this way the organization can design the marketing policies according to the particular needs and requirements of each segment in order to have more profitability by more generating favorable responses than by simply applying a single marketing policy for whole market.

The market segmentation is mostly done at the level of customers. But in case of international marketing sometimes markets are also segmented on the basis of whole countries by considering the aspects that are common among countries. This type of segmentation is not proved that much successful as countries have great variation in them and it is difficult to take meaningful averages. The most suitable basis that is used to segment the

markets is customers and their unique response behaviors or purchasing decisions.

Many factors affect the purchasing decisions of customers that are uncontrollable by them but they have indirect or direct influences on the lifestyle of customers. Culture is one of these factors that affect the consumer behaviors. It represents the shared beliefs, behaviors and meanings among the members of a society. Whatever we do is based upon these shared behaviors that are transferred in a society from one member to another. It is a wide concept and has not as much importance for marketers as the groups within the culture or sub-cultures.

The subculture is consisting of members who have their own values, beliefs and customs within the society that distinguish them from others in same society. Moreover they also obey the major values, beliefs and behaviors of dominant culture of the whole society. Subculture can be defined as a separate cultural group that prevails in a society as recognizable segment. There can be different types of subcultures prevail in a society like religious subcultures, ethnic subcultures, age subcultures and disabilities subcultures.

So the knowledge of subcultures is very much important for marketers while segmenting their markets in smaller groups. Because the goal of all the efforts of marketers are to convince the customers to buy their brands and a very effective tool that is usually used by them to achieve this goal is cultural representations. By using this tool it is believed that when products relates to the cultural values the customers feel more comfortable. The marketers put a lot of efforts to understand the differences and similarities prevail in

these sub cultural groups. They design their marketing policies for these cultural groups and try to attract them towards the product by aligning the product with the values and beliefs of their subculture. Although it is difficult to develop effective marketing policy for different subcultures, they must put their efforts to get sufficient knowledge about the similarities and differences among these groups in order to capitalize them.

The importance of knowledge of subcultures for marketers while segmenting the markets can be very well understand by discussing the example of a Cigarette manufacturer who wants design the marketing policy for the subcultures groups of United States. The whole market of United States is divided in three sub-cultural groups of African American, Hispanics and Asians.

The one big common factor in Hispanics, African Americans and Asians is that they are minorities in the United States. The first ever minority that migrated to United States is African Americans and after great struggle now they are considered as an important sub-cultural group of America because of their strong influence on politics and culture. The Hispanics is the largest minority of United States although they could not gain that much influence on American politics and culture as African Americans. This subculture has many similarities like language, food, political views and religion but this is a highly divided subculture. Just like Hispanics, Asians is also a subculture group that is highly divided but they don't have as much similarities as Hispanics has. A big challenge for the company's marketers is to design the marketing policies that best align with the norms and values of these

subcultures by indentifying the differences and similarities of these sub-cultural groups.

Differences Among subcultures

African Americans:

African American is most organized and strong sub-cultural group of United States. However they belong to different cultures of Africa but they lived many years under ethnic discrimination and efforts of many years have united them now. Today the presence of African Americans can be seen in Music, Sports and even in Politics with great influence. Now they are considered a strong group of America and they are showing their success not only politically but also by material possessions in the form of jewelry, luxury vehicles and recognition in public.

Hispanics:

This is a subculture group of United States with high diversities but according to CBS News, 2003 they also have a largest population of minority in United States. They belong to more than 20 different countries and cultures. They are more concerned with religion and families and most of them belong to Catholic thoughts. The number of Hispanics is increasing due to more immigrants every year and they want acceptance in the society as a strong influential group.

Asians:

The challenges faced by Asian are not different from Hispanics; Asian is even more diversified subculture group because they differ in religion, language, food and even in facial features. The members of this group belongs to the

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countries of China, Japan, India and Thailand and these all countries differ in languages, eating habits and even in facial features. One common thing that all Asians have who immigrate to United States is that want to achieve a better lifestyle so their more intentions are towards the achievement of success and they are mostly involved in entrepreneurial activities.

Marketing Strategies to Target Subcultures

The knowledge of sub-cultural groups for marketers has great significance while designing marketing strategies to target these groups. As the African Americans have goals to be most successful individuals the need of the cigarette marketers is to design the strategy that focuses on assigning a sense of uniqueness, class and sophistication for all those customers who will be smoking that cigarette. So the association of the brand with any public and highly successful African American will give a very much positive response for the brand. On other hand the Hispanics more concerned with belongingness and family so the strategy that more focuses on an image of traditions and trust factors will have more positive results. The thing that needs more attentions of marketers is that this group is highly diversified group and differs in status as well. The use of language will also be very much critical towards the success of campaign for this group. In case of Asians this subculture is considered as low profile group and strategy that will best suit for this group will be focused on respect of individual identity and traditions. The languages used for this group will more suitable if native language will be used.

The success of an effective segmentation and a good marketing strategy is highly based on the knowledge of the marketer about the subcultures prevail <https://assignbuster.com/self-reference-criterion-and-importance-for-international-marketing/>

in the society. People belongs to different subcultures differ from each others in many terms. They differ in their languages, their ages, their eating habits, beliefs, and even in facial features. So to design a well aligned marketing strategy the marketer should have sufficient knowledge of the sub cultural groups of the society.