

Cultural factors and marketing management practices



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The most difficult hindrance that a global company may face today is how to conquer the fear of the influence of cultural factors on the marketing management practices in the international marketing. The onset of globalization has made the world become an importantly small place when associated to world-wide business. Everything has been intertwined in a complicated global connection which makes countries interdependent of other countries and other organizations as well. Therefore, businesses should consider further their crowded local, national and traditional market to remain their competitive aspect against other organizations.

Global marketing management practices are indeed characterized by an environment that is tremendously uncertain. Hence, businesses should be on the belvedere for the uncertainties in the business environment and be qualified for them as they fight so as to remain their competitive aspect against other international firms. In lined with the competitive advantage of the company, their task is to utilize their knowledge of their customers, products, services as well as their resources which could be introduced in the culture that the companies set. This is the key element as global organizations engage in international marketing practices. Besides culture of the organization, the culture of the country out there can significantly affect marketing management practices of the global firm. In fact, a country's cultural factors have long been recognized as crucial environmental characteristic elemental systematic differences in behaviour. These cultural norms and beliefs are ascendant impacts which shape an individual's perceptions, characters and behaviours. Moreover, culture is reflected in " general tendencies of persistent preference for particular states of affairs

over others, persistent preferences for specific social processes over others, and general rules for selective attention, interpretation of environmental cues, and responses". (Tse et al., 1988, p. 82) [1]

This assignment will be focusing on defining the influence of cultural factors as an essential part in effective marketing management practices of global companies. Meantime, the assignment task is to review and examine how cultural factors are conceptualized in books, journals and in marketing management practices as well. Additionally, the assignment will also be examining the role of culture in global marketing. At the conclusion of the discussion, there will be personal remarks regarding the implications of cultural factors in effective global marketing management practices.

BODY AND DISCUSSION

Defining Culture

Commentaries which one of the main causes of many business failures has been linked to the failure to take account of cultural differences between countries. Furthermore, many marketing theories are limited in the sense that they have been developed and confirmed in Western countries only, specifically in the U. S and Europe. The beyond development of marketing as an academic discipline requires that there must have complete examination of the soundness of the theories as well as the models in other cultural settings as to identify the level of generalization and to discover some boundary limitations and conditions.

What is culture anyway? States that the term " culture" branched out from the Latin root " colere" which means to cultivate, to build on, to foster, to <https://assignbuster.com/cultural-factors-and-marketing-management-practices/>

inhabit, etc [2]. There have been umpteen reflections on the meaning of culture in all sorts of versions of its use. Until now, various schools of thought regarding the term have emerged; for instance, in the 19th century the notion of mass culture and popular culture emerged [3]. That was the epoch when culture was viewed as shared values amongst distinctive social groups and classes in societies. Hofstede (2001) defined that “ culture is the collective programming of the mind that distinguishes the members of one group or category of people from another” (p. 9) [4]. This somehow describes culture as a set of values and attributes of a given group and the relation of the individual to culture and the individual’s acquisition of those values and attributes.

Culture is absolutely not an easy phenomenon to measure at all. It owns numerous definitions including the above meaning that it is a shared system of perceptions and values or a group sharing a certain system of perceptions and values. It means an organized body of rules concerning the ways in which individuals in a population should communicate with one another, think about themselves and their environments, and behave toward one another and toward objects in their environments. The rules are not universally or constantly obeyed, but they are recognized by all and they ordinarily operate to limit the range of variation in patterns of communication, belief, value, and social behavior in that population [5]. In a more or less similar idea that culture is not as much what people do and how they express themselves, as their knowledge of the potential behaviours and cognitive maps of their in-group. It is the familiarity with certain forms of behaviour and ways of thinking that makes people feel that they belong to

the same culture [6]. In another way, these said definitions give us a simple understanding of the meaning of culture as the sub-groups which share beliefs and basic assumptions of deriving from the group.

In association of the cultural settings of the market behaviours, culture is a common set of values, forms of social organization that influence roles and status positions as well as the conventions, rituals, and practices that guide behaviour, and a communication system which includes not only languages but non-verbal components as well, almost all definitions of the word “culture” points out to a main thing which is ‘ a shared communication system and common ways of thinking and behaving’ [7]. As noted, culture is ‘ shared by a group of people and hereby defines the boundaries of the group’ [8].

As mentioned above, the term “ culture” has its own numerous of definitions. Narrowly defined, it is simply a system of beliefs; broadly defined, it involves beliefs, value systems, norms, mores, myths as well as structural factors of a given organization, tribe or society. Correspondingly, culture acts as an incorporating force for a given system which provides a bond to hold together the cognitive, affective and structural components of the system that the level or degree of the incorporation is primarily dependent on how strong the given culture is: the stronger the culture, the better the integration; meanwhile weak cultures offer less integration.

Culture, Cultural Factors and Cultural Core Values

Culture is an significant element of all behaviours. For instance, an enormous deal of modern cognitive consumer behaviour theory embodies culture.
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Additionally, the behaviour of people in market-place, in transaction business and in all of life's activities generally is motivated by pieces of store knowledge or cognitions as values, opinions, ideas and attitudes, etc. These cognitions are fundamentally learned and acquired from the enculturation process or from experiences and social interactions wherefore people develop values and norms which are products of culture. This development starts since the early childhood and continue throughout the life. It is everywhere and consistent that affects almost aspects of an individual's activities: how a person works, plays, sleeps, eats, interacts with others and purchases goods or services.

Commonly, societies have developed their own core cultures including the individual's most primal beliefs and values which are mirrored in their personal life-styles. Some countries have very identical core cultures whilst the others are largely different. Practically all countries around the world have various general definitions of the ways of living. Tongren, Hecht and Kovach (1995) aptly state that every culture has its own a unique set of core values that reflects how its members feel, act as well as what is proper or improper to do and to believe [9]. Those core values are practiced and understood whether it is abstract, not usually codified or put into written form. Studying culture then will not be thorough unless people will consider these values and how they relate to behaviours in the market-place as well as the work-place.

Components of Culture

Aside from discussing general definitions of culture and its role in marketing practices of global companies, it is also important to examine the tremendous components of culture that can be defined as the numerous ways where culture is manifested in thoughts, words and actions of the society. The components of culture may be outlined as: (a) communication, that can be classified as verbal and non-verbal; (b) religion; (c) aesthetics; (d) education; (e) social organizations; (f) technology; (g) values and norms; and finally, (h) time.

Role and Influence of Cultural Factors in Marketing Management Practices

Today, business activities are a primary source of cultural globalization. As global companies find new potential markets, they somehow send out cultural messages of how people should talk, dress, think and feel, etc. Many international experts and business practitioners have argued the perception that we are living in a so-called “borderless world”, which has no limits while the needs of the customers are converging day by day. According to that, to meet the needs of the consumers, global companies must try to produce the standardized products and services that will be able to serve all global needs. Indeed, they increasingly influence and change cultural habits and beliefs of different countries in different cultures. Global companies, however, are realizing that there should be local adaptation due to cultural differences around the world.

Some studies of the role and influence of cultural factors in marketing management practices of global companies teach us that ‘the many ways where our theories and paradigms are a mirror of the culture in which they

were developed' [10]. For example, famous theories and approaches that include cognitive dissonance, preference, attribution theory, modeling and individual choice modeling might not apply to collective culture without making some modifications.

Cultural differences play a major influence in identifying the role that the proper manner of transacting business between global companies with the variety of cultural backgrounds. Ideally speaking, global companies which are involved in businesses that are cross-cultural should as a matter of fact have a fundamental knowledge of cultural differences and must act in a way that can be acceptable to the other culture. Prior to the effort of marketing goods or services to a foreign nation, global companies should have a complete understanding of other cultures and their intrinsic differences due to the fact that the nature of marketing is meeting the needs and wants of their customers, plus, the fact that such needs and wants are culturally based. This must be noted as one of the most importance that the understanding, respect and acceptance of another culture and the capability to set aside companies' own cultural customs and traditions appreciably distinguishes the marketing of a successful global firm from others.

Examining the role and influence of culture in marketing management practices is considerably significant as it helps global companies to explain the reason behind the difference of perception of one group from others that ' in international business dealings, ignorance of cultural differences is not just unfortunate, it is bad business' [11]. Numerous companies have failed to acknowledge this. Culture has always offered problems and challenges for many global companies. It is ' generally the lack of understanding and <https://assignbuster.com/cultural-factors-and-marketing-management-practices/>

knowledge sharing in association to culture which has brought culture under the spotlight' in the issue of marketing management practices [12].

In addition, the key function of culture is to “ set up forms of conduct, standards of performance and methods of dealing with interpersonal and environmental associations that will reduce uncertainty and increase predictability, thereby, promote survival and growth amongst the members of any society” [13]. In this context and the process of social evolution, it is found out that people find particular behaviours and values to be adaptive and useful while others are found to be non-adaptive or even dangerous. Useful practices are shared and rewarded whilst harmful practices are extremely discouraged and discarded. Over the time, useful behaviours, values and artifacts have become institutionalized and integrated as part of the cultural traditions.

We often hear more definite obstacles of global companies when marketing across borders: tariffs, taxes and regulations. Some of these hindrances are hidden however; they are cultural barriers. Each of us is subjected to more edges of cultural factors such as languages, manners and mores. Often we hear, read and even experience those in our very lives. The perception of cultural differences is purely a common sense and difficult to figure out. So what marketing management practices that global companies sometimes neglects to notice are the subtle cultural signals. Cultures speak themselves in codes which requires global firms to decode them. As the computer language, these codes are somehow encrypted that it can be very difficult to make sense of. Hence, in cross-border marketing management, global companies should learn to seek and decipher cultural differences in terms of <https://assignbuster.com/cultural-factors-and-marketing-management-practices/>

attitudes, the methods of transacting businesses and even expectations.

Cultural differences, in this context, are defined by the way people think and not by the way they look.

Understanding this impression is crucial to the success of global companies in marketing management practices. It importantly affects and influences everything that they can do from activities such as product selection, to the structure of the offer, to the choice of the firm's works, to the implementation and execution of the design and most importantly, to its effects on the company's customer services. For an international marketing management to be successful, global companies should attempt to understand the cultural custom of the country which is the central edge of the marketing effort. In lined to this, if products or services of a global company does not sufficiently meet to the particular cultural values of a society, then that company must be ready to modify or revise the said products or services.

For example, compared to the U. S. in general, Japan has its population live in a much smaller housing unit. Therefore, their needs in housing are for smaller and more compact refrigerators. Additionally, Japanese also drive on the left-hand side of the road like British. So it was reported that one of the most problems that one Detroit-based automobile manufacturer had in its effort to penetrate the Japanese market was to continuously send cars with steering wheels located on the left side for driving on the right-hand side of the road which is correct for Americans, nevertheless, definitely wrong for the Japanese. The question is that who would willing to buy a car with

steering wheels on the left side for driving on the right-hand side of the road
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when your country is practicing driving on the left hand side of the road? As consequence, global companies that have identified consumer needs such as these induced by culture have prospered; whereas, the companies which endeavoured to sell standard and similar American products as refrigerators, cars or others into the Japanese market have failed. Wherefore, there is a great demand for global businesses to address a prospective market from the cultural point of view.

CONCLUSION

In conclusion, the influence of culture factors in the concept of marketing management practices of global companies is a very large concept. Culture is recognized to be very important in international marketing; however, not much theory underpins culture as an important tool for the success of international marketing.

Culture is known to have a sophisticated and tremendous impact on markets. The challenge for global companies is to recognize, respond and change accordingly to the differences in values and stress given in each of the cultural differences. For a continuous and enduring relationship, a win-win situation is envious. The key to success is to create a setting where both sides cooperate, unthreatened and are dedicated to finding a mutually advantageous solution. Understanding how to deal efficiently with conflict and power, to apprehend the marketing practices as an exchange process.

For success for global companies conducting cross-cultural business in terms of international marketing are as follows:

Firstly, global companies should be aware of other groups or countries that are different and unique in their own nature: in perceptions, motivation, beliefs and outlook, etc. Then international firms must recognize, understand and respect other groups' cultural differences.

Secondly, global companies should be culturally neutral as it will imply that the company accepts and respects other's norms as part of their cultures.

Ultimately, global companies should be sensitive to other's cultural norms, dos and taboos, then strive to understand what they are and how one's behaviour may affect them.

It must be remembered that each of these have continued to contribute for the expansion and the growth of global companies.

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