

Impact of culture on the international marketing mix

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



Introduction

Marketing is a continuing process of setting up and executing the marketing mix for products, services or ideas to generate exchange between individuals and organizations. Marketing tends to be seen as an innovative industry that includes publicity, distribution and selling. In addition to this, it's also concerned with anticipating the consumers' future needs and wants, which are frequently revealed through market research. (Porter, 1980, p. 99)

Marketing is an informative business domain that serves to enlighten and educate target markets concerning the value and competitive advantage of a corporation and its products. The value is worth derived by the consumer from owning and using the product. Competitive advantage on the other hand is a representation that the company or its products are each doing something better than their rivalry in a way that could profit the consumer. (Lazer, 1971, p. 104)

Elements of International Marketing Mix

Marketing mix refers to a set of controllable tools that the firm blends to produce the response it wants in the target market, as a result, it consists of everything the firm can do to influence the demand for its products. (Kotler and Armstrong, 2004, p. 242)

The categorization of four Ps of marketing were primary introduced and recommended by McCarthy (1960) and includes marketing strategies of product, price, placement and promotion. (McCarthy, 1960, p. 156)

Product

This includes all features and permutation of goods and connected services that a corporation offers to its consumers. The range of a product usually includes supporting essentials such as warranties, guarantees, and support. (Noergaard, 2005, p. 78)

This is the most significant aspect of marketing mix for two major reasons.

First and foremost, products are the marketplace expression of the company's productive capabilities for manufacturers and determine its ability to link with customers. Therefore it follows that product policy and strategy are of major significance to an enterprise, and product decisions dictate the extent and direction of corporation activity. (Lazer, 1971, p. 110)

Secondly, the product of any association is both a component and a determinant of the marketing mix since it has an enormous power on the other elements of the mix such as advertising, personal selling, physical distribution and pricing , and channels of distribution. For that reason, without appropriate product policy, a corporation can not pursue additional elements of marketing mix. (Finch, 2004, p. 95)

Pricing

This refers to the process of setting a cost for a product and this includes discounts. The price doesn't need to be fiscal, it can merely be what is exchanged for the product or services such as energy, time or attention.

Pricing strategy is divided into two parts mainly; price determination and price administration. Price determination refers to the processes and actions employed to arrive at a price for a product counting contemplation of

relative prices of products within the similar line, and differences in price for comparable products of differing grades and qualities. (Kotler and Armstrong, 2004, p. 265)

Price administration refers to as the activities involved in fitting essential prices to a particular sales circumstances such as position of distribution channel, functions performed by customers, or special sales situations. A good example is Coca Cola and Pepsi where dissimilar prices are set in different geographical areas bearing in mind the difference in patterns of usage and varying advertisement costs. (Kotler and Armstrong, 2004, p. 266)

Placement

This refers to how the product gets to the client; for instance, point of sale post or retailing. This can also be termed as place which refers to the channel by which a product or service is sold such as online versus retail; which geographic region or industry, to which segment such as young adults, business people, families; and last but not least, it could also be referred to how the surroundings in which the product is sold in, can have an effect on sales. (Porter, 1980, p. 102)

Promotion

This includes all means through which a corporation communicates the benefits and standards of its products and persuades the targeted customers to buy them; this can be through advertising, publicity, personal selling, branding, and sales promotion. (Kotler and Armstrong, 2004, p. 256)

These four elements are frequently referred to as the marketing mix which a marketer can use to design a marketing plan. These four Ps are repeatedly

useful when marketing low value consumer products. Nevertheless, industrial products, services, and high value consumer products entail adjustments to this model. Consequently, three additional Ps are incorporated to total seven and these are; people, process and physical evidence. (Marconi, 1999, p. p. 111)

People

People are predominantly significant because in the customer's eyes, they are usually indivisible from the total service. For this reason, it then follows that they must be appropriately trained, be well motivated and ought to have the right type of person. At times consumers are also referred as people since they can also have an effect on the consumer's service experience. A good example is at a sporting event. (Kotler, 2006, p. 550)

Process

This is involved in providing service and the behavior of people that is vital to consumer gratification. (Kotler, 2006, p. 550)

Physical Evidence

Since potential customers could perceive greater risk when deciding whether to use a service, it then follows that, to decrease this feeling of risk and eventually increase the chance for success, it is over and over again imperative to offer potential consumers the opportunity to see what a service would be like. This is consequently done through physical evidence such as case studies and testimonials. (McCarthy, 1960, p. 160)

However, as if this is not enough, the world keeps on advancing and today, we have four more Ps. These include; Personalization, participation, peer-to-peer and predictive modeling. (Baker, 2002, p. 166)

Personalization

This refers to customization of products and services through the use of the Internet. Examples include Dell on-line and Amazon. com; conversely this concept will further be comprehensive with up-and-coming social media and advanced logarithms. (Kotler, 2006, p. 553)

Participation

This is aimed at allowing the customers to take part in what the brand ought to stand for; what ought to be the product directions and even which ads to run. (Kotler, 2006, p. 550)

Peer-to-peer

This refers to consumer networks and communities where advocacy occurs. The chronological problem with advertising is that it is “ interruptive” in nature and tries to inflict a brand on the customer. This frequently occurs in TV advertising. Nonetheless these “ passive customer bases” will be replaced by the “ active customer communities”. Peer-to-peer is now being referred as Social Computing and is liable to be the most disorderly force in the future of marketing. (Albaum, 2004, p. 120)

Predictive modeling

This refers to algorithms that are being productively applied in marketing problems such as regression and categorization problem. (Baker, 2002, p. 170)

Impact of Culture on the International Marketing Mix

Culture refers to the educated ways of group living and the group's responses to a variety of stimuli. In addition, it is the total way of life and thinking patterns that are passed from one generation to another generation. It encompasses norms, values, customs, art, and beliefs. It then follows that a people's culture includes their beliefs, language, styles of dress, religion, political and economic systems, just to mention but a few. (Kotler, 2006, p. 549)

How advertising efforts interrelate with a culture determines the achievement or failure of a product. Advertising and promotion entail special attention since they play a major function in communicating product concepts and benefits to the target segment. (Lazer, 1971, p. 115)

Culture is subjective in the sense that people in dissimilar cultures frequently have dissimilar ideas about the same object. What is satisfactory in one culture may not automatically be so in another. For this reason, culture is both unique and arbitrary. Culture is enduring since it is shared and passed along from one generation to another; it is comparatively steady and to some extent permanent. (Finch, 2004, p. 108)

The socio-cultural measurement of buyer behavior culture does influence utilization to an enormous extent. Consumption patterns, living styles, and the precedence of needs are all dictated by culture. Culture prescribes the way in which people gratify their desires. A good example is the consumption of beef. Some Chinese do not consume beef at all, believing that it is bad-mannered to consume cattle that work on farms, therefore

helping to provide foods such as rice and vegetables. (Kotler and Armstrong, 2004, p. 260)

The expansion of global culture swift changes in technology in the last numerous decades has changed the nature of culture and cultural exchange. Inhabitants around the globe can make financial transactions and broadcast information to each other almost immediately through the use of computers and satellite communications. (Noergaard, 2005, p. 89)

Nowadays, many nations are multicultural societies since they are composed of numerous smaller subcultures. Good examples is where people from around the world now know a variety of English word and have contact with American cultural exports such as brand name clothing and technological products, music and films and mass-produced foods. (Porter, 1980, p. 118)

Language is a means of transportation of culture and is frequently one of the most noticeable and audible way of the expression. Nevertheless, a number of cultures may use equivalent language or on the other hand one language may serve more than one culture. However, the use of dissimilar language settings in different countries can generate problems for international managers. Therefore, it follows that, international managers ought to understand cultural differences by linguistic skills; language as gateway to culture. (Kotler and Armstrong, 2004, p. 262).

A good example, India is made up of highly diversified ethnic and religious groups as well as Muslims, Hindus, Christians, and a number of religious languages, which makes India an extremely multi-cultural country. For this reason, any domestic and international organization thinking to do business

in India may have to acclimatize them according to multicultural society existing in India. It then follows that, multiple languages and different language usage patterns within countries might have an effect on promotion activities, including advertising and consumer research particularly in India and China. (Kotler, 2006, p. 548)

To evade situations of cultural shock, business men ought to adopt 'standardization versus adaptation' decision and implement adapted marketing mix so as to avoid failure and to succeed in any foreign market. (Baker, 2002, p. 176)

Standardization versus Adaptation

According to the fundamental marketing concepts, companies will advertise more of their products if they aspire to meet the needs of their target market. Nevertheless international markets have to take into contemplation their customers cultural background, levels of personal disposable income and their buying habits so as to deliver a modified marketing mix curriculum to suit their needs. (Marconi, 1999, p. 122)

Study reveals that sensitivity to price and distribution does vary considerably across countries. This result is notable since the product group studied is a commodity, very difficult to distinguish and not very involving to most consumers. Research therefore indicates that customers in some nations are far more responsive to price or product availability than customers in other even neighboring countries. (Albaum, 2004, p. 125)

Multinational companies tend to follow adaptation process as opposed to standardization. For instance; the Indians do not consume beef and this is

something that Mc Donald did not comprehend when they went international in India and as a result they faced lots of shakeup and losses. They later had to change their product strategy by introducing chicken burgers instead of beef. (Kotler, 2006, p. 548)

International consistency has its own advantages in the sense that as people travel the world, they can be guaranteed that wherever they go, the product they buy will be similar and will also have similar standard benefits. As a result as these consumers buy from different buyers in different local markets, they too become global eventually. (Lazer, 1971, p. 126)

Standardization reinforces quality development since efforts are concerted upon the single product. The employees can be trained to improve the quality of the product and manufacturers would invest in know-how and equipment that can safeguard the excellence of the standardize product offering. (Noergaard, 2005, p. 102)

Moreover, cost reduction facilitates economies of scale since one is making large quantities and as a result you benefit from the advantages linked with manufacturing in bulk. For instance; components can be bought in large quantities thereby reducing the cost per unit. Other benefits include, marketing operational costs, improved research and development, just to mention but a few. (McCarthy, 1960, p. 172)

Standardization reinforces positive customer perceptions of your product in the sense that your product will help you sell more of it. This can be attributed through your positive word of mouth that pays dividends for your brand owners. (Finch, 2004, p. 110)

However, standardization also has its own limitations. Since the product is similar wherever you buy it, it then follows that it is completely undifferentiated. It is not distinctive in anyway and this leaves a clear chance for a competitor to blueprint a tailor made differentiated or acknowledged product that meets the needs of local segments. Local markets have local needs and tastes and hence by standardizing, you could leave yourself susceptible. (Baker, 2002, p. 182)

Standardization depends mainly on economies of scale. It then follows that, with worldwide businesses, your business will be produced in a number of nations. Nevertheless some countries implement trade barriers. These include; USA and the European Union thus making penetration into these countries inevitable. (Baker, 2002, p. 186)

Adaptation on the other hand facilitates local competition and it's true to the marketing concept. For instance; companies are attempting to expand global products by incorporating differences regionally or international into one basic design. Mc Donald menu adjustments comprise beer in Germany and wine in France, and rye-bread burgers in Finland. Another example is that even if the Colgate products are available worldwide, the corporation formulates some toothpaste locally such as a spicier one for the Middle East. (Kotler and Armstrong, 2006, p. 271)

In many situations, a corporation will have to adapt their product and marketing mix strategy so as to meet their local needs and wants that cannot be changed. For instance; Coca cola in some parts of the world taste sweeter than in others. (Kotler and Armstrong, 2006, p. 273)

For these reasons, we can therefore argue that standardization is superior for organizations since it reduces cost, nevertheless many organizations will have to 'think global but act local' if they are to productively establish themselves in foreign markets. (Kotler and Armstrong, 2006, p. 274)

Conclusion

The 7Ps plus the four additional Ps, determine how well a corporation can use each element to gratify its customers and as a result gain profits. Organizations ought to design products that meet consumers' needs and develop pricing structure that consumers find reasonably priced and attractive.

The impact of culture in domestic and international market is tremendous, however, it should be noted that a country's culture is defined on the basis of various elements such as language, ethnic and religious groups. Moreover, the rules and regulations for doing business keep on changing from country to country, and as a result organizations should consider all these factors before venturing into new markets.

Read about The Strong Culture Perspective

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