

The dilmah tea company marketing essay



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1. 0 The Dilmah Tea Company – Introduction

The Dilmah Tea Company was formed in the 1974, the founder of the company is Merrill J. Fernando. The Dilmah Tea company got stabilized in the Sri Lankan market within a decade of time from its beginning , then the company targeted the international market by earning a good brand name for quality Ceylon tea. They quickly captured the European market well as the Middle East market, becoming the main tea exporter in Sri Lanka. Not only maintaining high quality of its products The Dilmah Company consists of a highly differentiated product portfolio, including black tea, green tea, real white tea, original garden tea, herbal tea and gourmet black tea. Currently a bigger portion of Dilmah's profits come from the international market, but still they haven't gone global on their own.

2. 0 The Background

In this case the candidate assumes that the Dilmah Company is going to introduce its products to Japan, which in turn possess a strong tea drinking culture. This is the first time that they directly launch its products to a foreign market. Therefore the company has to identify the respective marketing aspects as well as the cultural aspects of Japan in order to carry out its business transactions.

3. 0 Dilmah Enters Japan – The Right Path to Take

When any business organization is going start businesses in a new market, first they go for marketing research. The key element in marketing research is gathering information from the people. Therefore research groups have to meet the people and get information from them. This is the major point

where the social cultural aspects of the people come into screen. Sri Lanka people are well known to their hospitality that comes with their culture, therefore research people can easily get the information. The Sri Lankan people are not direct communicator like European or American people, but they expressers their true ideas in a polite manner. Indirect questioning like questionnaires are well suits for Sri Lankan people rather than the direct verbal questioning. In the other hand Japanese people well-known to complaisance, hospitality and for their act of honor. Therefore the Japanese people might not giving the answerers that ignoring other people's perspectives. Therefore if a research group went and question Japanese people they mostly give positive answers, which actually not true in fact.

The strongest aspects of the culture are attached with the food habits and social behavior of the people. Both the Sri Lankan people and Japanese people are having a sturdy culture that contract food and drinking habits. The Sri Lankan people are learned tea drinking from the British.

Due to the presence of high competition between individuals and businesses within the current environments, for businesses to succeed by catering only to their local environments remains to be a big challenge. This is mainly because currently, there are almost no monopolistic or oligopolistic market structures within environments and thus careful implementation of timely strategies remains to be the main way in which businesses can succeed if they only target the local consumers.

So due to this reason, willingly or unwillingly, businesses that target a high growth rate and profitability should penetrate global markets. However

despite this 'must' it should also be noted that going global and succeeding their in most cases isn't that easy. Out of many reasons for this the main happens to be because they have to deal with a completely alien cultural background. Different cultures as stated by Hofstede has their own set of ideas, beliefs, values and norms where when put together, constitute a design for living. Hence this makes each individual different from each other and thus, each of these cultures has to be catered differently in order to satisfy them and be successful.

When explaining this further in it can be stated that in a universal of culture, each individual has their own nano-culture which makes each of us different from each other, for example from our parents, siblings and even from twins. When going a step higher, people have a micro-culture most probably within immediate people we interact with such as within the family, friends, close relations etc. These people although different in terms of nano-culture, has some similarities may be in terms of their values, norms, ideas and beliefs. When taking another step deeper inside, people have a mini-culture which can be explained via the example of classroom and office clicks who once again are individuals with common characteristics. For example all are smokers, all have a common religion etc. Added to this also the world possess sub-cultures (cultures within people of different areas within a nation or within an ethnic group) and it is then that we have the national culture which is the common culture of a nation.

Another aspect which should be stressed in order to understand the complexity of cultural diversity around the world are the norms. Usually when it comes to cultural universals, somebody's ideas later become norms

and thus each culture possess different components called material objects. For example in religion, it is the ideas of a person that has now become the norm. This aspect can be further explained by understanding the terms innovation and diffusion. For example when Alexander Grahambell innovated the telephone and told the public, everybody laughed. But it is later on that people realized it's immense benefits to them and thus the innovation was diffused. So this shows that people hardly accept things unless they are being catered appropriately.

So basically from the above analysis the real challenges of succeeding a business within global environments can be understood. And therefore the same set of challenges will apply Dilmah when going to Japan maybe in a more complex way too since Japan is known to be one of the countries that are on top of the lists for possessing a complex cultural background and hence succeeding in Japan remains to be a vital challenge.

The following include some of the common and the most important aspects that should be known and practiced by a foreigner entering Japan to do business.

The seating arrangements at a business meeting will determine the status of the participants. Usually the highest ranking person ' called' the head honcho sits at the table head and will go down the line with lower rankers. Therefore a foreigner should wait until they are being directed to their seating position

After the meeting everybody should wait until the head honcho stands up before they leave the table.

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It is very vital that you take some kind of a souvenir represents our home country to the host. Most likely they would also offer some kind of a gift to you and so it is very much vital that you accept it whether you like it or not in order to maintain their satisfaction levels. Added to that care should be taken on not to unwrap the gift if it is wrapped, and on the other hand if not, providing a deep appreciation of the gift to the host is also very vital even though you like it or not

At a meeting it is the best if you could take down notes to make the host feel that their meeting is very important to you. However once again you should ensure that you do not write down anyone's name in red ink and thus always blue or black ink should be used.

Most probably you would be invited for an outing to a restaurant and that they would always bear the expenses. However it would be highly appreciated if you try to make the payment in order to make them more satisfied with you but still at most of the time they would stop you doing so

The Japanese hardly invite foreigners to their homes and so it may be an offence if you ask them to take you there

They are liable to ask certain questions that may be offensive back at home. For example, the age, the salary etc. So if you are not willing to answer it is best if you can at least be gracious about them asking you those.

Most importantly you should ensure that you carry a sufficient number of business cards since almost all people you meet their for your business transactions would prefer one since this is one of their major mediums of

business communications. Added to that it would be the very best if you could carry double sided business cards where one side is printed in Japanese whereas the other is in English so that it is known to give them the feeling that they are extremely important to you and also on the other hand that you too are a potential person to them. This in turn would definitely maximize the opportunity of you to cultivate best results.

So basically from the above few out of many and the most important practices in Japan, a common thing that can be understood is that for them, the product or service you offer, the competitiveness, your corporate strengths and powers are all secondary aspects unlike the Western world and instead, for them what comes primarily happens to be,

The respect that you earn from them before the product becomes viable

The credibility you earn instead of your product

The trust that you yourself earn their since if not the product will not sell there

And finally and primarily they should like you.

So basically in order to succeed you should,

Build the relationship

Get the information delivered successfully

Get their meaningful dialogue or the feedback very carefully

And finally close the deal

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So primarily when entering another country for business there are certain key aspects that should be carefully studied, understood and also matched, in order to succeed which include the following,

Population

It is a commonly known fact that Japan is a country with a very high population density. It consists of nearly 130 million people within a small land mass. This is because of the way it is geographically situated, only about 30% of the land is habitable and that the rest are highly mountainous areas. This can be stated as once reason as to why it consists of a complex etiquette system that has been coming from centuries. Due to this excessive population it can be stated that people are almost living on top of each other and thus, without a cohesive, social system which defines etiquette, customs and protocols, there would be chaos. So due to this reason it is very much vital to respect it by any outsider despite its complexities.

So from the business perspective, this high population itself is the key aspect that makes Japan a potential country to cultivate profits.

Occupation and Income

Japan especially being one of the highly technologically competent countries where most of the other developed countries also depend on for their manpower and also it being a place which consists of a large number of internationally successful industries, the disposable income of a majority of its people are high compared to a country like Sri Lanka. Therefore it would be a great advantage for a company like Dilmah to market its high quality products at a premium but a competitive price without risk.

Similarly in terms of occupation also, the Japanese are people who strongly respect their workplace until they retire and thus when a person enters a job, hardly will they leave at the middle. This in turn can come as an advantage for the recruiting and the creation of loyal employees for the company.

Individualism and Collectivism

According to Hofstede's cultural dimensions, an highlighting aspect within Japan is their collectivism. Unlike the Western world, it is commonly known that the Asians and especially the Chinese and the Japanese possess high collectivism within their society. They always prefer working in groups and also put a very high concentration on family life. Therefore it is very much important that this aspect is carefully addressed in carrying out business at Japan or otherwise it may bring out utter losses. For example in the case of the Multinational KFC, they after facing several losses in terms of unplanned advertising in China and Japan, currently they have become very much successful by embedding collectivism in them. That is they strongly highlight areas such as family security, cooperation and interdependence among family members. For example, the advertisement that shows how happily all members of the family enjoy the KFC chicken bucket

So therefore Dilmah also can use this aspect for their advertising and also ensure so they can ensure that they recruit highly hospitable staff for their outlets. However, it can be stated that since Sri Lanka also possesses a highly collectivistic society, addressing this in Japan would not be much of a challenge.

Religion and Beliefs

Japan is a country which practices Buddhism in a majority of its areas and hence, doing business without harming its practices would not be a challenge for a Sri Lankan company like Dilmah. However, they have a very strong respect towards their history and traditions and thus respecting them remains to be critical. For example once again in the example of KFC, an advertisement where they showed a traditional Japanese restaurant being empty and instead, all the people being gathered around KFC for food resulted in a utter loss for the company.

Taste

As mentioned earlier also, Japan already possesses a very strong tea drinking culture. Also since Ceylon Tea has already won worldwide reputation for its exceptional tastes, cleanliness and quality, there would be no problem in the acceptance of the product by the Japanese. Since it is a developed nation, its consumers are currently health conscious so since they already possess established tea companies within their nation, establishing Dilmah there would be a challenge and thus should be done in a very tactful manner. For this, the above worldwide recognized quality aspects should be highlighted via advertising and also the appearance of the products should be customized. For example, the usage of bright colors like orange (their traditional symbols), use of eco-friendly packaging that shows we respect their environments, use of Japanese instead of English in their packaging, highlighting aspects collectivism such as the use pictures of families drinking tea together happily within their packaging and also at any outlets.

Attitudes and Perceptions

Since it is understood that it is the people of their own culture that understands the proper ways of succeeding a business within those markets, it is the best if more Japanese employees itself are recruited to business there. Studying each and every aspect of a culture before entry would incur a big opportunity cost and, is a waste of other resources and also may not work at the start. However on the other hand, this can also come as a disadvantage in one aspect since, depending heavily on host country nationals, the parent company may become isolated from its overseas subsidiaries and may result in a long-term threat. That is Dilmah would have little opportunity to develop valuable managerial skills through international experience to grow further. So it is best if more Japanese are hired at the beginning till they develop and later on increase the locals after learning the proper means of catering the Japanese.

4. 0 Conclusion

So basically when considering all the factors discussed above with Dilmah in the pursuit of its opportunity of entering Japan, in conclusion it can be stated that going global on its own, strongly require proper identification of the local cultures and their subcultures by analyzing general components, patterns of communication such as verbal, non verbal, direct, indirect, high context and low context communications.

Added to that since Japan remains to be a country that practices high etiquette and also possess a highly complex cultural background, if not catered and respected properly may bring about utter losses. But despite this on the other hand, if properly understood and catered properly the high

opportunities and growth potential possessed within the region would in turn happen to be a great harvester of profits to a company like Dilmah in turns of its long run performance.