

International market essay



**ASSIGN
BUSTER**

Culture is concerned with social behaviour and attitudes, and this paper aims to highlight its significance for entry into foreign markets. Culture has been defined as “ the integrated sum total of learned behaviour traits that are manifest and shared by members of a society”. Cultural factors have been itemized in the existing literature, but clearly among the most important are: customer beliefs and attitudes; morality, ethics and religion; social and consumption values; language and literature; social systems and social behaviour (especially the family); historical background; arts and aesthetics.

Two authoritative studies have identified concepts of culture both as barriers to entry and as dynamic movers (Herkovits, 1970, Clutterbuck 1980).

Furthermore, insufficient research attention has focused on defining more conceptual approaches to the internationalization of retailing and there is an even greater paucity of research into strategies for retailer entry modes; this is the main justification for this paper. In researching their approach to overseas markets, retailers must consider that culture can have an impact on their merchandising and promotion. The culture in which a person lives affects his/her consumption patterns and also the meaning that is attached to specific products. When promoting merchandise in a new culture, it is easier initially to appeal to existing culture requirements or expectations than to try to change them. Merchandising and promotion must be sensitive to the basic values of the country and the differences in patterns of consumption.

Case Example (1) Entry into the Swiss Market
In Switzerland, foreign dishwasher manufacturers and retailers expected the same rapid sales they had first obtained in other West European markets; but sales in Switzerland

were so slow that research had to be done to find out why (this research should, of course, should have been done before, not after, market entry). The research showed that the Swiss housewife had a different set of values to, for example, her French and English counterparts; she was very conscious of her role as strict and hardworking, and her responsibility for the health of her family. To the Swiss housewife dishwashers simply made life easy, and this conflicted with her Calvinistic work ethic. As a result of this research, dishwasher manufacturers had to change their advertising – promoting, instead of ease-and convenience, hygiene-and-health.

They did this by emphasizing that because dishwashers used temperatures higher than hand hot the process was more hygienic than washing up by hand. Thereafter retailers had no problem selling automatic dishwashers in Switzerland. Source: Author Cultures across countries High context culture – the meaning of individual behaviour and speech changes depending on the situation – nonverbal messages are full of important meaning (Read between the lines) – e. g. Saudi Arabia and Japan, written contracts are not always enforceable as new people move into executive positions (Chile, Mexico) Low context culture – intentions are expressed verbally – the situation does not change the meaning of words – e. g.

India, China, Australia, New Zealand Cultural Assessment International retailers need to communicate meaning through the transmission of messages to people of different cultures if they are to succeed in the promotion of their products to enter foreign markets. Misunderstandings caused by cultural differences can seriously damage the image of a firm or product; therefore, in order to ensure the message transmitted is received in <https://assignbuster.com/international-market-essay/>

its correct form, the retailer needs to be completely aware of the implications of all the elements of the message in the foreign culture. Failure on behalf of the retailer to adapt to the intricacies of national customs and develop a rapport will lead to inadequate market entry strategies. Accurate communications are so vital that any risk of cultural misunderstanding needs to be eliminated. Firms must identify key management positions and insist that they are held, whenever possible, by someone of the same culture. Many firms make the mistake of putting nationals from the parent companies in charge of key positions within their foreign subsidiaries, often on the basis that fluency in the language is sufficient.

In attempting to understand the most significant elements of the foreign culture, companies have to be vigilant and ensure a balance is maintained. There is no one method to adopt in the evaluation of other cultures for retailing purposes as the nature of the goods being offered should govern the method of assessment. The retailer must be sufficiently perceptive and guard against the over-exaggeration of the differences or the similarities between the foreign culture and its own. For example, in analyzing the United States market, a UK retailer may overemphasize a perceived common culture stemming from the common language and close political and economic relations.

“ A common language cannot indefinitely set the seal on a common culture when the geographical, political and economic determinants of the culture are no longer the same throughout its area. ” The withdrawal of Marks and Spencer from the Canadian market in 1999 is a case in point; their precept was that the aforementioned “ perceived ” cultural affinity would facilitate

acceptance of the St Michael brand name; in short the common language or heritage does not guarantee a common culture. A further complication in determining the important facets of a country's culture is the existence of more than one culture or sub-culture within many nations world-wide. Table 1 lists a few states with cultural differences based along linguistic groupings and the problems these present to the international retailer.