

INFLUENCE OF CROSS CULTURE ON INTERNATIONAL MARKETING MIX

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Abstract

Since large number of business firms around the world enter the global markets which are full of cultural diversities. International marketers need to be more specialised in cross culture and its impact on international marketing mix, in order to sustain their competitiveness. They need to study various cultural elements which include traditions, values, religion, symbols, language, buying habits, education level, available mass media, social media, level of personal disposable income while designing their products, developing the promotion tools, fixing the price and implementing the physical distribution systems in the global markets. The marketing mix is a set of controllable tactical marketing tools i.e. Product, Price, Place and Promotion that firm blends to produce the response it want in the target market (Kotler & Armstrong 2010).

To dominate as a global company, the international marketers have the right combination of 4P's of marketing mix- product, price, place and promotion. This paper attempts to identify how the cultural diversification influences the universal marketing mix strategies to obtain the positive financial results.

Keywords: cultural diversities, disposable income, marketing mix, strategies.

Introduction

In this era of globalisation, where economies are expanding universally, there is a need to understand international marketing mix which are highly influenced by cultural patterns of different countries. International marketing mix strategies involve the use of different marketing tools to attain positive financial results by the companies operating Internationally. These tools

include :- Product, Price, Place and Promotion. International marketing mix should take into consideration all the legal and socio cultural aspects in every nation to which it is directed. To stay on the top, international marketers have the right combination of marketing mix – the right product at the right price at the right place and promoted in the right way.

Culture

Culture depicts the way of lifestyle and attributes of the consumers. Culture has a great effect on marketing mix strategies. The consumers can be attracted only when product will fit better according to their traditions, customs, norms, beliefs, values, attitudes and cultural requirements. Culture in every nation is influenced by three factors :-

- a. Cultural forces cover -> family, education and national identity.
- b. Cultural messages includes ethics and morality, consumer behaviour and roles design.
- c. Universal needs and wants in a society and trends also influenced from culture.

Cross-cultural marketing

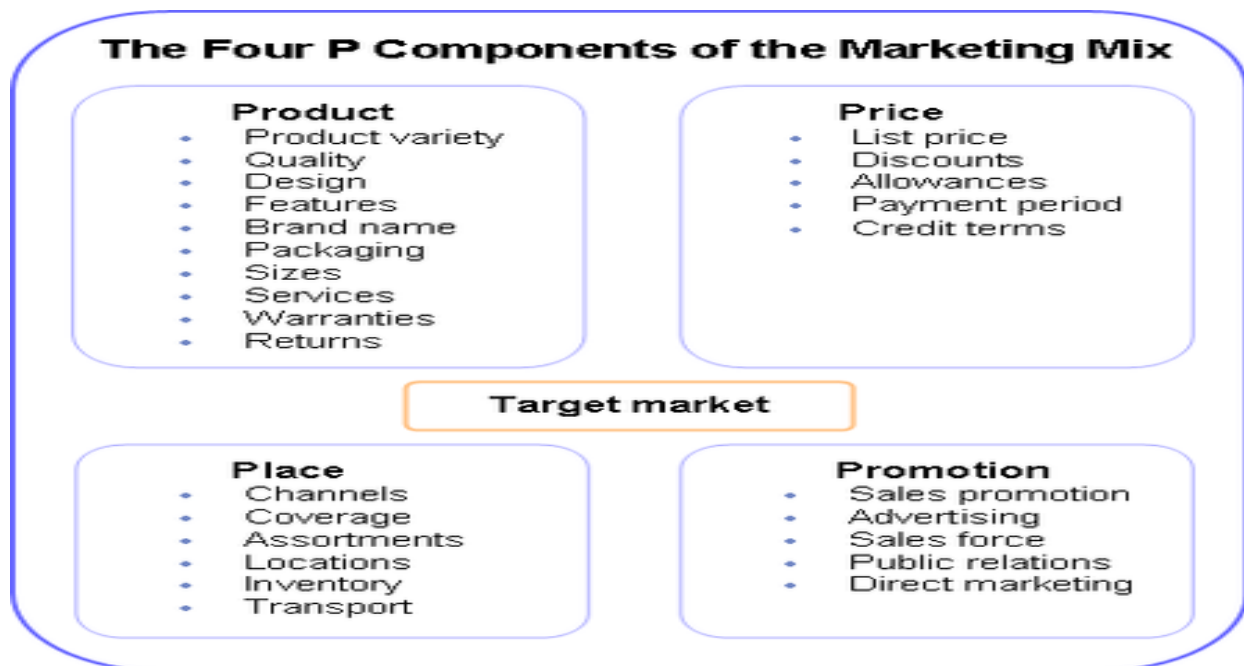
It is imperative that businesses understand different cultures and norms to utilize cross-cultural marketing successfully. Cross-cultural marketing is the strategic process of marketing among consumers whose culture is different from that of the marketer's own culture. Examples of the fundamental cultural aspects to be considered include: social norms, values, language, education, religion, economic systems, business etiquette, laws, and style of living. Typically, cross-cultural marketing takes advantage of the ethnics groups' different cultural norms to communicate to and persuade the consumers.

Universal marketing mix strategies – include following three strategies:-

- **Global marketing mix strategy** - is based on the assumption that on the international market there is so called global consumer with similar needs and preferences. Using this approach, on foreign markets companies apply identical marketing instruments and their combinations, there is no different instruments adapted for social and cultural environment in those countries.

- **National marketing mix strategy** or **multinational strategy** - for each country company applies a separate marketing strategy adapted to specific needs and preferences of customers, their customs and traditions.
- **Hybrid marketing mix strategy** - involves standardization of one or more marketing instruments and at the same time adjusting others to the characteristics and conditions prevailing on the particular national market i.e. customs, traditions, regulations, social norms, religion, lifestyle etc.

The marketing mix is one of the most famous marketing term. It is the tactical or operational part of marketing plan. Marketing mix is also called the 4Ps and the 7Ps. The 4Ps are Product, Price, Place and Promotion. The services marketing-mix is also called the 7Ps and includes the addition of process, people and physical evidence.



The Four P Components of the Marketing Matrix, based on: P. Kotler 2000

International Marketing Mix:Product

Product means the combination of goods and services that companies offers to the target markets. It includes tangible and intangible items i.e. services. Basic marketing concepts tell us that we will sell more of a product if we aim to meet the needs of our target market. In international markets this will involve taking into consideration a number of different factors including consumer's cultural backgrounds, religion, buying habits and levels of personal disposable income. In many circumstances a company will have to adapt their product and marketing mix strategy to meet local "needs and wants" that cannot be changed. McDonalds is a global player however, their burgers are adapted to local needs. In India where a cow is a sacred animal their burgers contain chicken or fish instead of beef. In Mexico McDonalds burgers come with chilly sauce. Coca-cola is some parts of the world taste sweeter than in other places.

The arguments for standardization state that the process of adapting the product to local markets does little more than add to the overall cost of producing the product and weakens the brand on the global scale. In today's global world, where consumers travel more, watch satellite television, communicate and shop internationally over the internet, the world is a smaller than it used to be. Because of this there is no need to adapt products to local markets. Brands such as MTV, Nike, Levis are all successful global brands where they have a standardised approach to their marketing mix, all these products are targeted at similar groups globally.

As you can see both strategies; using a standard product and an customised product can work just as well. The right approach for each organisation will depend on their product, strength of the brand and the foreign market that the marketing is aimed at.

International Marketing Mix:Place

Place is known as channel of distribution or intermediary through which goods and services are moved from manufacturers / service providers to the users or consumers, at the right place and at the right time. Distribution in national markets such as the United Kingdom will probably involve goods being moved in a chain from the manufacturer to wholesalers and onto retailers

for consumers to buy from. In an overseas market there will be more parties involved because the goods need to be moved around a foreign market where business practices will be different to national markets. For example in Japan there are approximately five different types of wholesaler involved in the distribution chain. Businesses will need to investigate distribution chains for each country they would like to operate in. They will also need to investigate who they would like to sell their products and services to businesses, retailers, wholesaler or directly to consumers. The distribution strategy for each country a business operates in could be different due to profit margins and transportation costs.

International Marketing Mix: Price (Pricing)

Price is the amount a consumer must exchange to receive the offering. Pricing is the only revenue generating element of 4Ps of marketing mix. Pricing on an international scale is a complex task. As well as taking into account traditional price considerations such as fixed and variable costs, competition and target groups (click here for further information about marketing mix pricing) an organisation needs to consider additional factor such as

- the cost of transport
- tariffs or import duties
- exchange rate fluctuations
- personal disposal incomes of the target market
- the currency they want to be paid in and
- the general economic situation of the country and how this will influence pricing.

The internet has created further challenges as customers can view global prices and purchase items from around the world. This has increased the level of competition and with it pricing pressures, as global competitors may have lower operating costs.

International Marketing Mix: Promotion

Promotion includes all those activities that marketers undertake to inform consumer about their products/ services and encourage the potential costumers to buy these products. As with international product decisions an organisation can either adapt or standardise their promotional strategy and message. Advertising messages in countries may have to be adapted because of language, political climate, cultural attitudes and religious practices. For example a promotional strategy in one country could cause offence in another. Every aspect of promotional detail will require research and planning one example is the use of colour; red is lucky in China and worn by brides in India, whilst white is worn by mourners in India and China and brides in the United Kingdom. Many organisation adapt promotion strategies to suit local markets as cultural backgrounds and practices affect what appeals to consumers.

The level of media development and availability will also need to be taken into account. Is commercial television well established in your host country? What is the level of television penetration? How much control does the government have over advertising on TV, radio and Internet? Is print media more popular than TV?

Unlike the other international marketing-mix decisions, a global firm can either accustom or standardise their promotional strategies and messages. Promotional messages in the countries should be accustom according to difference in languages, political climate, cultural attitude and religious practices in different regions. A promotional tool used in one country should be offensive when used in another.

Recommendations

After analysing all the elements of global marketing mix and its impact on culture, it is clear that marketers must consider the cultural diversification between the various nations while deciding the strategies for marketing mix. The marketers have to be fully aware about product strategies that include product design, features, quality, brand and positioning and place strategies include indirect distribution (manufacturers -> wholesalers -> retailers -> consumers), direct distribution (manufacturers -> consumers), Pricing strategies (Penetration pricing, Skimming pricing, Competition pricing, product line pricing, bundle pricing, psychological pricing, Premium

pricing, Optional pricing, Cost + Pricing), Promotion strategies of product lifecycle such as Introduction, Growth, Maturity, Decline Stages of the products.

Conclusion

If any company wants to get successful In international market first they need to understand the cultural diversification and the behavior of the market. Cross cultural issues one of the effective methods to generate more customers is marketing mix. The four components of marketing mix is Product, Price, Place and Promotion where marketers had to accomplish all the tasks of marketing mix considering your target market and their cultural matters to get the success.

Prior to designing an international marketing mix a business should carry out a PEST analysis for every country they would like to operate in. This will help them determine what elements of the marketing mix can be standardised and which elements will need adjustments to suit local needs. It may be that, a business is able to use a standard marketing mix in the majority of cases and only need to adjust it on the rare occasion. Or every country may need its own marketing mix. Companies have to be ready to quickly respond and adapt to the different cultural challenges as they evolve and fluctuate in the market of each country

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