

The Cultural Impact On International Marketing Strategy, With A Special Emphasis Of Retail Perspective

G. Hemalatha, PG Scholar, P.S.R. Engineering College, Sivakasi.

1. P. Anusuyadevi, PG Scholar, P.S.R. Engineering College, Sivakasi.

2.S. Tamilarasi, PG Scholar, P.S.R. Engineering college, Sivakasi

ABSTRACT

The concept of this paper is to examine on the one hand, the importance of the effect of cultural negotiating in an international marketing strategy. This study covers cultural elements such as language, religion, social factors, education, technology and material cultural, values and attitudes, aesthetics, and its impact on international marketing strategy. On the other hand, it covers on how the cultural variables influences marketing strategy; how they frame business policies on retailing. The Main purpose of this paper is to identify the impact on international retail marketing strategy based on cultural. The main objective of this study is to understand the wide range of marketing elements which play important role to get competitive advantage in retail sector and identify the importance of four marketing strategies namely product, price, place, promotion. It has been explored in both international and intra-national marketing and in both business and consumer marketing.

Keywords: Marketing Strategies, Cultural, Consumer, Retail, Social factors

1. INTRODUCTION:

International marketing concerned with marketing across national boundaries. International marketing is also of concern to organizations of all types and sizes. It is complex, not only because it potentially involves greater administrative and operational marketing effort, but also because it involves an understanding of marketing environments that might be very different from the domestic market. Hence the word 'environment' consists of a wide variety of factors and influences, such as cultural, technological, economic and competitive and political and legal influences.

Culture is a distinctive element of international marketing. Culture means different things to different people. It does not only denote civilization, but also

customs, tradition and codes. Cultures are just different, not right or wrong, better or worse. Besides, from the tremendous exposure to globalization, it has been found that consumers from different cultures have different attitudes, perceptions, tastes, preferences and values, and remain reluctant to purchase foreign products. Moreover, along with consumer behavior remains diverse, consumers are not always rational and they are not willing to change their consumption habits in favor of cheaper products that are increasingly available on the world market. There is a wide range of marketing elements that retailers may consider in obtaining the competitive advantage on the market, such as: selection of adequate merchandise, pricing policy, layout, customer service policy, etc. The main objective of this study is to understand the wide range of marketing elements which

play important role to get competitive advantage in retail sector and identify the importance of four marketing strategies namely product, price, place, promotion. This has been explored in the Indian retail context.

2. DEFINITION:

A) International Marketing Strategy:

Marketing strategies are defined as combination of all goals into one comprehensive plan. An efficient marketing strategy should be focused on the right product mix in order to achieve maximum profits.

B) Culture:

Culture is defined from the way of speaking, dressing styles, believes, norms, values and thinking level of a particular group of people.

Examining culture of a particular country means analysis of a countries lifestyle, living standard, way in which they do each and every activity from morning to evening.

3. INTERNATIONAL MARKETING STRATEGY:

Marketing strategies includes all long and short-term actions taken by marketers to launch a new product, its promotion and growth for a long time period. The process of framing strategies starts with analysis of internal and external environment of business.

1.Segmentation:

Firms that serve global markets can be segregated into several clusters based on their similarities. Each such cluster is termed as a segment. Segmentation helps the firms to serve the markets in an improved way. Markets can be segmented into nine categories, but the most common method of

segmentation is on the basis of individual characteristics, which include the behavioral, psychographic, and demographic segmentations.

2.Market Positioning:

The next step in the marketing process is, the firms should position their product in the global market. Product positioning is the process of creating a favorable image of the product against the competitor's products. In global markets product positioning is categorized as high-tech or high-touch positioning. The classification of high-tech and high-touch products. One challenge that firms face is to make a trade-off between adjusting their products to the specific demands of a country and gaining advantage of standardization such as the maintenance of a consistent global brand image and cost savings.

3. International Product Policy:

Some thinkers of the industry tend to draw a distinction between conventional products and services, stressing on service characteristics such as heterogeneity, inseparability from consumption, intangibility, and perish ability. Typically, products are composed of some service component like, documentation, a warranty, and distribution. These service components are an integral part of the product and its positioning. Thus, it is important to consider the findings of marketing research and determine customer's desires, motives, and expectations in buying a product. Firms have a choice in marketing their products across markets. Many a times, firms opt for a strategy which involves customization, through which the firm introduces a unique product in each country, believing that tastes differ so much between countries that it is necessary to create a new product for each market.

4. International Pricing Policy:

Pricing is the process of ascertaining the value for the product or service that will be offered for sale. In international markets, making pricing decisions is entangled in difficulties as it involves trade barriers, multiple currencies, additional cost considerations, and longer distribution channels. Before establishing the prices, the firm must know its target market well because when the firm is clear about the market it is serving, then it can determine the price appropriately. The pricing policy must be consistent with the firm's overall objectives. Some common pricing objectives are: profit, return on investment, survival, market share, status quo, and product quality. The strategies for international pricing can be classified into the following three types:

A) Market Penetration:

It is the technique of selling a new product at a lower price than the current market price.

B) Market Holding:

It is a strategy to maintain buy orders in order to maintain stability in a downward trend.

C) Market skimming:

It is a pricing strategy where price of the goods are set high initially to skim the revenue from the market layer by layer. The factors that influence pricing decisions are inflation, devaluation and revaluation, nature of product or industry and competitive behaviour, market demand, and transfer pricing.

4. ELEMENTS OF CULTURAL AND ITS IMPACT ON MARKETING STRATEGIES:

To understand the cultural differences in global markets, identify nine components of culture which form a convenient framework for examining a culture from a marketing perspective are describe below:

4.1 Education:

Education, either formal or informal, plays a major role in the passing on and sharing of culture. Educational levels will have an impact on various business functions. International firms also need to know about the qualitative aspect of education, namely, varying emphases on particular skill and overall level of education provide. Japan and Korea, for example, emphasize the sciences, especially engineering, to a greater degree than do 'Western' countries. Education affects all aspects of culture, from economic development to consumer behavior.

4.2 Social Organization:

This relates to the way in which a society organizes itself. How the culture considers kinship, social institutions, interest group and status groups and status systems. The role of women and caste systems are easily identifiable examples– if the firm has a history of successfully marketing to 'the housewife/homemaker', life is more difficult in a culture where women have no social status at all. House ownership is another example. In Switzerland the majority of people rent rather than own their houses and expect to rent property with domestic appliances already installed, which means the banks, not individual families, are the largest purchasers of washing machine.

4.3 Technology And Material Culture:

Technological advances have probably been the major cause of cultural change in many countries. For example, the increase of leisure time as characteristic in 'Western' culture has been a direct result of

technological developments. Technology includes the techniques used in the creation of material goods, it is the educational and technical know-how possessed by the people of a society. Material culture affects the level of demand, the quality and types of products demanded and their functional features, as well as the means of production of these goods and their distribution. This aspect relates not to materialism but to the local markets ability to handle and deal with modern technology. The marketing implications of the material culture of a country are many. Electrical appliances may be sell in UK or France, but may find few buyers in a market where less than 1 percent of the homes have electricity.

4.4 Laws and Politics:

The legal and political environments in a foreign market are usually regarded as consequences of the cultural traditions of that market. Legal and political systems are often a simple codification of the norms of behavior deemed acceptable by the local culture. Cultural sensitivity to political issues in international markets is of the utmost importance. Thus an advertisement for the Orange mobile phone network in Ireland with the strap line 'The future's bright, the future's orange', clearly did not have any awareness of political sensitivities in Northern Ireland.

4.5 Aesthetics:

Aesthetics refer to attitude towards beauty and great test of art, music, folklore and drama of culture. The aesthetics of exacting culture can be important in the understanding of symbolic meanings of various artistic expressions. Aesthetics are of particular significance to the marketer because of their role in interpreting the symbolic meanings of various methods of artistic used as a mechanism for brand identification, feature reinforcement, and

differentiation. In international markets, colours have more symbolic value than in domestic markets. Black colour, for example, is considered the colour of mourning in the U.S.A and Europe, on the other hand, white is the same symbolic value in Japan and Far East.

4.6 Values and Attitudes:

The values consumers from different countries place on things such as time, achievement, work, wealth and risk-taking will seriously affect not only products offered but also the packaging and communication activities. The methods used by a firm to motivate its personnel are also strongly influenced by the local culture and practices. Encouraging local sales forces to sell more by offering cars and more money, for example, may not work in all countries. Thus values are important to marketers as they can be translated into consumption vehicles.

4.7 Religion:

Religion is a major cultural variable and has significant if not always apparent effects on marketing strategy. For example, the identification of scared objects and philosophical systems, beliefs and norms as well as taboos, holidays and rituals is critical for an understanding of a foreign market. The impact of religion on the worth systems of a society and the effect of value systems on marketing must not be undervalued. Religion affects people's behaviour, their attitude on life, the products they buy, the way they buy them, and even the newspapers they read. Attractive of certain type of foods, clothing, and behaviour is often affected by religion, and such control can extend to the acceptance or negative reply of promotional messages.

The major religions are shared by maximum national culture. Religion is one of the most responsive fundamentals of a culture. When the marketers has modest or

no understanding of a religion, it is easy to offend, albeit unintentionally.

4.8 Language :

A country's key to its culture is the language and it is proved as a can be described as an indication of the culture. Hence, if a company is dealing with other cultures for a long time, it is beneficial for the growth of the organisation to learn language. To influence customers this is must to communicate with them and to learn language is the first thing required for interaction. Language can then divided into two major elements:

a) Verbal language: This form of language has several roles in global marketing; it is important in information-gathering and evaluation efforts, it provides access to local societies, it is becoming ever more important in company communications and lastly it provides more than the ability to communicate.

b) Non-verbal language: This, differing from country to country, can also be an important and powerful mean of communication. Manners and customs: This agent ought to be prudently monitored as in what precisely is disparate amid the cultures. An example of this agent is whereas in so-called right-hand sophistications (Middle East, amongst others) the left hand is the 'toilet hand' and employing it to eat, for example, is believed impolite.

4.9 Cultural Norms:

Norms are derived from values and defined as an accepted standard of doing things that most of the people agree with these can be defined as specific rules that a group of people use for deciding what is appropriate and not appropriate.

(A) Imperative: What an outsider must or must not do.

(B) Exclusive: What locals may do but an outsider cannot.

(C) Adiaphorous: What an outsider may or may not do.

5. INSIGHTS OF RETAILING:

1. Retailing constitutes "all the activities involved in selling goods or services to the final consumer for personal, non-business use."

2. In the supply chain, retail is the final stage in movement of goods and services to end consumer.

3. Since consumer is the focal point of retail, the success of a retailer will depend on customer satisfaction.

5.1 Retail Sector

Retailers can be classified as:

- **Store retailers** such as FabIndia, Lifestyle, and Reliance Retail.

- **Non store retailers** such as those that operate via the mail, telephone, TV and Internet. Eg: Tupperware, Avon, Amway.

- **Service Retailers-** travel agents, beauty parlours.

5.2 Essential characteristics of a retailer:

- He is regarded as the last link in the chain of distribution.

- He purchases goods in large quantities from the wholesaler and sell in small quantity to the consumer.

- He deals in general products or a variety of merchandise.

- He develops personal contact with the consumer.

- He aims at providing maximum satisfaction to the consumer.

5.3 Running Alphabet Fome Some Cultures:

1) Language differences

2) Different styles of communication

3) Other cultural differences

- 4) Differences in category and brand development
- 5) Different consumption patterns
- 6) Different competitive sets and marketplace conditions

5.4 CULTURAL IMPACT ON INTERNATIONAL MARKETING STRATEGY IN WAL-MART:

POSITIVE:

The Wal-mart Culture is one of high performance, and its Values of Service to the Customer, Respect for the Individual, and Strive for Excellence through our everyday behaviors. Each of three Values has a set of three corresponding Behaviors that, when practiced daily by every associate, can help us deliver business results and create a culture of inclusion.

Negative impact:

Wal-Mart is the world's biggest food retailers. In some nations, it is a great success. However, it has failed in some countries (e.g. Germany, South Korea). Here, we will describe Wal-Mart's failure in Germany, and use its experiences there to illustrate some key principles relating to product failure and deletion. In 1997-1998, Wal-Mart acquired over 95 stores from existing German supermarket chains, making it the fourth biggest supermarket operator in Germany. The objective was to expand to 500 stores. However, Wal-Mart never grew from the original 95 stores. By 2007, it was bought out by one of Germany's largest retail groups. Ultimately, Wal-Mart left the German market with a loss of one billion dollars before tax. There are two cultural issues related to Wal-Mart's failure in Germany: (a) language (b) politics and regulation.

(a)Language:

When products are introduced, it is important to consider cultural factors. Wal-Mart decided to operate its German locations from the UK. Thus, its "corporate language" was English. However, many of the older German Wal-Mart managers did not speak English. Some managers did not stay on after the Wal-Mart acquisition. Key business connections were lost, which resulted in the loss of major suppliers. It would have been far better to retain and communicate effectively with the German managers who had know-how about the local market.

(b)Politics and regulation:

Wal-Mart's managers violated German laws repeatedly, simply because they were unfamiliar to them. For example, Wal-Mart always stays union-free, but Germany has a history of strong, politically powerful unions.

6. CONCLUSION:

Marketing strategies for product promotion is one of the most important decisions that marketers of a company face. There are various elements of culture which have direct and indirect influence on marketing. A good retailer who wants to exist his product for a long period cannot ignore to study the changing cultural demands.

7. REFERENCES:

1. Hofstede, G.(2001), Culture's Consequences: Comparing Values, Behaviours, Institutions and Organizations across Nations.
2. Abdin, Joynal (2008), "Impact of Culture on International Marketing."
3. Pikturmiene, Indre,(2005), "The Resistance of National cultures to global marketing influence", Business and Economy, Vol.4, No.1(7),2005.

4. Amine, A. and Cadenat, S. (2003), —Efficient retailer assortment: a consumer choice evaluation perspective, *International Journal of Retail & Distribution Management*, Vol. 31 No. 10, pp. 486-97.

8. NET SOURCE:

www.marketingteacher.com/international-marketing-and-culture/

[https://www.researchgate.net/.../283908535_the_culture_on_international-marketing](https://www.researchgate.net/publication/283908535_the_culture_on_international-marketing)

www.academia.edu/.../ The impact _of_ culture_on_international-marketing.