

Importance of Culture in Success of International Marketing

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Abstract:

The paper discusses the great significance of culture for an organization to adversity in international marketing. To take more competitive advantage it is vitally necessary to build and maintain culture in an organization. In this research we describe the barriers and hurdles that any organization faces in the international marketing and also the various types of cultures according to the nature of organization and market.

Key words: Culture, International Marketing, organization adaptive tools, language, system of values, ethics, moral codes, system of beliefs.

Objectives:

1. What is dissimilar in the culture of various nations with respect to business?
2. How culture has different effects on the business opinion/decision in the international markets.
3. The cultural barriers that an organization faces in International Marketing.

Introduction:

It's very important to discuss about the importance of culture in international marketing, after firstly understanding what an international marketing is and what culture is. Culture is valuable for doing trade in local market but it is more significant for international marketing, the reason being that in international marketing people have different believes, nature, culture, or language. All these aspects create the problem of managing people in international marketing so it is important for any organization to understand the cultural differences before going for business in international markets.

Culture:

Culture is the shared norms and values of any organization. Culture reflects customs, traditions, beliefs and religions of any group of people. The culture of a country is called national culture, reflecting the overall religious beliefs, customs and traditions of a company. For example, Saudi Arabia is an Islamic country and its culture reflects the values and beliefs of Islam. Muslims offer prayers five times in a day, while the American culture, a western one, focuses on personal achievements.

The culture of an organization is called corporate culture. Like the national culture, the corporate culture varies

from organization to organization of a country: companies in US and England focus on individualism, while in Indonesia and West Africa, they focus on collectivism.

According to Hofstede, a Dutch researcher, cultural differences tend to spin around five key dimensions. These dimensions play a vital role in understanding national culture as well as corporate culture.

1. Individualism v/s Collectivism

The idea of individualism is based on the philosophy that one is the owner of his or her life and he or she has an absolute right to live it according to his wishes and desires and he has the choice to pursue the values he or she considers best for himself / herself. On other hand, the idea of the Collectivism is based on the concept that the life on an individual does not belong to him or her but belong to the group or society of which he/ she is a part. He / She should give priority to the values and goals of the group over his own values and goals. The idea of collectivism says that a person has no rights except those which society allowed him to enjoy. E.g. The United States culture is individualism based, while the Japanese culture is collectivism based.

2. Power Distance:

Power distance is the amount of power distributed by the culture between the management and their subordinates. In other words we can say that the power distance shows what type of relationship exists among the subordinates and management. When we say that there is low power distance in an organization then it means that there are more interactions between the management and employees, the former is more democratic and delegates responsibilities to the subordinates. If the opinion of the management is wrong on some issue then the subordinates can reject his opinion without caring that he is in a superior position. The phenomenon of the management being

always right is not applicable in the low power distance culture. The management considers itself a member of the group and it does not like to suppress his subordinates while when there is a high power distance culture in an organization then the management is always right, considering himself superior to the others in the organization. It does not delegate its authority to others, the decisions being always on a centralized basis. The management sees itself on one level while its subordinates on an inferior level. Australia and US are low power distance culture, while China or Saudi Arabia are considered high power distance cultures.

3. Masculinity v/s Femininity:

Masculinity states a male dominant country, society or culture. E.g. Asian countries are masculinity based. Those countries where the rights of women are equal to men are femininity based countries, societies or cultures. E.g. In western countries, men and women work equally to earn and women have equal rights at the workplace.

4. Uncertainty Avoidance:

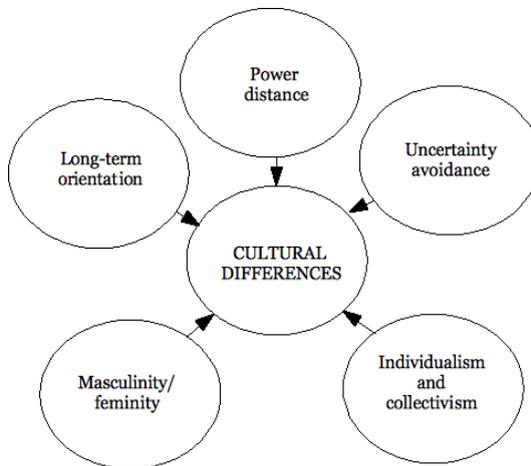
Uncertainty Avoidance states that people avoid participating in the activities about which they are not sure that they will benefit them. They are happy to get involved in activities of which they are sure they will benefit from and they have no tolerance towards risk. Pakistan, India and the Arab countries have such a type of culture while on other hand countries that have low uncertainty avoidance, they have more tolerance to risk. E.g. Japan has a low uncertainty avoidance and this is the reason most of the investments are done in Japan by US and European countries.

5. Long-Term versus Short-Term Orientation:

When someone is focused on the future and is willing to postpone short term material or social success for the sake of

long term achievements then this perception is known as long – term orientation and this culture has as its values persistence and perseverance. The short-term orientation culture provides importance to present or past than to the future. The people of the short –term orientation give value to the social obligation tradition and current social hierarchy. The present gratification success and achievement are more important than the future.

These above mentioned five dimensions of Hofsted reflect the culture of any organization. Before doing business in any international market it is important to understand these dimensions. International marketing needs to understand the local culture of the country in which an entrepreneur wants to develop a business.



This cultural framework helps marketing manager to identify the cultural nature of an international market. Below there are eight attributes of a cultural framework that help a marketing manager to understand the culture of an international market.

Language:

Language is the most important attribute in a culture. If any marketing manager wants to perform his business activities in the international market then it's necessary to understand both the verbal and the non-verbal language of that culture. Verbal

and non-verbal language of every country differs from each other. Language and culture are in a close relationship. By understanding language, the marketing manager can easily interact with the customers of that culture more effectively.

For example, if a marketing manager of Saudi Arabia has a strong grip on the Chinese language then he can easily perform his business activities in China.

Religion:

Religion is a very important element of culture and has a great influence on the lifestyles, beliefs, values and attitudes of the people. Different people follow different religions and each religion has its own concept about different things. So it is necessary for the international marketing manager to keep in view the teachings of a country's religion and then launch his product in the market. If he launches a product which is not allowed in their religion then definitely his product will face failure in the market. Suppose a person wants to export pork meat to Pakistan or Saudi Arabia or other Islamic country, then he will not be successful in his business as pork meat is prohibited by Islam. Similarly if a Muslim marketing manager wants to start its business operations in Western countries then he should first understand the lifestyle, beliefs, values and attitudes of the western country in which he is going to start his business operations because western countries have different preferences. If a Muslim marketing manager wants to achieve success then he should provide services or products according to western preferences or that are allowed in their religion.

Values and Attitudes:

Every country differs from each other. If the marketing manager wants to go on the international market to start its operations then first he should understand the values and attitudes of that country. The organization should arrange

training sessions for marketing managers and motivate them to learn all values and attitudes of that culture. For example workers in France want to take their vacation in August while in United States employees want to take a couple of weeks' vacation in a year.

Education:

The education level in a country is important to understand. For example in the countries that have a low literacy rate, the marketing manager should avoid communication which consists of written documents and they should not use visual media. In those countries that have a high literacy rate, the marketing manager should use written copies of advertisement and different methods of advertisement that people can easily understand, such as banners.

Social Organizations:

For business in international marketing one should find out answers to questions such as - what is the role of women in that country, or the level of influence of class or cast on a society. For example, India has a fully established and rigid cast system.

Law and Practices:

These are essential factors for understanding the culture of international market and their importance is also very high for a marketing manager. First of all, the marketing manager should understand the law and practices of that country where he wants to do business. For example Pakistan politics is dynamic in nature so it is very difficult to perform business operations in Pakistan. With the death event of Banazir Bhutto many foreign companies rolled back their businesses from Pakistan.

It is important to understand the culture of any country because if an entrepreneur is able to understand the culture

then he/she can save himself/herself from different problems such as communication problems. So first of all understanding the different aspects of culture is important.

Literature Review:

Culture has been defined in many ways by various authors and researchers. However culture has strong relationship with organization success. Culture has influence on the performance of companies. Culture plays a very important role to motivate the employees but it depends upon the type of culture which we are adopting, how culture influence the organization and the employees. Are the employees sincere with the organization or not? Then, there come the positive and negative aspects of a culture, since this influences the behavior of the workers. The manager may need to redesign the culture - what are the core values of a culture and then the employees who are willing to adopt those values must be chosen and motivated for the success of organization. We should require the commitment of the employees to adopt the culture and its values. Culture is the most important task for a manager or an organization. (Rashid, Sambarivan, and Johari 2003)

The organization performance has a relationship with the market orientation, organizational culture and brand performance. Two gaps arise in the performance of an organization. No knowledge about the market and performance of employees is good enough; it depends on how you increase the knowledge of employees and adopt the new culture. An organization must have a strong innovative culture and through this the success and full brand are building. It depends upon the response of customers. What is the image of your brand in the customer's eye? And who are your competitors? You should provide value to the customers. Focus on the need and want of the customers. Needs and wants relate with the culture. Needs and wants develop from the culture. What is in

the culture? What are the preferences and trends? By adopting a new culture and what is that your market can achieve by brand performance? You should first see the market and culture of that country where you are starting the business and then adopt that type of culture. (Cass and Viet 2007)

Culture is an important factor in organization's long term success. Organization culture is like an intangible thing which designs the competitors in an environment. Organization's culture is a reflection of the habits it develops. Which strategies we should focus on for developing culture, how does culture develop? The culture is like a DNA in the organization. Our actions are based on assumption, beliefs and values. Basically culture is how things are done within the organization You can make many choices which will help you to maintain and repair the culture, you should put every effort to change and maintain the culture of organization (Pennington 2009)

When we are doing business abroad the success of your business depends upon how the employees use their skills in the different culture. It depends whether the employees are capable or not. If they are experts in their jobs or not, previous research shows that employees are not able to understand the other culture and may become a hurdle in the success of the business abroad (Ferraro, 2006) "Culture is transmitted through the process of learning and interacting with one's environment, rather than through the genetic process" (Ferraro, 2006) "Culture is acquired knowledge that people use to interpret experience and generate social behavior". In its broadest scene, the term refers to the result of human interaction.

Most scholars of culture would agree on the following characteristics of culture:

- 1) **Learned:** We cannot inherit the culture; we can only learn and experience the culture.
- 2) **Shared:** People of organization and society can share

culture; it is not for one person only.

3) Patterned: Culture has a proper design if we change one part design of culture then other parts must be automatically changed.

4) Adaptive: Culture depends upon the human capacity that person wants to change or adopt it.

In this world many types of culture are present. Cultures directly influence the people; we can examine cultural differences and effect on the international marketing. Culture can change the technology, top management attitude, top management decisions and introduce new ideas and can even affect the government relationships. But the basic point is how people perceive the things and how they behave. Culture also affects the business activities. For example if we are doing business in Pakistan and convert our business in an abroad one, then the culture of the other country affects the business activities. So we should require a good understanding and good communication skills. First we should understand the culture of the host country and what are the preferences of people, what people think. You should provide the same values to the customers and communicate with the customer the way in which the customers want. Top management should also provide the knowledge to the employees because basically they are dealing with the customers. (Hodgetts, Luthans, Doh, 2000)

Through culture we know how we can create relationships and networks. We can understand the Asian market culture if we divide the culture in different groups; basically culture is the artificial boundaries, we segment the variables of culture and then implement the ethic approach which helps to analyze the culture. By applying the ethic model we understand the culture and the creation of network formulation in terms of three driving forces i.e. condition in change, philosophy and religion, and strategy and tactics. By condition in change we understand change in technology, political, economical, legal and market conditions of a country.

Philosophy and religion describes the religious and society values. Strategy and tactics define the strategy of negotiation and communication and it can change the whole life of the organization in international marketing. (Fretcher and Fang 2006, 13)

Culture is an important source for internal and external organization. With the passage of time market behaviors are getting changed. Forecasting about market behavior is getting so much difficult day by day. We do not know about next day, next month, next year, what will be the new change. The trend of getting education increases, people have more knowledge, they adopt new things, while markets become complex. Organization requires negotiating with their own corporate culture in which they are operating. Differences in the regions, difference in the organization culture function that we are using in an organization, and thinking of people working in the organization, all these aspects play a great role. When one dimension clashes the other negative thing may come in front and have a bad effect on the organization. We can say it impact of culture. Culture will be stable until any event occurs that will have a negative impact on culture. Such events cannot be stopped but a marketing manager should predict and be prepared for the negative outcomes which can be the result of any event. (Feost 2000)

As globalization is increasing, economic conditions are getting changed, members of firms increases, profits of an organization increase and increase in profits shows directly the link with international market. In international markets competition is very high; the competitor's advantage is a main factor as to how we compete with our competitors. In international markets ethics are more important because ethics differ from country to country and, depending on which country we are working in, its culture affects the ethical decision making. (Signapakdi, 1999 at all) "A committed employee is one who stays with the organization in favorable or unfavorable

conditions” (Meyec & Allen, 1997)

Recommendations:

After the research on the influence or importance of culture on the success of international marketing, we are going to suggest some recommendations which are very important to understand the culture of any foreign market.

These recommendations are as follows:

- 1) It is the responsibility of the human resource manager to create and maintain culture in an organization. A company should hire such HR managers who are competent and can adopt changes rapidly. Before hiring HR managers, the organizations must make it compulsory for HR manager to create and maintain culture and organization; this should be mentioned as a responsibility of the HR managers in their job description.
- 2) The organization should give orientation to the new employees about their culture and tell them about the norms, values, beliefs and attitudes of organization.
- 3) Every country has a different culture; if an organization wants to start business in a foreign market then they should understand the culture of the foreign market, their taste, preferences, education and decisional background. For example, in some countries employees want freedom at the workplace and in some countries there is a centralized hierarchy.
- 4) If the organization wants to send its employees in foreign markets then these should be trained. Organizations should provide training about the culture of the foreign market in which the organization wants to do its business operations. For example, if employees don't know the language of the country in which they want to do business, then they can never achieve success.
- 5) If any organization wants to do business in the foreign market then first of all it must understand the differences of

culture and their importance.

Conclusion:

At the end of research, we must conclude that research and organizational success are interrelated. If any organization wants to perform its business activities in foreign market then it should first understand the culture of that market. Every organization has a different culture and it is the responsibility of employees to understand the culture of an organization. Every country has a different culture - countries in Asia and countries in Europe have different cultures; it is the responsibility of an organization that it should adapt its culture to that country's culture. Organization culture includes norms, values, beliefs; an organization should understand different aspects of culture like religion, values, attitudes, education, social organization, technology, law and practices, aesthetics and language. These eight dimensions of culture help a marketing manager to understand the culture of market and any organization.

Culture plays a very important role to motivate employees in the workforce. When an organization sets its culture and forces its employees to follow it at that time only do the candidates join the organization as employees who are willing to adopt the culture of that organization. It is the responsibility of the HR manager to create a culture and share it with the other staff of an organization.

Culture of any country can influence the top management decisions, the attitude and technology of an organization. To achieve success, the organization should follow the culture of that particular country. First of all, top management should see the culture of that country, the preferences of customers, understand the market in which an organization want to perform its business operations, the attitude of employees. For example, in Europe, employees focus

on individualism, while employees in Asia focus on collectivism.

Without understanding the culture of a country in which the organization wants to do its business, the organization cannot achieve success because if it doesn't know the norms, values, beliefs and attitude of the customers then employees cannot run their business successfully. To perform business activities in a foreign market, it is necessary to understand the culture of the foreign market.

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