

How savvy is your company in International Marketing?

10 clues to get your International Marketing act right for 2010

We had the opportunity to interview Marieke de Mooij Ph.D. (Netherlands), the author of several publications on the influence of culture on marketing and advertising. Her book Global Marketing and Advertising, Understanding Cultural Paradoxes (third edition, 2010), Sage Publications (USA and UK) is used by practitioners and universities worldwide. A more specialized book is Consumer Behavior and Culture. Consequences for Global Marketing and Advertising (2003), Sage Publications (USA and UK).

Excerpts from the telephone interview between Sanjoo Malhotra from itim and Marieke de Mooij, edited by Jerry Vastano.

- 1. You said that global advertising is a true myth of the past century? What do you mean?**

The myth began as a result of an article published by Harvard Professor Ted Levitt (“The Globalization of Markets”) in the early 1980’s in which he promoted the standardization of marketing and advertising and offering identical products worldwide. This was based on the assumption that there are universal values.

The myth has to do with this assumed existence of universal values and emotions. Human values, attitudes, the concept of self, motives, emotions are all culture-bound. When presented in an abstract way, they are seemingly universal - such as love, a mother’s love, happiness, and health. However, how these values are actually expressed differs on a cultural level. People have different associations with what may be the same abstract term. The manner in which people express love, what makes people happy or how they deal with their health (actively/passively) varies with culture. For example, Americans are highly concerned with happiness or instant gratification. Instant gratification is less important for Asians and the value of happiness has lower priority.

2. What is “a good idea”?

A good idea is an idea that works: but the effect has to be measured. However, measuring advertising effectiveness is not easy. Advertising measurements are typically based on what works in the US. The measuring systems used by multinational companies are not adequate on a cross-cultural basis because they are based on a Western information processing theory.

What this theory presupposes is that in order to form an attitude and have consequent behaviour, people first need information. And it presupposes active information gathering by consumers. Most economists base their theories on this model. However, if you examine collectivistic cultures, you will find that people have a lot of information in their heads but they cannot say from where they got it. There is a continuous flow of information between people so they get a lot of information, but they don't search for information consciously. Their information processing system works in a different way. Also the scales used for measuring attitudes or buying intention are western and in other cultures people respond to scales in a different way. I recently received an e-mail from a researcher in India who told me how the advertising measuring system imposed by his global advertising chain was not working in India. What he figured out for himself was that people in India were responding differently to the Instant scales based on a Western mindset. In other words, scales based upon Western behaviours create different results in different cultures. In some cultures responses are at the extremes, in others always in the middle.

3. What role will “design” play in the future of International Marketing?

Both design for product development, retail design, and website design are culture-bound; the role of the designer is to adapt to the culture of the consumer or the receiver of the message. If not, people will not want to buy. In particular, when designing products it is important to get consumer insight on how they use the products. An example is a mistake by Heineken. I was told that the beer tender they developed for consumers to draw beer in the home was developed for sales throughout Europe. However, it did not work in Germany because the Germans draw beer in a different way.

Products, labels, packages and websites all communicate the cultural values of the country where they were developed. Cultural differences have to do with the context in which one grew up in terms of a customary style of communicating. If you grew up in a culture and learned to communicate in a certain way, it takes a lot of effort to communicate in a different way.

Designers develop websites from their own perspective – the way in which they have learned to communicate. Research shows that people navigate websites easiest if they are developed by designers of the same country.

4. How should brands react to new media opportunities with social media, web 2.0 when dealing in different markets?

Marshall McLuhan, the media philosopher prominent in the 1960's, said that "new media don't change us – they enhance current behaviour. If people are different, they will make them more different, if they are the same, they'll make them more the same." People use technology to do what they are used to; technology helps to do things faster or more efficient or in a nicer way.

The Web 2.0 technology, particularly the social networking sites, are most important to those in collectivist cultures as they tend to communicate on a regular basis with their in-groups and families. These social networking sites are less important to individualistic cultures. The most used blogging language today is Japanese and soon it will be Chinese. It will not be English.

Web 2.0 is supposed to facilitate interaction between companies and consumers, but this also varies with culture. In an Individualistic culture, people will communicate or interact with a marketing manager or CEO more readily – whether through the Web 2.0 technology or directly. People in collectivistic and high power distance cultures tend not to interact with the marketer because he/she is at a higher level of authority. Instead, consumers will interact with each other and talk about the product.

5. There is a big trend regarding the environment and going Green; can that be explained in cultural terms?

I only have data for the European Union, some 25 countries. This is mostly a matter for the rich world where they are most aware of the problem. Culture influences the degree to which consumers are willing to do something about it. Those from low power

distance and high individualism cultures are willing to do something about the problem themselves whereas those from high power distance and collectivistic cultures will wait for their governments to do something. The data suggest it is as yet not a strong buying motive.

At the same time, it is one thing to say something about the problem and another thing to actually do something regarding going Green. The gap between the percentages of people who say they will buy environmentally friendly products and those who actually do so is large. The higher countries score on uncertainty avoidance the larger the gap. Those who actually do something tend to be in low power distance and low uncertainty avoidance cultures and are driven to do something about the world. Also, the rich countries (typically high on individualism) can promote or help their people with this issue. In poor countries, people don't have the means to bring waste to recycling centers or there may be no waste disposal sites altogether.

6. How does one create a successful relationship with customers and clients?

Speak to them in their own language. I don't mean Dutch or English, I mean cultural language. The key is not to speak to them from a totally different value perspective. People simply will not understand it. For example if the advertising language conveys the message that "one must win" or "be the best one can be", this will not be an attraction to the Dutch or those in the Scandinavian countries.

7. What about the impact of Culture on Brand strategy and market strategy for new product introductions?

If it concerns the introduction of a totally new product concept, like in the 1990s the mobile phone, you can standardize, because the product attributes are important. But very soon competitors will introduce similar products and you have to focus on the benefits or values, and these are culture-bound.

8. From your experience, can you give us some "good examples" of companies that have taken culture into their branding and marketing approach?

I mainly look at advertising. An example is Kellogg's who take a local approach in Europe, in particular in the French and German markets. But not with the Danish or Dutch markets where they use an adaptation of US ads, probably because these markets are too small to take an effort.

Strategies vary with the personal preferences of the Marketing Manager. At one time, McDonalds used a local approach throughout the world and had an effective approach in all locations. However, when a new person took over the role, the company began to group dissimilar cultures with one message and imposed a single advertising idea. This has been less successful.

9. How, or what did they highlight to get there?

This depends a bit on the nationality of the Marketing Manager and whether they are sensitive to cultural issues. Typically American and British Marketing Managers are very universal in their thinking and take the approach that "what is good for us is good for the rest of the world." Marketing Managers of different nationalities often are more culturally sensitive and take a different approach. This is often true for Spanish Marketing Managers, for example.

There is little research on this aspect. Most research about strategic issues, such as whether to standardize or be local, is done by American academicians who interview American Marketing Managers. The Managers, of course, want to be successful and tell the interviewers what they want to hear and describe standardization. The main purpose – from the Manager's point of view – is to be efficient by taking one idea and imposing it on all the markets. Of course, the local Managers are responsible for profit and they may slightly change the message without being explicit about this to headquarters – we're talking about a delicate situation here.

This is interesting, especially given the economic challenges of today when many companies are trying to increase their presence or get a bigger market share.

There are two points. Companies – especially American multi-nationals with a short-term perspective - want to be efficient and save money. So they create one message (one big idea) and impose it all over the world. This message will be less effective in some markets than in others, because of culture. Secondly, the cost of developing a TV commercial globally is much less than the money you waste on the media in the

country where these messages don't work. What they fail to realize is the amount of money wasted on messages that don't work.

Take yourself as an example. When you see an advertisement in a magazine or on TV that you don't understand because it doesn't fit in your value system, you don't see it (the message) – it doesn't reach you. In some countries a message may even be offensive, which is worse.

One more point about Managers from Individualistic cultures. We learn in the Western world to be consistent and not to adapt like they do in Asia. Collectivists always adapt to the situation or context because of the need for harmony. The Marketing Managers from the Western world are programmed to be a personality and be consistent in their behaviour, to act in character. If you tell something to one person and something different to another person, you are thought of as a liar. Doing this continuously could even lead to the need to seek psychological counselling. They learn to be “cross-situational consistent” as opposed to be adaptive to different situations. This ultimate need for consistency drives their branding strategy. What I hear from Marketing Managers all the time is the need to be consistent, to be authentic. This doesn't work in global markets – you have to adapt. **Thriving for consistency in global marketing strategy is a fundamental error of the western world.**

10. Last words for us to take into 2010?

Markets are people and people are very different across cultures. Go beyond your own need for consistency.