CROSS-CULTURAL CONSUMER BEHAVIOR: AN INTERNATIONAL PERSPECTIVE

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The Imperative To Be Multinational

• Today issue is generally not whether to market a brand in other countries but to do (e.g. the same product, the same ‘global’ advertising campaign or tailored products and localized ads for each country).

• This challenge has been given special meaning by the efforts of the EU to forming a single market.

• The emerging ASEAN is important economic alliance that offers marketers new global markets. This group formed AFTA (free trade area).

• Many firm are developing strategies to take advantage of these and other emerging economic opportunities.

• Firms are selling their products worldwide for a variety of reasons

• a) overseas markets represent for future market as home markets reach maturity. b) foreign consumer eager for imported products.
Acquiring Exposure to Other Cultures

- How much customers' exposure toward foreign goods or lifestyles influence customers. They may travel, live, and work in foreign countries. Within this context, international marketing provides a form of "culture transfer".
- Researchers have shown that consumers use their knowledge of where products are made in the evaluation of their purchase options.
- Consumers tend to have an attitude or even a preference when it comes to a particular product being made in a particular country. This attitude might be positive, negative, or neutral.
- Cross-cultural consumer analysis is defined as the effort to determine to what extent the consumers of two or more nations are similar or different.
A major objective of cross-cultural consumer analysis is to determine how consumers in two or more societies are similar and how they are different.

Such an understanding of the similarities and differences that exist between nations is critical to the multinational marketer, who must devise appropriate strategies to reach consumers in specific foreign markets.

The greater the similarity between nations, the more feasible it is to use relatively similar strategies in each nation. If there differ in many aspects, then a highly individualized marketing strategy is indicated. The success of marketing and servicing in foreign countries is likely influenced by beliefs, values, and customs.
Time effects

• The pace of life differs from one nation to another. (spend 2 hours for birthday party or willing to wait for 2 hours for a late arriver)

• How time is spend on job is also an issue that varies from country (US-80% for task, 20% for social activities.

• Researcher on pace life in 31 countries (how pedestrian take to walk 60 feet) reveals substantial cross-cultural differences. Switzerland has the fastest pace of life and Mexico has the slowest pace of life.

• The growing middle class in development countries is a phenomenon that is very attractive to global marketers. Same products might have different meanings in different countries.

• Regulations in different countries may preclude the use of some of the marketing practices
Acculturation Is a Needed Marketing Viewpoint

• Marketers need to go through an acculturation process, learning everything that is relevant to their product usage in foreign countries in which they plan to operate.

• Cross-cultural acculturation is a dual process for marketers. 1st marketer must thoroughly orient themselves to the values, beliefs and customs of the new society. 2nd marketers must persuade the members of that society to break with their own traditions.

• A social marketing effort designed to encourage consumers in developing nations to secure polio vaccinations for their children would require a two-step acculturation process.

• a) obtain an in depth picture of the society’s present attitudes
• b) devise promotional strategies that will convince the members of a target market.
Alternative Multinational Strategies; Global verses Local.

- Marketers are arguing for one of two approaches.
- a) the world markets are becoming more similar, and therefore standardized marketing strategies is appropriate.
- b) that the variations among nations are too great for a standardized marketing strategy.
- The challenge is deciding whether to use shared needs and values as a segmentation strategy or to use national borders as a segmentation strategy.
- World brand are those product that are manufactured, packaged and positioned the same way regardless of country in which they are sold.
- Adaptive global marketing: some firm embrace a strategy that adapts their advertising messages to the specific values of particular cultures because they feel that the world brand concept may be going too far. There are some cases where localized advertising more appropriate to market they products.
Frameworks for Assessing Multinational Strategies.

- Multinational marketers face the challenge of creating marketing and advertising programs capable of communicating with a diversity of target markets, because this will enable international marketers to assess the positions their products enjoys in specific foreign markets.
- There are 4 possibilities that this decision framework considers range from a company incorporating a global strategy to developing a completely local strategy for each unique market.
- Another orientation is to concentrates on a high-tech to high-touch continuum. But this has it own limitation. E.g. computer usage.
Cross-cultural Psychographic Segmentation

- Any differences in attitudes or behavior can be crucial in determining satisfaction and may provide an opportunity for segmenting consumers in terms of cultural differences. This need a CCPS approach.
- Therefore tailoring marketing strategies must based the need of psychological, social, cultural and functional of specific foreign segments.
- Global psychographic research often reveals cultural differences of great importance to marketers.
- Marketers in international marketing must look upon aspect of the product, the promotional appeal, the pricing policy, or retail channels that are effective in one country.
- Product problem: neglect to modify their product to meet local customs and tastes, must ascertain in advance whether the physical characteristic of their products will be acceptable to the new market..and color meaning different cultures, e.g. blue – Holland – warmth, Iran – death.
Promotional Problems

- When communicating with consumers in different parts of the world, the promotional message must be consistent with the language and customs of the particular target society.
- Product names and promotional phrases can also cause considerable problems for international marketers.
- International marketers must adjust their pricing and distribution policies to meet local economic conditions and customs.
- Marketers must vary their distribution channels by nation.
- Certain term is not applicable to certain countries. Eg. “Low cost”.
Question

• Are the cultures of the world becoming more similar or more different? Discuss.