



Near East University

INTERNATIONAL MARKETING

MARK 402

Cultural Foundations

SESSION 3

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Source: Malhotra and Birks, et al. Chp 3

Outline

- The Meaning of Culture
- Cultural Concepts and Models
- Culture and Managerial Skill
- Culture and Negotiations
- Culture and Business-to-Business Marketing
- Takeaways

The Meaning of Culture

Culture is usually defined as the underlying value framework that guides an individual's behavior

- **an individual's perceptions of observed events,**
- **personal interactions,**
- **in the selection of appropriate responses in social situations**

individuals grow up and gradually come to understand what their culture demands of them

A modern conception of culture focuses directly on behavior

- **a repertoire of behavioral skills**

Cultures Across Countries

High versus Low Context Cultures

High Context Cultures

- **The meaning of individual behavior and speech changes depending on the situation or context**
- **Nonverbal messages are full of important and intended meanings**
- **When words are spoken, “reading between the lines” is important**
- **High context cultures can be found in most of the European countries, some of Latin American countries, and in Japan and many of the newly industrializing Asian countries**

Cultures Across Countries

Low Context Cultures

- **Intentions are expressed verbally**
- **A person's meaning should be explicit
not taken for granted**
- **Propositions have to be justified
and opinions defended openly**
- **Low context cultures can be found in culturally
diverse countries**
 - **in the U.S., China, Russia, Australia and New
Zealand**

Low and High Contexts

What you say is what you think -
"No, I really mean it..."

Abcdefgh
ijklmnop



Abcdefgh
ijklmnop

Silent language's role is LOW.

What you say is not really what you think. "As I am sure you understand,..." Read between the lines.

Abcdefgh
ijklmnop



Wbx d y e

Silent language's role is HIGH.

Hall's "Silent Languages"

- **Space**
- **Material Possessions**
- **Friendship Patterns**
- **Agreements Between People**
- **Time**

Time perceptions vary considerable across cultures - "a little late" in some countries means 5 minutes, elsewhere 2 hours.

Cultural Pitfall

Avoid Self-Referencing

- Self-referencing

Involves judging others' behavior

- Against your own past experiences
- And your own conception of self

- Can lead to misperceptions of people from abroad

Hofstede's Cultural Dimensions

- **Individualism versus Collectivism**

In a collective society the identity and worth of the individual is rooted in the social system, less in individual achievement

- **High versus Low Power Distance**

High power distance societies tend to be less egalitarian, while democratic countries exhibit low power distance

- **Masculine versus Feminine**

Captures the degree to which culture is dominated by assertive males , rather than nurturing females and the corresponding values

Hofstede's Cultural Dimensions

- **Uncertainty Avoidance**
 - Rates nations based on the level of risk tolerance or aversion among the people
- **Confucianist Dynamics**
 - Distinguishes the long-term orientation of Asian people from the more short-term outlook of Western people

Hofstede's Cultural Dimensions

| | Japan | Anglo-America (USA, UK, Canada) | W. Europe | |
|-----------------------|-------|------------------------------------|-----------|-----------|
| | | | Northern | Continent |
| Individualism | low | high | high | low |
| Power distance | high | low | low | high |
| Masculinity | high | high | low | high |
| Risk tolerance | low | high | high | low |
| Context | high | low | high | low |

Rapaille's Cultural Marketing Secrets

- **Secret 1: People don't buy products and services - they buy relationships.**
- **Secret 2: Understanding the local culture makes a relationship successful.**
- **Secret 3: Each culture has a DNA archetype to be decoded.**
- **Secret 4: After decoding, the strategy can be encoded.**
- **Secret 5: Decoding and encoding are necessary to succeed in global marketing.**

Rapaille: What is "Quality"?

JAPAN :

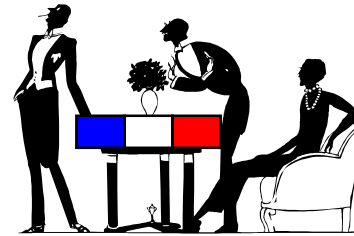
ZER  **DEFECTS**

GERMANY :

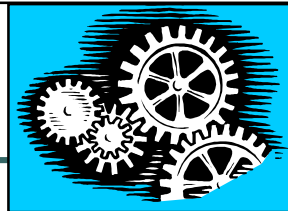
CONFORMS TO STANDARDS & SPECIFICATIONS

FRANCE :

Luxury



USA :



**It
works.**

Culture and “How to do Business”

- **Managerial Styles**

- **Cultures tend to generate different managerial styles – and different managerial skills.**

- **Managing Subordinates**

- **Cultural differences suggest that different types of leadership skills will be needed in managing marketing overseas as opposed to in the home market**
- **To help managers cope with or avoid cultural clashes most companies offer new expatriate managers (and their families) predeparture workshops and briefings**

Culture and How Managerial Skills Are Developed

- **Culture and Managerial Skill Development**

- **General culture defines a set of acceptable and unacceptable behaviors**
- **Individuals learn to act out these behavioral norms**
- **Over time, individuals become skilled at displaying acceptable behaviors and skilled at avoiding unacceptable behaviors**
- **Acceptable behavior in the business firm is usually a reflection of acceptable behavior in society**

Culture and How Managerial Skills Are Developed

- **Culture and Managerial Skill Development (cont'd)**
 - **Successful managers tend to be good at acceptable behaviors and at avoiding unacceptable behaviors**
 - **Successes and failures in the past will be repeated elsewhere whether or not applicable.**
 - **Therefore...**
 - **The managers successful in one culture will often NOT be successful in very different cultures.**

Culture and Negotiations

- **Know Whom You Are Dealing With**
- **Know What They Hear**
 - **The second caution from experts is the possibility of discrepancies between what the manager thinks he or she is communicating and what is actually received by the other party**

Nonverbal communication is always a mysterious ingredient in negotiations

- **Know When to Say What**

The Four Stages of Negotiations

| Stage | Japanese | Americans |
|---|--|---|
| 1. Non-task sounding | <ul style="list-style-type: none">• Considerable time and expense devoted to such efforts | <ul style="list-style-type: none">• Relatively shorter periods are typical. |
| 2. Task-related exchange of information | <ul style="list-style-type: none">• Most important step high first offers with long explanations and in-depth clarifications. | <ul style="list-style-type: none">• Information is given briefly and directly. “Fair” first offers are typical. |

The Four Stages of Negotiations

| Stage | Japanese | Americans |
|------------------------------|---|---|
| 3. Persuasion | <ul style="list-style-type: none">• Done primarily behind the scenes. Vertical status dictates bargaining outcomes. | <ul style="list-style-type: none">• Most important step: minds are changed at the negotiations table and aggressive persuasive tactics are used. |
| 4. Concessions and agreement | <ul style="list-style-type: none">• Concessions made only toward the end – holistic approach to decision making. | <ul style="list-style-type: none">• Concessions and commitments are made throughout – a sequential approach to decision making. |

Cultural Negotiators: Type A and B

| Trait | Type A Negotiator | Type B Negotiator |
|--------------------|-------------------|-------------------|
| Goal | Contract | Relationship |
| Attitudes | Win/lose | Win/win |
| Personal styles | Informal | Formal |
| Communications | Direct | Indirect |
| Time sensitivity | High | Low |
| Emotionalism | High | Low |
| Agreement form | Specific | General |
| Agreement building | Bottom-up | Top-down |
| Team organization | One leader | Consensus |
| Risk taking | High | Low |

The Limits to Cultural Sensitivity

Nonadaptation

- **It is important to recognize that when a country is ready for change, a different culture can be attractive**
- **There are limits to the effectiveness of cultural sensitivity as an accommodation strategy**
- **Attempts at cultural adaptation is prone to misinterpretation and may even create distrust**

Keeping One's Center

- **Cultural adaptation runs the risk of the manager losing his or her bearings**

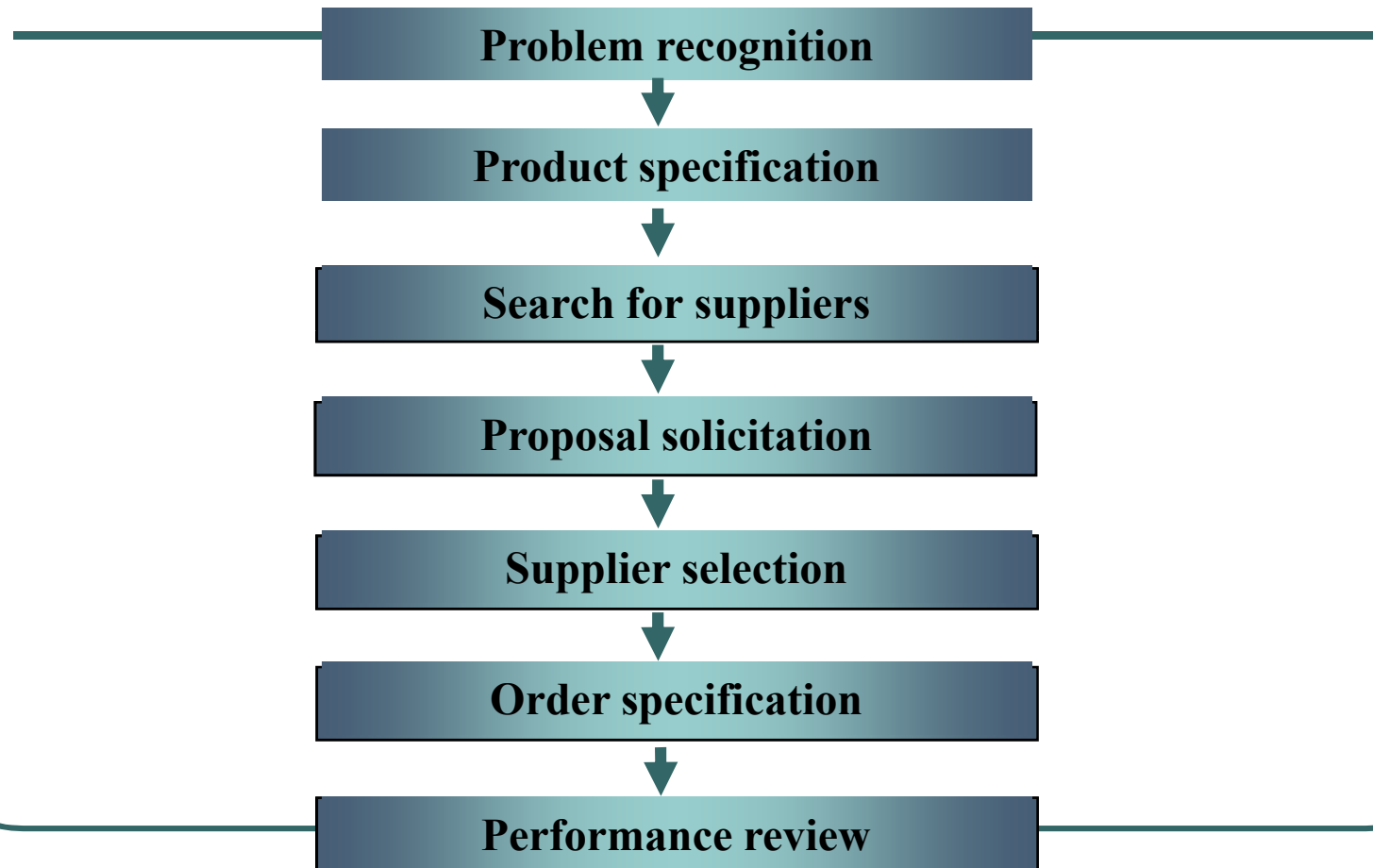
Understanding Industrial Buyers

The Business-to-Business (B2B) Marketing Task:

- *The marketer should help the buying organization succeed.*
- **RELATIONSHIP MARKETING IS IMPORTANT.**
- **TAKES A LONG-TERM VIEW.**
 - Various personalized services
 - Creation of new and additional services
 - Customizing a company's offering to the needs of a special buyer
 - Since without it, the effort required to build a relationship is not worth it.

➤ **The organizational culture reflects company policies and ways of making decisions.**

Industrial Buying Process



Industrial Buyers: Building Relationship

- **Various personalized services**
- **Creation of new and additional services**
- **Customizing a company's offering to the needs of a special buyer**
- **Since without it, the effort required to build a relationship is not worth it.**

Relationship Marketing



THINGS A MARKETER CAN DO TO CREATE A WORKABLE RELATIONSHIP:

- ADOPT THE BUYER'S VIEWPOINT.
- ACCEPT AND DEMAND TRANSPARENCY.
- GROW WITH THE RELATIONSHIP.
- BE PROACTIVE.

Always consider how the culture of the nation and the culture of the organization affect relationship marketing.

Takeaway

Culture is a fundamental dimension of any society, and is a very visible force that affects market demand as well as customer & managerial behavior

Takeaway

Culture affects strategy implementation & execution, “how” things are done, more than strategy formulation.

Takeaway

Our own culture has given us useful behavioral skills. In new situations, these skills may be useless or even counterproductive.

Takeaway

Industrial Buyers are influenced by the same forces as individual consumers, but also conditioned by the *organizational culture* in which they operate.

In negotiations, attempting to adapt completely to a new culture may be counterproductive since it is unexpected and might erode trust.

Takeaway

In B2B cultural differences are examples of market entry barriers & can be overcome with sensitivity, hard work, & a superior product or service.