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INTEGRATING COUNTRY-SPECIFIC CULTURE IN THE BRANDING STRATEGY FOR BUILDING GLOBAL SUCCESS

Empirical study

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Abstract

A strong brand is the one that integrates its cultural origins and values with the cultural values of the countries where it operates, building relationships based on trust with the local consumers. The chances for a company to gain share market when starting operations in a new country grows a lot if the management allows enough regional flexibility on how the brands are marketed, according to the cultural characteristics of the potential local customers. In the actual globalized business environment, the brand marketer has the choice to adopt a global or a local approach in the marketing strategy, that most of the times determines the success or the failure of the business in a specific country. An important challenge for any marketer is the integration of the brand-culture with the country-culture and in this context, the paper analyses different cultures and offers some branding strategies valid for both products and services. This paper aims to demonstrate the importance of the country-specific culture integration in the marketing strategy of a company for growing the effectiveness of all its operations. The ideas mentioned in this paper are based on literature research and also on authors' experience with multicultural environments.

Introduction

A strong brand is that brand that can integrate its cultural origin values with the cultural values of the local market, in order to create and maintain strong relations with local customers. It's difficult to keep the values of the brand unchanged when entering new markets and this is the main reason why there are only a few real global brands. In a top of the most famous global brands, realized by the company BrandZ™, the first places are occupied by technology companies like Google, Apple, IBM and Microsoft, these being examples of real global companies, as they offer the same products and services everywhere in the world. The next places are occupied by McDonald's and Coca Cola, recognized as global brands as well, but with a high adaptation of local values and tastes, being known that McDonald's adapts its menu according to its customer taste. For example, McDonald's is offering in Romania a traditional themed menu featuring deep-fried cheese and meatballs, while in Turkey their menu is adapted to the local customers, with Kofteburger, a variation of the Turkish dish called kofte.

Apart from these cultural adaptations of their products and services to local markets, these global brands, maintain their mission and vision during time, and don't change easy their target. By doing this, the global brands create an identity with relation to their customers and in this way, will differentiate from competition.

Locally effective global branding considers the traditions and customs of local people, adapting them to the values of the brand implemented in the home country or in other countries. Choosing the timing of various marketing campaigns accordingly with local religious holidays have a big impact on the results of the campaigns.

The structure of the paper is as follows: section two presents a literature review of brand management, section three analyzes the cultural characteristics of local markets, while section four shows how to integrate successfully global brands into local markets. The last section draws conclusions and provides grounds for further discussions.

Literature Review

Communicating a clear message to the customers, helps them to have a clear image of the brand and to position it correctly in the competitive market. Maintaining the same values and image that define the brand, when entering a new international market, help the company gain trust among its potential customers. The brand image is an integrated part of brand's equity, the value of the brand, as perceived by customers. (Keller, 2001). A brand is formally defined by a name, sign, symbol and logo that identifies the products and services offered by a supplier and the way it differentiates from other similar products or services offered by competition (Aaker& Joachimsthaler, 2009). Brands are information and tell consumers many things about the product or the service, they act as a way to reduce the purchasing risk. (Kapferer, 2012) Also, brands provide clues of the quality level of a good before purchasing it. (Bharadwaj, 1993)

The brand is much more then just a name and an associated logo, it is considered a valuable asset (Webster& Keller, 2004) because customers will look for reputation in any brand, and even more in a service brand where it is not possible to touch and check the attributes of the products like it can be done with fast moving consumer goods.

Webster considers essential for any company to focus on brand awareness and on brand image (Webster& Keller, 2004), because if a brand is strong and reliable, new launched goods will be adopted easily due to the fact that other goods in the past were satisfying for the customers.

The brand positioning is an important decision the management of the company must take in order to drive customers towards the brand. Best and Rozin (Best, 2000; Rozin& Magnusson, 2003) designed a procedure for succeeding in branding positioning and segmentation. The main idea is that the process should focus on the customer, not on the product or service, so the company should first identify the needs of various segments of potential customers and then design the services to fit those needs. Best recommends to divide the customers into segments for better personalization of the products or services offered and in this way to increase the satisfaction and fidelity of the customers (Best, 2000)

There are two types of customers (adapted after Keller, 2001), the ones that seek long-term partnership that will put value on credibility, reliability and reputation (partnership customers) and the ones that seek price advantage (transactional customers) and will take the service only if the price is smaller comparing to competition.

The statistics show that the tendency is to form strong relationships between company and customer, not to have isolated transactions. And if the product or service has proven to be reliable, to have a good reputation, the relationships built between the company and its customers will be stronger and the customers, beside of being loyal, will be more open to the innovative products or services the company offers.

Most of the times, a well known international brand established its position relative to competition, for a product or service group, choosing a niche; the bigger the niche, the bigger the long term profitability and product performance. (Keller, 2001)

Cultural characteristics of local markets

Taking into consideration that cultural and social aspects of a market influence the needs of the customer, local values must be taken into consideration when entering a foreign market.

The brand managers should identify the target customer they address to in each country and adapt their marketing strategies accordingly. One of the best known apparel brands, Zara, creates different brand image in Western European countries and in Eastern European Countries. If in Western Europe, Zara promotes a casual look, with affordable prices pieces, in Eastern Europe it promotes a fashion look, with high-end products and bigger prices. The same company, creates adapted collections for Arabic countries, exporting only pieces that cover enough as to be bought by Muslim women. This situation happens because Zara targets different niches in Eastern Europe and in Western Europe and if in countries like Romania, Bulgaria or Croatia, the brand is perceived as a luxury one, in England, Spain or France, due to the competition, it is perceived as an affordable brand.

Other companies have managed to target the same customer niche in all the countries they operate, but still they had to adapt to local values to achieve this. Nike for example, is a sport brand that sells the same sport quality products everywhere in the world where the brand is present. The major colors of their products differ from country to country. If in European countries, the company mostly promotes white or black shoes, in Asia the dominant colors are red, blue or pink. Also, the brand ambassador is recommended to be a well known local public person with a high social capital and influence power. In their intent to compete with Adidas and Nike, the main two players in the sports apparel industry, Puma hired Usain Bolt as global brand ambassador, but the campaign didn’t have the desired output even if the athlete was the best in the world at that time, because it wasn’t known well enough in all the countries.

Brand image is affected in international markets by two characteristics, national culture and socioeconomic situation. The culture of a country influences the customer behavior and the speed of the acquisition decision of goods. R.D. Lewis (2000) and Hofstede et al (1990) studied how cultural values can impact on the brands success, identifying the power distance concept and the individualist- collectivist cultural aspect of consumer needs.

The power distance criteria refers to the way a culture accepts inequality, dividing cultures into two types, egalitarian and hierarchical. When deciding to enter a new market, managers should analyze if their brand is more suitable for egalitarian or hierarchical culture type. For example, Hermes is found in countries with a lot of distance between the social classes, where the rich people want to show off their social position. In egalitarian cultures, people don’t consider so important these brands, as they are not interested in social status and being associated with luxury brands.

Power distance affects brand strategies as high-end brands are successful generally in in cultures with high power distance, while low-cost brands and affordable brands, offering a good quality at a fair price, are most likely to be profitable in low power distance cultures.

In general, consumer search in a brand the promise of a quality product, in this way trying to reduce the risk when purchasing that product. From this point of view, high uncertainty avoidance cultures will be most likely to be a good market for global brands, as they offer a trustable product. Low uncertainty avoidance cultures on the other hand, are more open to new players in the market and are willing to try their products, even if they don’t come with the guarantee of a strong brand image. So, brand managers are recommended to entry new markets with low uncertainty avoidance cultures if they offer innovative products and their brand name is not so strong yet, because in high uncertainty avoidance cultures there is a big risk of business failure.

Collectivist cultures value the group more then the individual, while individualist culture encourages individual achievements. High individualist cultures fit best original brands that offer limited editions, as individuals want to be different then the rest and get the attention, while high collectivist cultures are most suitable for global brands that offer individuals the possibility of affiliation, of belonging to a group.

The second characteristic of international markets is the socioeconomic situation. Brand managers should consider this aspect when entering new markets, analyzing the average wage people get in that area, the unemployment rate, as well as other factors. Expansion managers should consider if entering a poor market is a good idea, especially if their goods prices are much beyond the purchase power of the locals. Buying performant telephones, even if the income is low, is a characteristic of developing collectivist countries, where individuals try to be part of a group through affiliation.

Integrating global brands into local markets

The management of a global brand has the decision on allowing more or less flexibility to the local branding strategy. Usually, the technology or the personal care brands offer less flexibility to brand managers at a local level, as they want to use the global recognition of the characteristics of their product to maintain the trust of its customers. The food or soft drinks brands are the ones that allow a great flexibility in their marketing strategies, as they need to adapt to the taste of the locals. Starbucks for example takes the coffee culture to all the countries it starts operations in, but it tailors the experience as to fit in every culture. If in the United States the customers take the coffee and go, so there is no need for a big fancy coffee shop, in Europe the company launched spacious spaces where customers might sip their coffee while hanging out with friends. At the same time, the taste of the coffee differ from country to country. As British prefer lighter versions, in United Kingdom the company offers a great variety of lattes, while in Turkey it offers espressos versions, as an intent to attract local customers used with strong short Turkish coffees. Also, Starbucks offers spacial products created for celebrations, like cinnamon cappuccinos for Christmas periods or heart-shape cookies for Valentines, this marketing approach assuring increased sales for these periods.

Brand managers should be aware of the fact that what sells in the home country, might not sell abroad and should take into consideration all cultural and social components of a new market, before starting operations in that country.

Timing of launching new campaigns should be made in such a way as to coincide with local holidays, by this approach the company increasing the chances to succeed in a new market. Another important aspect of global brands entering local market is the implication in the marketing campaign of local specialists, as they know very well the values and customers of local customers.

Conclusions

Brand managers should take into consideration the cultural characteristics, the values and the customs of local potential customers when entering international markets. At the same time, managers should consider small brand adaptation to the local values and sometimes, even small changes in the characteristics of goods such that would fit better clients needs and tastes.

Power-distance, uncertainty avoidance or individualist- collectivist aspects of cultures are a good starting point in the market analysis and represent the basis of the branding strategy tailored for that country.

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