Challenges and Remedial Measures in Cross Cultural Marketing

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Abstract

As a result of globalization, numerous businesses now conduct business in multiple nations. Multinational organizations, in which employees from multiple nations work together to achieve organizational goals, came into existence because of the expansion beyond national boundaries. Although it is correct that the businesses find these developments appealing and profitable, but conducting a worldwide business is more difficult than handling a domestic one. Different social, cultural, economic, legal, and political environments have an impact on global business. Additionally, there are a number of risks associated with global business, such as currency risk, cross-cultural risk, and political risk. All business units, domestic and international, rely on human resources to perform at all operational levels. The point of this paper is to analyze multifaceted difficulties related to marketing in regard of associations engaged at global level operations. The paper makes the observation that the company is able to prevail over the challenges of cross-cultural marketing after having the comprehensive acquaintance of overseas culture, respect for overseas culture, and proper management direction toward cultural distinctness.

Key words –Globalization, cross culture marketing, risks, international

Introduction

The most key component in conducting business internationally is globalization. To gain an edge over their competitors, businesses which once operated on the domestic market have established their presence internationally. Cross-cultural marketing is crucial for both newly created businesses and those that are established to continue to exist in the worldwide market. Cross-cultural marketing is when a marketer from a different culture promotes their goods or services in a way that appeals to the local customers who are their target market. While promoting their goods or services abroad, marketers should pay attention to cross-cultural marketing factors including attitude, tradition, religion, behavior, beliefs, language, traditions, rituals, and food. These cross-cultural marketing components aid the marketer in creating the right market mix for their goods or services. The products or services of the newly established company in the global market would readily reach the intended customers if the marketing mix is built based on cross-cultural marketing.

Cross-culture marketing is a strategic means of targeting consumers who cultural backgrounds vary from the marketer's own in at least one core way, such as language, religion, social standards and beliefs, education, and the way they live life. Marketers must be responsive to cultural differences and aware of various cultural dimensions in order to engage in cross-cultural marketing. respect the cultural rights of consumers in global markets, and marketers must recognize that consumers worldwide deserve cultural rights. To have a strong hold in cross culture market marketers must create a marketing mix according to the cultural needs and requirements of the consumers. Marketer should understand that people of different culture have different demands.

Literature Review

According to DeMooij (2015), multicultural marketing makes use of cultural norms from multiple cultures to promote a company's products or services to the greatest extent possible by demonstrating an interest in and appreciation for other cultures. It takes into account the divergent perspectives, motivations, and beliefs of customers from various cultural backgrounds. Cultural differences must be recognized, comprehended, and respected in order for a multicultural marketing strategy to be successful.

According to Williamson & Cheng (1999), global businesses must correspond on various "wavelengths" and acclimatize to various global markets.

According to Menaka (2014), corporations and governments,study of cross-cultural communication first arose in the context of individuals who were both seeking to advance abroad. Companies began offering language classes to their personnel, and schemes were put together to teach individuals how to act when going overseas.

According to Robinson (2014), In higher-level forms of interaction, two or numerous individuals express their thoughts, feelings, and ideas with somebody else. Communication is also referred to as subject to discussion.

Objectives

1. To scrutinize the challenges of cross-cultural markets being faced by the global level organizations

2. To recommend proper measures to administer cross cultural differences and concentrate on obstacles in the plan of global marketing programs.

Research Methodology

The study is explanatory in nature. The study is based on the secondary data, which was collected through the literature, research papers, websites, articles and blogs by different marketers.

Cross-cultural Marketing

Cross-cultural marketing is a type of marketing that focuses on consumers whose cultures are different from the marketer's or its existing clientbase. In other words, it encompasses marketing to customers in a way that aptly adjusts the marketing mix to account for cultural differences between them. Commonly, the intent is to effectively speak to and influence that audience by utilizing the diverse cultural norms from various ethnic groups. Cross-cultural marketing can be considered as global global marketing, and multiethnic marketing. The primary objectives of cross-cultural marketing are to upsurge target addressable market, instill consumer loyalty, and brand recognition.

A wide range of distinctive cultural components, commonality, and discrepancy can be properly considered when performing cross-cultural marketing. Some of these attributes include dialect, religious doctrine, moral beliefs, customs, social conventions, economic structures, legislation, way of life, manners and customs, and others.

Cross-Cultural Marketing Benefits

Detailed knowledge of the customer: Cross-cultural marketing helps organizations grasp the customer requirements, yearnings, and values of clients from different cultures. The success of marketing measures and strategies may enhance with more in-depth knowledge. Cross-cultural marketing may build rapport between businesses and clients from culturally diverse backgrounds. By considering the cultural differences, businesses may improve their customer relationships. Greater potential for further growth: Firms that engage in cross-cultural marketing may increase their outreach and diversify their patrons. This may cause a spike in the percentage of consumers and sales. Improved competitive advantage: Cross-cultural marketing helps businesses gain an competitive edge. Businesses can grow by centering on new markets and assessing the clients ' needs from different ethnic and cultural backgrounds.

Reasons of Cultural barriers

Culture is behaviors, manners, customs, rituals, beliefs, ideas, arts, knowledge, values, morals, and ideals learned in a group of people of the same nationality, religion, or ethnicity that are shared and socially transmitted. It is passed down from one generation to the next, slowly growing and spawning numerous subcultures along the way.

Communication can be difficult due to cultural diversity, especially in the workplace, where a misunderstanding can result in costly issues. There are a number of things that can become obstacles when people from different cultures collaborate.

1. **Language** The biggest barrier to cross-cultural communication is said to be language since lack of proficiency can lead to a lot of miscommunication. Even while interpersonal interaction is crucial in all situations, translations can distort a word's actual meaning. Conflict may arise in this situation because of misinterpretation and misunderstanding of thoughts.

Example . In Chinese Market Mercesez Benz entered with brand name BENSI which means 'Rush to Die'

Pepsi's jingle "Pepsi Brings you back to the life" was first introduced in China as "Pepsi brings you back from the Grave"

2. **Prejudices and stereotypes** Stereotypes are mostly negative perceptions of a specific group of people, cluster, or society. The majority common reasons for conventions include age, people, gender, race, religion, and gender identity. Stereotypes such as "all Asians are good at math" and "all Germans are punctual and very direct" are common.

3. **Signs and symbols** are forms of nonverbal communication that are culturally specific and cannot be relied upon for communication. In Bangladesh, the phrase "thumbs up," which is commonly used as a sign of approval in the West, regarded as an insult.

Gerber a Nestle's brand started to sell baby food with the same packaging in Africa same as in USA having picture of Baby on the label. However, it was a flop since the majority of people in Africa lack literacy, because firms often put an image of what is inside the box on the label.

4. **Behaviors and beliefs** Cultural differences grounds differences in behavior and personality, such as body demeanor, gesticulation, temperament, communication, comportment, and ethics, which may result in misreckoning. For instance, while some cultures place a high value on eye contact, others view it as rude and disrespectful.

Toyota in its advertisement used a naked pregnant woman, this was acceptable in some countries but most of the countries didn't like this concept because of vulgarity and distastefulness.

In China saying YES or NO clearly is a sign of disrespect. Gatherings are for talking things over, not reporting choices.

5. **Attitude towards time** -Time Time is also viewed differently in different cultures. A few nations like Germany, Netherlands, Scandinavia, Switzerland or the US will quite often see time as straight. Punctuality is a great value because time is money. In order to focus on the task at hand and complete it within a predetermined amount of time, tasks are typically completed one at a time.

6. **Dress Code** Age and culture often have an impact on how people dress. For example, many Sikh men wear turbans as part of their observance of faith. In most cases, headwear restrictions in dress codes can restrict their right to express their religious beliefs.Today's younger generation dress more casually express their individuality and on the other hand older generation prefer professional attire to give value on conformity. This is another example of cultural differences in dress codes.

7. **Feedback**- Receiving and giving feedback also varies from culture to culture. In China, for instance, criticizing superiors is not acceptable. People who moved to the United States from China speaks less in group discussions because they always wait to be asked by a senior before expressing their thoughts.

8. **Communication**: Upbringing in diverse culture or backgrounds affects people's the pattern of their communication. For instance, Europeans have a propensity to expect frequent eye contact and to speak straightforwardly in conversations. They may feel more at ease saying no and rejecting requests.In contrast, Native Americans may perceive direct eye contact as disrespectful, so they have a preference to be polite through indirect communication and make suggestions rather than demands.

In United states, the organization can target their customers with casual tone but in Japan this looks informal or disrespectful.

Receiving a business card from a Japanese finance manager is definitely not a peaceful activity. The person is supposed to bow and hold the card in both hands as they do so. The recipient receives it with both hands.

Political Risk

Geopolitical risk, often known as political risk, is when a government of a country suddenly changes its policies in a way that negatively affects a foreign enterprise. One example of a potential shift in policy is trade barriers, which serve to limit or disrupt international commerce. Some countries will demand extra money or levy taxes in return for the ability to import products. Tariffs and quotas protect domestic producers against competition from overseas. This may also have a big effect on the earnings of an organisation since it either decreases or restricts the amount of money that can be made through an export tax.

Nations have introduced in place free-trade affords like the North American Free Trade Agreement (NAFTA) and other comparable measures in an effort to reduce the number of trade obstacles. However, not all of those tactics are favourable, and persistent trade conflicts can make it challenging for multinational corporations to compete successfully. As a result, real-life variations in foreign legislation continue to have an influence on a company's earnings and general success when conducting business overseas.

Measures to Overcome Cross Culture Challenges

As the directors and the workers in a global association bit by bit comprehend the aspects and contrasts, it is the obligation of the two chiefs and the representatives to embrace the systems to keep the variety under control. The strategies that assist us in overcoming the challenges presented by cross-cultural differences in marketing are listed below.

1. **Proper Knowledge of other Foreign Culture:** Recognizing and accepting the existence of cultural differences is the first approach. These differences must be identified, described, explained, and comprehended. Recognizing a partner's culture should be the first step toward understanding each other and working well together. This step is definitely not easy or common.

2. **A respect for a diverse culture**: It is impossible to claim that one culture is "better" or "more perfect" than another. Cultural aspects are unique, and for their people, they represent the best way to deal with challenges in the environment in which they have lived for a long time. One is expected to respect all culture without giving any judgements.

3**. Neglect the differences in culture:** At one point in this technique, the management ignore the variations. It loses relevance later since executives and staff members will have learnt to appreciate one another's cultures earlier and will have a good knowledge of one other's cultures and practices. The employment of this tactic gives management and staff the idea that "our way is the only way," exactly like it is done in small enterprises. If diversity is not understood, it is hard to manage cultural differences effectively or to minimize or increase the good consequences of variety.

4. **Reduce disparities**: The managers in this strategy acknowledge cultural differences, but only as problems. The majority of organizations that are ethnocentric use this tactic. Managers in these organisations try to decrease cultural variety in order to lessen disparities. The advantages of variety are not taken into account. They make an effort to either choose a socially homogeneous workforce or introduce all employees to the norms of the prevailing culture

5**. Dealing with differences**: Synergistic organizations use this strategy. These organizations are aware of the positive and negative effects that cultural differences can have. "Our way and their way of believing and managing differ, but neither is superior to other," the managers in synergistic organizations believe. For this situation, the administrators and workers limit likely issues by dealing with the effects of social contrasts, not by limiting the actual distinctions.

6.**Political Risk Insurance** Additionally, companies may choose to buy political risk insurance to protect their stock investments and loans against certain government acts. These firms are able to establish and extend their worldwide enterprises with the help of political risk insurance despite irregular or uncertain business circumstances. Businesses can obtain insurance that offers protection in the case of war, terrorism, labour conflicts, supply shortages, trade restrictions, and other similar events.

Conclusion

In actuality, a broad spectrum of financial possibilities are being created by the globalised economies throughout the world. However, an enterprise needs to be keenly cognizant of cultural variations in order to expand across the globe, sustain in business, and enter new markets. Divergences in culture are certain to exist in global markets as the globalisation process moves ahead.

Marketing to consumers whose culture differs from the marketer's own through a cross-cultural lens is known as cross-cultural marketing. The basic cultural characteristics that need to be taken into account include things like social conventions, values, language, education, religion, economic systems, business etiquette, laws, and way of life. Cross-cultural marketing often uses the audience's diverse cultural conventions to communicate with and influence them.

Similarly, rather than ignoring cultural differences, managers manage their effects to get the most out of their potential benefits. Organizations that train their managers and employees to recognize cultural differences and to use cultural differences to benefit the organization are those that employ the strategy of managing differences. Cross-cultural conflicts not only create barriers, but they also present challenges for international businesses, which in turn encourage the company's growth.

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