

Culture and Religion as Key Factors in Contemporary Marketing

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Abstract: The research is devoted to the phenomenon of the influence of culture and religion on the development of the marketing programs of the companies. Various case studies have been dealt with by attempting to cover diverse cultures and continents – Scandinavian countries, Mexico, Islamic marketing, Japan. Conclusions are drawn on the different marketing approaches to be applied.

JEL Classification: M31 M3

Keywords: marketing , marketing mix, culture, religion

Културата и религията като ключови фактори в съвременния маркетинг

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Резюме: Изследването е посветено на феномена на влиянието на културата и религията върху развитието на маркетинговите програми на фирмите. Разгледани са различни казуси по страни, като е направен опит да се обхванат разнообразни култури и континенти- скандинавските страни, Мексико, ислямски маркетинг, Япония. Направени са изводи за различните подходи при маркетинга, които трябва да се прилагат.

JEL Classification: M31 M3

Ключови думи: маркетинг, маркетинг микс, култур, религия

Marketing is one of the most exciting topics in the business world over the past six decades. It is known to revolve around three main disciplines – product management, customer management and brand management.

To be more precise, marketing emerged in the 50s and 60s of the twentieth century with a focus on product management, and gradually in the 70s and 80s evolved into customer management. Subsequently, its methodology and tools developed by the 90 years of the twentieth century and early twenty-first century include the management of the brand. Continuous adjustment of marketing concepts to different walks of life are the main cause marketing is still exciting research and practice.

In the 50 years of the twentieth century Neil Borden coined the famous term “marketing mix”, and in the 60s Jerome McCarthy introduced the four P's. During these marketing decades are characterized by the concepts of product management. Their purpose was to create demand for the product. For example, the four P's of McCarthy explained generic management practices of the product in those years: product development (Product), setting the price (Price), promotion and advertising (Promotion) and organizing distribution (Place). These tactics were more than enough for the then years. This is the essence of Marketing 1.0.

Everything changed in the 70 years of the twentieth century, when the US economy and the West has been hit by the oil crisis and its induced inflation and stagnation. The economy is unstable in the next decade because economic growth shifts to developing countries in Asia. It turns out that to create demand is already difficult and the four P's are not enough. Customers are smart buyers. Due to the lack of distinctive positioning many products are perceived as consumer goods. This forces marketers to think seriously and develop more effective concepts.

They add to the four P's new P's, namely: people (People), evidence (Physical Evidence) and public opinion (Public Opinion). “Customer” shifting “product” and this requires management to customers. Management of clients includes strategies such as segmentation, targeting (defining target groups) positioning. Thus was born Marketing 2.0. Introduces new concepts such as “emotional marketing”, “marketing experience”, “brand value”. The creation of search is not limited only to reach the mind of the customer through classical model of positioning and by new methods with which to touch the heart of consumers.

The future of marketing is determined partly by current processes, in part by long-term factors.

For example, in recent years, companies around the world are experiencing the deepest recession since the Great Depression – those are 80s of last century. Free and indiscriminate distribution of credits in the form of mortgage, credit cards, commercial and consumer loans to individuals and organizations who are unable to repay their debts is a big mistake. The main culprits are the banks, greedy investors, speculators and brokers risky bonds.

When the financial bubble burst and home values fall rapidly, as the poor become poorer. Customers shrink costs and moving to cheaper brands and products. This proved disastrous for the US economy, 70% of whose gross domestic product is formed by consumer spending. Companies lay off many employees and unemployment climb from 5% to 10%.

Question arises: whether hereinafter consumers will spend cautiously; whether they would prefer to save. If costs stay low, economic growth will slow because both factors will feed off each other.

Thus the main challenge facing marketing now is how to get consumers to part with their money. Obviously, Marketing 1.0. and Marketing 2.0. will retain relevance – yet remained the essence of marketing development and segmentation, selecting target market positioning, providing the four P's, building a brand. But changes in the business landscape – recession, climate change, social media, empowered consumers, a new wave of technologies – will continue to catalyze major changes in marketing practices.

Over the past 60 years marketing concepts are mostly vertical. To restore customer confidence, it is necessary to adopt a new system of consumer confidence. And it is horizontal. What does this mean?

Today's consumers gather in their communities and beyond looking for any attractive images. Skeptical, because they know outside their communities, they are scarce.

To succeed, companies should understand that consumers value co-creation, community building and certain images. So let's analyze these three components, which we believe are the three cornerstones of future marketing practices.

The “co-creation” is a term that was coined by S. CK Prahalad. The “new era of innovation”, he and Krishnan, examine new ways to create products and experiences through cooperation between businesses, consumers, suppliers, distributors interconnected in a network of innovation.

The experience, which is associated with a product is never an isolated experience. It is a collection of individual experiences of the user who create the highest value of the product. As a result of using the product, the user experience is definitely exam, he customized according to their unique personal needs and desires.

The co-creation of experience comprises three main processes:

1. First, the company must create a so-called “platform” – a generic product that can then be customized.

2. Second, the user customizes the platform according to their own characteristics and desires.

3. Third, we need feedback from users in order to enrich the platform.

The concept of community is closely linked with the concept of tribalism in marketing. In “Tribes” Seth Godin puts forward convincing arguments in support of the assertion that consumers want to be connected with other users, not companies. Companies that want to take advantage of this new trend needs to adapt and to assist users in creating communities. Seth Godin believes that success in business requires the support of communities.

Furniar and Lee believe that users can create three types of communities: lake, grid and axis.

Community user-Lake share common values, but not necessarily communicate with each other. What unites them is only trust and their strong attachment to a particular brand. This community is a community of fans of the brand. Companies can maintain this community.

Community user-network communicate with each other. This community is the typical social network. A user community-axis revolve around a powerful figure and build a group of loyal fans. Either way, companies can use the community as a fact and in turn be of service to community members.

The brands need to build their own and distinctive DNA. Only those brands can build an image while there. It is essential that everything be real, not to lose consumer confidence. The loss of trust means loss of the entire network of users.

Commoditized is a word, no company wants to hear. Differentiation disappears, margins fall, and customers buy solely on the basis of price.

If we consider, however, the commodity good – coffee bean, depending on what business does with it, it can be any of four economic offerings – commodity (harvesting the coffee bean), good (grinding and selling the product coffee), service (preparing and selling a cup of coffee in the cafeteria), and experience (serving a coffee in a supreme restaurant).

- A new source of value

Experience has always been around, but previously it has been lumped in the service sector. But experience is buying a series of memorable events. It has always been at the heart of entertainment, which number of options has exploded in the past years to create new experiences. It is important to understand that experiences are as distinct from services as services are from goods. Companies stage an experience when they

engage customers in a memorable way. But experiences don't benefit only consumers. Because businesses are made up of people, business-to-business can also provide experience.

- Valuable distinctions

There are a couple of reasons why experiences have been growing so rapidly recently. One of them is technology, which allows the experience to "happen". Another is the intense competition. Providing experience is a way to differentiate from the competitors. The biggest reason, however, is the nature of economic value and its natural progression – from commodities to goods, to services, and then to experiences. An additional reason for the rise of the Experience economy is increase in each individual's wealth. It is important, however, to distinguish between higher-value offerings and commodities.

- Commodities by definition are fungible (exchangeable) materials that are extracted from the natural world. The prices of commodities are based on the supply and demand.
- Goods are inventoried and made by using commodities as raw materials. They are standardized tangible items, which customers buy off the shelf. The prices of goods are based on production costs and differentiation.
- Services are intangible activities customized to the individual request of clients. The service providers use goods to perform different operations. Services accomplish a specific task, customers don't want to do themselves. Providing services helps a company to escape from the commoditization trap. The commoditization trap that force manufacturers to add services to their products is now attacking the services as well.

The greatest force of the commoditization is the Internet. It benefits customers from time and cost (friction-free transactions eliminating the human element) savings. In addition to the commoditization, service providers face disintermediation (companies go around retailers, distributors, and agents to connect directly with their end-buyer, decreasing the employment in the intermediaries). And the third and biggest sector that lowers the service sector employment is automation – with the development of the technology now automation eliminates many jobs in the service sector as well as in the goods sector.

- Experiences occur whenever a company uses services as the stage and goods as props to engage an individual and capture his/her heart and dollars.

In the recent years we can observe that the increase in Consumer Price Index for commodities increases less than that for goods, which increases

less than the CPI for services, which increases less than the CPI for experiences. Which demonstrates the consumers' shift for demand from commodities to goods to services and to experiences. While in the same time the commodity output produced increased last years, the employment in the commodity industries decreased. In the goods and services sectors, the increase in the output is also not correlated to the employment.

Manufacturers must focus on the experience customers have while using their goods.

*"I don't want the public to see the world they live in. I want them to feel they're in another world"*¹

- Walt Disney –

Walt Disney is the father of the experience economy. In 1955 he opened Disneyland, an immersive park that involved guests in entertaining stories. Cast Members stage a production of sight, sound, taste, aroma and textures to create an unique experience.

This is one of the best example of experiential marketing. But experiences are not limited to the entertainment industry. Every company that engages its customers, connects with them in a personal way.

But why this happens now. There are some really adequate reasons:

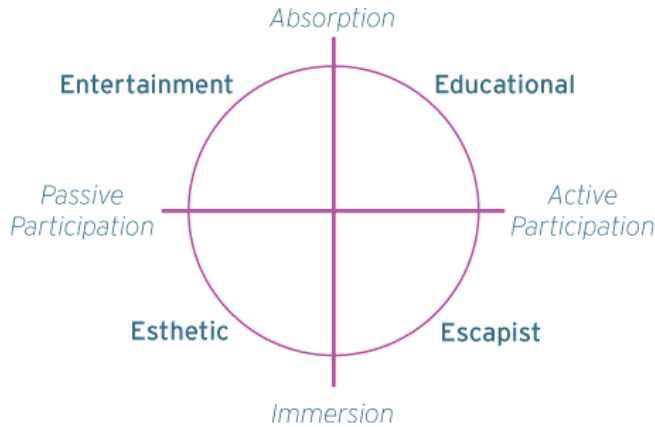
- Technology powers the new experiences.
- Increasing competition drives search for differentiation.
- Rising affluence.
- The natural value of an experience.

The Progression of Value:

- Each offering increases in value because it is more relevant to the customer needs.
- An experience stager differentiates its offering.
- Intangible value of the experience remains.
- Customer values the experience and is willing to pay more.
- Experience stagers increase the price (premium), based on the distinctive value, not the market price

¹ Walt Disney

Figure 1. The realms of an experience



Source: <http://www.greenlineemeritus.com/w/2011/07/11/what-do-you-expect-part-2-experience-realms/>

- Educational: what do you learn? (absorb with active participation).
- Entertain: what do you enjoy? (absorb with passive participation).
- Escapist: how do you get here? (immerse in event with active participation).
- Esthetic: why do you want to be there? (immerse with passive participation).
- Rich experiences include all four realms.

Participation & Connection in the Experience:

- Passive participation: guest does not influence the performance (concert).
- Active participation: guest affects the performance (skiing).
- Absorption: experience enters guest (movie).
- Immersion: guest enters the experience (video-game).

The 3-s Customer Relationship:

- Customer satisfaction: What customer expects – what customer perceives
- Customer sacrifice: What customer accepts – what customer wants
- Customer surprise: What customer expects – what customer gets unexpectedly

In a very interesting article there are some really good and impressive examples of “experiential marketing”. One of the best for me is “Doc McStuffin’s check up clinic”:

*“Doc McStuffin is a Disney Channel TV show about a six-year-old girl who heals toys out of her imaginary clinic. If you’ve not heard of it, I’ll get my seven-year-old niece to sing you the theme tune. To promote the upcoming second series and increase merchandise sales Disney recreated Doc’s clinic in Tesco, Smyths and Toys R Us in the UK. Children were given a 10-minute immersive experience where they took the role of Doc and diagnosed what was wrong with Big Ted. Children waiting for their turn were able to play with Doc McStuffin merchandise, do colouring in, or watch clips from the TV show. Almost 8,000 children took part in the experience, 75% of whom rated it as ‘excellent’ (I’m assuming they surveyed their parents). Most importantly, it created a 5.3% increase in the propensity to buy merchandise.”*²

In conclusion we can say that the customers don’t buy services or goods but results. Value is the relation between the result, quality procedures, price & access costs. The ultimate value is created by an unique experience that engages the customer and create memories. By focusing on an individual customer, you can decrease customer sacrifice and create a memorable, surprising event.

Religion is an organized collection of belief systems, cultural systems and world views. They tend to drive morality, ethics, religious laws or a preferred lifestyle from their ideas about the cosmos and human nature. Many religions have narratives, symbols, traditions and sacred histories that are intended to give meaning to life or to explain the origin of life or the Universe. According to some estimates, there are roughly 4200 religions in the world.

Consumer behavior

It is directly affected by religion in terms of products that are symbolically and ritualistically associated with the celebration of religious holidays.

Religion can genuinely support and guide people in their personal lives, whereas ultimately, brands will always come and go.

Should religion be part of marketing strategy?

The question is simple enough, but the answer is not. Religion is perhaps the world’s most powerful driving force. No matter what your beliefs are, you must agree that religion is powerful. But for marketers it is double-

² <https://econsultancy.com>, “10 very cool examples of experiential marketing”, article, (2014, 28 July)

edged sword. On one hand, you have the world's most powerful motivator at your fingertips. Use it well and you will influence the masses and fuel sales. On the other hand, if you make mistakes, you risk offending a large customer base you intend to target. Strong brands like Apple, Ferrari or Harley Davidson can trigger a reaction in the brain that's not unlike that of religious devotees.

Martin Lindstrom suggests 10 ways to create such effects.

1. Create sense of belonging

Religion creates a sense of belonging, people with the same religion are "brothers". Likewise, strong brands create a sense of belonging among other users of the brand – it is like being a member of a not-so exclusive club.

2. Develop a clear, strong vision

Most religion have a clear vision, whether it is to reach a certain state of grace or achieve a spiritual goal, like heaven.

3. Designate enemies

4. Make sensory appeal

Strong brands evoke certain feelings and associations based on how they look, feel or smell.

5. Storytelling

Strong brands tell stories to their customers.

6. Grandeur

Strong brands embrace grandeur, a place to showcase their power.

7. Evangelism

As its launching, Gmail recruited "acolytes" by making the service available by invitation only.

8. Strong symbol

Every religion has a symbol, so do strong brands.

9. Mystery

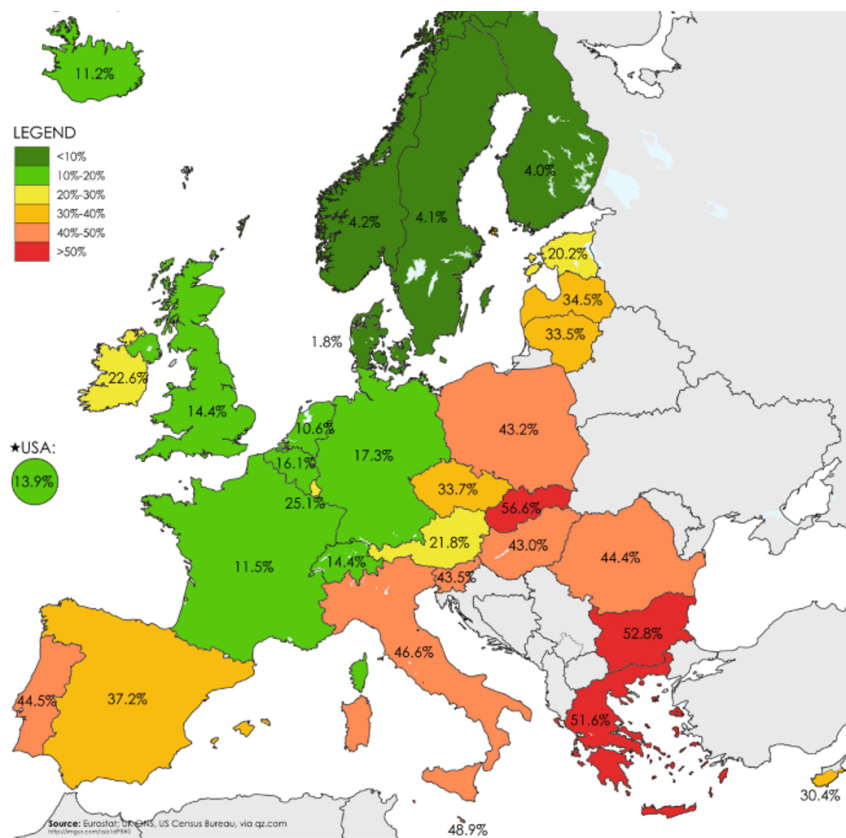
Strong brands create mysteries: Coca-Cola recipe. It is said that only 2 people know what exactly Coca-Cola recipe is.

10. Rituals

Whether we are aware of it or not, all these factors contribute to what we think about when we buy.

If we start analyzing the society and its beliefs it will be of a great importance to focus on the young adults and the way their parents decided to raise them. As we can see on the map bellow (Figure 1), the Scandinavians are the ones with the lowest percentage of young adults, living with their parents.

Figure 2. Percentage of Young Adults In Europe, aged 25-34, Who Still Live With Their Parents³



The choice of this graph is not a coincidence. Every independent person, no matter their age, is facing many changes and challenges directly related to marketing. The young adults should learn how to plan their budget, to identify their needs, as well as their responsibilities.

That makes them aware of the market conditions in a very young age, which helps them develop faster and better in the future as smart buyers and not only consummators.

³ <http://brilliantmaps.com/europe-live-parents/>

All of them are taught that it is good to invest in order to gain not only money but success in general. That is why Scandinavian companies are marketing their services and products to non-profit organizations such as churches, charities, universities and government agencies.

They are also famous with their ability to be productive and at the same time cost-efficient. As one of the world's design leaders they are offering functionality, aesthetics and environmental consciousness.

When we are analyzing their beliefs it is good to mention IKEA- the world's most successful market retailer, selling Scandinavian-style furniture and interior design ideas.

IKEA's CEO Ingvar Feodor Kampard is a Swedish billionaire. He named his company after himself, with IKEA being the anagram for Ingvar Kamprad, his name, and Elmtaryd Agunnaryd, the farm where he grew up. (Elmtaryd), and his home county (Agunnaryd). He drives a 15-year-old Volvo, flies in economy class and eats with his employees at IKEA stores to mix with his employees and enjoy a cheap meal.

As Kamprad says himself:

"If there is such a thing as good leadership, it is to give a good example. I have to do so for all the IKEA employees."

The example that he gives could be valuable not only for Denmark, Finland, Iceland, Norway, and Sweden but for the whole world. If the people learn how to manage their resources well, they could achieve much more than they have ever expected.

Another fact, forming the beliefs of the people in this country is the combination between the average size of the population and the big surface that they live on. In Scandinavia we can find one of the biggest countries in Europe, but not the most populated. The wealth of the countries is divided between a small number of people, which makes the GDP per capita one of the highest in the world.

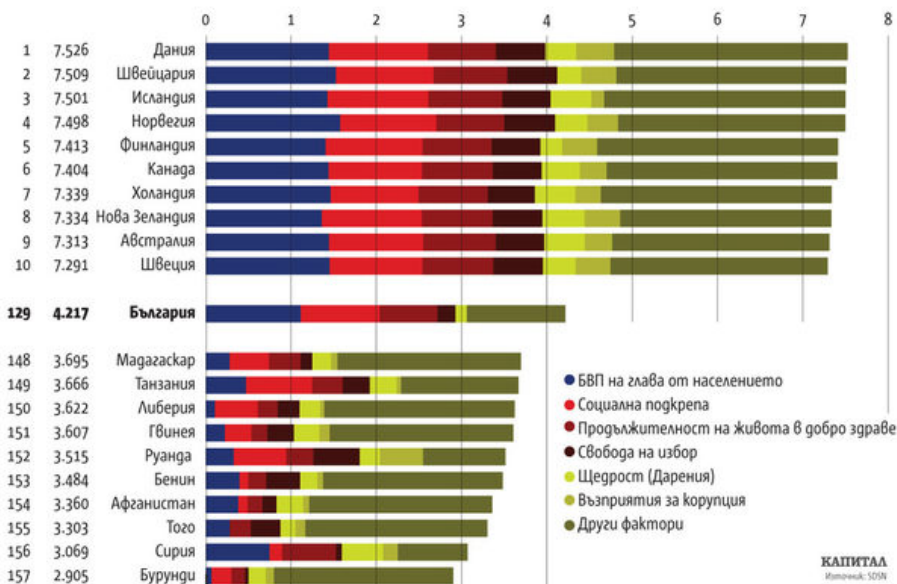
The fact that they are not stressed for their financial future is one of the reasons they are a good choice for a target. The fact that they are feeling safe is one of the reasons why they are feeling happy. As we can see on Figure 2- a survey from Capital Newspaper (2016) the Scandinavian countries are one of the happiest nations worldwide for the period 2013-2015⁴.

⁴http://www.capital.bg/politika_i_ikonomika/bulgaria/2016/03/16/2724346_bulgariia_ostava_sred_nai-neshtastnite_durjavi_v_sveta/

Figure 3. Класация на щастieto 2013-2015

КЛАСАЦИЯ НА ЩАСТИЕТО 2013-2015

позиция/индекс на щастieto от 1 до 10/ държава



A lot of countries envy the geographical position of the countries in the region-Denmark, Finland, Iceland, Norway, and Sweden are located between economically stable and developed countries.

If we suppose that a marketing manager has assembled a list of potential markets to enter. How does he/she choose among them? Many companies prefer to market to neighboring countries because they understand these countries better and can control their costs more effectively. It's not surprising that Germany's largest trading partner is France, but it is interesting to note that its second largest trading partner is the United States. Germany's other export partners are the United Kingdom (8.4%), Italy (7.4%), the Netherlands (6.2%), Austria (5.3%), Belgium (5.0%), and Spain (4.9%). The two largest US export markets are Canada and Mexico, while Swedish companies often choose their Scandinavian neighbors – Finland and Norway.⁵

At other times, psychic proximity determines choices. Many US firms prefer to sell in Canada, Australia and England, instead of bigger markets such as Germany and France – because they feel more comfortable with the language and culture and are familiar with the law. Companies should be careful when choosing markets according to cultural

⁵ Kotler, P., Keller, K., Brady, M., „Marketing Management“, Pearson (2012).

distance. Besides overlooking potentially better markets, firms may perform superficial analysis of some very real differences among countries and adopt predictable marketing actions that put them at a disadvantage.

It is often considered as a better idea to operate in a small number of countries, with a deeper knowledge and penetration. In general, a company prefers to enter countries that are in the high positions when it comes to market attractiveness and low in market risk.

Postmodern consumption patterns are described as culturally diverse, fragmented, increasingly market-mediated and that could be true for the Scandinavians.

Society shapes the beliefs and that largely define consumer tastes and preferences. People transfer, create and receive information every day and that is one of the reasons why it is hard for the companies to identify their needs.

That is why it is good for the managers to analyze the countries in which they are planning to operate with a PEST analysis. It describes a framework of the factors in the macro-environment and when done right, helps do identify the future consumers and market specifications. When doing this for the Scandinavian countries a manager could see many differences when it comes to beliefs.

With their small population, Sweden, Norway, Finland, Denmark and Iceland have been strongly targeted by marketing companies from all over the world but mainly United States of America. European companies that have been active in this region have achieved great results. Many of the companies, operating on the market have the highest per capita sales figures.

But there is one point that makes growing a business in the marketing sphere not so easy in the region. The Nordic regulators are a lot stricter than those of any other democracy. There, the respective governments regulate their advertising industries. It is surprising, because of the fact that the Scandinavians are famous with their creative ideas, that often could be mid-blowing. The rules behind the regulations claim that the moral reasoning is important. Mads Ohrt, the interim managing director at BBDO Denmark, explains it simply: *“Deep within Scandinavian culture there is something that makes us focus on doing the right thing.”*

Restrictions on advertising across Denmark, Finland, Norway and Sweden are among the toughest in the world and in Europe, including ban on advertising to kids in some markets, restrictions on healthcare products, alcohol cigaaretters etc. No political or religious advertising is available on TV, radio or any digital media. There are reasons deep in the culture for the regulations and their acceptance.

One of the beliefs that makes these countries great for the marketers is their ability to care of its citizens with the most generous welfare provision in the World. One of the examples is the fact that the countries are providing paid leave for new parents, where all of the new mothers are given 12 months annual leave and they receive 80% of their salary, or ten months with full pay, where the father could take the money if the mother decides so.

This “caring” attitude makes people feel sure about their future and are build faith in them. That leads to a lower number of financial problems and makes the Scandianvians one of the people with the strongest purchasing power in the world.

The sense of trust is so high in Scandinavia that to some researchers it seems to be the most mysterious and potentially important factor of all for explaining why Scandinavians lead the world in considering themselves prosperous.

The most recent Prosperity Index, published in 2010, showed 74 percent of Norwegians believe other people can be trusted, the highest such rate in the world. Denmark came in second, with 64 percent finding others trustworthy; Finland third with almost 60 percent; and Sweden sixth, with 56%. The majority of Europeans as well as the Scandinavians feet positive about the legacy passed on in terms of freedom, quality of life, equality, solidarity and welfare. On the other hand, people are pessimistic when asked about employment, the environment, ethics and personal safety.⁶

The benefits that the Scandinavian countries are offering run all the way through society. In Sweden, which is famous as a welfare state, the high level of trust even means people are willing to pay high taxes to support government social services because they believe their fellow citizens will not abuse the system.

The Scandinavian countries already have a trusting population that enjoys the fruits of having an efficient government elected to look after the society's interests and not its own.

But for many other countries the situation is different-they do not have the benefits, the trust and safety, directly given from their country. Social scientists are constantly exploring these topics, but they can conclude and prove that economic growth alone is not enough. And that can be an example and give courage to the millions of people who still struggle because of the government’s bad decisions, corruption and every aspect that all of these decisions affect.

Another fact that could connect the marketing sphere and the Scandinavian beliefs is the fact that the people in these countries are

⁶ http://www.rferl.org/a/scandinavia_meaning_of_prosperity_index/24267365.html

used to live in harsh natural conditions- the weather is not only cold but it is dark for most of the daytime. That makes the Scandinavians really appreciate the cosines of their home and the relationship with their family. They have one of the most famous interior designers and creative minds in this field. The Danish word “hygge” is usually translated into English as “cosiness”. But it's much more than that.

The cosines and the strong family relationships make the countries in the Scandinavian region some of the most secure for a future population. A lot of foreigners emigrate there and choose the countries to build a family and raise their children.

The Demographic characteristic of Denmark⁷ on Figure 3 is a summary of the fact that the countries in the region will expand and create future consumers.

When we discuss the topic related to Scandinavian Marketing, Islamic Marketing or any other form or generalization we should not forget that there is a difference between every single country, part of the generalization.

Heikki Kauppila, the managing director of BBDO Helsinki in Finland, uses the following words to highlight some key cultural differences in the region. He says:

“Finland is rock 'n' roll, Sweden is pop. Finland is Lordi, Sweden is Abba. By which I mean that the Finnish are straightforward, like rock 'n' roll, while the Swedes are much more sophisticated.”

In general that means, that, no matter that both of the countries are in the same group that is discussed in the project, they have their own characteristics that should be taken in consideration.

Beliefs are the basis for the way our societies function. What we believe in determines our actions. This could be related both to the way consumers behave and to their perception of products, brands or entire companies on the market. Understanding the beliefs and the culture of the target customers is vital for the success of every marketing strategy. There might be differences of people's perception from region to region in a country or there could be similarities in the beliefs of people across whole continents. Companies, especially multinationals, should pay special attention to that in order to deliver the right product or service to the right customer.

⁷<https://bg.wikipedia.org>

Beliefs and Culture

According to Merriam-Webster dictionary, belief is ‘a state or habit of mind in which trust or confidence is placed in some person or thing’ or ‘something believed; especially: a tenet or body of tenets held by a group’.⁸ Consequently, every person possesses their own set of beliefs regarding personal traits, behavior and manners, society, life. Additionally, everyone has their own judgement of what is good, right, beautiful, interesting, inspiring, etc. Such beliefs could be the perceptions of an individual as well as the way of thinking of entire groups of people, societies or countries. Thus, people have their personal convictions which they might or might not share with others and they also act according to the beliefs of the group they belong to. When something is believed in, it forms a part of perceptions and becomes a reason behind one’s actions. Because of the fact that groups of people share the same understanding, there are common patterns in their behavior.

All the beliefs that exist in a society are one of the elements that compose its culture. Geert Hofstede defines culture as the way of thinking of a group of people which distinguishes it from another group of people.⁹ Those collective beliefs are the tool to tackle common problems. Therefore, nationals of one country might have a culture which is different from the one that people living in another country have. Beliefs, along with the values, rituals, heroes and symbols are what forms the culture of a nation.¹⁰

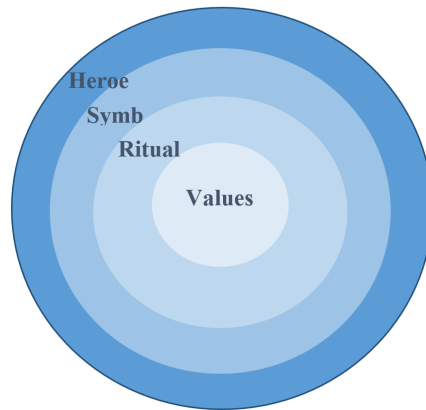
Furthermore, the fore mentioned elements of culture are shared by the majority of people throughout a society and are learned from others, especially the family. The beliefs as a part of culture are relatively stable. Although they require big periods of time to change, they do evolve over time. Beliefs and culture are among the main drivers of human behavior and consequently consumer behavior as well. Those perceptions differ from country to country. They should be understood in depth in order to identify precisely the needs of consumers and what are the right ways to satisfy them. Moreover, through evaluating the cultural aspects of a specific market, companies are able to transmit clear messages to consumers.

⁸ Merriam-Webster Dictionary, <https://www.merriam-webster.com/dictionary/belief>

⁹ Hofstede, G., Minkov, M., (2010) *Cultures and Organizations: Software of the Mind*,
<https://geert-hofstede.com/cultural-dimensions.html>

¹⁰2016, High-Context vs. Low-Context Communication, Tough Nickel, <https://toughnickel.com/business/High-Context-vs-Low-Context-Communication>

Figure 4. National culture as defined by Prof. Geert Hofstede



Source: Hofstede, G., Minkov, M., (2010) *Cultures and Organizations: Software of the Mind*.

It is particularly interesting to study the way people across the world communicate and the extent to which verbal and non-verbal communication is used to convey messages. The cultures of different countries could be divided into low context ones and high context ones, as the term suggested by Edward Hall for the first time.¹¹ Low context cultures tend to communicate meaning through words. Conversations are shorter and straightforward, without hidden messages and no attention paid to nonverbal expressions. When saying something, people are explicit and express all their thoughts in words – verbal messages are direct. Communication serves to exchange information and ideas. People observe the rules, they tend to be more precise and are task-oriented. Responsibilities and decisions are divided according to what needs to be done. Countries with low context cultures are the United States, UK, Canada, Germany, Switzerland. When companies want to reach customers in these countries, they ought to transmit clear and explicit messages in order to be understood.

On the contrary, in high context cultures individuals belong to groups and are hugely dependent on them. There is an emphasis on networks and friendships. Relationships are stable, they are built on trust and thus there is a strong differentiation between people who are accepted by the group and others that are not. Actions are heavily impacted by the connections and the progress of the group. Regarding communication, less is expressed explicitly through words. Nonverbal components of

¹¹2016, High-Context vs. Low-Context Communication, Tough Nickel, <https://toughnickel.com/business/High-Context-vs-Low-Context-Communication>

interaction, such as the tone of voice, gestures, eye contact and facial expression play an important role in conveying the message in a conversation. It is needed to combine words with nonverbal expressions to understand the entire idea spoken. Furthermore, what is said is indirect and people from high context cultures talk around the point. In connection with the fact that reading between the lines is necessary, the preferred communication is personal and face-to-face. The way of thinking is regarded as deductive or concentrating on the general first and afterwards on the specific. South American countries, including Mexico, Arab countries, Italy, Greece, Japan, China, Korea are all examples of high context cultures. Probably emotionally charged marketing campaigns with a lot of indirectly spoken messages are an appropriate tool for capturing the attention of such consumers.¹² Later on, those that are impressed might spread the word to their circle of family and friends and thus enhance the efforts of companies.

Another division of culture according to Hofstede is the one regarding the levels of individualism or collectivism in a society¹³. In individualistic societies people look after themselves and their immediate families and there are not so strong relationships between people. These countries usually have low context cultures and directness is equal to honesty. On the contrary, high context cultures are collectivistic and they are loyal to a group to which they belong and which encourages and protects them. Being indirect is a synonym of being polite.¹⁴ Mexico is an example of a society which puts an emphasis on collectivism. Mexicans have a strong feeling of belonging and loyalty to groups, they are characterized by closeness to the family. Consequently, due to the belonging to a group, word of mouth would be a strong mechanism which might be of help for distributing more information and opinions for certain products.

Beliefs and Culture in Mexico¹⁵

This paper is aimed at studying the importance of the beliefs of the people in different states and how they impact marketing in the country. Mexico is the biggest Spanish-speaking country in the world in terms of population.¹⁶ According to the World Bank, the 2015 GDP of the country

¹² Prof. Dr. Leena Pundt, Cross-Cultural Communication, Hochschule Bremen City University of Applied Sciences, Summer Semester 2016.

¹³ Hofstede, G., Minkov, M., (2010) Cultures and Organizations: Software of the Mind, <https://geert-hofstede.com/cultural-dimensions.html>

¹⁴ Prof. Dr. Leena Pundt, Cross-Cultural Communication, Hochschule Bremen City University of Applied Sciences, Summer Semester 2016.

¹⁵ Lewis, R., (2010) When Cultures Collide: Leading Across Cultures

¹⁶ 2016, Mexico – Market Overview, Export.gov, <https://www.export.gov/article?id=Mexico-Market-Overview>

is \$1,143 trillion, making it the 15th largest economy in the world. As of 2015, the population of Mexico is above 127 million people and this ranks it as the 10th most populous state worldwide.¹⁷ Furthermore, between 1995 and 2010 the middle class grew by 12%, according to the World Bank and this ranked Mexico among the highest growth Latin American countries.¹⁸ The rising middle class means growth potential for many markets. It is interesting to observe the market specifics of one of the biggest economies globally and the beliefs and the motives behind the behaviour of the typical Mexican consumer. In order to gain market share, companies would need to adapt to the local norms. Culture and its dimensions have an impact on marketing decisions and it is worth it to study the extent of that influence.

To understand beliefs in Mexico better, the values shared in the country are observed. People in Mexico are usually extroverts, they are passionate and tend to exaggerate their emotions. They are usually cheerful and full of joy.¹⁹ Similar to the Aztec caste system, Mexicans passively accept that societies are stratified and everyone has a predefined role in the hierarchy. The status of a leader and his authority is assumed. Another typical trait is saving face at all costs and a concern with the dignity of every individual. Something Mexicans inherited from indigenous people is their suspiciousness and the fact that they do not establish relationships before they trust others. This is due to the many betrayals which the indigenous people who inhabited those areas suffered in the past. However, hospitality and warm-heartedness are also among Mexican characteristics. Women are greeted with a kiss and men usually greet each other with a hug and slapping backs. Collectivism, strong family ties and belonging to the group are very important. Usually families are larger with the father being the head of the family and the wife and the children obiding.

Doing Business in Mexico

Mexico is the biggest Spanish-speaking country in the world in terms of population. 45% of the people there are considered to live in poverty, earning less than \$10 a day, another 45% are thought to be middle class

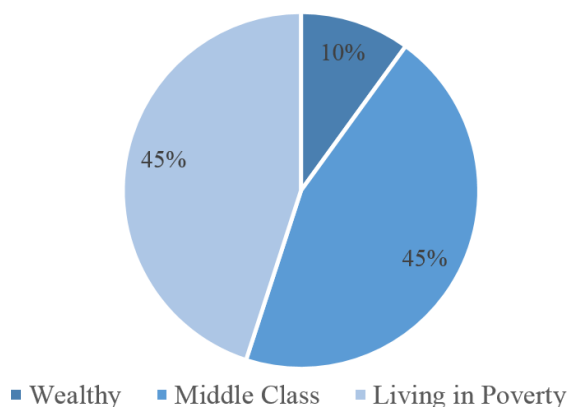
¹⁷ World Bank database, <http://www.worldbank.org/>

¹⁸ 2016, Convenience matters: Serving the New Mexican Consumer, PwC report, <https://www.pwc.com/gx/en/growth-markets-centre/assets/pdf/convenience-matters-serving-mexican-consumer.pdf>

¹⁹ 2016, Understanding Mexican DNA: the true reasons which make us feel proud, Coca Cola Mexico, <http://www.coca-colamexico.com.mx/historias/entendiendo-el-adn-mexicano-las-verdaderas-razones-que-nos-hacen-sentir-orgullosos>

and 10% – wealthy.²⁰ This stratification of the society in terms of income could be observed by companies when they are making the decision in terms of how much and what products to launch, at what price, where and who is going to buy them. That division of different income groups in society might also be one of the demographic criteria when companies segment the Mexican market.

Figure 5. Stratification of Mexican Population in Terms of Income



Source: 2016, Mexico – Market Overview,
<https://www.export.gov/article?id=Mexico-Market-Overview>

Companies that are establishing themselves at the Mexican market should also be aware of the so called “mordida”, which literally translates to “bite”. This term refers to the fact that facilitating the business and using the social services usually is done through payments to civil servants or officials. This is considered normal and there are rates for the different types of services.²¹ In terms of marketing, this might hinder the proposed strategy so firms should be prepared and react accordingly.

Beliefs in Mexico and the Marketing Mix

In international context, beliefs and culture become an indispensable part of marketing. Those companies which do not adapt to the local behaviour are not likely to succeed. In order for a firm, a brand or a product to be profitable, it should fit into the perceptions and traditions in a particular country. Culture ought to be integrated in every “P” of the marketing mix

²⁰ 2016, Mexico – Market Overview, Export.gov, <https://www.export.gov/article?id=Mexico-Market-Overview>

²¹ Barbezat, S., 2015, Mordida, Go Mexico, <http://gomexico.about.com/od/glossary/g/mordida.htm>

in order to fully satisfy customer needs. In the case of Mexico, typical characteristics such as, for example, strong family ties, exaggeration of emotions and belonging to the group should be taken into account when creating a marketing strategy.

Product²²

The product policy of a company aims to answer questions such as what and how much to be produced and supplied so that the production complies with customer needs and production possibilities. To be competitive at the local market, a company should adapt its products, especially when it sells consumer goods which tend to be more culturally diversified. In order to be competitive on the market, companies should analyse the overall economic situation in the country, legal regulations and competing firms and create a strategy which takes into account all those factors. Furthermore, it is essential to consider the characteristics of the product, its packaging, the design and features, the origin. When some of these components or the whole set of them does not satisfy the requirements of the customers, the product would not be attractive and people would not buy it. For instance, Mexicans believe that yellow flowers symbolize death and therefore a product with such a logo or image of yellow flowers on the packaging could create problems and bad image of the company.²³ Thus, the criteria of the consumers for the product are leading and most important for companies to comply with.

When the famous U.S. food chain offering Mexican fast-food Taco Bell tried to enter the Mexican market, it failed twice.²⁴ Americans perceive the brand as one offering delicious “Mexican” food. In Mexico, the reason why the company was rejected by consumers was the product: they did not accept the taste and the quality and did not view the tacos offered as the original and traditional ones. The second approach of Taco Bell to the Mexican market failed either: this time they offered an “American” product, tacos with French fries, this strategy proved to be unsuccessful as well. As fore mentioned, trust is important for Mexicans and probably consumers lacked trust in an American firm offering them Mexican food. The product of the company could not fit into the culture of Mexico. It might have been seen as unauthentic. This is the reason why the product and consequently the whole business of the company was rejected. Moreover, traditional Mexican food is a part of UNESCO’s Intangible

²² Krasteva, N., 2012, Contemporary Marketing

²³ 2016, Yellow Flower Meaning, Flower Meaning, <http://www.flowermeaning.com/yellow-flowers-meaning/>

²⁴ O’Reilly, N., 2013, 5 Things You Probably Didn’t Know About Taco Bell, Fool.com, <http://www.fool.com/investing/general/2013/11/09/5-things-you-probably-didnt-know-about-taco-bell.aspx>

Cultural Heritage and Mexicans take pride in it.²⁵ What is more, people in Mexico tend to eat a lot of homemade food and they praise what their mother or grandmother prepare as the most delicious dishes. Their expectations on the quality of food are set high. Thus, entering the market with a product whose characteristics did not match the desired ones led to the failure of Taco Bell.

Another requirement of the Mexican customer is the end-to-end experience. This is achieved through partnerships across different industries. The factor which caused greatest inconvenience for consumers when renting a car was the distance between retail stores and transportation nodes. Therefore, a car-rental company established a partnership with Walmart and replied to the need which emerged on the Mexican market.²⁶

Place

Place or distribution is another element of the marketing mix. It focuses on the ways of delivering the products of the company to the customer. Through the distribution companies reach their target customers. The distribution might be direct, where the company delivers directly to its customers, or indirect, where one or more intermediaries are involved. When it comes to distributing internationally, it might be easier to have indirect distribution since it facilitates operations and the distributors most probably would know the market better. Since consumers are most important, when distributing their products, companies should take into consideration shopping habits and try to adapt their distribution channels to that.

Convenience stores in Mexico are on the rise since people do not have enough time and need efficiency and convenience when shopping. Numbers of women working are also increasing and thus they have less time for housekeeping activities, such as shopping or looking after the children. Corner shops were very popular in the country although now they are gradually replaced by minimarts.²⁷ Convenience and proximity of the shops are needed by Mexicans and therefore the market changes so that this need is satisfied. Supermarket retailers grow their businesses in response to that. Mexicans can now buy motorcycles and mattresses from one and the same place. What is more, in Mexico moments are captured and enjoyed.

²⁵ UNESCO, <http://www.unesco.org/>

²⁶ 2016, Convenience matters: Serving the New Mexican Consumer, PwC report, <https://www.pwc.com/gx/en/growth-markets-centre/assets/pdf/convenience-matters-serving-mexican-consumer.pdf>

²⁷ Garcia, I., 2015, 8 Mexican Habits I lost When I Moved to the States, Matador Network, <https://matadornetwork.com/abroad/8-mexican-habits-lost-moved-united-states/>

For instance, many people decide to stop for a while at the local park just to take pleasure in the moment.²⁸ This abrupt halt of other not so pleasant activities alters the purchase intentions of consumers. Decisions what to buy depend hugely on the time and the specific moment motivation. Combining the roles of time and location might be of help when deciding where and which products to supply to the Mexican market.²⁹

Price

The price of a product represents its value to both customers and sellers. It should be decided in accordance with all other elements of the marketing mix. The economic interests of all stakeholders should be satisfied. This means that the price should cover production costs and at the same time be competitive so that more customers choose to buy the product. The demand, the target consumers, the pricing policies of competitors, government regulations and the national level of prices, the targeted profit are among other factors which impact the way prices are set. The costs incurred are a major factor. Companies should also observe their market position, whether they are among the leaders or they follow.

An interesting example of pricing in Mexico is the following. A poultry company wanted to launch a new gourmet product which was targeting high-end customers and its price was higher. As a result of a mistake, the product ended up at shops serving low-end consumers. It turned out, however, despite the high price, the product was selling really well. Customers, primarily housewives, explained that for them the nutrition of the family was vital and thus they spent more on that product and a little bit less for other goods. The strong relationship with the family and the great care for its members played a role in the behavior of consumers.³⁰

Promotion

Promotion is the channel through which the relationship of the firm with the market is kept. This relationship involves information flows from the company to the customer and vice versa. The communication mix gives information about the product, supports the decision making for buying it and also positions the product in the perceptions of consumers.

²⁸ Rulo, L., 2016, 10 Mexican Habits Which Everyone Should Adopt, Matador Network, <https://matadornetwork.com/es/10-habitos-mexicanos-que-todo-el-mundo-deberia-adoptar/>

²⁹ 2016, Convenience matters: Serving the New Mexican Consumer, PwC report,, <https://www.pwc.com/gx/en/growth-markets-centre/assets/pdf/convenience-matters-serving-mexican-consumer.pdf>

³⁰ Geifman, A., 2015, Why Marketing in Mexico Tastes Different, Forbes Mexico, <http://www.forbes.com.mx/por-que-en-mexico-la-mercadotecnia-sabe-diferente/>

Companies should consider what and to whom they are saying and the aim of the message they want to convey. The components of promotion are PR, advertising, direct marketing, personal selling and sales promotion. These tools and all their components might be used in order to influence the people who lead the public opinion or to enhance sharing through word of mouth. The greater the impact of the communication mix, the better the response from consumers. They are more likely to buy the product and might be engaged with the company. A major objective for firms is to generate trust. Trust is the solid basis of the relationship between the consumer and the company. Another fact which should be taken into account is that it is not always easy to measure the role of expenditures related to the communication mix in sales figures.

The way people communicate and use language is one of the essentials when creating a message to consumers. In Mexico, it is very common to use diminutives which could be linked to emotionality of people in the country.³¹ This is the way they show respect and refer to objects with kindness and cordiality. Depending on the brand, it may prove a good strategy to use diminutives when communicating it to Mexican consumers. Since emotions in Mexico often tend to be exaggerated, marketing messages should be emotionally charged. In this way, they will impress consumers and will be remembered. Later on, the product may receive the attention of many more people through word-of-mouth. For instance, Starbucks' Mexican website says "Delicious drinks to celebrate the best moments", which refers to the Mexican readiness to capture and enjoy every moment. It also puts an emphasis on the experience of consumers and thus it relates to their emotions.

Another way companies may use to transmit their messages is through the tools of digital marketing. As of May 2015, Mexico is the leader among Latin American countries in terms of social media marketing of consumer brands. The leadership of Mexico could be explained by the successful penetration of social networks in the country and also by the fact that digital marketing created interest in not only viewing content but also interacting. Huge consumer brands in Mexico boasted millions of fans in social media which was achieved to analyzing big data and optimizing the real time marketing strategy. In the beginning, social networks in Mexico have been used as a special form of customer care and nowadays it is an essential element of firms' communication strategy. This channel of communication is growing steadily in the country and it manages to engage consumers and stimulate their interest and participation in interaction. Companies which do not have

³¹ Rulo, L., 2016, 10 Mexican Habits Which Everyone Should Adopt, Matador Network, <https://matadornetwork.com/es/10-habitos-mexicanos-que-todo-el-mundo-deberia-adaptar/>

a proper digital marketing strategy in Mexico are probably missing great opportunities and, more importantly, a huge market.³²

Conclusion

To conclude, when expanding to new markets, companies should be aware of the cultural differences across the world. Existing traditions and norms may drive consumer behavior in unexpected ways. Beliefs of natives may be different from what a firm thought them to be. All cultural values nowadays ought to be integrated with every element of the marketing strategy. Companies should understand the elements of foreign cultures and adapt to them in order to be competitive, create trust and stimulate consumer interaction and interest.

What is Islamic Marketing?

Marketing is an enormous topic and is undergoing through nonstop evolution. If we closely follow this process of evolution by looking at its diverse definitions given in different eras we will come to know that the focus is changing more and more on consumers in order to create a long-term relationship with them. The idea of value making, communication and delivery comes and starts a new debate overall.

When we say Islam is not just a religion, it's a way of life, so it should provide us the strategy on how to manner business. Islamic Marketing as a social discipline is new and that means that there has yet to be a ultimate definition to what it means.

The best definition for Islamic Marketing so far is that "Islamic Marketing is the study of marketing phenomena in relation to Islamic principles and practices or within the context of Muslim societies" (Jafari, 2012). Here Islamic Marketing could be religion-based marketing in which your marketing actions are guided within the structure of Islamic Shariah, or Islamic Marketing could also mean the practices carried out by firms, Muslims or otherwise, to Muslim consumers.³³

The Muslim consumer market of 1.8 billion people is indisputably the next important global opportunity. The halal market is worth US\$2.1 trillion a year and is increasing at US\$500bn a year due to the increase of the global Muslim population. It is expected that the global Muslim consumer Market will reach \$30 trillion by 2050. This represents an incredible business opportunity to create new products and services. For Muslims occupied

³² Vazquez, R., 2015, Mexico is a Leader in Marketing in Social Media, Forbes Mexico, <http://www.forbes.com.mx/mexico-es-lider-de-marketing-en-redes-sociales/#gs.96=M0Wg>

³³ The Principles of Islamic Marketing", Dr Alserhan (2011)

with business actions, Islamic Marketing is another expansion towards staying true to their main beliefs as Muslims, in the context of marketing. At the same time, this idea is in the strength of mind of past enormous scholars who urbanized their own frameworks and methodologies.

History of the Islamic Marketing

The history of industry in Islam begins with Prophet Muhammad and his wife Khadijah who were merchants. The Prophet is known as a trader, and as Truthful. The Sharia law that has derived principally from the Quran and Hadith, deals with a lot of things like banking, business, economics, politics, contracts etc. Muslim business producers had to follow the requirements of Islamic Sharia when conducting manufacture and marketing actions. The spotlight on ethics in Islamic Marketing resulted in early Arabian merchants converting into Islam. Since 2000, the significance of the Muslim market began to appear in consultancy reports. The majority of the Muslim population is poor, but the number of consumers with purchasing power is enough for Islamic Marketing to be discussed. The purpose of those reports was to educate Western multinationals about Islam and Muslim lifestyles. On the 29th of November in 2010, practitioners like scholars, academics, policy makers and managers met in Kuala Lumpur, Malaysia to discuss Islamic Marketing and branding at the "1st International Conference". In 2010 was created the Journal of Islamic Marketing to lay the establishment of Islamic marketing as a new discipline. The first published marketing book attempting to deal with the subject in a well thought-out manner "The Principles of Islamic Marketing" by Dr Alserhan was published in 2011.³⁴

***Where marketing activities can't be applied?*³⁵**

Islamic marketing is a concept that needs to be understood on several levels, the addition of religious aspect in it makes it a more sensitive topic. It is important to know where marketing activities can be applied and where they cannot be:

- It is prohibited to make earnings through all kinds of impure objects, though there is uncertainty in the overview of the rule. It will be interpreted as all kinds of business who are considered unclean for example production, sales and activities related to marketing of alcohol or gambling.

³⁴ Islamic marketing: the birth of a new social science, Bakr Ahmad Alserhan, Journal of Islamic Marketing, 2010

³⁵ The relationship between religiosity and new product adoption, Muhammad Shahbaz Shabbir, Journal of Islamic Marketing, 2010

- The sales and marketing of all the instruments meant for prohibited acts like the instruments for entertainment, such as lyre, flutes, harps and the gambling instruments, such as the backgammon, chess.
- Corruption with something hidden in the sale and purchase is forbidden. Such as mixing water with milk, and mixing low quality food with high quality food without informing is prohibited.
- Sales and marketing of weapons to the enemies of faith is forbidden when they are occupied in war against Muslims.
- Drawing pictures of human beings and animals is forbidden, when they are concrete form as are usually made of wood, stones, metals etc. It is allowed to draw the pictures of trees, flowers, activities related to marketing of such companies, galleries, websites which violate this law is forbidden.
- The performance, listening to and earning through music is forbidden. This means that marketing of all type of concerts, music albums, websites which contain music is forbidden.

Approved and disapproved etiquettes of marketing

There are a lot approved and disapproved etiquettes of marketing based on Islamic law and ethics:

- The most important of them is moderation and fulfillment of the demand in a way that one may neither be a loser nor avaricious
- There must be fairness of the prices for all customers. So there must be no difference between a haggler and the others. There is no opposition in case of difference due to moral and loyalty.
- It is best to avoid earnings through all kinds of unclean objects

The disapproved ones are:

- Overstatement in praising of product or services
- Hiding the defect of a product or services from the customers
- Insist reduction of the price after having finalized the deal
- Get involved in competitors dealing. Islam promotes fair play.³⁶

In islamic marketing the satisfaction of the customer needs has to be made through the good conduct of delivering pure and lawful products and services with the mutual consent of both seller and buyer. Muslims believe that this helps the purpose of achieving material and spiritual well-being in the world here and in the afterlife. They call these goods and services Halal, which has three levels:

³⁶ Wikipedia – en.wikipedia.org/wiki/Islamic_marketing#Application_of_marketing

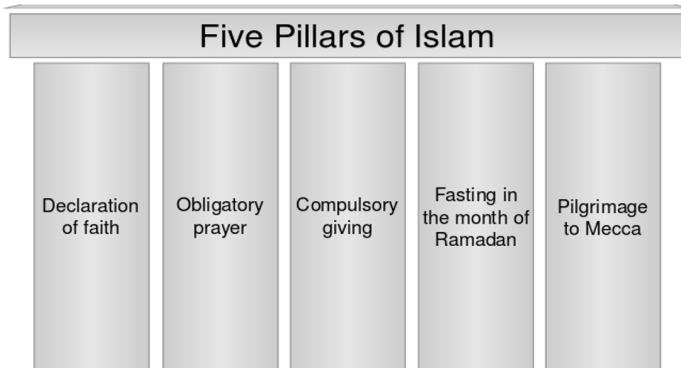
- Wajib or Fard, Mandoob and Makrooh. Wajib are obligatory acts which in cases of failure to perform results in sin. It is a duty, which can be described as the Core Halal. In Islamic Marketing, firms must perform Wajib. Mandoob is something that is likable and preferable but not obligatory. This can be described as Supplementary Halal and should be done if possible. Makrooh is something that is despised and discouraged by the religion, and is usually only used as the last resort.
- Haram are acts that are condemned by the Islamic religion. Engaging in these acts is a sin.
- Mushtabeh are acts that Muslims should refrain from because they might be Haram themselves. Businesses should keep away from doubted acts like these.

³⁷Muhammad Arham has split the definition of Islamic marketing into four elements. Each of them has a strong association with the 5 pillars of the Islam. (Figure 6)

- The first is the Spiritualistic element. All Islamic marketers must believe in the Islamic laws because all the business activities are strongly connected to the rules of the Quran and Sunnah. All marketing activities must be done within the borders of the laws of Allah. This element is connected to the first pillar of Islam.
- The second element is the Ethical, where the primary quality of the Islamic market is to adopt ethical thoughts, which are connected with the Islamic ethics and guidelines. The second Pillar of Islam, Prayer, is seen in the theory of Islamic ethics.
- The third element is the realistic. According to the Author when practicing Islamic market the marketers should be realistic and flexible. This element is related to the third Pillar of Islam, which teaches Muslims to be realistic and understand that after struggle, reward prevails.
- The last element is the humanistic, where we find the practice of the practice of teaching humans values to help them to interact with each other to be able to populate this world with healthy, good-willed individuals. This can be associated with the forth and the fifth pillar.

³⁷ Dina Ashmawy- Toward a Comprehensive Understanding of Islamic Marketing: Concept, Evolution and Implications
<http://iiste.org/Journals/index.php/EJBM/article/viewFile/21341/22389>

Figure 6.



Source: <http://imi.org.au/5-pillars-islam/>

The whole idea of the Islamic market is based on these five elements, which are of great importance to the Muslim culture.

Muslim consumers

Most of the Muslim consumers are religious people, who are concerned about their religion so they observe and follow the guidelines to become more Islamic. Since their religion promises Afterlife they are viewing this life as a stepping life, which means that most Muslims prefer to consume Halal (Islamic) products, because this is seen as doing something good.

Japanese Marketing

Japan has always been the “weird kid” in the eyes of the Western Civilization. Their TV shows, their games and their commercials have baffled us to say the least. A useful tool that can be used to examine the cultural differences is the model of Geert Hofstede. His definition for “culture” is “the collective programming of the mind that distinguishes the members of one group or category of people from others”. We can all agree that Japanese culture is very different from ours and I believe this is the reason why their marketing “tactics” are so much different than ours.

Let’s start with the vast amount of outdoor advertising in Japan. When you are in the metropolitan area everywhere you look you will see neon signs and enormous screens playing ads on a loop. But the ad “pollution” is not only for your sight. There is a constant stream of sounds varying from salesmen with megaphones to speakers playing music and ads both inside and outside of the stores. It is very hard to ignore all that. The type of advertising is also strange for foreigners. Everything needs to be made

“cute” and there are mascots everywhere. Commercials on TV sometimes go viral all around the world just for their weirdness. Like the Dole banana commercial where a guy shoots bananas out of his nose.

The uniqueness of the Japanese culture has been defined by two major periods in its history. The first one lasted until 1868 and until then Japan was closed off to outsiders and the little influence that it got from others was from China and Korea. After 1868 the westernization of Japan began. There were corporate alliances that became so huge and strong that they had the ability to influence whole sectors of the economy. They also played a crucial role in the industrial expansion in Japan. However they were disbanded when World War II ended due to restrictions imposed by the USA. Although marketing has existed for more than a hundred years in the West the Japanese adopted it after the war and as a result their international trade expanded and their products became worldwide. Still, there are a lot of Japanese businessmen who, in their business, would replace the word marketing with engineering or production.

Of course the Japanese made up their own way of marketing called “Tissue Marketing”. It is a form of Guerrilla Marketing that is very low-cost but highly efficient in term of exposure. It goes like this: an advertisement is printed on a tissue packet which is then given away to the public. Every year more than four billion of those packets are distributed. The method utilizes the usefulness of the tissue meaning that the pedestrians are more likely to take them, opposed to just handing out flyers.

Japanese people communicate in a different way. They are a high-context culture which means that they leave many things unsaid, rely on body language and tonality and leave a lot to interpretation. We in the western world are the opposite – mean exactly what we say and that’s all.

Geerhart Hofstede’s model or theory studies the differences between cultures and can be very useful to study the customers. Companies use it a lot when they want to go international. There are six dimensions in his model: Power Distance, Individualism vs Collectivism, Masculinity vs Femininity, Uncertainty Avoidance, Long Term or Short Term Orientation and Indulgence. The model ranks those dimensions from 0 to 100 (higher number means larger importance). Below you can see Japan compared to the USA. The US is chosen because it reflects very well the western world. (Figure 7.)

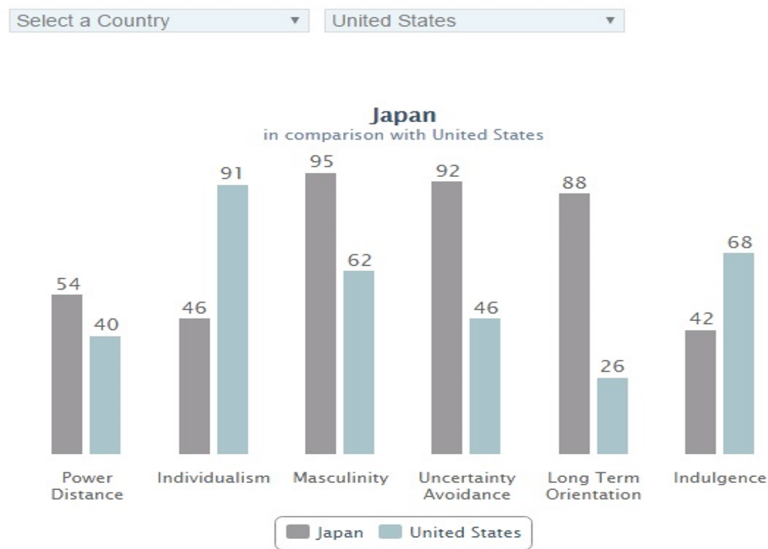
Very briefly we will explain what each dimension means.

Power Distance means how strong the hierarchy in the society is. Japan has a relatively high Power Distance, meaning that power is not so

equally distributed. In such countries when you are a brand you need to show for which social class your product is.

Individualism means how much people tend to look after themselves. Collectivism is the exact opposite. In terms of advertising, in an individualistic culture you need to persuade the people that your product is right for them (usually by giving the qualities) while in collective groups you need to earn their trust and make them feel emotions.

Figure 7. Japan in comparison with United State



Source: <https://geert-hofstede.com/cultural-dimensions.html>

Masculinity vs Femininity shows which are the dominant values in the society. In a masculine society they are achievement and success while in a feminine society they are caring for other and quality of life.

Uncertainty Avoidance means how much people feel threatened by uncertainty and try to avoid it. People with high avoidance don't embrace change very easily.

Long vs Short Term Orientation means if the society is future oriented or "live for the moment". Long term values economy and hierarchy while short term values stability.

There are three factors that define a customer. The cultural values above, mental processes and social processes. The cultural values reflect the identity, the mental processes are how the customer thinks and the social

processes are how he relates to other people. Below you can see how marketing affects those three factors.

Emotions are vital factor that the companies need to consider when prospecting the market. A collectivistic culture as the Japanese is much more subdued than the western. In addition the Japanese display only positive emotions. Another difference is that the Japanese focus on the eyes whereas the western people focus on the mouth. Here you can see the difference.

By now we discovered that Japan is Collectivistic culture with high power distance. This is important for the way people acquire and process information. The Japanese tend to acquire information through interpersonal communication and base their purchasing practices on feelings and trust and because they rely so much on trust as a company you should always give them the best customer service you possibly can. Also the people view the products as objects of relationships. They regard the product to the company's trustworthiness and when that company releases a new product they embrace it.

The western world is the exact opposite – individualistic with low power distance. Information comes from the media and friends. And products are viewed as a sum of their qualities and new products are not so easily accepted.

How do the Japanese companies market?

In Japan first was created the Total Quality Management or TQM meaning that the companies should focus on providing quality products with good customer service. The model is used everywhere in the world now. Japan's largest companies use a strategy called market dominance where they all have large production lines and a high degree of vertical integration. This means that they include more and more products and acquire suppliers or retailers. In addition those companies have:

- a speedy product innovation cycle;
- emphasize the software and service dimensions of the product concept;
- make heavy investments in advertising and personal selling as well as in the channels of distribution, and;
- take a leadership role in product technology.

Another strategy Japanese companies use is to offer a system of products. For example Yamaha selling piano lessons with their pianos. This makes the consumers believe that they are dependent on the company.

Figure 8. The Japanese girl has a more neutral facial expression while in the American magazine the girl has an over exaggerated smile



Source: [https://en.wikipedia.org/wiki/Pinky_\(magazine\)](https://en.wikipedia.org/wiki/Pinky_(magazine))

In terms of sales. The Japanese use soft-sales. This means that they do not push the consumers with urgency and qualities of the product. They indirectly try to create positive emotions in the consumers which subtly creates a bond between the customer and the company. The hard-sales method is even frowned upon for speaking ill of competitors' products.

If you want to launch a product there are a few things that work very well in Japan and can make it a lot easier. First you must find a contractor to establish a foothold. Then you must establish a representative office before launch. This will be your PR or Marketing office. Then you need to manage the Japanese distribution system. We are using the word Japanese on purpose because there things are different and much more complex. If you want to conduct business it needs to be based on long-term relationships and complicated hierarchies, making it difficult for outside to find partners willing to take on your product. When they do, many layers of resellers made it tough to make a profit. And you always need personal touch. It's true that personal relationships are more important in the Japanese business culture than in other countries. Potential partners and customers need to feel a level of personal trust with a foreign company's representative before completing a deal, and that process often takes an exceedingly long time by the standards of US

or European business. Besides connecting with local companies, new entrants in the Japanese market can look to their fellow foreign companies for assistance. Informal networking with the expatriate community can deliver hiring tips, marketing leads, introductions to potential customers and partners, and the like.

And now we get to the TV part. Commercials. American and Japanese commercials in particular seem to be inherently different. Japanese television commercials have attracted worldwide attention for being whacky and colourful. But again the same principles apply. Individualistic cultures rely on persuading the customer whereas collectivistic cultures focus on inducing positive feelings and building trust instead of offering candid information. The difference in intent is revealed in difference in the way brand logos are presented in television commercials in different cultures. Frequency and timing of logos differs quite between cultures and typically Japanese television commercials tend to show the identification of the brand, company name, or product considerably later than US television commercials usually do. Advertising in Japan is meant to please the customer and create a dependency. This results in feel being the customer's first response. The consumer then buys the product.

Japanese commercials tend to be less informative than the American ones. While the American commercials use facts and traits to showcase their products advantage, the Japanese commercials carefully exhibit indulgence within a set frame of reference. Japanese commercials focus more on creating an attractive image and playing on the viewer's feelings.

In Japan boasting of product quality and bribing customers into buying the product are not in line with the tradition of respectful treatment of customers and respectable projection of company image. Comparative and testimonial messages are also not a good idea. This explains why the Japanese commercials are not as informative. A good idea to create an image for the product is to put a celebrity to advertise it. Japan utilizes celebrities in advertising very differently than western cultures. In western societies celebrities are used to show and increase the need for success. However, in the collectivistic Japan, the use of celebrities in advertising is even stronger. They become the face of the brand in a sea of many similar products. In the west both famous and non-famous people are used while in Japan testimonials from unknown actors rarely work. In Japan celebrity appearances are not limited to famous actors. Advertising is also a stage for models and aspiring actors. Many of them are selected on their cute looks.

Figure 9.



Source: <https://www.pinterest.com/pin/423197696207607597/>

In conclusion, it is safe to say that Japanese marketing principals are in fact fundamentally different from western ones according to everything researched. It is clear that the Japanese have a somewhat different approach to marketing compared to what is considered to be the 'norm' in Europe and the United States. The success of Japanese businesses internationally can therefore largely be linked to the quality of their products rather than their effective business strategies. Shaped by their culture, they produced high quality products, and how they market those products is also affected by their culture.

The Hofstede model of national culture dimensions has proven to be an immensely useful tool in understanding consumer behaviour across cultures and consequently how marketing and advertising are dependent and change as a result. The most important dimension that affected this the most turned out to be collectivism. The level of a cultures collectivism has a direct effect on how consumers experience the presentation of brands and products which calls for different marketing strategies and advertising methods. And due to the high collectivism trends are quicker to catch on and spread.

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