

## **Marketing Program Planning for Cultural Differentiation**

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*This paper looks at the influence of cultural sensibilities on the structuring of marketing programs, in order to maximize their effectiveness in individual economies. The elements defined in Hofstede's dimensions of culture have been used to create a correlation matrix of distinct marketing activities, with that of representative characteristics shown in a Hofstede dimension. The result is a program planning framework that provides a program blueprint for marketers to enable them to successfully plan and deploy marketing programs in different geographies.*

**Field of Research:** Marketing - Marketing and International Consumers

### **1. Introduction**

Society and culture have always had an influence on people right from the time they are born till adulthood. This is evident in consumer buying behavior where audiences from different geographies, countries and social groups perceive the same product and respond to the same marketing message, in different ways. Companies who strive to understand their target audiences and devise strategies for diverse customer base tend to be more profitable and successful. Hence, planning and developing successful marketing programs for cultural differentiation becomes relevant and important to serve the needs of diverse markets.

There are several items of research that use the Hofstede framework for specific analysis of cultural behavior. Specific to marketing and consumer behavior, the work of Marieke de Mooij (<http://www.mariekedemooij.com/index.htm>) has been considerably influential. One of her works, co-authored with Geert Hofstede, elaborates on several different viewpoints with regard to the relationship between common marketing disciplines such as advertising and branding and culture.

This paper focusses on the 'sociocultural forces' that affect a marketing program and inevitably the product, price, place and promotion aspects of the program. The purpose of the study is to assist marketers looking to deploy marketing programs in diverse geographies, with a program blueprint and guide, based on Geert Hofstede's framework on cultural dimensions. The authors have suggested that this will lead to optimized program performance and returns on marketing investment.

Most studies in this space have been theoretical in nature, looking to understand how culture broadly affects corporate practices; certain authors such as Tardiff et al. (2008) Nezelek et al.

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(2008) have looked at individual geographies and how their culture is defined and how it affects consumer behavior. This study differs from other studies in that it looks specifically at the influence of culture on a marketing program, and utilizes the marketing expertise of the authors to develop a framework for determining marketing strategy for different geographies. It is the authors' belief that this is the first work of its kind to recommend a program blueprint for marketing strategy planning.

The authors have not identified a significant number of references and influential papers as most of this work is experiential in nature; the correlations drawn between cultural dimensions and the resultant recommended marketing practices are drawn from author experience and corroborated and extended with a primary survey exercise.

For authoring the rest of the paper we have organized our content in the following manner. Select and relevant information on the topic derived from secondary sources is covered in the 'Literature Review' section. In addition to this, based on the authors' own marketing experience and acumen, and a limited qualitative research performed with industry marketing leaders, a framework has been proposed which is covered in 'The Methodology' section. This framework derived from a correlation-matrix, forms the basis of arriving at a marketing program guide for a country. This is followed by 'Findings' where the results of the framework have been covered and discussed in detail. To corroborate our methodology we have also provided a case analysis of a country utilizing our own framework. In the 'Implications and Conclusion' section we have discussed inferences drawn from the study and have included few responses from our research conducted with marketing leaders.

### 2. Literature Review

A marketing program is a set of specific marketing actions or tactics that are stated within a marketing plan (Keller and Kotler, 2014) for implementing marketing strategies and involve the use of the marketing mix elements.

The key elements or sub-areas of a marketing program that lend themselves to this study are shown in Table 1.

**Table 1: Marketing Program**

Marketing	Pricing and Promotions	Sales and Distribution	Strategy
<ul style="list-style-type: none"> <li>● Product mix</li> <li>● Product lifecycle management</li> <li>● Segmentation</li> <li>● Branding and positioning</li> </ul>	<ul style="list-style-type: none"> <li>● Pricing strategy</li> <li>● Discounts and allowances</li> <li>● Promotional mix</li> <li>● Advertising</li> </ul>	<ul style="list-style-type: none"> <li>● Sales promotion /incentives</li> <li>● Sales enablement</li> <li>● Promotion channels</li> <li>● Distribution network</li> <li>● Planning and sales evaluation</li> </ul>	<ul style="list-style-type: none"> <li>● Marketing and sales organization</li> <li>● Decision making</li> <li>● Tracking of progress</li> <li>● Customer relationship management</li> </ul>

A marketing program integrates the four marketing mix elements i.e. the four Ps (McCarthy, 1964).

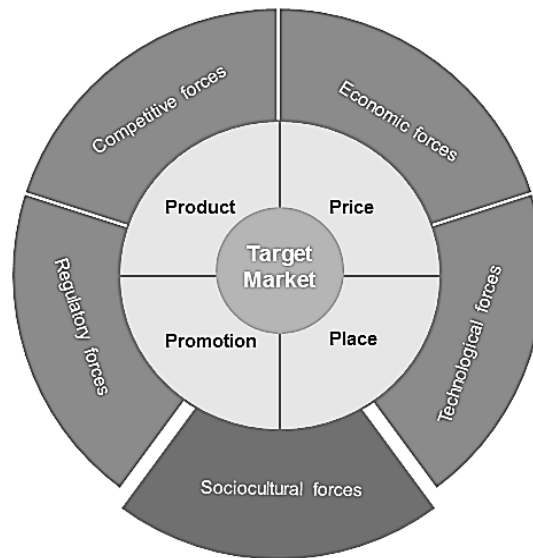
1. Product – product or service to cater to the diverse group's wants or needs
2. Price – products and services available at a price the market is willing to pay

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3. Place – products and services convenient to the customer base
4. Promotion - potential customers’ awareness and knowledge on the existence of product or service

The 4Ps are influenced by several internal and external environmental forces. In this paper, the authors have focused on the sociocultural force that affects a marketing program. Refer Figure 1.

**Figure 1: Environmental forces that influence a marketing program**



Hofstede’s Cultural Dimensions (Hofstede, 1980a, 2014b, 2014c) is a useful tool for marketers to understand the systematic differences across cultures and has been utilized in this study as a reference, to arrive at a framework for planning marketing programs. The following Table 2 shows the four dimensions that cultures can be grouped under.

**Table 2: Hofstede’s Cultural Dimensions**

Power Distance (PDI)	The extent to which a person in a group or organization accepts hierarchical inequalities
Individualism (IDV)	The extent to which a person feels they should be taken care of by the organization and the preference for group achievement over individual achievement.
Masculinity (MAS)	The extent to which people cope with issues such as the implication for the gender roles in organizations and society
Uncertainty Avoidance (UAI)	The extent to which people and organizations avoid future uncertainties by way of rules, rituals and technologies

For each of the above dimensions, country profile values reflect the broad dimensions of culture. To view a particular country’s profile value and compare, refer to Geert Hofstede’s website [geert-hofstede.com/countries](http://geert-hofstede.com/countries) or see table 23 in Appendix section. Value equal to and less than 50 is low and above 50 is considered high.

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The scope of the study includes the use of the country profile value tool from Hofstede's website and the correlation of the sub-areas of a marketing program with that of Hofstede's four dimensions.

### 3. The Methodology

A correlation matrix has been developed that forms the basis for a program planning framework. The matrix correlates two components a) distinct marketing activities in a marketing program as shown in table 1 and b) the elements defined in Hofstede's dimensions of culture as shown in table 2. A score is assigned on a scale of 0 to 2, 2 being highest, 1 being moderate and 0 being low. The score indicates the degree of influence of a Hofstede dimension on a particular marketing activity. The resulting correlation matrix helps to determine whether or not marketing efforts should be put in place and if yes, what kind of marketing approach or tactics can prove profitable in a particular culture or geography under the influence of each of the four Hofstede's dimensions.

A limited qualitative research conducted with a group of practicing marketing professionals in different geographies formed the basis for arriving at the scores, apart from secondary sources and the authors' collective marketing experience.

**Table 3: Illustration of a correlation matrix component**

<b>a) Marketing Program sub-area</b>	<b>b) Score for Hofstede's Power Distance dimension</b>
Pricing Strategy	2

In the example shown on Table 3, a score of '2' is assigned, based on inputs from a qualitative primary research, secondary sources and the authors' own marketing experience and acumen. A high score of '2' indicates a high influence that a Hofstede's Power Distance dimension can have on Pricing Strategy. Appropriately planning for a pricing strategy based on power distance attribute of a particular geography, country or culture can influence sales.

Based on the correlation matrix, a further drill down has been done for Power Distance dimension outlining the marketing planning tactics under various marketing program sub-areas. The tactics have been outlined for both high and low Hofstede's country profile values (refer tables 5 to 8).

Towards the end of the study, the correlation matrix framework has been utilized to plot a marketing program guide for an Asia-Pacific country i.e. South Korea.

#### 3.1 Approach Model

The authors have suggested the following two-step approach while applying the framework suggested in this study.

A) Use the Correlation Matrix to check the score and understand which areas of marketing efforts work best for which Hofstede dimension. Apply marketing tactics in areas with score value '2' to leverage that particular Hofstede dimension for best outcomes. Marketing areas

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with score of '1' can also be taken advantage of, however after careful consideration and well-planned approach, based on historic success rate and market research.

B) From Hofstede Dimensions table (refer link [geert-hofstede.com/countries](http://geert-hofstede.com/countries) or Appendix section) find out the country profile values for which marketing planning exercise needs to be performed. Based on whether the country value for a particular dimension is high or low, refer to the marketing approach or tactics outlined in tables 5 to 8 and tables 11 to 22 (see Appendix) to tailor the marketing program for that particular country.

### 4. Findings

Following is an approximate Correlation Matrix for individual marketing activities on Hofstede Dimensions. The findings are generic and not specific to a particular industry.

**Table 4: Correlation matrix**

<b>Marketing Program sub-areas</b>	<b>Power Distance Index (PDI)</b>	<b>Individualism (IDV)</b>	<b>Masculinity (MAS)</b>	<b>Uncertainty Avoidance Index (UAI)</b>
Product mix	0	0	0	1
Product lifecycle management	0	0	0	2
Segmentation	2	1	2	0
Branding and positioning	2	1	2	1
Pricing strategy	2	1	0	2
Discounts and allowances	1	1	0	1
Promotional mix & advertising	2	2	1	0
Sales promotion / Incentives	2	2	1	2
Sales enablement	2	2	1	0
Promotion planning	1	2	0	0
Distribution network / Supply chain	2	1	0	2
Planning and sales evaluation	2	1	1	2
Marketing and sales organization	2	2	2	0
Decision making	2	2	0	1
Tracking of progress	1	0	0	1
Customer relationship management	1	2	0	2

Table 4 summarizes the marketing planning considerations based on Hofstede's Dimensions that can be used while drafting a marketing plan. All areas with '2' as the score hold good opportunities for marketers to tailor marketing plans to influence sales. Areas with '1' should be looked into after thorough consideration for planning any marketing or sales efforts. Areas with '0' have the least possibility of any tactical marketing effort being successful. Hence one

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should find other areas of high score where marketing activities can be successfully implemented.

We will now proceed to look at one area of Hofstede' dimension i.e. Power Distance Index and identify key marketing tactics that can be planned for both high and low Hofstede's country profile values. While doing this, we will refer to the corresponding score to help us develop a marketing program, in areas where the influence of marketing is highest.

### 4.1 Power Distance Index (PDI)

The Power Distance Index is indicative of the hierarchical nature of a society. It has also been described as the extent to which the less powerful members of organizations and institutions expect and accept that power is distributed unequally and is essentially an indicator of inequality from the bottom up.

#### 4.1.1 Marketing

**Table 5: Planning of marketing efforts based on Power Distance Index values**

<b>Marketing Sub Area</b>	<b>Score</b>	<b>Countries with High PDI value</b>	<b>Countries with Low PDI value</b>
Product mix	0	No significant influence determined	No significant influence determined
Product lifecycle management	0	No significant influence determined	No significant influence determined
Segmentation	2	Segmentation exercise must primarily include income, as significant income disparities exist.	Segmentation can ignore income and focus on other elements such as gender etc.
Branding and positioning	2	Branding and positioning of products can be based on improving one's position in society, as societies are hierarchical and power is clearly defined.	Positioning around improving one's social stature may not be very significant. Other messages such as personal well-being may be more significant.

The essentials of product marketing planning are not significantly affected by the cultural dimension of power distance. This is why in major companies operating globally, definition of the product mix, assets and collateral and overall planning happens at a worldwide level, with some amount of tailoring happening at the regional level.

However, it is useful to note that aspects of planning such as messaging for on-the-ground advertising, branding etc. are still managed regionally. This is because power distance does influence segmentation, branding and positioning to a certain extent – specifically when it comes to direct consumer address through advertising etc. The need to rise to a higher station in society is a predominant driver in countries with high power distance.

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### 4.1.2 Pricing and Promotion

**Table 6: Planning of Pricing and Promotion efforts based on Power Distance Index values**

Pricing and Promotion Sub Area	Score	Countries with High PDI value	Countries with Low PDI value
Pricing strategy	2	Income disparities mean that low priced SKUs (stock keeping units) can help drive sales, as higher cost SKUs may be unaffordable for large sections of the population. Also, high priced SKUs in luxury product categories may drive sales as they help augment social stature.	As income distribution is equitable, number of SKUs can be kept relatively low and in a fixed price band. SKU management is easier and simpler, but their influence in driving sales is lower.
Discounts and allowances	1	Discounting and allowances are significant as purchase options, as income disparities mean that products that are very affordable for certain sections may not be so for others. Flexible discounting options for sales at POS (point of sale) are important.	Discounts may not be a strong driver for sales, as income disparities are lower. The purchase driver for one product over another is quality rather than cost.
Promotional mix and advertising	2	Due to significant income disparities leading to limited access to modes of information (TV/Internet/Radio), a wide range of promotional vehicles need to be utilized to reach the complete audience.	Focusing on key vehicles is important; companies must identify the most prevalent information mediums before planning their promotional mix.

We see that power distance affects pricing and promotions quite significantly, due to its influence as an income indicator. The importance of tactics such as discounting and allowances is high in countries with high PDI values– but this also means that it necessitates high sales volumes to keep profit margins high enough to sustain business. This also necessitates agile and meticulous pricing planning to make sure that the best possible margins are derived from the market.

Pricing management is a lot simpler in economies with low PDI values, but this is countered by the fact that price tends to fail as a primary sales driver, with the focus shifting towards quality of product or service. It is noted that products made in different countries can

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sometimes have quality variations. Hence, it is important for the marketing organization to determine minimum product/service quality standards and communicate them to the customer.

### 4.1.3 Sales and Distribution

**Table 7: Planning of Sales and Distribution efforts based on Power Distance Index values**

Sales and Distribution Sub Area	Score	Countries with High PDI value	Countries with Low PDI value
Sales promotion / Incentives	2	As the market is primarily volume driven (due to large number of SKUs and stretched margins) incentives based on revenues may be more effective. However, it must be noted that control must be maintained on discounting as it may lead to sales compromising on profits to achieve revenue targets.	Sales incentivizing and promotions must be profit driven, so that discounting is discouraged as a sales tactic.
Sales enablement	2	Sales enablement such as sales training are typically educator/trainer led; hence face to face sessions organized in advance may be more effective than self-driven learning.	Sales enablement may be self-driven. Online tools, webinars and self-help tutorial driven sessions can be effective. Few instructor led sales training requirements are expected for specialized domain knowledge that need subject matter expertise.
Promotion planning	1	Promotions that utilize expert product opinions may be useful, as customers look up to expertise to determine product value.	Promotions can be usage driven, as equality in society means usage patterns are similar for most consumers and identification with the promotion is easier.
Distribution network / Supply Chain	2	Distributions channels need several tiers and middle men and must be well controlled, due to high levels of corruption that may eat into profits, along with hierarchical society norms.	Distributions channels can be flat and need fewer tiers, and control of the channel can be delegated to distributors as corruption levels are lower.
Planning and Sales evaluation	2	Sales evaluation must happen individually, as power distance implies strong competition among the sales force.	Team sales targets may be more effective than individual targets, as competition amongst sales in low PDI nations is lower and team ethics are higher.



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As seen above, the influence of Power Distance on the sales and distribution elements is quite significant. The level of hierarchical and income driven disparities among high and low PDI countries leads to a specific form of sales incentivization, sales enablement, promotion, supply chain, sales planning and evaluation tactics that need to be tailored for different geographies.

### 4.1.4 Strategy

**Table 8: Planning of Strategy efforts based on Power Distance Index values**

<b>Strategy Sub Area</b>	<b>Score</b>	<b>Countries with High PDI value</b>	<b>Countries with Low PDI value</b>
Marketing and sales organization	2	The marketing and sales organization is very hierarchical, with several national/regional tiers.	Organizations are flatter, with more emphasis on optimizing operational costs and maximizing profits. Typically centralized organizations and management responsibilities.
Decision making	2	Management responsibilities are divided and not limited to a single individual as power hierarchies can easily develop and lots of management is required to avoid losses due to corruption.	Centralized decision making, regional leads mostly focused on execution of plans.
Tracking of progress	1	Progress tracking may happen individually at each level of management, with only cursory overseeing. Broad targets set but achievement planning is left to each individual. Occasional direct guidance required.	Planning occurs centrally with inputs taken from regions, achievement planning happens in conjunction with other managers. Flow of best practices is more fluent.
Customer relationship management	1	Relationship based – sales progress may be achieved by influencing the customer contact’s opinion of his own power.	Task based – good results from previous sales and good quality can lead to continuing business

The influence of Power Distance on the strategy elements is quite significant as well. The hierarchical nature of the organization is an important factor that determines the overall guidance from superiors in organizations.

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## Case Analysis for South Korea

**Table 9: Hofstede's country profile values for South Korea**

<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>
60 (High)	18 (Low)	39 (Low)	85 (High)
These values are derived from Hofstede's country profile values for South Korea. <a href="http://geert-hofstede.com/countries">geert-hofstede.com/countries</a>			

**Table 10: Marketing Cultural Modification Framework for South Korea**

	<b>High PDI</b>	<b>Low IDV</b>	<b>Low MAS</b>	<b>Strong UAI</b>
<b>Marketing</b>				
Product Mix	No significant influence	No significant influence	No significant influence	Product introductions must be well considered and researched – as people are averse to risk taking and trying out new products unless they are proven.
Product Lifecycle Management	No significant influence	No significant influence	No significant influence	Progressions generally tend to be more accurate as society is more ordered and rule based. Make sure products are taken out of production before sales drops are predicted.
Segmentation	Segmentation exercise must primarily include income, as significant income disparities exist.	Can be more high level, as clear groups of interest are present. Information is more readily available and individuals can be expected to have common stereotypes within groups.	No significant influence	No significant influence

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	<b>High PDI</b>	<b>Low IDV</b>	<b>Low MAS</b>	<b>Strong UAI</b>
Branding and Positioning	Branding and positioning of products can be based on improving one's position in society, as societies are hierarchical and power is clearly defined.	Positioning statements that convey belonging, harmony and well-being of the collective are likely to succeed.	Positioning can be independent of gender – less strict social norms, modesty and caring, work-life balance, importance of the family.	Positioning must be around long term utility, reliability and stability.
<b>Pricing and Promotions</b>				
Pricing Strategy	Income disparities mean that low priced SKUs (stock keeping units) can help drive sales, as higher cost SKUs may be unaffordable for large sections of the population. Also, high priced SKUs in luxury product categories may drive sales as they help augment social stature.	Standardized product formats and fixed pricing would make supply chain processes simpler – however, pricing will remain inflexible and margins remain fixed.	No significant influence	Pricing must be seen as indicative of reliability. People prefer upfront payments to delayed payment schemes and financed/loan schemes.
Discounts and Allowances	Discounting is significant, as income disparities mean that products that are affordable for certain sections may not be so for others. Flexible discounting options for sales at point of sale are important.	Group purchase discount schemes are recommended. For services, group packages would be a good discounted option to offer.	No significant influence	People would prefer free add-ons instead of discounting, as discounting may be indicative of a lack of reliability.

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	<b>High PDI</b>	<b>Low IDV</b>	<b>Low MAS</b>	<b>Strong UAI</b>
Promotional Mix and Advertising	Due to significant income disparities leading to limited access to modes of information (TV/Internet/Radio), a wide range of promotional vehicles need to be utilized to reach the complete audience.	More group attention – mass media (print/video/audio). Tactics focused on ATL (above the line) advertising.	The focus on a good work life balance and equality among genders implies a large amount of social interaction – hence, generic social networks may prove to be most effective.	No significant influence
<b>Sales and Distribution</b>				
Sales promotion / Incentives	As the market is primarily volume driven (due to large number of SKUs and stretched margins) incentives based on revenues may be more effective. However, it must be noted that control must be maintained on discounting as it may lead to sales compromising on profits to achieve revenue targets.	Group based sales targets are appropriate, as individuals are more driven towards helping to achieve team objectives. Competition can be fostered through pitting of groups against each other.	Sales targets should be realistic and discussed in advance. Certain flexibility may be present in terms of rewards, however.	Clearly define metrics for performance measurement and incentive linkage to performance. Ambiguity is not accepted. High stress levels.

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	<b>High PDI</b>	<b>Low IDV</b>	<b>Low MAS</b>	<b>Strong UAI</b>
Sales Enablement	Enablement is typically educator/trainer led; hence face to face sessions organized in advance may be more effective than self-driven learning.	Group based organized learning sessions with effective team exercises can encourage learning. – “Learn how to do”.	Enablement needs are centered more around personal development than work requirements. Mentorship for lower performers can be a strong enabler in these markets.	No significant influence
Promotion Planning	Promotions that utilize expert product opinions may be useful, as customers look to expertise to determine product value.	Promotions should highlight group usage benefits instead of focusing on individual opinions – unless the opinions express the general consensus of a group.	No significant influence	No significant influence
Distribution Channels / Network Structure / Supply Chain	Distributions channels need several tiers and middle men and must be well controlled, due to high levels of corruption that may eat into profits, along with hierarchical society norms.	A distributor organization may be formed that internally handles its operating mechanisms. Lesser management requirements but lesser control.	No significant influence	Credit terms for distribution channel must be strict and rigid. Clear demarcation of responsibilities is essential.

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	<b>High PDI</b>	<b>Low IDV</b>	<b>Low MAS</b>	<b>Strong UAI</b>
Planning and Continuing Sales Evaluation	Sales evaluation must happen individually, as power distance implies strong competition among the sales force.	Overall contribution to team objectives can serve as an evaluation parameter.	Evaluation cycles must be well thought out as people are averse to long work hours.	Planning must be properly and periodically done – and targets set must be strict and well defined.
<b>Strategy</b>				
Marketing and Sales Organization	The marketing and sales organization is very hierarchical, with several national/regional tiers.	Marketing and sales teams are more groups/organizations than individuals. Work is shared across the team, giving each individual more scope of work while allowing exposure to different areas of work – leads to generic capabilities.	Organizations are gender neutral, with leadership decisions left to merit.	No significant influence
Decision Making Authority	Management responsibilities are divided and not limited to a single individual as power hierarchies can easily develop and lots of management is required to avoid losses due to corruption.	Group based decision making, leading to consensus driven decisions. High level decisions are also discussed with the team before finalization.	No significant influence	Responsibilities of individuals must be clearly articulated.

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	<b>High PDI</b>	<b>Low IDV</b>	<b>Low MAS</b>	<b>Strong UAI</b>
Tracking of Progress	Progress tracking may happen individually at each level of management, with only cursory overseeing. Broad targets set but achievement planning is left to each individual. Occasional direct guidance required.	No significant influence	No significant influence	Planning must be meticulous, reports well tracked. Clear planning would typically ensure few deviations
Customer relationship management	Relationship based – sales progress may be achieved by influencing the customer contact's opinion of his own power.	Relationship oriented (a good relationship leads to continuing business)	No significant influence	Strongly task oriented

This table summarizes the marketing planning considerations based on Hofstede's dimensions when a company is drafting a marketing plan for South Korea. Similar analyses can be done for other geographies.

### 5. Implications and Conclusion

In addition to the inputs listed in the previous section, a qualitative primary research was conducted to identify practices that are already prevalent and being used by marketers at a regional level. The survey was run to validate the results of our framework and these do not form a part of marketing tactics suggested by us in the Correlation Matrix. It was discovered during this exercise that while these modifications do occasionally happen as part of standard market research, the tactics in the absence of such information, or a structured definition of end to end practices addressing culture was lacking – which is the driver for writing this paper. The most popular modifications when looking to enter new markets are with price, communication/messaging and product mix. Some responses from the survey indicate how cultural factors played a significant role in shaping marketing strategies.

For emerging countries like India and China, low cost products were developed as these are price sensitive countries. In countries like Australia, tangible discounts were given in loyalty programs, like T-shirts, pen drives, and movie tickets. Localized SKU's were developed and marketed in Asia Pacific countries like Singapore and Hong Kong. Conservative campaigns

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were run in German speaking countries and more attention provoking ones internationally. Product mix were planned to make one chocolate brand suitable to demographics in terms of cocoa percentage preference as well as niche price points in order to maximize product positioning and sales. In another case, the service model had to undergo minor changes to suit the existing retail infrastructure of the country of operation. Distribution system was handled by distributor and not company directly. A global brand in India had to develop a festive season's promotion messaging, communications and advertisements for print, radio, and television - locally for Indian sensibility, leveraging a local brand ambassador. The social media push was targeted at an Indian target group by communicating on Facebook, Twitter etc. to engage rather than simply promote the product. These and similar programs varied country to country.

Consumers from a multi-cultural background are grounded to their culture and social norms. These can affect a marketing strategy and can potentially act as roadblocks to optimal planning of a marketing program. These challenges can be acted on by the framework presented here, to help plan effective marketing programs for individual geographies. While an attempt was made to present as many examples as possible of the framework, only one was finally presented to equate the framework to its entirety. This framework is subject to further improvement. Therefore, it is the intent of the authors to further pursue refinement of this material and add in experience from marketing project managers.

### Endnotes

The authors have provided suggestions on marketing tactics for Power Distance Index dimension in page nos. 7 to 12. While an attempt was made to present a broad understanding of the framework, the full illustration covering the other Hofstede's dimensions of Individualism, Masculinity and Uncertainty Avoidance are outlined in the Appendix section page nos. 21 to 30.

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Appendix

**Table 11: Planning of marketing efforts based on Individualism (IDV) values**

<b>Marketing Sub Area</b>	<b>Score</b>	<b>Countries with High IDV value</b>	<b>Countries with Low IDV value</b>
Product Mix	0	No significant influence determined	No significant influence
Product Lifecycle Management	0	No significant influence determined	No significant influence
Segmentation	1	Segmentation is a lot more granular as individuals have unique identities. Information must be gathered keeping customer privacy in mind.	Segmentation can be more distinct, as clear groups of interest are present. Information is more readily available and individuals can be expected to have common stereotypes within groups.
Branding and Positioning	1	Positioning statements that convey individuality, creative and personal growth and opinion, are likely to succeed.	Positioning statements that convey belonging, harmony and well-being are likely to succeed.

The effect of Individualism on marketing is limited – the product mix and product lifecycle stays the same irrespective of whether the region is individualistic or not. However, the manner in which the products are positioned and taken to market will be influenced.

## Kispotta, Sharma & Dhavala

**Table 12: Planning of Pricing and Promotion efforts based on Individualism (IDV) values**

Pricing and Promotion Sub Area	Score	Countries with High IDV value	Countries with Low IDV value
Pricing Strategy	1	Individualized SKUs and configuration options would allow charging of higher margins – however, difficulties may emerge with demands on supply chain to enable individual SKU configuration.	Standardized product formats and fixed pricing would make supply chain processes simpler – however, pricing will remain inflexible and margins remain fixed.
Discounts and Allowances	1	Discounting schemes focused on individuals such as coupons or personalized vouchers are recommended. Loyalty programs would also be useful.	Group purchase discount schemes are recommended. For services, group packages would be a good discounted option to offer.
Promotional Mix and Advertising	2	More individual directed – social media and search engine driven, viral marketing initiatives, SMS/Email (use with caution, as privacy is a major concern). Focus on BTL (below the line) activities.	More directed towards groups – mass media (print/video/audio). Focus on ATL (above the line) advertising.

## Kispotta, Sharma & Dhavala

**Table 13: Planning of Sales and Distribution efforts based on Individualism (IDV) values**

Sales and Distribution Sub Area	Score	Countries with High IDV value	Countries with Low IDV value
Sales promotion / Incentives	2	Sales incentives must be individual focused; aspirational targets can be set as there is a propensity for challenges.	Group based sales targets are appropriate, as individuals are more driven towards helping to achieve team objectives. Competition can be fostered through pitting of groups against each other.
Sales Enablement	2	Self-driven learning methods such as webinars and online courses can encourage learning; allow individual freedom to determine training needs.	Group based organized learning sessions with effective team exercises can encourage learning.
Promotion Planning	2	Promotions based on expert opinions may succeed here as well, as individual expertise is well recognized.	Promotions should highlight group usage benefits instead of focusing on individual opinions.
Distribution Channels / Network Structure / Supply Chain	1	Individual distributors would prefer to be dealt with directly. Management is a problem, but better control can be exercised.	A distributor organization may be formed that internally handles its operating mechanisms. Management requirements are lesser.
Sales Evaluation	1	Innovative sales methods can be an additional evaluation mechanism.	Overall contribution to team objectives can serve as an evaluation parameter.

## Kispotta, Sharma & Dhavala

**Table 14: Planning of Strategy efforts based on Individualism (IDV) values**

Strategy Sub Area	Score	Countries with High IDV value	Countries with Low IDV value
Marketing and Sales Organization	2	Provide autonomy to individuals; tasks drilldown to lowest level and are based on individual assignments. Most work performed by individual experts – leads to specialized skills/capabilities.	Marketing and sales teams are formed into groups/organizations than individuals. Work is shared across the team, giving each individual more scope of work while allowing exposure to different areas of work – leads to generic skills/capabilities.
Decision Making Authority	2	Individual level decision making takes place. Group based decision making is difficult – identifying a single individual to make decisions is useful.	Group based decision making leads to consensus driven decisions. High level decisions are also discussed with the team before finalization.
Planning and Tracking of Progress	0	No significant influence determined.	No significant influence determined.
Customer Relationship Maintenance	2	Task oriented (tasks well done lead to improved customer relations).	Relationship oriented (a good relationship leads to continuing business).

## Kispotta, Sharma & Dhavala

**Table 15: Planning of Marketing efforts based on Masculinity (MAS) values**

<b>Marketing Sub Area</b>	<b>Score</b>	<b>Countries with High MAS value</b>	<b>Countries with Low MAS value</b>
Product Mix	0	No significant influence determined.	No significant influence determined.
Product Lifecycle Management	0	No significant influence determined.	No significant influence determined.
Segmentation	0	No significant influence determined.	No significant influence determined.
Branding and Positioning	2	Positioning depends on the type of products; products that appeal to a primarily male audience should convey – assertiveness, aggression, work over personal life (masculine traits) and those targeted towards female audiences should convey – demure, modest, female liberation etc.	Positioning can be independent of gender – should convey less strict social norms, modesty and caring, work-life balance, importance of the family.

**Table 16: Planning of Pricing and Promotion efforts based on Masculinity (MAS) values**

<b>Pricing and Promotion Sub Area</b>	<b>Score</b>	<b>Countries with High MAS value</b>	<b>Countries with Low MAS value</b>
Pricing Strategy	0	No significant influence determined.	No significant influence determined.
Discounts and Allowances	0	No significant influence determined.	No significant influence determined.
Promotional Mix and Advertising	1	Promotional mix should include vehicles such as workplace and corporate social networks – as there is a strong focus on work over personal life.	The focus on a good work life balance and equality among genders implies a large amount of social interaction – hence, generic social networks may prove to be most effective.

## Kispotta, Sharma & Dhavala

**Table 17: Planning of Sales and Distribution efforts based on Masculinity (MAS) values**

<b>Sales and Distribution Sub Area</b>	<b>Score</b>	<b>Countries with High MAS value</b>	<b>Countries with Low MAS value</b>
Sales promotion / Incentives	1	Aggressive targets for sales can be set; as work is an important driver in life. Rewards must however be commensurate with performance as high levels of assertiveness also exist.	Sales targets should be realistic and discussed in advance. Certain flexibility may be present in terms of rewards, however.
Sales Enablement	1	Enablement may be seen as a diversion from work – it needs to be engaging and directly link to work requirements for it to be relevant. Sales planning can include recognition for high performers as a key enabler for sales.	Enablement needs are centered more around personal development than work requirements. Mentorship for lower performers can be a strong enabler in these markets
Promotion Planning	0	No significant influence determined.	No significant influence determined.
Distribution Channels / Network Structure / Supply Chain	0	No significant influence determined.	No significant influence determined.
Sales Evaluation	1	Frequent evaluation cycles can exist.	Evaluation cycles must be well thought out as people are averse to long work hours.

**Table 18: Planning of Strategy efforts based on Masculinity (MAS) values**

<b>Strategy Sub Area</b>	<b>Score</b>	<b>Countries with High MAS value</b>	<b>Countries with Low MAS value</b>
Marketing and Sales Organization	2	Organizations are male dominated, with leaders mostly being preferred to be male.	Organizations are gender neutral, with leadership decisions left to merit.
Decision Making Authority	0	No significant influence determined.	No significant influence determined.
Planning and Tracking of Progress	0	No significant influence determined.	No significant influence determined.
Customer Relationship Maintenance	0	No significant influence determined.	No significant influence determined.

## Kispotta, Sharma & Dhavala

**Table 19: Planning of Marketing efforts based on Uncertainty Avoidance (UAI) values**

<b>Marketing Sub Area</b>	<b>Score</b>	<b>Countries with High UAI value</b>	<b>Countries with Low UAI value</b>
Product Mix	1	Product introductions must be well considered and researched – as people are averse to risk taking and trying out new products unless they are proven.	Product introductions can use pilots and be done quickly – as people are more willing to try out new trends and products.
Product Lifecycle Management	2	Progressions generally tend to be more accurate as society is more ordered and rule based. Make sure products are taken out of production before sales drops are predicted.	Some risks may be taken with projections, as market behavior is not easy to predict. Products being phased out must be given a refresh/second wind to see if they are taken up again.
Segmentation	0	No significant influence determined.	No significant influence determined.
Branding and Positioning	1	Positioning must be around long term utility, reliability and stability.	Positioning statements around innovativeness, creativity and chaos/disruption.

**Table 20: Planning of Pricing and Promotion efforts based on Uncertainty Avoidance (UAI) values**

<b>Pricing and Promotion Sub Area</b>	<b>Score</b>	<b>Countries with High UAI value</b>	<b>Countries with Low UAI value</b>
Pricing Strategy	2	Pricing must be seen as indicative of reliability. People prefer upfront payments to delayed payment schemes and financed/loan schemes.	Pricing must indicate value for money. People are more open to taking financial risks and would be interested in financing/loans.
Discounts and Allowances	1	People would prefer free add-ons instead of discounting, as discounting may be indicative of a lack of reliability.	People prefer discounts to free add-ons as it indicates good value for money.
Promotional Mix and Advertising	0	No significant influence determined.	No significant influence determined.

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**Table 21: Planning of Sales and Distribution efforts based on Uncertainty Avoidance (UAI) values**

<b>Sales and Distribution Sub Area</b>	<b>Score</b>	<b>Countries with High UAI value</b>	<b>Countries with Low UAI value</b>
Sales promotion / Incentives	2	Clearly define metrics for performance measurement and incentive linkage to performance. Ambiguity is not accepted. High stress levels.	Flexible terms are permissible and subjective incentive measurement is accepted. Ambiguity is a way of life. Low stress levels.
Sales Enablement	0	No significant influence determined.	No significant influence determined.
Promotion Channels (Word of mouth, Social, Viral, and Direct, Indirect etc.)	0	No significant influence determined.	No significant influence determined.
Distribution Channels / Network Structure / Supply Chain	2	Credit terms for distribution channel must be strict and rigid. Clear demarcation of responsibilities is essential.	Loose organization of the distribution channel is permissible; too many rules would disrupt ease of flow. Credit terms must be flexible.
Sales Evaluation	2	Planning must be properly and periodically done – and targets set must be strict and well defined.	Planning can be a reactive exercise if necessary – flexible targets and ambiguity are accepted.

**Table 22: Planning of Strategy efforts based on Uncertainty Avoidance (UAI) values**

<b>Strategy Sub Area</b>	<b>Score</b>	<b>Countries with High UAI value</b>	<b>Countries with Low UAI value</b>
Marketing and Sales Organization	0	No significant influence determined.	No significant influence determined.
Decision Making Authority	1	Responsibilities must be clearly articulated through a clear RACI.	Responsibilities may remain ambiguous.
Planning and Tracking of Progress	1	Planning must be meticulous, reports well tracked. Clear planning would typically ensure few deviations.	Progress tracking must be more stringent, as planning is weak and significant deviations from projections may occur.
Customer Relationship Maintenance	2	Strongly task oriented.	Strongly relationship oriented.



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Uncertainty avoidance is an important parameter because it can vary significantly across countries – the variations made to the program due to this dimension can go so far as to determine the success or failure of the entire campaign.

**Table 23: Hofstede Dimensions Table**  
(> 50 is high, <=50 is low)

Country	PDI	IDV	MAS	UAI
Arab World <sup>1</sup>	80	38	52	68
Argentina	49	46	56	86
Australia	36	90	61	51
Austria	11	55	79	70
Bangladesh	80	20	55	60
Belgium	65	75	54	94
Brazil	69	38	49	76
Bulgaria	70	30	40	85
Canada	39	80	52	48
Chile	63	23	28	86
China	80	20	66	30
Colombia	67	13	64	80
Costa Rica	35	15	21	86
Czech Republic	57	58	57	74
Denmark	18	74	16	23
East Africa <sup>2</sup>	64	27	41	52
Ecuador	78	8	63	67
El Salvador	66	19	40	94
Estonia	40	60	30	60
Finland	33	63	26	59
France	68	71	43	86
Germany	35	67	66	65
Greece	60	35	57	112
Guatemala	95	6	37	101
Hong Kong	68	25	57	29
Hungary	46	80	88	82
India	77	48	56	40
Indonesia	78	14	46	48
Iran	58	41	43	59

Country	PDI	IDV	MAS	UAI
Ireland	28	70	68	35
Israel	13	54	47	81
Italy	50	76	70	75
Jamaica	45	39	68	13
Japan	54	46	95	92
Malta	56	59	47	96
Mexico	81	30	69	82
Portugal	63	27	31	104
Romania	90	30	42	90
Russia	93	39	36	95
Singapore	74	20	48	8
Slovakia	104	52	110	51
South Africa	49	65	63	49
South Korea	60	18	39	85
Spain	57	51	42	86
Surinam	85	47	37	92
Sweden	31	71	5	29
Switzerland	34	68	70	58
Taiwan	58	17	45	69
Thailand	64	20	34	64
Trinidad	47	16	58	55
Turkey	66	37	45	85
United Kingdom	35	89	66	35
United States	40	91	62	46
Uruguay	61	36	38	100
Venezuela	81	12	73	76
Vietnam	70	20	40	30
West Africa <sup>3</sup>	77	20	46	54

<sup>1</sup>Arab World = Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, UAE

<sup>2</sup>East Africa = Ethiopia, Kenya, Tanzania, Zambia

<sup>3</sup>West Africa = Ghana, Nigeria, Sierra Leone

### Glossary of Terms

PDI: Power Distance Index

IDV: Individualism

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MAS: Masculinity

UAI: Uncertainty Avoidance Index

SKU: Stock Keeping Unit

### Questionnaire and summary of survey responses from primary research exercise

As a part of an independent study, this survey is being conducted to explore geographical and cultural sensibilities and its implications on marketing and sales programs. Obtaining your opinion and feedback would enable us to get insights for the research. We would appreciate your taking the time to attempt the 5 questions to complete the following survey.

Your responses will be confidential and anonymous. All responses will be compiled together and analyzed as a group. If the results of this study are published or presented, no names will be associated with the data cited.

#### *Survey questions:*

1. Which country do you operate out of?
2. What is your current role (Marketing/Selling/Business Development etc.)?
3. To which countries do you sell you products?
4. As a reseller to a particular geography or country you would have tailored or modified your marketing and sales program to cater to the cultural aspects, practices and sensitivity of that place. In which of the below areas were modifications made?

Choose from below:

- a. Products offered
  - b. Price
  - c. Offers
  - d. Distribution chain/supply network
  - e. Communication/Messaging
  - f. Customer interaction forums
  - g. Any other (please mention)
  - h. Not Applicable
5. Briefly describe the modifications made for your above selected points. Mention the benefits derived (For example, growth in sales etc. You may express gross percentages or indicators instead of actual numbers.)
    - a. If there are no inputs, please put NA in the dialog box.