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GLOBAL MARKETING

Tailoring Your Strategy to Fit the Culture

By MARIEKE DE MOOIJ

When a company goes global, it often doesn't realize that its strategy is a product of its own culture. Culture influences every aspect of a company's strategy, whether at the corporate level or the product/brand level. For this reason, companies cannot simply convert a national strategy into a global strategy without first understanding the various cultural dynamics at play.

In this article, I will discuss three aspects of global strategy: the company's mission, vision and identity, brand strategies, and communications. Drawing upon Geert Hofstede's dimensions of national culture (see **Five Cultural Dimensions**) and my own extensive research and consultancy work, I will consider the convergence and divergence of consumer behavior across countries, in order to help managers better understand the relationship between culture and strategy. Recognizing the differences will lead to increased efficiency in a company's global marketing effort and will ultimately condition the success of any multinational enterprise.

Mission, Vision & Corporate Identity

A crucial element in the strategic planning of any organization starts with its *mission statement*, an explicit formulation of what a company stands for, and linked to this, a *vision statement* indicating where the company wants to be in the future, sometimes expressed as its *strategic intent*. Mission and vision should give focus to everyone who is involved with the company, be it directly (employees) or indirectly (shareholders).

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Although the concept of the mission and vision are Western inventions, the practice has been universally embraced by companies worldwide. Providing a statement that expresses a company's strategic intent, its philosophy, values, ethics or operational effectiveness has become standard global management practice. Yet closer analysis of such statements reveals telling differences in content and form across the world.

The mission statements of U.S. companies, for example, tend to be strong statements of identity and reflect the need for consistency, performance, leadership, greatness and growth – values that are shared among cultures that score high on individualism and cultural masculinity, and low on long-term orientation, like the United States does. So, General Electric states: "Being a reliable growth company requires consistent execution on strategic principles that drive performance every quarter and every year."

Meanwhile, in collectivistic cultures, such as those found in Asia, social harmony is prized and companies function more like families. What the company stands for is more often expressed as "Harmony with People, Society and the Environment," as in the case of Toyota. Or "All people, regardless of race, religion or culture, harmoniously living and working together into the future," as in Canon's corporate philosophy of *kyosei*. Apart from the collectivistic values such statements express, they also indicate a high degree of power distance, as in the case of Toyota, whose mission is headed: "Message from Top Management."

Also, contrast Microsoft's mission, "To help people and business throughout the world to realize their full potential," with Philips' to "Improve the quality of people's lives through timely introduction of meaningful innovations." The former reflects the Anglo-Saxon value of self-actualization, while the latter reflects the quality-of-life preferences more in keeping with the Dutch character.

In all these cases, it is vital that a company review its mission statement in light of its own cultural biases. A company's view of itself ultimately reflects the values of its leaders, and if these values are not shared across cultures, then stakeholders elsewhere may have difficulties identifying with the company. A truly global company would include values that are shared by more cultures than just its own.

Based on its mission and vision, a company then distills its *corporate identity*, which also reveals its core values. Usually the task of creating a corporate identity begins with the selection of an appropriate corporate name. Other factors that contribute to corporate identity include the logo of the organization and marketing communications. All this, including language, lettering and associations, is logically a reflection of the home country of the organization.

The British communications consultant Nicholas Ind has defined corporate identity as "an organization's identity in its *sense of self*, much like our own individual sense of identity. Consequently, it is unique." If we consider this definition carefully, we see that it is, in fact, a culturally bound concept. First, the quality of uniqueness resonates primarily with individualistic cultures. Furthermore, the insistence by many organizations that there be worldwide consistency of all the elements of corporate ID, so that the company is perceived universally, again derives from Western notions.

In reality, corporate identity translates differently in different parts of the world. Sticking to uniqueness and consistency in corporate identity can be counterproductive,

EXECUTIVE SUMMARY

Many widely accepted management theories related to mission statements, branding and advertising are Western inventions that do not translate when companies go global. What plays well at home may not go down so well in foreign environments. The author recommends that a company conduct a full review of its entire global marketing strategy – from its mission and vision, to its portfolio, positioning and product usage, to its communications and advertising campaigns. Throughout the discussion, she challenges managers to let go of their preconceived ideas and insistence on consistency and standardization, which they may think is being cost-effective, but in reality will never succeed in scratching consumers where they itch. To be truly effective, global marketing strategies must articulate not the culture-bound values of one particular company, but the values of the stakeholders in all of the countries where the company operates. If not, stakeholders elsewhere may have difficulties identifying with the company.

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Five Cultural Dimensions

In his seminal study, the Dutch sociologist Geert Hofstede categorized national cultures according to five key dimensions, which have become widely accepted.

1. **POWER DISTANCE** is the extent to which less powerful members of a society accept that power is distributed unequally. In large power-distance cultures (e.g., China, Malaysia, Mexico and Saudi Arabia) everybody knows their rightful place in society and their status corresponds with the importance of their position, versus cultures of smaller power distance (e.g., Britain, Germany, the Netherlands and Scandinavia) where equality is favored.

2. In **INDIVIDUALISTIC** cultures, people look after themselves and their immediate family only; in **COLLECTIVISTIC** cultures people belong to in-groups who look after them in exchange for loyalty. In **INDIVIDUALISTIC** cultures, people want to differentiate themselves from others; they develop unique personalities. In **COLLECTIVISTIC** cultures, the need for harmony makes people want to conform to others. Americans and northern Europeans tend to be individualists, while southern Europeans are moderately collectivistic. Asia, Latin America and Africa are generally more collectivistic.

3. In **MASCULINE** cultures, the dominant values are achievement and success, whereas the dominant values in **FEMININE** cultures are caring for others and quality of life. In **MASCULINE** cultures, performance, achievement and status are important to show success. **FEMININE** cultures are more people-oriented, "small is beautiful" and status is not so important. Examples of **MASCULINE** cultures are Britain, Germany, Italy, Japan and the United States. Examples of **FEMININE** cultures are the Netherlands, Portugal, Scandinavia and Spain.

4. **UNCERTAINTY AVOIDANCE** is the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations. In cultures with strong uncertainty avoidance, there is a need for rules and formality to structure life. In weak uncertainty avoidance cultures, people tend to be more innovative and entrepreneurial. The countries of southern and eastern Europe score high on uncertainty avoidance, while Britain, Scandinavia and Singapore score low.

5. The fifth dimension distinguishes between **LONG-TERM ORIENTATION**, which includes elements such as pragmatism, perseverance and thrift, versus **SHORT-TERM THINKING**, which is associated with respect for tradition, social obligations and saving face.

Hofstede, G., G.J. Hofstede and M. Minkov. *Cultures and Organizations: Software of the Mind.* New York: McGraw-Hill, 2010.

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as not all elements are equally effective in all countries. Some companies have adapted successfully. Coca-Cola, for instance, when it entered the Chinese market, was able to find matching Mandarin characters that made the similar sounding "Ko-Kou Ko-Le," which roughly translates as "delicious happiness." In general, however, companies are not so readily adaptable and maintain their single-minded pursuit of across-the-board consistency.

Global companies need to consider the different cultural contexts in which they operate. Instead of formulating a consistent sense of self, corporate identities would do better to include some variations that take account of more collectivist interpretations, where conceptions of self can change according to varying social positions and situations.

Global Brand Strategies

Unilever and Procter & Gamble are large companies, but not exactly household names, mainly because they have chosen to market their products by their brand names, not the company name. Why? It all goes back to the individualistic branding theory that originated in the United States: Companies should *differentiate* products and brands, and *position* them vis-à-vis competing brands; a brand, like a human being, should be positioned as *a unique personality* with *a clear identity*. And that's typically what Unilever has done, choosing not to use its corporate name on any of its different brands and products – until recently. Driven by the specifics of collectivistic cultures like Russia, Japan and China, Unilever now includes its corporate name on all its brands.