
STRATEGIC IMPLICATIONS OF CULTURAL DIMENSIONS ON BRANDING AND MARKETING PRACTICES IN INDIA

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The real management challenge in this context is a readiness to move towards the inevitable Global-player-status without waiting for the market to force you to do so. Responding to cultural requirements, in a way, force companies to develop 'Global Managers' who could really take the lead in this period of fast and unpredictable changes.

ABSTRACT

The advent of globalisation, virtually in all aspects of our life, is a reality shock to most people irrespective of their national identity or economic status. Unlike many of the earlier global developments, the present process has engulfed the environment, bringing with it its own share of benefits and burden. Even though nation leaders war it out on stages like WTO and UN, they are slowly coming to terms with the reality that the changes are here to stay.

Major opposition to global integration comes from quarters which object to the cultural invasion of west on east, and its resultant impact on the socio-cultural environment of developing countries. This paper is an attempt to capture the impact of globalisation on branding practices of products and services, taking into consideration the cultural dimensions of the market in which they operate. Early signs of the implications of globalization are quite visible in the market place as we track the branding trends of multinationals. If the signals are anything to go by, markets will now be subject to a series of experiments by the marketers to lure customers, cashing in on cultural aggression and assimilation. As a nation, India stands to gain in the coming years, if we take a proactive stand to bank on our cultural heritage and position ourselves as a brand.

The paper also tries to bring out the subtle movement taking shape in the branding of Indian States in the World tourism map by projecting its subcultures, which are so significant in certain States.

In this context, the paper addresses the following issues:

- How are companies responding to a changing environment?
- How is the strategy and structure changing?
- How are they adapting to the changed environment?
- What opportunities have come up for organizations both domestically and globally?

Culture has been widely accepted as one of the major factors affecting consumer behaviour, and some of its dimensions with regard to attitudes and values of customers are within the ambit of observation. Culture is defined as "The totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thought". In the eyes of sociologists, there are two types or areas of culture; the material and the nonmaterial culture. Material culture is the part that is concrete and tangible. This includes things like buildings, artworks, or even a hairbrush. The nonmaterial culture on the other side includes things like religion, philosophy, ideas, and beliefs.

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From the marketing point of view, products and marketing communications have to take into consideration the cultural differences existing in different market situations. Most of the marketing gurus and practitioners are advocating the importance of being culturally sensitive as the most critical factor for success in the global market place. All multinational and global companies are looking forward to be 'glo-cally' relevant in order to reap the fruits of globalisation. To be glo-cally relevant, one needs to be both globally cost competitive and locally sensitive. Even more than technological powers which could be built within a matter of days or months, understanding the local culture could be of immense help in having an advantage over competitors. This has been time and again proved by the failure and success stories of big corporations worldwide.

In this context, it is interesting to probe some of the pertinent questions like :

How are companies responding to a changing environment?

How is the strategy and structure changing?

How are they adapting to the changed environment?

What opportunities have come up for organizations both domestically and globally ?

THE ENCHANTING WORLD OF CULTURE

Even though cultures of the world vary greatly, all of them share four basic components: symbols, language, values, and norms.

Symbols are the foundation that all the other components are built upon. Symbols are anything (such as a behavior, gesture, or item) that is assigned a particular meaning, which is recognized by everyone who shares that particular culture. This can and does cause confusion when different cultures meet. For example, in America the "OK" hand gesture means I agree or a job well done. However, in France it is an insult meaning you are worth nothing. In India offering a handshake to ladies is not perceived as a good gesture, whereas it is a regular practice in the western culture.

Language is a complex system of symbols used by people to communicate with one another. It can be both spoken as well as written, and is the method that is used to pass culture down to the next generation (also known as cultural transmission).

Values are basic guidelines for acceptable, good and desirable behavior. Values are vague principles that beliefs are based upon. Beliefs are particular ideas that people hold to be true.

Just as values are the basic guidelines, norms are the rules to ensure that they are observed in society. Norms establishes what is considered acceptable in each culture. Mores are taboos, or norms that have an ethical importance and allow people to have diversity; for example, in clothing style, musical taste, and polite behavior. Giving respect to elders is a very well-rooted value in Indian culture and its manifestations are visible in every walk of their life. Almost till a decade back, promotions in both public and private sector organizations in India were on the basis of either seniority alone or seniority and merit; which created a lot of functional friction to MNCs who have tried to put in performance as the only criteria. When we try to track the history of MNCs in India, most of them would definitely have stories to tell about the painful process of breaking away from the cultural norms of the parent country. They might have gone through the process of having a different set of policies for their Indian operations in the early days till they could slowly integrate it into the global stream. We even have the example of a local apparel brand in Kerala giving a caption "you must respect your elders" and a continuation to that in small font "only when they deserve it". It was a conscious effort by the company to force the youngsters to think differently with out breaking the norms.

In the area of culture, the contributions of Geert Hofstede need to be highlighted because researchers who previously had not questioned whether theories of human behavior were applicable to all people were suddenly confronted with Hofstede's systematic framework of cultural dimensions suggesting that not only behavior but also the processes and mechanisms governing behavior could be captured in four cultural dimensions. His study during late 1960s and early '70s, known as the famous IBM study was a milestone in the history of studies on culture. Hofstede's framework for understanding national differences has been one of the most influential and widely used frameworks in cross-cultural marketing studies, in the past ten years or so. Four dimensions of culture as propounded by him are: 1) uncertainty avoidance, a society's tolerance of the unpredictable; 2) power distance, a society's acceptance of the unequal

distribution of power; 3) individualism/collectivism, the extent to which the interests of an individual prevail over the interests of the group within a society; and 4) masculinity/femininity, the relative strength of masculine versus feminine values in a society. He segmented several countries into different groups on the basis of the scores from individual respondents. The implications of those categorizations are valid and accepted in most of the cases.

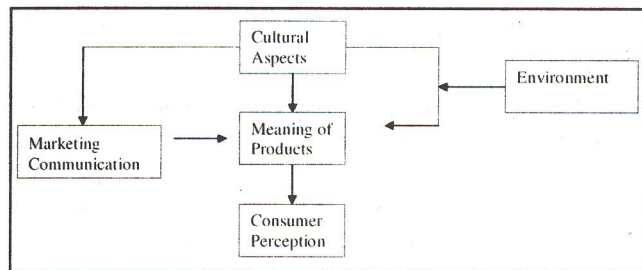
Edward T. Hall's (1960) article, "The Silent Language in Overseas Business," in Harvard Business Review, powerfully described the influence of the apparently invisible dimension of culture on international business. According to Hall the five silent languages that define patterns of communication in the culture are: Time- the importance or sense of time in daily activities, Space (distance)- the amount of physical distance individuals attempt to maintain between themselves and others, Material goods- the emphasis or inferences on the possession of goods to signify power, success and status, Friendships- the importance of friendships in conferring status on an individual and Agreements- considers the way in which agreements are reached. All these different dimensions are important for understanding the culture of a country when an organization decides to venture into an operation in a foreign country.

The various cultural dimensions put forward by Hofstede and Hall constitute an interesting jumping board for us to study the impact of culture on branding practices. In fact their theoretical contributions give us guidelines to create a framework for any organization to formulate its strategies in terms of product positioning for market entry. But, nothing can replace the actual feel of the culture as it is much broader and deeper than words can describe. Also, its importance is all the more felt by the absence of any other close substitute.

CULTURE AND CONSUMER PERCEPTION

The following figure reflects how the perception of consumers is associated with the culture of which they are a part:

The cultural aspects include perceptions of consumers about time, work, leisure, festive occasions, ethnicity and gender which affect the meaning associated with product categories. There could be differing perceptions about the clothes for work and leisure, clothes for weddings and



Source : "Conceptual issues in Consumer Behaviour", S Ramesh Kumar

funerals. For example, red colour, which is auspicious and popular in India, has an extremely different connotation in Japan - it is associated with death. "Marketers have to be sensitive to the 'meanings' associated with the products in a specific market setting. They have to clearly communicate their message in accordance with the perceptions associated with product categories and also ensure that the respective brand gets differentiated through positioning strategies". Even though the number of women smokers in India is increasing, it would be almost suicidal for any company to advertise cigarettes featuring women.

Simon Anholt has addressed the linguistic and cultural dilemmas that international advertising raises and the many myths and misunderstandings that result from a failure to understand the local culture. He narrates a real life example of the experience of Gerber (USA) in marketing its product in West Africa. Gerber once decided to sell its brand of baby food in a West African country. They exported the product and ran the same copy that had been selling jars for them by billions since 1926. They put the famous label on the jar; with the baby boy wearing a big smile which, over the years, had helped them become a household name back home. Reports soon came back from the distributor, announcing zero sales. Later, reports came back on the national news, telling of rioting in the streets and casualties. Worried company chiefs watching television back home in the U.S. thought they saw glimpses of people burning copies of their poster in the background.

Much later, it transpired that in many African countries, there was a very real but hitherto undocumented assumption that what you see on the label is what's in the jar. This came over to consumers as a coarse hint that the little boy, far from endorsing the product, was the product. People thought they were expected to feed their black babies with a white baby. Sensibilities were naturally

offended by this immodest proposal, and outrage soon gave way to violence.

Another typical example is the European version of Diet Coke. In many of those markets, the word "diet" would skew the product as feminine, so the brand is instead called Coca-Cola Light. The packaging graphics are identical to Diet Coke, so despite the name change the product is quite familiar and reassuring to U.S. consumers traveling abroad.

Consider the case of Japanese carmaker Mitsubishi Corp., which wanted to name one of its models the Pajero. In certain Latin American countries, however, the term is slang for compulsive sexual behavior. Instead, Mitsubishi is using the name "Montero" in most parts of the world.

Ladies riding scooters with gear is a regular sight in many of the North Indian metros unlike in the southern states where it will almost amount to immodesty. So an advertisement of a scooter should be a very carefully thought-out process in both the regions by the companies and it requires a very close understanding of the local cultures. It becomes all the more important to service sector companies to respond to the local culture and the systems and structures need to be aligned to take the changes in its stride. Creating an organization, which is culturally sensitive, thus becomes one of the most important challenges in this era.

RESPONDING TO INDIAN CORE VALUES - AN ORGANISATIONAL PERSPECTIVE

India, being one of the most promising markets globally, poses challenges to both domestic and foreign players on this cultural front. For the discerning domestic players it's a basketful of exciting opportunities. On the other hand, the MNCs would have a tough time learning the intricacies of understanding the local culture and numerous subcultures. The first round advantage surely goes to the Indian companies once they understand the importance of coming out with products and services of global quality.

The one great advantage for domestic players is the fact that, as a country Indians have already learned the art of living comfortably and successfully in a multicultural environment. A consumer from Bombay metro is so different from a farmer in any of the northern or southern states that at times, for a marketer focusing on the length

and width of the country, it would be like catering at the same time to markets of Europe and China. In many situations our organizations have succeeded in this task. The success stories of Amul, Nirma, BPL etc are evidences for this. Culture, in most cases would be like peeling an onion; as we peel layer by layer, new layers would be waiting for us. The million-dollar question is, as organizations, how are they going to deal with this very unique feature? How will they adapt the organizational structure and culture to fight the battle? One basic guideline could be to restrain from making any quick assumptions on peripheral information.

Even though many of the value systems vary greatly from urban to rural areas, southern to northern and eastern to western states, the beauty of Indian culture lies in diversity. However the core of Indian culture remains the same to a very great extent. The core values of any society are those which are adapted and followed by a significant number of people for long period of time, and which enable marketers to understand the behaviour of consumers. This gives a context to analyse the implications of branding and marketing practices in India as well.

Unlike in many other parts of the world, the joint family system is very much prevalent in India even though the urban areas, to an extent, are moving towards the concept of nuclear families. This makes an average Indian very much cost-sensitive on the one hand, but on the other, under the strong influence of visual media his aspiration levels are going up, encouraged by the general increase in disposable incomes. This increase in disposable income may be attributed to globalisation. Generally average Indian consumer will start from the lower end of a product line and, soon after, an upgradation is effected when he detaches himself from the unorganized sector. Realizing this, the MNCs and other leading Indian Companies come up with a number of price points in all their product lines. In many cases, the consumer also mixes up brands and offerings from the unorganized sector to balance the family budget fluctuations. The sachet revolution happening in the Indian FMCG and food market is an offshoot of this pattern. None of the companies can afford to keep themselves away from this one rupee revolution. This formula of high volume - low margin seems to make a lot of business sense to most of the domestic and multinational corporates in India.

At the same time, there are few domestic companies and certain MNCs, who were not able to adapt to the changes happening in the market place. Most of them paid the price by market failures. Initial phases of the emergence of Nirma in the washing powder segment never created any kind of response from HLL till they almost lost their balance in the market place. It shows that the extent to which organization is sensitive and adaptive to market dynamics is not directly correlated to the think tanks or professionals present in a company. In most of the failure cases, market intelligence systems were not oriented to the realities of Indian consumers psyche. It shows the difficulty faced by mammoth organizations in being creative and proactive when it comes to stiff competition. In many of the organizations, the kind of bureaucratic structures created at one point of its developmental phase was not adequately responding to the market requirements and thereby exposed the level of adaptability of the organization. It took time for HLL to respond to Nirma by offering Wheel to get a hold on the lower segment. McDonalds, when they launched in India were very sensitive in projecting it as a family restaurant for upper middle class rather than continuing its image of quick and convenient food joint in USA. This kind of a positioning requires the company to have a very deep understanding of the cultural ethos of India. Dominos in the same segment failed to identify with any of the cultural dimensions and are still struggling to get a foothold in India.

Every MNC has its own cultural orientation in managing its establishments worldwide based on the broader socio-cultural framework of the parent country, known as ethnocentric, poly centric and geocentric orientations. These orientations create immense impact on the way they structure, communicate, motivate and develop their organizational members. As the companies progress from their domestic operations to multi-national and global operations, these orientations need to be reworked depending on the requirements of the time. The success of Maruti Suzuki in India could be attributed, among many other things, to Suzuki's ability to work and live with the Indian counter part. Even though Maruti has a predominantly ethnocentric structure in running the business, the recent developments in the remodeling of the product-Maruti Zen taking the Indian youths' taste into consideration indicate on major shift to a polycentric approach. They were able to establish that the Indian arm

is capable of running the show themselves and are letting it act as an independent entity. The recent remodeling is an effort of a group of about thirty Indian engineers. This shows the inevitability of responding to cultural differences in a positive way when you operate in foreign countries.

Cricket is synonymous with India and in many parts of the country it is a way of life too. Of late, cricket enjoys the status of a cultural symbol or even a religion in our country. The success of the film 'Lagaan', to a very great extent, is the result of a conscious branding effort to touch the Indian psyche with its overtone of cricket as a tool to fight against oppression. It has paid rich dividends to the film industry as well. The Korean giant Samsung is also adopting a similar strategy for branding its refrigerator by combining cricket and Indian family values (babhiji as a friend and motherly figure), which is an attempt to identify with the cultural values of host country consumers. These kinds of shifts in strategies require a very systematic effort from the side of parent company to adapt its structure and systems with required level of functional autonomy and flexibility. The real management challenge in this context is a readiness to move towards the inevitable Global-player-status without waiting for the market to force you to do so. Responding to cultural requirements, in a way, force companies to develop 'Global Managers' who could really take the lead in this period of fast and unpredictable changes.

Most Indian families perceive spending on children education as a major investment; and investment, in general, is a core value of Indians. Even now stock markets and financial investments are an alien thing for majority of the population. Traditionally Indians are comfortable with investing in gold and land and this has given rise to the different types of businesses in those areas like real estate development and branded jewellery. Even leading business houses like Tatas have taken the lead to respond to the opportunity unveiled.

Festival season is the peak time of marketing activities in India. Freebies and, celebrity endorsement of the products create an environment in which astronomical shoot-ups in sales of prime brands are seen. Several brands in a number of product categories offer sales promotional programs during festive seasons and lakhs of consumers make use of the value-deals during these times.

CHANGING CULTURAL TRENDS - AN OPPORTUNITY FOR COMPANIES

Emergence of a very ambitious professional class during the last decade has made strong impact on the branding practices of companies in India. Possession of premium cars, club memberships, credit cards and annual vacations are all part of the image-building process of the members" of the elite club in the major metros. Companies have started identifying potential in this area and are branding products to cater to the needs of those customers. Many leading credit card companies have gone one step ahead by offering their cards to final year students of leading business schools free of cost for the first year with out any major documentation process. This proved a successful attempt to rope in the potential long-term "high value" customers by providing them the power of plastic money even before they really get in to the club.

Work has become the focal point of attention for many of the young professionals in India and food and entertainment habits of people have also tuned to the western style in almost all the metros. Nightclubs, joints and disco parlors are all very much a part of their daily life. Major hotel chains and package tour operators are all venturing into innovative programs to capture the business opportunity at an early stage itself. Organisations, which are responsive to this, are all reaping benefits as well. Companies manufacturing electronic and other hi-tech products are reaching out to the market with new products, which were hitherto alien to the Indian consumers.

MARKETING 'STATES' - A BUNDLE OF OPPORTUNITIES

The potential of India as a tourism destination was identified long ago. However, creating a brand experience in a service like tourism was a major challenge for those concerned. It is a laudable fact that, the Central as well as some state government agencies of tourism promotion have taken very serious steps in this direction and are reaping the benefits within a short span of time. The potential of states like Rajasthan, Delhi, Goa, Karnataka, Tamilnadu and Kerala are huge in this respect.

Kerala has started projecting heritage tourism as the buzzword along with backwater and ayurvedic experiences, which are very much unique to the state's geographical and cultural landscape. It had started showing early results by way of attracting a record

number of foreign tourists in the 2004 New Year season. In Kerala, the traditional houseboats have a great appeal to both foreign and domestic tourists and the houseboat operators went to the extent of offering five star facilities even while keeping its traditional appearance. Many leading hotel chains have recreated the ethnic 'Tharavadu' (houses where traditional joint families lived) in their property and are branding them with great success. The boat races that are conducted as part of 'Onam' (Kerala's cultural festival) is branded and promoted by the state tourism agency itself. All of organizations in tourism sector are reaping benefits out of that, irrespective of their organizational orientation. The potential in this context is enormous and it is open for the organizations to use them as proactive players in the market place. This points a finger at the appropriateness of the management systems and practices available to us through management text books.

The 'kite festival' of Gujarat is a brilliant attempt to brand culture to attract tourists and, in the long term, it will become an occasion for companies to come up with marketing programs strategies to leverage from this festival.

The experience of Thailand and that of Hong Kong to an extent in experimenting with branding tourism shows us some of the pitfalls on the way. It should be a great learning experience for India in the sense that instead of bringing the western culture to lure the westerners, we should brand our culture in such a way that it is designed and delivered as per our cultural values. It is reaping results in a very encouraging way in all parts of the country. It has proved that a value based branding practice can create a huge market in tourism, which has taken off in a big way in at least some parts of the country. The potential for branding in this segment is tremendous for anybody to visualize, also resulting in the creation of large employment opportunities directly and indirectly in the country. The most important challenge in this whole activity would be to brand and position the appropriate cultural dimensions to the international tourists who spend their hard earned money on 'value for money' tourism experience in India.

CONCLUSION

The journey through the enchanting world of Indian culture could be meaningfully concluded with a positive

note on its immense potential to provide opportunities for companies and society at large. Branding, being the backbone of marketing activities, could very well take up the cultural dimensions of India in its search for exploring both the rural and urban Indian markets. MNCs and domestic companies need to look at the internal realignments needed in terms of structural and cultural requirements to respond to the challenges. This is an area where business organizations can experiment with all modern management principles so that a new world of research opportunities is opened in front of the academicians and practitioners in the coming years.

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