



European Marketing Strategies

CULTURAL DIFFERENCES IN FOREIGN MARKETS
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The world is changing at an amazingly rapid pace, and one of the most important ways it is changing is regarding cultural diversity. The different cultures we have exposure to bring about an opportunity for personal growth, but also an increased potential for misunderstanding, confusion, and conflict. In the business world, these cultural differences bring about opportunities for expanding corporations and firms to a multinational level. As a business student, understanding differences in culture is vital to my future success as a business professional. Business professionals may face language, cultural, legal, or political barriers when entering new international markets.

Rapid technological advances mean that geographical boundaries are disappearing and even smaller businesses can market and sell their products internationally. American companies and European companies operate in different legal, cultural, and political environments and have developed marketing strategies to match those environments. A study conducted by Franklyn A. Manu at Morgan State University found that American companies spend more money on advertising than European companies because European companies often face more restrictive regulations (Thompson). Nonetheless, being aware of these differences via Hofstede's Cultural Dimensions and by applying Ethos, Pathos, and Logos may help circumvent these obstacles and put investments to best use.

Hofstede's Cultural Dimensions

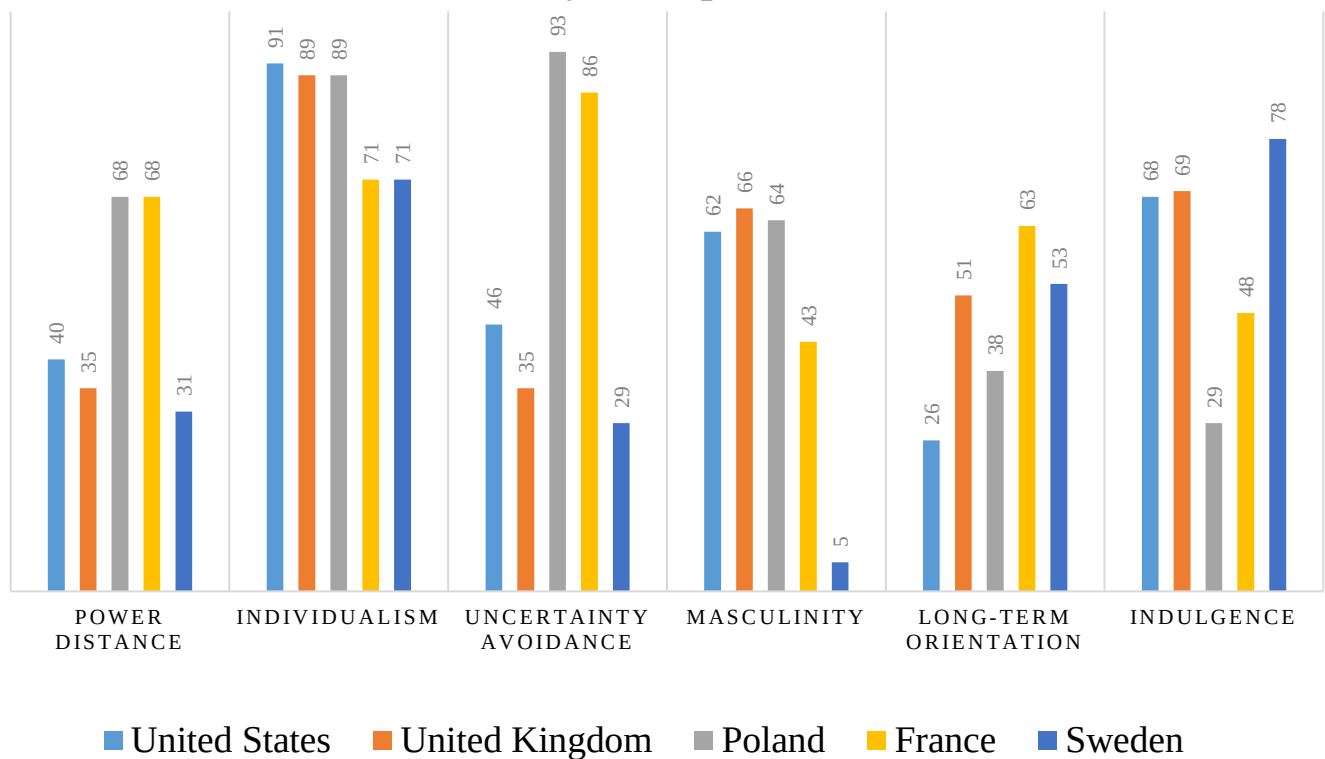
Geert Hofstede developed Hofstede's Cultural Dimensions Theory¹ as a result of a world-wide survey of employee values between 1967 and 1973. These cultural dimensions include power distance, individualism vs. collectivism, uncertainty avoidance, masculinity vs. femininity, long-term orientation vs. short-term orientation, and indulgence vs. restraint.

- **Power Distance** measures how a culture views power relationships between people, with high power distance countries viewing power as distributed unevenly per a hierarchy of authority. European power distance tends to be lower in northern countries and higher in southern and eastern parts.
- **Individualism versus Collectivism** measures a preference for a loosely-knit social framework (individualism) versus a preference for a tightly-knit framework where members look after each other in exchange for unquestioning loyalty (collectivism).
- **Uncertainty avoidance** measures the degree to which individuals feel uncomfortable with uncertainty and ambiguity. Countries with high uncertainty avoidance scores maintain rigid codes of belief and are intolerant of unusual behaviors and ideas.

¹ More information and examples of Hofstede's Cultural Dimensions:
<https://www.youtube.com/watch?v=EcrFudqIGr4>

- **Masculinity versus femininity**, sometimes referred to as “tough vs. tender” cultures, measures the extent to which a society stresses achievement or nurture. Masculine cultures prefer a society that is more competitive and based on achievement, heroism, assertiveness, and material rewards for success. On the other hand, feminine cultures prefer a more consensus-oriented society in which cooperation, modesty, caring for the weak, and quality of life are imperative.
- **Long-term orientation versus short-term orientation** measures how a society maintains links with its past while dealing with the challenges of the present and the future. Societies who score low prefer to maintain time-honored traditions while viewing change with suspicion. Societies who score high take a more pragmatic approach and encourage thrift and efforts in modern education to prepare for the future.
- **Indulgence versus restraint** compares a society’s willingness to allow free gratification. Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by imposing strict social norms.

Hofstede's Cultural Dimensions Country Comparison



To compare other countries, visit <https://geert-hofstede.com/countries.html>.

Modes of Persuasion

European countries have different cultural values and beliefs varying from different levels of individualism to their levels of indulgence. Understanding Hofstede's Cultural Dimensions can help you apply these values to persuasion tactics in marketing. One of the major modes of persuasion is derived from Greek philosophers dating back to the 300 B.C. era. Ethos, pathos, and logos are a mode of persuasion used to convince a target audience. These three terms, coined by the Greek philosopher Aristotle, are used in all marketing strategies.

Ethos

Ethos deals directly with the speaker and how he or she acts. When observing the mode of ethos, the speaker needs to be credible. Ethos can be transmitted directly through verbal or nonverbal communication such as the tone of the voice, body language, and facial gestures. According to Aristotle, three subject matters make one credible when addressing an audience:

- **Competence**—The ability to do something successfully or efficiently.
- **Good Intentions**—The desire to do good in all circumstances.
- **Empathy**—The ability to understand and share the feelings of another.

Pathos

Pathos encompasses the audience's emotions and putting the audience in the right emotional state to be persuaded. Aristotle noted that it is important to know which emotion and how one can induce these emotions to influence the audience to make the desired judgment. An example of a pathos tactic is storytelling because people absorb stories differently than other speaking techniques.

Logos

Logos is the appeal to logic and reason. The speaker wants to present a clear argument that the audience can understand. There are two different kinds of proofs used to formulate an argument:

- **Natural Proofs**—based on data which is found in documents, testimonies, etc.
- **Technical/Artificial Proofs**—created with combination of information and logic

Europe versus America: Consumer Marketing Preferences

All marketing strategies rely on ethos, pathos, and logos in an attempt to inform and persuade their consumers. Customers who live in foreign markets have different buying habits, preferences, and priorities than American customers. By tracking these foreign customers through market research and cultural surveys, marketers can discover the best methods of reaching them. Cultural psychologists use cross-cultural research to examine how knowledge about people and their behaviors from one culture may or may not hold for people from other cultures. In designing and evaluating these cross-cultural research studies, it is important to consider equivalence and bias. When conducting a cross-cultural study, it is important to consider equivalence in linguistic, measurement, sampling, procedural, and theoretical means. In linguistic equivalence, it is important to ensure that all written and verbal elements of a study mean the same thing in both languages of the study. This can be done by using back translation,

committee translation, or a combination of these two methods to ensure that the message in your study is the message you intended to send.

There are some interesting examples of American businesses who overlooked the importance of linguistics when marketing internationally. It is important to ensure that a company's brand name and slogan translate accurately to the new language. For example, KFC's slogan "Finger-lickin' good" was translated to "Eat your fingers off" when KFC opened in China. When Ford launched an ad campaign in Belgium, their slogan "Every car has a high-quality body" translated to "Every car has a high-quality corpse." Pepsi used the slogan "Come Alive With Pepsi" in Taiwan. Unfortunately, the slogan translated as, "Pepsi brings your ancestors back from the dead."² Linguistics are just one factor to consider when conducting a cross-cultural study or international marketing, but it can lead to many misunderstandings if done incorrectly.

When moving into an international market, it is important for the business to consider their mode of entry into the market. Whether a business chooses to license their product/business model or form a joint venture³, it is important to remember a business can choose to partner with another group or to hire marketing experts with knowledge of foreign markets to help them design their new marketing and persuasion tactics. The most important aspect of building a successful international marketing campaign is research. The company should be aware of consumer preferences, target demographics, cultural differences, and persuasion differences.

Consumer Conservatism

European consumer culture is much more conservative in regards to brands using customer data. North Americans are comfortable with brands delivering tailored messages, recommendations, and related products based on their own data; however, Europeans are much more conservative with this information. As a result, brands marketing their product in the European environment need to work harder to share their brand's value and benefits.

Brand Transparency

In business, a delicate balance exists between keeping customers' information private and providing a personalized experience. Europeans value their privacy, so brands should notify customers about their permissions and privacy settings to reassure customers that their data will not be misused. This helps brands close the gap on misconceptions of consumer data usage and build a trusting relationship between the brand and consumer.

Brands should also inform the customer of the value and benefits particular to their product. In the European consumer culture, aggressive and immediate selling is not attractive. Many European cultures have a much higher level of uncertainty avoidance, and they like to do their research before purchasing a product. Additionally, North Americans and Europeans online shopping habits differ. Americans eagerly seek out and purchase items online, while only 55 percent of European adults purchase products online.

² International marketing gone wrong: <https://www.linkedin.com/pulse/20141011224311-99993053-top-63-international-marketing-mistakes-pitfalls>

³ Foreign modes of entry: <http://www.marketingteacher.com/modes-of-entry/>

Softer Approach To Selling

Many American selling techniques such as “Get It Now!” are viewed as a too direct and aggressive advertisement in European markets. The European consumer preference is to be educated and informed, rather than to be sold to. In European markets, it is imperative to provide consumers with adequate product information and descriptions.

Conclusion

Brand customer relationships are more complex than ever while companies try to provide a private, yet personalized, shopping experience. Before expanding your business, it is important to do research to properly understand your target audience and the necessary marketing techniques. Cultural and persuasion differences, such as those discussed by Hofstede’s Cultural Differences or the modes of persuasion, can cause barriers when entering new markets, but being aware of these differences can help circumvent any obstacles faced. The opportunity for business growth into European markets is there, but the challenge is understanding the customer culture to apply new marketing strategies in an effective way.

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