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Challenges for Global Brands to Manage in India: A Cross Cultural Perspective

Dr Anamika Singh
Director, Sinhgad Institute of Management & Computer Application

Abstract: ***India which is emerging as a super power has put challenge against all the developed as well as developing countries which are trying to put strong foothold globally. Though the trend towards deregulation and privatization opened huge market which grudgingly began to enter the world economy and also the three major developments which have transformed the global marketplace (politics, economic reforms and technology), helped the marketer facing the stagnant or saturated market at home, to identify potential in markets outside their borders. But India is different, the culture seems to converge and westernize which in real sense not happening. The world's largest democracy, India, with a population of more than one billion and growing, restricted access to its markets, had started small liberalization steps in the 70's and in the decades of 90's when India almost dismantled the trade barrier, liberalized itself for the globe to enter and market its product. Since it is considered as potential market because of its huge population, all of sudden the global marketer found a treasure where they could explore their potential to get more and more revenue. Though India has got huge population where marketer may find vast and immense potential to market the product but unlike other countries it has diversity in its culture. This huge population cannot be mistaken i.e. if the product works in one region not necessarily will work in other, also the product coming from different country would have been strategically developed considering the factors influence the culture of the same country. But while coming to India to market the product, it needs umpteen concerns before developing the 4p's of marketing, strategically. Though the term 'global brand' is used extensively in business but, its nature and scope are not understood by all. Global brands are few in number and must satisfy several criteria to be considered truly global. Truly global product should have the potential to sweep away the national differences by offering reduced cost and world class quality. Brands may be considered in two dimensions based on their acceptance by consumers. One dimension is brand deliverable benefits related to its target segment. The other is type and depth of emotional connection between the consumer and the brand. Though the culture of India is also converging to some extent because of technological reforms and this is evident that the communication aids enhancing the scope of the same. Brands which were ever present in these communications, making promises and showing the way to better future, opening the door to resurgence of global brands. But still in India, customers are putting challenge against global marketer because here the second dimension holds more strongly i.e. depth of emotional connection. Indian customers are not only rational but they are emotional also and the side of balance of emotion is lower than the rationality. The researcher has framed the challenges for global brands coming to India and found more weight is given to emotional aspect by Indian consumers which in turn affect more to entice Indian consumers, also tried to envision the global marketing strategy. The research has been carried out by analyzing the secondary data and also by observations to conceptualize the same. The researcher emphasizes the findings about the emotional connect of Indian consumers are if not considered with gravity then consequences would reflect the failure of product.***

Keywords: Global brands, Cross culture, Global Marketing Strategy, Brand loyalty.

I. INTRODUCTION

The world economy has been undergoing revolutionary changes during the past 60 years. Perhaps one of the greatest and most profound changes was the emergence of global markets and global competitors and hence expansion of global trade. After the global economic meltdown in 2008, major changes are happening all over again, affecting global financial and economic equations among the nations of the world. Global markets will grow at rates that were once thought impossible. The engine behind this accelerating growth is high rate of growth in both the high and low income countries. The high income country growth leadership has shifted from Japan to United States. Low and lower- middle income country growth leadership has been concentrated in Southeast Asia and southern Asia with India and China as high growth large countries in region and the world and Malaysia, Hong Kong, Singapore, Taiwan, and South Korea at vanguard of small countries in the region. The driving forces of this growth are technology, deregulation, global integration, and the triumph of marketing. The future growth. The future growth of global

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commerce upto 2050 will be driven mainly by countries like India, China, Indonesia, South Africa, Brazil, Vietnam, Turkey, Mexico and Russia. They are home to large proportion of world's population. While their per capita incomes may not be impressive as compared to that of rich nations, they have enough people with adequate buying power for a whole range of products, from expensive automobiles, branded luxury cosmetics and apparel ordinary detergents and food products. Thus, while in global market the significance of Indian market can not be ignored. Marketers whether global or domestic, know that customers live in societies, and they are heavily influenced by the society they belong to. The society influences their values, lifestyles, and attitudes. Social and cultural influences impact the product they buy, the places they buy from, the communications and advertisements that are likely to be effective for them and how they react to prices and promotions. Global marketers must have an in-depth understanding of social and cultural environment of the country where they wish to market their product as culture is the key pillar of market place which has great influence on marketing mix. For a marketer doing business in and with India, an understanding of its socio cultural environment is imperative. For instance the number of official languages (now 22) recognized by Indian does not tell us what languages the middle class would speak and therefore what kind of linguistic preparation does a marketer have to do. Along the language Indian society is also divided along caste lines. The caste system is fairly complex and subtle to be discussed here however t is an axis of Indian identity, which affect certain pattern of buying. For example, a retailer may need to know that certain products with meat and related ingredients offend the upper caste of Indian society. The two multinationals, Pizza Hut and McDonalds had had to revise their products in the face o this cultural resistance. The state of Gujarat opened its first ever vegetarian Pizza outlet so as to draw the Jains of the Gujarat, the most influential and affluent group there to visit pizza hut. The example of Mc Tikki burger also reinforced the same concern. In India marketer need to be very cautious particularly India has integral part of relegio-cultural outlook. Global marketers must recognize and deal with differences in the social and cultural environments of world market. Since cultural sensitivity to differences spells the difference between global success and failure. While considering success at Indian market the cultural factor needs to be taken care as people of India is culturally very sensitive. This country has got high-context culture where customers give more importance. Here people's word is his or her bond. People place a great deal of emphasis on a person's values and position or place in society. Marketers need to learn more for win the share of heart than share of wallet.

1) *Purpose:* This research focuses more on important differences in world market and India and equally important similarities that express the fact of cultural universals. Paper provides information and action approaches to marketers to aid them in managing the emotional ties of global brands to Indian market. The researcher has emphasized on cultural paradox to be considered while entering the Indian market as Indian customers are culturally very sensitive; thus framing out the challenges before global brands entering in Indian market.
2) *Research Objective*

a) To discuss on important differences in world market and India.
b) To discuss the cultural paradox between cross culture countries.
c) To discuss the significant desired attributes for brand to be global.
d) To study cultural sensitivity of Indian consumers.
e) To frame out the challenges of global product at Indian market.

II. LITERATURE REVIEW

Dennis A. Pitta et al. (2006) ; in their studies provides information and action approaches to marketer o aid them in managing emotional ties of global brands to specific market segment. The study explores the requirement for global branding as well as the characteristics and advantages of global brands. It reviews the state of global branding and types of emotional connections.

Martin lindstorm (2005); in his studies found out the relationship between the five senses and brand. He tried to uncover the fact that emotional connections are effectively made with a synergy of all five senses, and as such those brands that are communicating from a multi sensory brand platform have the greatest likelihood of forming emotional connections between consumer and product.

Warveni Jap (2010); in his study explored Chinese consumer consumption values on global brand fashion luxuries . He reveals that customer perception about global brands are- high quality product, durable and prestigious, innovative and customer oriented product design, trustworthy and good and responsible customer services.

Dr.Sanjeev Bansal et.al(2009); This research examines the cultural differences from the point of view of advertisers who creates the ads rather than from the view of the consumer. It also studies the advertising agencies policies of standardization across the nations where there are present and customization of advertisements keeping in view the cultural differences among nations. It emphasizes the need for localized solutions, which are more efficient in getting its communication across.

Niaz Ahmed (1996); This research found that there were significant differences in the way the two cultures produced advertising messages and that differential cultural values were reflected in their advertising expression. The findings revealed that the Us

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advertisements utilize direct rhetorical styles, individualistic visual stances, sexual portrayal of women, and comparative approaches more than their Indian counterparts. The Indian ads utilized indirect rhetoric styles, collective visual stances..

Hongmin Ahn et al (2010); in their study provides evidence of cultural differences reflected in online brand communities Hofstede's cultural dimensions (individualism/collectivism, masculinity/ feminity, Power Distance and uncertainty avoidance) are manifested.

Warren j. Keegan et al.(2011); in their book of 'Global Marketing Management' discussed about social and cultural environment and its impact on marketing consumer products. They explained the high and low-context culture and the different dimensions of cross culure.Also, they study explain about search for cultural universals.

Rajan Saxena (2010); in his book of marketing management, discusses about the way to win the heart of customers. Since he advocates the consumers are king so they should be treated as king and he explores few examples which proves that by giving them the royal treatment, heart of customers could be won and they become the loyal customers.

III. RESEARCH METHODOLOGY

The study discusses about the challenges before the global brands coming to India and emphasizes more when product is entering from the culture which entirely different. The two cultures are High-context culture and low- context culture. Basically the two cultures have been differentiated on the basis of different cultural dimensions i.e. individualism, uncertainty avoidance, power distance and masculinity/feminity. Besides it signifies the emotional connect of Indian customers. Qualitative research has been conducted and to collect the secondary different sources have been accessed. The different literature, international as well as national research paper, dissertation and websites have been referred to analyze. The conclusion drawn is based on the analysis of the literature reviewed from different sources.

IV. DISCUSSIONS

India has got the population of deep-rooted culture i.e. high context culture which is relational, collectivist, intuitive and contemplative. High-Context culture canvas sensible aspects. People are more into emotional ties than rational ties. Though due to globalization, culture across the world is converging and adopting homogeneity but still Indian customers have not diluted the bond of culture. Though Indian consumer consumption values and behavior tend to vary significantly based on regions, cohorts and social class due to rapid economic growth in India, meanwhile they also have very different consumption values compared to their western counterpart. This study explored and analyzed the assumption that there were significant differences in cultural values in Indian and western countries resulting in brand preferences and perceptions toward global brands. People in India always weighted the brand fetches share of heart.

A. Concepts

The three major concepts which transformed the global market and forced to converge to the extent it could are:

1) Political
2) Economical and
3) Technological

The potential market for some global brands was large but limited by numerous closed markets; with the result that global brand could not include the entire globe. Faced with stagnant or stagnant or saturated market at home, many global brands managers began to identify potential in markets outside their borders that had been hazy assumptions in past strategies. The three aspects in all market across globe i.e. political, technological and economical aided to make the market homogenous. So the brand developed at local market can be floated for the entire market of globe. Though all brand developed locally can not be surfaced globally but the brand which has got few characteristics to be global can be considered. But it is very difficult to find these characteristics and attributes which could make the brand global. The essence of global company is that it views the world as its market, but there is no single accepted definition of global brand that guides development of their use. In one view "brand that is marketed under the same name in multiple countries with similar and centrally coordinated strategies" can be considered global brand. The Mc Donald's franchisee meets that definition Each restaurant in each country carries the same name and corporate logo and uses a central marketing strategy. Also brand marketed by a single company in multiple countries that do not have same name can also be considered global brand. While the brand names may not be uniform, they share marketing elements. Marketing programs for different countries may retain identical product composition and similar promotion but use a localized brand name to convey meaning or avoid unfortunate connotation. The North American product Mr. Clean also sells under different names in different countries. Among its different names in different countries are: Maestro Limpio in latin America, Don limpio in Spain, Flash in UK, and Mr. Proper in most of Europe. But common factors can be characterized to call the product global are: Their multi-market

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reach and Their perceptions as same brand world wide. There are different researches which say that there are many more local and regional brands than global brands. The reason behind this is still the local factor has not diluted. But when we talk about Indians they are more rooted and for the marketer need to be more concerned before penetrating the Indian market. The brand which though global and accepted across globe, necessarily will not be accepted by Indian. Coca cola which is accepted brand globally with its own composition but had to change its formula by making sweeter as per the palate of Indian customer. The global brand Coca Cola markets numerous local brands in competition with its flagship product. The different brand at Indian market like: Sprite, Maza etc. are consequences of this strategy. Mango is considered as king of fruits in India and mixture of lemon, water and sugar is very famous dink in summer thus considering these facts the above two products were brought to Indian market by Coca cola. Thus at Indian market or wherever this remains so even global product needs to change. Thus global brands normally retain significant local variations in order to compete particularly at Indian market. Though this is the fact that global brands are reputed to have little power to seduce the customer away from local brands also global brands produce benefits f so strong that or undifferentiated global consumers but here even globalization is happening ethnocentric sentiments is so strong that sometimes global brand become the focus of discontent and suffer a backlash that may involve destruction of company assets. The benefit of local brand is it reduces operational and communication benefits associated with global branding. Thus astute global marketer will consider bifurcated strategy of marketing both global and localized brand in target country. Coca Cola uses this strategy extensively. Indian consumer prefer to purchase global brand luxuries than domestic made luxuries that possibly may have comparable product quality, design features and so forth .Therefore Indian consumers are willing to pay much higher or premium prices for global branded and or imported luxury fashion goods to enhance and maintain their social status and self concept. But then also if the brand does not connect with the culture of India People reject the product. The very beautiful examples are failure of Apple ipod and virgin mobile in India.

B. Theoretical Framework For Cultural Values

The above discussion which explains the failure of different global brands at Indian market due to cultural paradox can be explained through the theoretical framework. Hofstede proposed four cultural dimensions. This is the most frequently cited and influential framework for understanding culture. Although many scholars have proposed alternative cultural level framework that attempt to address the shortcoming of Hofstede's dimensions, these framework lose some appeal because of their lack of parsimony and conceptual overlap with Hofstede's dimensions. Thus the current study uses Hofstede's framework to frame out challenges of global brands coming to Indian market. The four dimensions suggested by Hofstede's are individualism/ collectivism, Power distance, masculinity/feminity and uncertainty avoidance. India has collectivism and they believe those brands which satisfy the need of group more than individual will be appreciated more. This is why Mc Donald brings provision of family pack in India and at the same time provides more discount on the same where as the communication of the same product at western country focuses more on individual satisfaction. India is high in power distance thus the Cadbury crisis was overcome by the endorsement of Amitabh Bachchan whereas the same product in western countries are not endorse by the person of same stature in respective countries.

Indian culture signifies masculinity thus while portraying the brand it should signify assertiveness, ambition, success and performance. Uncertainty avoidance explains to what extent individuals in culture feel threatened by uncertain or unknown situations. In India people score high in uncertainty avoidance. Marketer while bringing global product to India should tend to add more information than they do when they are in western countries.

C. Global Versus Local Brands

The strategic marketing component of targeting takes on special importance for global firms. The now familiar saying "Think global and act local" is based on active market segmentation- It holds well with Indian market. A simplistic yet useful view suggest s that in the global context there are at least two relevant segments –m one more affluent and worldly, the other more affluent and insular. The global-local distinction meets the important market segmentation criterion of responsiveness because the clear difference between markets is the reason for purchasing preference. In India global brand is attractive to an affluent market segment that is that is interested in displaying their worldly knowledge. However the affluent segment is very small compared with the rest of the society and their purchasing behavior is unlikely to set the pattern for the non-cosmopolitan crowd. Though local brands have close fit; global brands have prestige and perceived quality. Depending on several factors, including communication, both may be familiar to host audience. These disparities are the result of global marketplace realities, often addressed as standardization versus adaptation issue.

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D. Emotional Connection And Share Of Heart

Global brands entering Indian market should always consider that though Indians proving themselves at most of professional fronts but still they are very sensitive and always in search of emotional connect be it any front. Their constitution, their upbringing, their culture and their society altogether grow them as very emotional and sensible people. Though at the same time they are rational too but they weigh more to emotions. Thus they can not be won by neglecting this aspect. Share of heart has been described as being on continuum midway between share of mind and share of market. Share of heart represents a degree of consumer commitment and emotional bonds that underlie a relationship with product o service. Share of heart seems to insulate consumers from the promotional activities of competitors. Failure to build share of heart can have damaging consequences. Though the connection is difficult to reproduce and appears to last longer than straight forward knowledge. To earn loyalty in India marketers need to form emotional bond with customer. That requires demonstration of care and concern from the company and recognition by the company that they value customers business. Even more important the company should communicate to the customer that he or she is personally valued. By this brand equity in Indian market can easily be increased. A very beautiful example of heart is the stir created by United Breweries chairman, Mr. Vijay Malaya. When in 2006 he launched the airline Kingfisher Airlines on the premise of better value for money than Jet Airways and all other airlines, it promised its passenger 'Good Times'. The airline offered comfort, personalized entertainment and personalized services both on ground and in flight. Besides convenient flight schedules, the airline offered the customers a direct link to the company's chairman in case of any inconvenience. On ground concierge service(the first of its kind in India) for both economy and business class with courteous front staff and personal welcome on board by Mr. Vijay Malaya , innovative in flight entertainment all won the heart of customers which patronize the airline with its loyal customers.

The other example is of small 'General stores survival'. Besides the big box format retail outlet with competitive price and nearby availability still the mom and pop shops are surviving and will inevitably remain there till they have the art of winning heart of the customers. These small general stores will remain there even the Wal-Mart comes with all its fanfare.

V. CONCLUSION

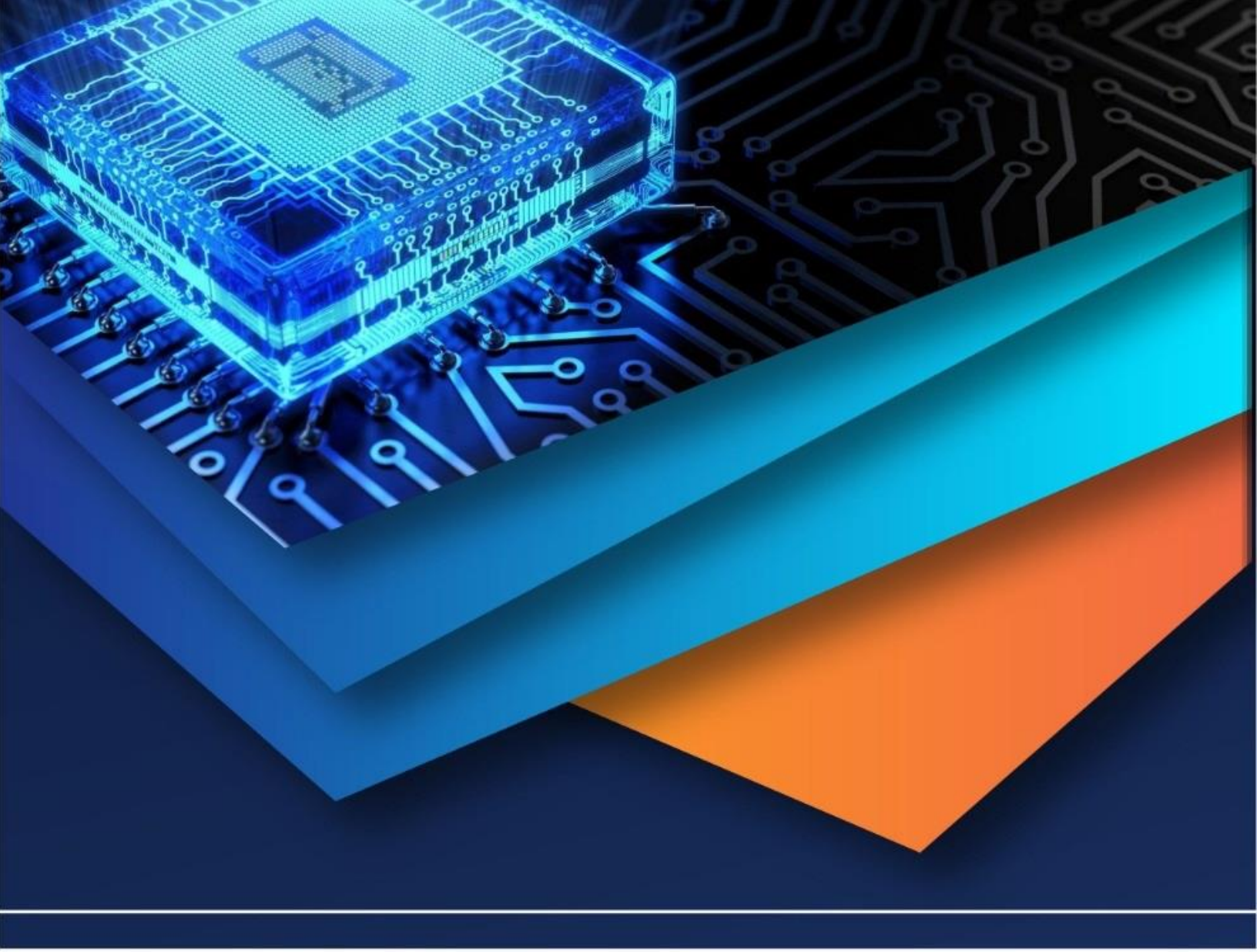
As we all know India which is emerging as a super power cannot be neglected by any marketer wants to float the product globally. Since India is potentially a country of huge population and culture of this country is diverse but it has got integrity in terms of emotional connect. This culture belongs to high context culture based on all four dimensions of Hofstede's cultural typology. When product is developed in a particular country the marketer should not mistake while floating it globally because customers of any country are highly affected by their own culture and they behave accordingly. Though few marketers considering the convergence concept or homogenous concept of culture try to float the product with same marketing strategies but sometimes it might cause failure of the product or even become fatal for the company to survive in the same market. Thus researcher recommends "thinking global but acting local". The 'glocal' product has more probabilities to tap Indian market.

The other way to tap the market is to keep the emotional connect between product and customer. There are several evidences which prove that neglecting this fact product could not survive in the market and also this is evident that if customers are touched through emotional connect they become loyal customers. Indian customers even after liberalization, are rooted to their culture which has grown them as sensible customers, thus by winning heart or by getting share of heart, share of wallet could easily increased by marketer.

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