“The influence of culture on marketing communications: critical cultural factors influencing South African and German businesses”

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The influence of culture on marketing communications: critical cultural factors influencing South African and German businesses

Abstract

The area of international communication possesses great potential for research. This study is undertaken in order to understand the influence of national culture on marketing communications between South African and German businesses. The study is undertaken as a cross-sectional quantitative survey combined with qualitative in-depth interviews to provide better understanding of the information obtained from the survey. The data was collected with the aid of a research questionnaire, which was emailed to the research sample. Collected data was analyzed using SPSS (Version 17.0) and descriptive analysis was carried out using tables and figures as well as the application of inferential statistics. The research sample was obtained from the Membership Directory 2010/2011 of the Southern African-German Chamber of Commerce and Industry with contact details of 500 companies located in South Africa and dealing with German businesses. Findings of the study revealed the following as critical cultural factors to marketing communication: language, value systems, religion, level of education, attitude towards time, as well as the marketing communication style and marketing messages. The study has revealed the emergence of new challenges for companies operating internationally. The national culture of each country is highlighted as an area of importance whose variables exert considerable influence on the communication process. In light of the research findings, recommendations for improving international communication between South African and German companies are provided.

Keywords: cross-culture, national culture, marketing communication, Germany, South Africa.

JEL Classification: M14, M16, M31, M37.

Introduction

Globalization has increased people’s need to be involved in international activities. Due to the fact that people from different cultures become more and more interdependent on each other, intercultural communication is becoming a common issue to deal with. Regarding the increasing importance of intercultural communication, many scholars and researchers have produced works on various topics related to intercultural communication (Boroditsky, 2010). According to Samovar et al. (2007, p. 10), “intercultural communication involves interaction between people whose cultural perceptions and symbol systems are distinct enough to alter the communication event”. As summarized by Pellokorpi (2010), intercultural communication has been defined by various scholars as communicative encounters between people or groups with different backgrounds. ‘Intercultural’ means the comparison of cultures in contact, which in the context of business, refer to ‘intercultural business communication’. Palmer-Silveira et al. (2008) state that, due to recent developments in the business world, like the expansion of the European Union and the growth of some Asian economies, intercultural business communication has become one of the most important fields of research. According to Ablonczy-Mihalyka (2009), globalization has also produced a workforce with diverse cultural backgrounds at the same workplace whose business encounters are at an international level. Cultural differences between employee’s and between businesses provide the potential for misunderstanding and disagreement.

1. Literature review

1.1. Culture. According to de Mooij (2005), there are different meanings of culture. The most common definitions of culture are found in anthropological literature. According to Albaum et al. (2002), culture is human-made, so it is learned and is communicated from one generation to another. This definition corresponds with the statement of Keegan (2002) who stated that cultures are ways of living built up by a group of human beings, which are transmitted from one generation to another. One of the most popular definitions was given by Hofstede (2001, p. 9), who stated that, culture is “the collective programing of the mind that distinguishes the members of one group or category of people from another”. In accordance with Hofstede’s (2001) definition, Zhao (2011) stated that a national culture is a set of collective beliefs and values that distinguish people of one nation from those of another.

1.2. Elements of culture. Various authors have written about the elements of culture and have tried to explain its influence on the national culture and the value and norm systems of a society. Elements of culture like education, religion and language influence the values and norms of a society (Cateora and Graham, 2007; Samovar et al., 2007; Hill, 2011). “Each of these ingredients plays an equally important role in determining the nature and values of a particular culture” (Lillis and Tian, 2010, p. 100)
One of the elements of culture is education which plays a major role in a society. At school, individuals learn the substantial skills which are needed in a modern society. Cultural norms, like respect for others, obedience to authority, honesty, neatness and being on time are taught at school (Hill, 2011). Another cultural factor of importance is religion. Cateora and Graham (2007) stated that the importance of religion on the value systems of a society and the effect of value systems on marketing must not be underestimated. The influence of religion is often quite strong. The issue of time is also treated differently amongst different cultural groups. Cultural attitudes towards time are reflected by different time orientations. In a monochronic culture, time is seen as having an economic value. Therefore, activities are undertaken at one time and schedules and agendas are respected. Polychronic cultures do multitasking, i.e., doing two or more things at the same time (Gillespie et al., 2007). “In cultures with this view, people view the ability of being involved with many issues involving other people all at once as more important than completing an individual task by a deadline” (Brodowsky et al., 2008, p. 246).

Language is also another cultural element of key interest. Language is part of culture and plays a very important role in it. According to Jiang (2000), without language culture would not be possible, because the former reflects culture and is simultaneously influenced and shaped by it. Facts or ideas or events that are communicable refer to shared knowledge between people as well as beliefs and attitudes which are shared with others. As stated by Chaney and Martin (2010), there is a need for understanding a common language to communicate successively with people from other cultures. Resultantly, several studies have examined the relationship between language and culture. Boroditsky (2010) summarized different studies which measured how people talk and think and identified people’s understanding of space, time and causality could be constructed by language. According to Boroditsky (2010), several studies have shown causality between the language being spoken and the way people think. If a bilingual person switches from one language to another, he/she starts to think differently. Hence, by learning a new language, people also learn a new world view.

The linkages between language and culture are also evident in non-verbal and verbal communication. Specific cultural behavioral patterns are learned and culture is shared. Non-verbal communication is not only influenced by factors such as gender and an individual’s personal characteristics, but is also affected by culture. People who are culturally, linguistically and racially similar may be able to read the non-verbal behavior of each other more accurately (Gabbott and Hogg, 2000).

1.3. Marketing strategy. Companies are always searching for competitive advantage and the emerging global landscape defines the firm’s opportunities and challenges. Open markets, rise in discretionary income and modern tools for accessing global markets provide great opportunities for businesses to pursue their international customers. Beside the opportunities for companies to enter a global market, there are challenges as well. The complexity of managing multiple markets and coordinating the marketing communications strategy as well as the difficulty of managing geographic, cultural, political barriers are factors which hinders the companies’ success in the global markets (Cavusgil and Cavusgil, 2011). Therefore international companies have to develop an international marketing strategy.

International marketing which is defined as the “performance of business activities designed to define plan, price, promote and direct the flow of a company’s goods and services to the consumer/user in more than one country” (Cateora and Graham, 2007, p. 9). Companies inform, persuade and remind customers (directly and indirectly) about the products and brands they sell through their marketing communication. The focus is, therefore, placed on the promotion (or marketing communication) element of the international marketing mix.

According to Cheon et al. (2007), the general requirements of effective marketing communication can apply to global communication as well. This is largely dependent on the environment and situation, resulting in variances in the marketing communication between markets.

When planning an international marketing communication strategy, companies have to decide whether to standardize, for example, have a single marketing strategy in all operating countries or to adapt a strategy to fit the unique dimensions of each local market (Vrontis et al., 2009). Cross-cultural research in advertising tries to connect observed differences with cultural dimensions, mostly based on frameworks such as the cultural dimensions of Hofstede (2001) or Hall (1976). A growing trend in advertising has been to combine a global advertising strategy with local adaptations referring to cultural differences of the target markets. Wilken and Sinclair (2011) discovered that Coca Cola, McDonalds and Colgate-Palmolive combined their global strategies with local adaptations, the so called “glocalization”.

Every culture has its own social time and the social context of individual cultures is one of the critical issues for marketing managers by developing a
global marketing strategy (Harvey et al., 2008). According to Harvey et al. (2008), time is the competitive tool of the 21st century and a good understanding of time can be “the key advantage for a company in the future to withstand the market dynamics”. The alignment of individual concepts of social time to those that exist already in the environment must be dynamic, given the changes in the environment that exist between different countries.

2. Research methodology

The study was undertaken as a quantitative survey research combined with qualitative in-depth interviews to help interpret the information obtained from the survey. The sampling frame was based on the Membership Directory 2010/2011 of the Southern African-German Chamber of Commerce and Industry with contact details of 500 companies located in South Africa and dealing with German businesses. From this Membership Directory, relevant staff formed the sampling frame. The final number of respondents depended on how many responded. Thus, the final sample was a self-selected sample.

The instrument used to collect the required data was a standardised questionnaire. It consisted of structured, closed-ended questions which asked the respondents to make choices among a set of alternatives (Sekaran and Bougie, 2009). Questionnaires were sent via email to the selected respondents at the companies with a German background. Collected data was cleaned to verify that the data values were correct as well as to detect and remove errors and inconsistencies, thereby improving quality (Rahm and Do, 2000). Data was then entered into the SPSS (Statistical Packages for Social Sciences, Version 17.0) and analyzed using appropriate statistical methods.

3. Research findings

In Figure 1, the results of the responses about culture and value systems are summarized. Four out of five statements had a high level of agreement (between 81.4% and 91.6%), which confirms that the different elements of culture do have an effect on marketing communications. The statement about people’s religious background had an agreement level that was only 45.1%, with 38% of the respondents neither agreeing nor disagreeing and 16.90% disagreeing with the statement. This is interesting because it was expected that all statements would have a high agreement level since religious background is strongly related to culture. One of the reasons for this finding might be that the respondents interpreted the questions in a different way than the researcher intended.

3.1. Influence of the value system on marketing communications. Figure 1 indicates the opinion of respondents about the way the South African value system influences marketing communications with German business partners. The findings from the qualitative interviews highlighted two keys characteristics that play a role in South Africa’s value systems and which are important for German companies operating in South Africa to know. The first characteristic identified is trust. Together with the marketing approach of word-of-mouth (WoM), building trust can be the key factor for successful business relationships in South Africa. If one can create trust in one’s product, people will spread WoM, which will have a positive effect and lower the cost of promoting one’s product (Kim et al., 2009). The second key factor identified in South Africa’s value system is the price of the product. In general, respondents felt that there is a tendency in South Africa to rather buy the cheaper product which could
lead to conflict with the German approach of quality and high-priced products. This means, in terms of marketing communications, that efforts should focus on convincing the customer of the good quality of the product, even if it is priced high. Despite these two key factors, there seems to be an advantage for international companies operating on the South African market.

3.2. The role of the religious background on marketing communications. Figure 1 also reflects whether the religious background plays an important role in developing a marketing communications strategy. The qualitative research findings showed a wide variety of responses. The overall feeling was that one has to be aware of the religious background and that it influences the perceptions of marketing messages, which explains the overall agreement with the statement of 45.1%. The high rating for neutral (38%) can possibly be explained through different interpretations of the statement. The respondents see the religious background as important, especially for the high cultural diversity within South Africa, but in terms of the interpretation of the questions, people thought of the marketing message itself. They stated that they use a neutral approach with no religious influence in their marketing messages, to simply avoid any offense. The overall attitude was that religion does not play a big role for marketing communications with a German business partner. In conclusion, the South African market is more sensitive about religion compared to Germany.

3.3. The level of education and its influence on the perception of the marketing messages. Figure 1 also summarizes opinions about how people’s level of education influences their perception of specific marketing messages. The high agreement (88.73%) with this statement in the quantitative study is supported by the findings of the interviews. Respondents felt that the educational level in Germany is higher, compared to South Africa and that technical literacy is often lower in South Africa than in Germany, even in management positions. The respondents stated that the educational level between South Africa and Germany in business is at the least on a similar level. As a result, the interviewees were consistent in their belief that the levels of education of the partners were suitable for successful marketing communication. In conclusion, marketing communication with German business partners in the specific fields of business operations is not problematic. However, when a product is marketed to the general public, there are big differences in the educational level between South Africa and Germany and companies would have to adapt their marketing messages accordingly.

3.4. Language – written and non-written communication. Figure 2 illustrates the findings for the first category of non-written communication, namely speaking the business partners’ language. The first statement shows a higher level of agreement (52.86%) than of disagreement (15.71%). However, the second statement shows similar levels of agreement (38.57%) and disagreement (40%).

The results show uncertainty as suggested by the high level of “neutral” ratings. It might be that not all of the respondents have contact with foreign, or especially German, business partners. In Figure 3, the findings of category two, written communication are presented. The results show high levels of agreement and very low levels of disagreement for all three statements. The results of the quantitative research support the finding of the review of the literature (Chaney and Martin, 2010). A comparison to South African preferences, when it comes to the style of a marketing message, will be provided in the summary of the qualitative findings.
Fig. 3. Written communication

Interviewees were asked if it is necessary to communicate with business partners in their mother tongue, and if it would improve business relationships if they were able to speak the language of their partner. The level of disagreement found in the quantitative study (40%) is supported by the responses of the qualitative interviews. The overall consensus was that it is not essential for a South African to speak German, in order to communicate successfully. One of the reasons given was that English is accepted as the official business language and, therefore, Germans do not expect their business partners to speak German. Furthermore, German business people generally speak good English because the German education system has established English as the second language at most German schools. Another reason was that German business partners prefer to speak English with their English-speaking business partners to improve their own language skills. Although all respondents presented the same opinion, namely that it is not necessary to speak your business partners’ mother tongue, a consistent belief was that it is seen as a mark of respect if one speaks the other person’s language and it would definitely improve the business relationship.

Figure 3 summarized the preferences of the South African business partners when it comes to the style of a marketing message. Marketing messages should be in a casual style, straight to the point, in a simple (“keep it simple”) and short style. The language should not be fancy and the message should not contain too much information or technical details. In other words, it should be clear-cut and uncluttered.

3.5. Attitudes towards time. Figure 4 shows the responses to time planning. The two statements show similar levels of agreement, with a low level of disagreement, but a relatively high level of uncertainty. The findings show that time management plays an important role for both South Africans and Germans.

Fig. 4. Economic time planning

It is interesting to note that the agreement level for the statement of South African personal time planning is higher than the level of agreement about the time planning of German business partners. However, this question was difficult to answer, because one does not know exactly how strict a business partner is in working to strict time schedules, which explains the relatively high rate of uncertainty (21.74%). The responses to the statement about time submissiveness/tenacity are captured in Figure 5.
Fig. 5. Time submissiveness/tenacity

Levels of disagreement are low across this category, implying that time management is important for both South Africans and Germans. With agreement levels of almost 90% on average, the first four statements are consistent regarding the importance of time management. All questions about the personal attitude towards time were answered with high agreement levels. This shows that South Africans seem to be very time submissive, being punctual and tenacious in completing working activities. The fifth statement shows an interesting result in terms of an uncertainty rating of 24.64% and an agreement level under 70%. Germans are stereotypically seen as very time conscious and reliable in keeping deadlines. The level of disagreement is low, which indicates a general agreement with the statement. However, one in four respondents was uncertain about the statement.

The findings of the qualitative study give deeper insight into the topic of attitudes towards time. In the qualitative interviews, respondents were asked about the differences in attitudes towards time between South Africans and Germans and how it affects their business relationships. A common statement of all interviewees was that Germans are, in general, very punctual and more time conscious. Another result was that Germans have a higher adherence to deadlines than their South African business partners. This finding provides general agreement with the statement “German business partners always keep deadlines” (Figure 5). The high uncertainty in answering this question might be a result of the wording of the statement, because a higher adherence to deadlines does not mean that Germans ‘always’ keep deadlines.

The planning of a business activity, in Germany, is done more in advance and with a stricter time schedule of the planned event. South Africans do not plan as much in advance but are more spontaneous. This may then lead to pressure, and also frustration, on both sides. South Africa has great diversity, which would lead to big differences in attitudes towards time. It was felt that White South Africans have a more European-centered approach towards time, whereas Black South Africans view time as less important and have a lower time consciousness. As a result, such a mix of different cultures could influence the corporate culture and attitudes towards time.

Another discovery was the existence not only of cultural differences but also regional differences. In coastal regions such as Durban and Cape Town, respondents displayed a more relaxed attitude towards time, unlike Johannesburg and Pretoria. This may be explained by the existence of the highest levels of industry and competition operating in Johannesburg and Pretoria. However, respondents generally stated that business relationships are not really affected by these differences in attitude. German businesses are aware of the differences in attitudes towards time, while South Africans try to adapt to German standards.

4. Discussion

Respondents felt that the educational level in Germany is higher, compared to South Africa and that technical literacy is often lower in South Africa than in Germany, even in positions of management. Respondents stated that the educational level between South African and German business is at least on a similar level. As a result, the interviewees were consistent with the response that companies have to adapt or tailor their marketing messages to the level of education of the target market. In conclusion,
marketing communication with German business partners in the specific fields of business is not problematic. However, if a product is marketed to the general public, the big differences in the educational level between South Africa and Germany mean that companies have to adapt their consumer marketing messages.

Religion has an impact on the value system of a society and the effect of value systems on marketing must not be underestimated, which means that religion often has quite a strong influence (Cateora and Graham, 2007). The literature and the findings of this study are not that clear whether religion has a big influence on marketing communications. The results of the question on the influence of the religious background showed a wide variety of responses. The consensus of the interviewees was that one has to be aware of the religious background and that it can influence the perceptions of marketing messages. Religious background is seen as important, especially for the high cultural diversity within South Africa. For marketing communications with a German partner, however, religion is not seen as a very important factor. Consequently, South Africans are more sensitive to religion than the Germans.

According to Thitthongkam et al. (2011), language encompasses what people create to express values, attitudes and norms. The study showed that it is a mark of respect if business people can communicate with their business partners in their mother tongue, and business relationships can be improved if individuals can speak their business partners’ mother tongue. The findings reflect the statement made by Chaney and Martin (2010) who stated that there is a need for understanding of a common language to communicate successfully with people from other cultures. The overall consensus, however, was that it is not essential for South Africans to speak German, because English is accepted worldwide as the official language of business.

When asked about their marketing message preferences, Germans stated that they preferred simple, written, uncluttered and clear-cut messages. South Africans, however, stated that they also prefer simple, clear-cut and uncluttered messages, but with a more casual style. They also stated that the messages should contain less information.

Lastly, a difference in attitudes towards time was discovered amongst German and South African business people. The research revealed that there is overall agreement about time planning, which means working according to a schedule and planning daily activities, in both countries. The result of the quantitative study on time submissiveness/tenacity indicated a high level of agreement, highlighting the importance of time management. However, the qualitative research pointed out that Germans are more time conscious and have a higher adherence to deadlines than their South African business partners. This difference in attitude may be attributed to the cultural diversity in South Africa. Amongst the different cultural groups in South Africa, there are different attitudes towards time, which may influence the way South Africans relate to Germans. Although these differences exist, they do not negatively influence business relationships.

Conclusion and recommendations

The study was an investigation of the difficulties that companies have when operating in foreign markets. The following questions were asked, “What are the main marketing communication problems that companies have when they operate in foreign markets?” and “What do successful international companies do to avoid these communication problems?” It can be summarized that the main problem came about as a result of diverse cultures. Research findings showed that the various cultural elements were viewed in distinctively different ways. The level of German education was felt to be higher when compared with South African education levels. Respondent’s from the two countries also displayed variances in their views of time and religion. Germans were discovered to be more time conscious and less religious when compared with South Africans. These variances are likely to be reflections of the views and perceptions of the general public, thereby requiring international communications between the two countries to adapt accordingly. This is, of course, important for marketers, but could also be enlightening for managers in other business functions, especially those who have to relate to foreign customers, suppliers, partners or intermediaries. Such functions could include purchasing, logistics, finance, creditors, debtors as well as senior managers and executives.

Although some companies seem to find it difficult to adapt their marketing messages to suite different cultural groups, successful international companies often employ agents who know the target market in a given country, to operate in that country. Another option has been to work together with local marketing agencies that are experts on the behavior of the specific target market. The consumer communication problems hinted at in this study could indicate that classical advertising approaches such as print media are not adequate to get messages across in a dynamic cross-cultural business environment. New media and Internet communication are maybe the approaches which promise the most success for communicating effectively. This is consistent with
the statement made by Michaelidou et al. (2011), who highlighted that new media and the Internet offer new ways of communicating between companies and between companies and their target audience.

These findings suggest that future research studies should be carried out on larger population samples in order to improve applicability of the results. Future studies should also investigate the relationships between multiple countries, as the current study focused on only two countries, namely Germany and South Africa. Studies should also be conducted on other African countries and Germany as well as other European countries and South Africa. Although the study focused on marketing and communications, it is probable that the findings about inter-cultural communications will also be relevant to other management activities. Thus, further research could also focus on how the various cultural elements possibly influence other aspects of international management, for example, supervision of foreign cultures, aspects of planning and control, leadership approaches and human resource activities such as selection of managers for foreign businesses or performance appraisal of other cultures.

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