

Matthias Boeing

**Analysis of Cultural Differences and their Effects
on Marketing Products in the
United States of America and Germany**

**A Cultural Approach to Marketing using
Edward T. Hall and Geert Hofstede**



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List of Abbreviations:

MNC	multi-national-company
SRC	self-reference criterion
CET	consumer ethnocentrism
PDI	power distance index
IDV	individualism versus collectivism
MAS	masculinity versus femininity
UAI	uncertainty avoidance
LTO	long-term orientation
p-time	polychronic time concept
m-time	monochronic time concept
ZAW	Zentralverband der deutschen Werbewirtschaft e.V.
(n.y.)	no year
(n.v.)	no volume
(n.l.)	no location

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1. Introduction

1.1. Problem description

“Companies that do not adapt to the new global realities will become victims of those that do.”¹

In this quote Theodor Levitt, a former professor at the Harvard Business School, makes clear that companies all over the world have had to face a process which has changed the way they do business in many ways. This process, called globalisation, carries advantages as well as disadvantages, not only for the business world but also for nearly every person in the world. The importance of facing globalisation has always been there, but it has increased with the evolving stages of globalisation. Ever since this process started companies have tried to use the advantages of globalisation while at the same time dealing with the disadvantages. For marketers in particular, this process seems to offer a lot of potential for exploring new markets and customers. However, the questions determining the success or failure of a marketing campaign are more complex than in domestic marketing. Accordingly, the terms international and global marketing are strongly connected to globalisation and have become a key factor for the success of companies. Corporations that want to belong to these successful multi-national companies (MNC) or global players certainly have to deal with the different issues that come along with marketing products in other countries. These can have a significant impact on international operations, but also on the overall performance of a company.

Since a company’s approach to these issues determines the success or failure of marketing a product abroad, these situations have to be addressed at an early stage. Among others, cultural differences are one of the major obstacles that have to be addressed when marketing products internationally. Every culture has its own individual values, behaviours, way of thinking, lifestyle and languages which make it unique. Accordingly, companies have the possibilities of dealing with this process in two different ways. In the first, standardisation, an identical marketing

¹ Levitt, T. (1983), p. 11.

plan is used across different cultures while in the second, adaptation, appropriate adjustments are made to the special cultural environment of the target market. For a marketer it is therefore important to be aware of these differences and to use the right tools to market products successfully in multiple, varied cultural environments.

1.2. Objectives and scope of work

This study aims at analysing cultural differences and their effect on marketing products internationally. The United States of America and Germany are used to exemplify this issue. Today's science provides numerous approaches to making cultural differences visible and tangible. All of these solutions and dimensions give companies, and people in general, a guide to becoming aware of and understand differences and how to cope with them appropriately.

Trompenaars, a famous consultant for intercultural communication, uses the allegory of a fish and its habitat, water, to explain the characteristics of culture: "A fish only discovers its need for water when it is no longer in it."² Accordingly, culture can be seen as the substance that surrounds a human being and makes him unable to distinguish between different and normal. Therefore, this study uses the cultural theories of Edward T. Hall and Geert Hofstede, who both developed approaches to cultural differences by using either a four- or five-dimensions model. These cultural dimensions will be applied to the special circumstances and conditions which a marketer has to deal with in the United States and Germany and thus draws connections between those two different fields of science.

As already mentioned in section 1.1, cultural differences play an important role in today's international marketing. It is therefore important to examine if and how cultural differences, according to Hall and Hofstede, affect parts of the marketing mix for companies selling products in the United States as well as in Germany. The following questions can help to identify the necessary steps: What cultural differences, in both the United States and in Germany, could have an impact on marketing the products of companies selling in those countries? What impact do cultural differences have on parts of the marketing mix? Which adaptations should

² Trompenaars, F., Hampden-Turner, C. (1995).