

CHAPTER I

INTRODUCTION

A. Research Background

Culture has a great impact on international marketing. A marketer must study about the local culture in-depth before offering a product to them. To have an effective communication one must send the message according to the receiver's culture, customs and learning process (Abdin, 2008). Every culture in the world holds different values, some cultures put importance on individuality, some put importance on collectivism, etc. The value these cultures hold affect the way they think, process information, and communicate. In the business world, these differences possess barriers of communication in the Company's marketing effort. Thus, it is important for marketing professionals to understand the differences between cultures so they can communicate effectively and efficiently to their market.

Edward Hall (1976, 2000) proposed a cultural framework in which he categorized cultures through the styles in which they communicate. In some cultures, such as those of Scandinavians, Germans, and the Swiss, communication occurs predominantly through explicit statements in text and speech. They are thus categorized as low-context cultures. In other cultures, such as the Japanese and Chinese, messages include other communicative cues such as body language and the use of silence. They are thus categorized as high-context cultures. Essentially, high-context communication involves

implying a message through that which is not uttered. This includes the situation, behavior, and paraverbal cues as integral parts of the communicated message.

As more and more people around the world use internet, the World Wide Web become an ideal tool to connect people around the world. The marketing world quickly embraced the Internet as an ideal medium for reaching beyond domestic markets. The localization strategies for this are not simple. First generation Web sites, which were simple and text-based, needed only translation to be cross-cultural. However, as internet and technology become more developed, the development of Flash and the implementation of video and sound have brought new potentials to the Web and set new standards for efficient and effective Web communication. Nowadays a Web site is not just a collection of text; it is a combination of images, multimedia, interactive features, animated graphics, and sounds.

From a marketing strategic perspective, a company that defines itself as cross-culturally aware knows that creating effective and efficient Web sites for other cultures is no longer just a matter of language and modification of time- and date-formats. Cross-cultural Web design nowadays requires dealing with design issues that include culture-specific color connotations, preferences in layout, animation, sounds, and other effects that are characteristic of today's generation of Web sites. To do this successfully, the designer must study the target group of the Web site. While user participation is ideal in the designing process, a study of the design elements prevalent in the culture may also provide the Web designer

with some useful guidelines. Values and behavior indoctrinated through cultural influences may be reflected in design practices.

By understanding how communication styles may be reflected on Web sites, we come a step further towards identifying, and subsequently realizing the potentials of, the interactive nature of the Internet. Intercultural communication competence, as Chen and Starosta (1998) note, is imperative for human progress, and it is by studying communication styles and understanding how to use them that we may be able to communicate more clearly and promote dialogue between “us” and “them”. The interactive and global nature of the Internet has fostered many visions of mutual understanding among cultures, although the means for achieving this are still at a very early, exploratory stage.

As mentioned above, it is important to understand the differences among cultures and how they communicate so that marketing professionals can design an effective and efficient way of marketing communication. Failure on realizing these differences will make the Company’s marketing effort unsuccessful. Which will impact the Company’s performance and sustainability. In this thesis, the author will analyze some of the characteristics and way of communication in some cultures. The analysis will focus on the use of World Wide Web as Company’s marketing communication channel. The analysis will mostly be based on the cultural framework proposed by Hall and Hofstede.

B. Formulation of the Problem

Based on the explanation above, this research wants to answer three questions regarding international marketing communication, as follows:

1. How is international marketing international marketing communication differing in high-context and low-context cultures?
2. How is PEST (Political, Economic, Social, and Technological) conditions differing in high-context and low-context cultures?
3. How is Hofstede Indexes (Power Distance, Individualism, Masculinity / Femininity, Uncertainty Avoidance, Long Term Orientation, Indulgence) differing in high-context and low-context cultures?

C. Research Objective

Based on the formulation of the problem above, this research objectives are, as follows:

1. To observe and analyze international marketing strategy in high-context and low-context cultures.
2. To analyze PEST (Political, Economic, Social, and Technological) conditions in high-context and low-context cultures.
3. To analyze Hofstede Indexes (Power Distance, Individualism, Masculinity / Femininity, Uncertainty Avoidance, Long Term Orientation, Indulgence) in high-context and low-context cultures.

D. Research Benefits

This research is expected to be useful and can give benefits for some parties, as follow:

1. For the Author

For the author, this research gives deeper understanding about factors affecting international marketing communication, such as: cultures, Hofstede Indexes (Power Distance, Individualism, Masculinity/Femininity, Uncertainty Avoidance, Long Term Orientation, Indulgence), and PEST (Political, Economic, Social, Technological). This research also serves as a requirement to earn bachelor's degree in economics.

2. For the Readers

For the readers, this research will give additional knowledge and references, especially in the field of international marketing.

3. For the Organization or Company

For the organization or company, this research can be used as a consideration and reference that support their decision making regarding their international marketing communication strategy in the future.

4. For the University

For the university, this research will enrich their research library in the international marketing communication field.