A Proposed Managerial Framework for International Marketing Operations in the Fast Food Industry

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Abstract—When choosing marketing strategies for international markets, one of the factors that should be considered is the cultural differences that exist among consumers in different countries. If the branding strategy has to be contextual and in tune with the culture, then the brand positioning variables has to interact, adapt and respond to the cultural variables in which the brand is operating. This study provides an overview of the relevance of culture in the development of an effective branding strategy in the international business environment. Hence, the main objective of this study is to provide a managerial framework for developing strategies for cross cultural brand management. The framework is useful because it incorporates the variables that are important in the competitiveness of fast food enterprises irrespective of their size. It provides practical, proactive and result oriented analysis that will help fast food firms augment their strategies in the international fast food markets. The proposed framework will enable managers understand the intricacies involved in branding in the global fast food industry and decrease the use of ‘trial and error’ when entering into unfamiliar markets.

Keywords—culture, branding strategy, marketing mix, mass customization, standardization

I. INTRODUCTION

Cultural values are important aspects of the self of consumers. As businesses have become more and more global, the cultural differences among consumers play an important role in the development of effective marketing and branding strategies. According to [13], when managers want to understand consumers’ behaviour in different countries it is necessary that they compare the cultures to discover how these national cultures are different from, or similar to, each other before they carry out their marketing strategies. This is because cross-cultural phenomenon arises as a result of the different cultural components existing among consumers in different countries. Culture is a significant factor that influences buying behaviour in consumer markets. Cultural differences lead to different consumer responses across countries [22]. Empirical evidence has shown that, no matter how a company sells products or offers its services in another country: the marketing strategy will be influenced by the cultural environment of the specific country and region. Thus, today’s body of knowledge suggests that marketing managers should at the very least, be cautious in ensuring that they understand the cultural differences when deciding on the kind of products to put out in the market, as well as when developing marketing activities and branding strategies [22].

According to [18], “culture is defined as the sum of learned beliefs, values and customs that serve to direct consumer behaviour in a particular country market”. Culture is made up of beliefs, values and customs that are often embedded in a society and have noticeable differences among different countries [18]. Every culture has its own uniqueness in terms of variability of beliefs, ethics and value system. The basic premise of this study is that, brands in the global environment constantly come into contact with individuals from various cultures. The cross-cultural variations tend to implicitly or explicitly affect the branding strategies that companies adopt. Due to the fact that brand positioning elements interact with various variables of culture, firms need an adaptation framework in reference to the culture in which they operate. This interaction demands an adaptive response from the brand.

[4], “branding strategy is the process whereby the offer (product or service) is positioned in the consumer’s mind to produce a perception of advantage”. The purpose of branding strategy is a sustainable competitive advantage of the brand, which may come from any part of the organization’s operation [4]. If the branding strategy has to be contextual and in tune with the culture and individual expectations, then the brand positioning variables has to interact, adapt and respond to the cultural variables in which the brand is operating.

Consumers worldwide are not the same, and the difference in consumer behaviour between countries has intensified over the years. Because all aspects of consumer behaviour are culture-bound, and not subject merely to environmental factors but integrated in all of human behaviour, there is an increased need to identify and understand this integration and its impact on brand management [14]. Culture and behaviour of consumers explains the myths that surround marketing in different countries. Cross cultural studies provides empirical evidence of convergence and divergence in consumer behaviour. The concept of culture also covers various psychological and sociological aspects of human behaviour used for explaining consumer behaviour [12].

Culture plays a significant role in international business management in this current age of globalization where businesses are spreading across different countries. Among the various elements of culture, food is one of the most sensitive and consumer preferences and behaviour towards food consumption are widely visible across countries.
Currently, fast food has become a part of the daily meals of inhabitants of countries irrespective of the level of development of these countries. This trend has greatly shaped eating habits and in the same way, the respective cultures of consumers in different countries have had tremendous impact on the marketing and branding strategies of enterprises operating in the fast food industry.

II. OBJECTIVES OF THE STUDY

The objective of this study is to provide a model for developing strategy for cross cultural brand management. This research examines new trends in cross cultural brand management in particular and marketing in general. It brings out relevant elements for the development of branding strategies to influence consumer perception and purchasing behaviour. It provides practical, proactive and result oriented analysis that will help businesses to augment their strategies in international markets. It will enable managers to understand the intricacies involved in branding in the global business environment and decrease the use of ‘trial and error’ when entering into unfamiliar markets.

III. LITERATURE REVIEW

The proposed framework in Fig. 1, examines the interrelationship between the marketing mix theory, culture and consumer behaviour. It elaborates on the theory of culture by Geert Hofstede and its application in fast food branding and consumer behaviour. The framework reflects the traditional marketing approach that has often been used by international fast food firms. This proposed framework blends the cultural models developed by Geert Hofstede and elaborated by Mariake de Mooij and the marketing mix theory. The two models have been discussed in preceding sections. Even though Hofstede used a work-related context and initially applied his framework to human resources management, the theory has been extensively used in marketing and business studies [39], [19], [11], [36]. These dimensions have been used to support hypothesis, and as a conceptual framework for comparing cultures.

The cultural models are analyzed within the context of the marketing mix concepts of price, place, promotion, product, process, people and physical evidence. The marketing mix provides the building blocks around which branding revolves and it forms the basis for the development of appropriate strategies for branding in any business sector or industry and the fast food industry is no exception. The traditional framework focuses on the mass production approach to fast food marketing where firms produce standardized products for the entire market.

![Fig. 1 Traditional managerial framework for international fast food marketing](image)
IV. CROSS-CULTURAL MARKETING MIX

The managerial framework in Fig. 1 examines the marketing mix concept and the effect of culture on the choice of marketing strategies. Kotler [31] mentioned that social-cultural would influence the choice of marketing mix from many aspects. Different components of culture, including value, language and customer behaviours affect the marketing decision of multinational companies in different ways. Conversely, the marketing mix can influence customer behaviour directly as well. According to Kotler [31], “The marketing mix represent the sellers view of the marketing tools available for influencing buyers, and each marketing tool is designed to deliver a customer benefit.” Kotler [31] further indicates that, a company which seeks to obtain favourable response in the market should be able to meet customer needs economically, conveniently and with effective communication; and a consumer’s buying behaviour is influenced by cultural, social, personal and psychological factors, therefore cultural factors exert the broadest and deepest influence [31].

Blackwel, Minniard and Engel [7] suggested some steps which should be taken when analyzing consumer behaviour in international markets. This includes determining the relevant motivations in the culture, the characteristic behaviour patterns, and determination of what broad cultural values are relevant to particular product, the characteristic forms of decision making, evaluating promotion methods appropriate to the culture, and determining appropriate institutions for the product in the minds of consumers [10].

The marketing mix serves as an analytical tool, which guides enterprises towards taking a clear strategic direction in markets they operate. Firms should be able to combine the marketing variables in the best way, in order to make the best reflection of the cultural environment it is operating. The marketing mix can be adjusted on a frequent basis, to meet the changing needs of the target group, and the other dynamics of the marketing environment [6]. The basic marketing mix includes price, product, place and promotion. However, marketers have made further extensions to this model and have included others concepts like people, process and physical evidence. The same marketing mix strategy can be applied for a given market or be manipulated to suite the changing needs and expectations of consumers or the demands of a specific culture. The marketing mixes are:

a. Price is the amount a customer pays for the product. Price sensitivity and the importance of the status of buyers differ significantly between cultures [3]. McDonald and Sharp [34] stated that price can be used as a reason for brand choice. This can be done in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality. The price of a product is determined by factors such as market share, competition, material costs, product identity and the customer's perceived value of the product.

b. Product is a tangible object, or an intangible service, that is mass-produced or manufactured on a large scale, with a specific volume of units. Intangible products are often service-based. The quality of a product is an integral part of brand identity. De Mooij [12] explains that managers of companies should provide appropriate products according to the consumer values as determined by the local culture and buying behaviours of consumers in a certain market.

c. Place refers to the location where a product can be purchased. It is often referred to as the distribution channel and it puts products at outlets that are convenient to the consumers. According to Lin and Chang [33], convenience of a brand has a significant effect on the consumer response. This means that, an easy access to brand/product in store is vital when buying low involvement products such as fast foods. Therefore, the choice of such channels is important, as is the variety of channels used by the firm.

d. Promotion represents all forms of communication that a marketer may use in the marketplace. Having good products sold at attractive prices in the market is not enough to ensure equity in a competitive market. In order to generate sales and profits, the benefits of products have to be communicated to customers, and this can be done through the promotion strategies of the firm. The holistic marketing communications programme of an enterprise is called the promotional mix and it is a blend of advertising, personal selling, sales promotion and public relations tools. According to Aaker [1], if promotion embraces a regular positioning strategy over a period of time, there is the tendency that the brand will be strong.

e. The impact that employees of a firm can have on branding cannot be underestimated. At its most obvious, the people element covers front line sales and customer service staff that have a direct impact on how the product and services rendered is perceived. Employee branding is an integral aspects of internal marketing and it includes the knowledge and skills of staff; their motivation and investment in supporting the brand. Any element of the marketing mix will also have its impact on other elements of the business, but the people element is one where the marketing is regarded as an integral part of the way business is done [9].

f. The process part of the mix is about being ‘easy to do business with’. The more ‘high contact’ the product and the more intangible, the more important it is to get the processes right [9]. The process aspect of the marketing mix must be seen from the point of view of consumers. Process is not only where and how customers will do business with the company but what added value is provided and how to develop relationships and provide an interactive experience. Process includes not only how to promote and deliver the value created but also how to educate and support customers on an ongoing basis.

g. The physical evidence aspect of the marketing mix refers to all the tangible, visible touch points that the customer will encounter before they buy [9]. It includes things such as staff's clothing and the images included in the corporate brochure. Consumers often expect a clean, friendly environment when they walk into a restaurant.

V. CONCEPTUALIZATION OF CULTURE

Doole and Lowe (2008) point out that the values of a culture satisfy a need within that society for order, direction
and guidance. The concept of culture sets the standards shared by significant sections of that society which, in turn, set the rules for operating in that market. Doole and Lowe [18] thought that culture is not something granted to citizens of a country, or something we are born with, it is something we learn as we grow in our environment. Similar environments provide similar experiences and opportunities and hence tend to shape similar behaviours [10]. Consumers’ behaviours are culture bound because a consumer’s decision to buy a particular product is influenced by a number of factors, and culture is one important factor [23]. Cultural differences manifest themselves in several ways. De Mooij [13] asserts that there are three elements of culture namely values, language and consumer behaviours. The differences among these elements lead to the phenomenon of cross-culture [13]. Doole and Lowe [17] mentioned that the work of Hofstede (2001) is seen as holding the maximum potential for providing methods for cross-cultural analysis. Hofstede [26] developed a model of five dimensions of national culture that help to understand basic values. National cultural value systems are quite stable over time; the element of national culture can survive amazingly long, being carried away from generation to generation [24].

Many researchers have discussed the choice of dimensions most appropriate for conceptualizing and operationalizing culture [16], [23], [25], [27], [30], [41]. Nevertheless, the cultural model by Hofstede is the most widely used in psychology, sociology, marketing, or management studies [41]. Geert Hofstede created five cultural dimensions, assigned indexes on each to all countries, and linked the dimensions with political, economic, geographic, and demographic aspects of a society [28], an attribute unparalleled by other frameworks. It is the most comprehensive and vigorous in terms of the number of national cultures sampled [40]. Additionally, the framework is useful in formulating hypotheses for cross-cultural comparative studies.

Accordingly, Hofstede’s [23] operationalization of cultures is the norm used in international marketing studies [11], [19], [37], [39], [22]. A comparison of Hofstede’s dimensions of culture with other cultural theories shows a high level of relevance of Hofstede’s framework, and justifies further use of his dimensions. Hofstede’s cultural dimensions can explain many differences in consumption and consumer behaviour. In Doole and Lowe’s view [18], these dimensions also largely account for cross-cultural differences in people’s belief systems and behaviour patterns around the globe. The current stage of cultural influences on consumers has been wide and has cut across the fields of marketing. Researchers have examined the impact of culture on various aspects of consumer behaviour, such as attractiveness of product options, brand extension evaluations and persuasiveness of advertising appeals [8], [2]. Consumers across cultures attribute different brand personalities to one and the same global brand. Some global brands have been marketed with a consistent brand identity, but consumers attribute different personalities to the brand [20]. A commercial cross-cultural brand value study [14] found that a brand characteristic like ‘friendly’ is most attributed to strong global brands in high uncertainty avoidance and low power distance cultures. ‘Prestigious’ is a characteristic attributed to global brands in high power distance cultures, and ‘trustworthy’ is most attributed to strong brands in high uncertainty avoidance cultures. In cultures of the configuration low power distance and low uncertainty avoidance, people attributed ‘innovative’ and ‘different’ to these brands [14].

Within the context of Hofstede’s analysis, De Mooij [13] further provides a modern elaboration of the cultural exploration of the various psychological and sociological aspects of human behaviour, such as concept of self, personality, group influence, motivation, emotion, perception and information processing. According to De Mooij [13], these aspects of human behaviour permeate throughout the five attributes of culture indicated by Hofstede. The attributes are:

a. Individualism describes the relationship between an individual and his or her fellow individuals in society. High individualism societies allow a large degree of freedom and display loose integration. Low individualism societies show tight integration. Individualism–collectivism describes the relationships individuals have in each culture. In individualistic societies, individuals look after themselves and their immediate family only whereas in collectivistic cultures, individuals belong to groups that look after them in exchange for loyalty. Hofstede’s individualism variable in recent times has been expounded further by de Mooij [13]. According to de Mooij [13], the concept of self is ‘independent’ in individualistic cultures whereas in collectivistic cultures self is regarded as interdependence. The high level of interdependence among individuals in collectivistic cultures makes individuals have lesser personal attachment to material objects and a greater attachment to human beings. According to Kotler, Armstrong, Saunder and Wong [32], the influence by others plays a vital role in consumer’s decision processes. In collectivist cultures, consumers have the habit of consulting each other regarding a new product or brand and seeking their advice. The advice of other people have some level of influence on consumers buying behaviour. Consumer can also be influenced culturally i.e. value, behaviour and preferences from family or other institution or socially i.e. by a small group like family or membership group. Purchase decision could also be influenced by attitude of others.

b. Power distance index involves the way societies deal with human inequality. People possess unequal physical and intellectual capacities which some societies allow to grow into inequalities in power and wealth. However, some other societies de-emphasize such inequalities. According to Hofstede [23], in high power distance societies, differences in power are expected to translate into visible differences in status. In some cultures, purchase decision is typically based on the utilitarian feature of the product such as its physical characteristics and price to quality ratio [38]. Some consumers are price conscious when purchasing items for personal use. They may regard their own identity in the context of their society; they do not want to stray from socially
acceptable norms, even in private, which thus encourages conformist consumption. This dimension reflects the consequences of power inequality and authority relations in society.

c. Uncertainty avoidance index reflects how a society deals with uncertainty about the future, a fundamental fact of human existence. At one extreme, weak Uncertainty Avoidance cultures socialize members to accept and handle uncertainty. High Uncertainty Avoidance societies foster the need to try to beat the future. How much members of a society are anxious about the unknown, and as a consequence, attempt to cope with anxiety by minimizing uncertainty. In cultures with strong uncertainty avoidance, people prefer explicit rules (e.g., about religion and food). Uncertainty avoidance refers to the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations [25]. People of high uncertainty avoidance are less open to change and innovation than people of low uncertainty avoidance cultures [42]. Whiles high uncertainty avoidance cultures have a passive attitude to health by focusing on purity in food and drink and using more medication, low uncertainty avoidance cultures have a more active attitude to health by focusing on fitness and sports [15].

d. Masculinity deals with the degree to which societies subscribe to the typical stereotypes associated with males and females. Masculine values stress making money and the pursuit of visible achievements. Such societies admire individual brilliance and idolize the successful achiever [29]. Dominant values in masculine countries are achievement and success and in feminine countries are caring for others and quality of life.

e. Long-term orientation refers to the fostering of virtues oriented towards future rewards, in particular perseverance and thrift [26]. Long-versus short-term cultural orientation is the extent to which a society exhibits a pragmatic future-orientated perspective rather than a conventional historic or short-term point of view. Values included in long-term orientation are perseverance, ordering relationships by status, thrift, and having a sense of shame. The opposite is short-term orientation, which includes personal steadiness and stability, and respect for tradition. Focus is on pursuit of happiness rather than on pursuit of peace of mind. Long-term orientation implies investment in the future [14].

VI. MODERN APPROACH TO FAST FOOD MARKETING

The framework in Fig. 2 shows the first approach to production and marketing practices of international fast food firms. This section introduces a comprehensive framework of the marketing practices of fast food firms based on the combination of the mass production and mass customization approaches to production. The framework is based on the observation and penetration of mass customization production approach in the marketing operations of fast food firms in some countries. However, this trend has not penetrated deeply into other countries; hence the mass production still prevails in many countries. However, in counties like the United States, it has been observed that some fast food firms have adopted the mass customization approach in some of their outlets to reflect changes in consumer wants and preferences. Fig. 2 shows the proposed comprehensive managerial framework for fast food marketing in a multicultural business environment.

In the past, cross-cultural and international marketing research in consumer markets has focused on the standardization versus adaptation debate. This trend led to the classification of "culture-free" and "culture-bound" commodities. For products and services offered in the fast food industry which are non-durable, they can be classified as been culture-bound hence, very difficult to standardize. Fast food products are difficult to standardize mainly because they are not like durable goods like ICT products and some industrial goods which are relatively easy to standardized [5], [35]. The new managerial framework developed in this paper stern from the fact that, in this 21st century, more and more consumers of fast food products are becoming demanding in their need for food and menu items that meet their individual taste and preference. Hence, firms have to adjust to the demands of consumers by providing them with individually customized products. The customization of food is penetrating into the fast food industry. In a typical mass customization approach to fast food marketing, the ingredients such as vegetables, cheese, and meat are simply assembled and buyers select them according to their individual preference. Mass customization in the fast food industry focuses on individual creation ‘have-it-your-way’ rather than standardized or mass production approach.

There are three main drivers of mass customization in the fast food industry. These are the validation of ‘I’ as an individual in an increasingly crowded and apparently uniform world. For example, in the fast food industry, emphasize is laid on empowering the office worker to save time by offering them with food with less preparation and waiting time. The second driver is the individual taste and experiential preferences. The preferences and taste of people do differ. Even in the same culture a person may prefer more or less of ketchup or salad on his meal. It usually occurs at both the micro and macro level. At the macro level, individuals are able to select the various food ingredients that suit their taste and preference and at the micro level, individuals have different sets of products made from different ingredients and they are able to select one product option that meets their taste and preference. The food preferences of consumers comes in different categories, there it behaves on fast food restaurants to customize their menu items to suite the demands of consumers. Fast food firms offering products such as pizzas, sandwiches and hamburgers must have an element of mass customization because the prefabricated ingredients are ordered for the production environment. Lastly, individual health needs also account for reasons for mass customization. Many consumers are increasingly interested in the impact of fast food consumption patterns and their health. They are mostly interested in reducing the amount of calories in food. Mass production of food is not successful for firms that operate in a market where consumers are conscious of their health. Such consumers would rather prefer customized food for health reasons.
VII. CONCLUSIONS

From the managerial framework proposed, it can be concluded that, for firms in the fast food industry, in order to gain market share in different markets, it is important to understand the factors that influence the behaviour of consumers; companies should not only supply the same products and services in every market but also implement different strategies based on the different cultures existing in the different countries. However, it must be emphasized that the approaches to production in the international fast food industry is a combination of mass production and mass customization. However, the adoption of one approach or a combination of two approaches is dependent on cost considerations and behaviour of consumers as influenced by their cultural orientations. Usually, mass customization is used by SMEs in the fast food industry who strive to suite specific consumer tastes and preferences as prescribed by their cultural orientations. Additionally, this paper has important implications, in that, the competitive ability of a company is directly related to its ability to understand the significant role individual preferences as well as culture plays in consumer decisions making. Thus for a company to be successful in consumer markets, they do not have to concentrate only on their internal activities, but also, they must understand and inculcate specific consumer preferences as prescribed by their cultural orientations (cultural variables) into their marketing and branding activities.

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