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PHILOLOGY, CULTURE AND EDUCATION

**ЗБОРНИК НА ТРУДОВИ
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СОДРЖИНА / СОДЕРЖАНИЕ / CONTENT

INTERCULTURAL CHARACTERISTICS OF DIGITAL MARKETING

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The paper focuses on the intercultural characteristics of digital marketing. It uses comparative analysis to point out key differences in the perception of digital marketing communication throughout different countries and cultures. The analysis steps on Geert Hofstede's 6-d model of national culture with the added two dimensions – Long-term orientation and Indulgence – to try and differentiate between organization's efforts to communicate with users in different countries. Several digital marketing communications are studied, with a focus on digital advertising. The paper could be of use to professionals in the spheres of business administration, intercultural communication, philology, journalism, etc.

Keywords: *digital marketing, intercultural communication, digital advertising, social networks*

Introduction

The world is becoming more and more digitalized since people are increasingly using more digital technology for communication, shopping, bank services or for just leisure activities. This leads to people spending more time on the internet via various digital devices, especially smartphones. Figures from Statista (https://www.statista.com/statistics/330695/number-of-smartphone-users-worldwide/) reveal that a bit over 6.3 billion people are using smartphones in 2021. This tendency is expected to continue and further boost the number up to seven billion people over the next few years. With more and more people using digital devices it is of scientific and practical interest to examine how different cultures interact with digital communication. Cultural aspects of communication have been an object of scientific analyses for decades but it was not until the beginning of the twenty-first century that scientists started investigating culture within the field of online marketing communications and in particular online advertising. In 2007, Baack and Singh analyzed websites from fifteen countries from Europe, North America, South America and Asia in order to "to statistically confirm or disconfirm the applicability of existing cultural typologies to studies of marketing communication, (2) to test the ability of the emergent cultural framework to guide the creation of a culturally adapted website, and (3) to investigate whether consumers prefer a culturally adapted website." (Baack and Singh, 2007, p. 183). The study examined two types of websites – retail and portals. In general, the results confirmed that would prefer a website that reflects their culture. On the other hand, (Shimp, 2007) suggests that banner advertising is prone to follow a standardized international communication strategy since there is a tendency for standardized formats across cultures. So, the obvious question is whether or not cultural differences affect marketing communications and more precisely online advertising? If the correlation is positive then it would be of interest to know in what way.

The structure of the article successively analyzes the theoretical concepts of digital marketing – its definition, standardization and adaptation. Next, it examines culture within the context of digital marketing communication and online advertising in order to find out whether or not digital marketing communication should be culturally adapted. The study should be of interest to scientist, students and practicians from all fields of communication – marketing communication, business administration, intercultural communication, philology, journalism, etc.

1. Digital marketing

Digital marketing has been around for quite some time. Though the term is wide-spread there is still some confusion among the broad audience about what it incorporates. Perhaps one of the most common issues with defining it is its substitution for online marketing. However, the two terms do indeed differ. So, a next step in our analyses would be to dive into some basic definitions and point out the difference between digital and online marketing.

A somewhat broad definition is the one presented by Chaffey (2010) "Digital marketing includes the use of digital technology – the Internet, email, data bases, mobile or wireless, digital TV, in order to support interactive marketing activities that aim at acquire and retain customers through a multichannel process of buying and life cycle." This definition puts emphasis on "digital technology" and differentiates between the Internet and other digital channels. Several years later Kotler and his colleagues come up with the following definition: "As a concept digital marketing describes a number of profiled processes that use every possible digital channels to promote a good or service or to build a digital brand." (Kotler et al., 2017, p. 32). If we analyze both definitions, we would undoubtedly notice the term "digital" is being used for technology and channels. A quick reference from the definition of digital from the Bulgarian language institute explains in plain terms what digital is: "Digital – done or functioning through the transformation of a signal (video, TV, sound, telephone impulses, etc.) into digital quantities that are suitable for decoding and processing by electronic devices." (Bulgarian language institute). This would suggest that any electronic device could be used as a digital channel. A succinct definition can be found in the digital marketing institute: "Digital marketing is usually defined as marketing efforts that include electronic devices or are focused on online platforms." (https://digitalmarketinginstitute.com).

Now it becomes clear that digital marketing is much more than using just online channels. It also incorporates the traditional channels, such as television, radio, electronic billboards, SMS technology, as well as the online ones: Social media; Content marketing; Banner advertising; Email marketing; Mobile marketing; Search engine marketing: Search engine optimization (SEO) и Pay per Click (PPC).

One of the main differences between the digital marketing and the traditional marketing is that "the former uses digital technologies that are inherently measurable, permit conversations to be targeted, and facilitate the creation of relationships between customers and firms, whereas the latter is much more mass communication oriented." (Wymbs, 2011, p. 95). A key concept in this definition would be the much more personalized communication within the digital marketing filed, as opposed to the traditional. And the more personalized the communication, the more the company or the organization pays attention to the specifics of the consumer. Some of these

specifics include basic segmentation criteria, such as age, gender, nationality, income, education, religious beliefs, etc. Nationality plays an important part when targeting an audience, since it represents some phenomena that are culturally specific. When a company or an organization enters markets that are beyond its country of origin one of the most important marketing decisions to make is whether to use a global approach or a local one.

1.1. Standardization and adaptation

When operating on the international scene an organization needs to decide what kind of an approach is most suitable and effective in regard to the product or service that it is offering. One way to do this is to use the standardization marketing strategy which implies perception of the global market as a single entity with no distinguishing features. Thus an organization would offer standardized products or services for the markets it operates in (Levitt, 1983). Levitt also believes that advertising could be applied in a global manner since it considers the world's markets to be uniform and does not consider the difference in culture, race, religion, beliefs, habits, etc. One of the key points in Levitt's theory is that standardization would enable an organization to benefit from economy of scale in production, logistics, procurement and marketing. But according to Svensson (2001) standardization is a managerial utopia. Yes, it would reduce all the fore mentioned costs and even more, but what is the evidence in regard to how the unified product or service is perceived within different cultures?

On the opposite side lies the theory of adaptation. When an organization uses the adaptive marketing strategy it differentiates between countries, markets and cultures and adapts its activities to the particular market. "The core of the standardization/adaptation debate in international strategy is the question of how far, if at all, it is appropriate to design, market, and deliver standard products and services across national boundaries." (Segal-Horn, 1996, p. 13). One of the best recognized brands is Coca-Cola and it is widely described as a global brand. However "when Coca-Cola introduced its Fanta orange drink around the world it was willing to adapt offering a more tart taste in Germany and a sweeter drink for Italy (Grune, 1989, p. 12). According to Palich and Gomez-Mejia (1999) companies that wish to operate and expand on the international podium need managerial adaptation due to the differences between national cultures.

It appears that the famous saying "Think globally, act locally" could be applied in companies efforts when it desires to expand internationally. Another world-famous brand is McDonalds. When it entered the Indian market in 1996 it had to use the adaptation marketing strategy. The cow is a sacred animal in India, so the beef burgers were not an option. Instead they were substituted by the "Chicken Maharaja Mac" (figure 1). Some of the various other examples of adapting the product to the local culture are the "Mc Turco" for the Turkish market (figure 2), the "McLobster" for the Canadian market (figure 3), the "Nurnburger" for the German market (figure 4).

Figure 1
Adaptation for the Indian Market

Figure 2
Adaptation for the Turkish Market
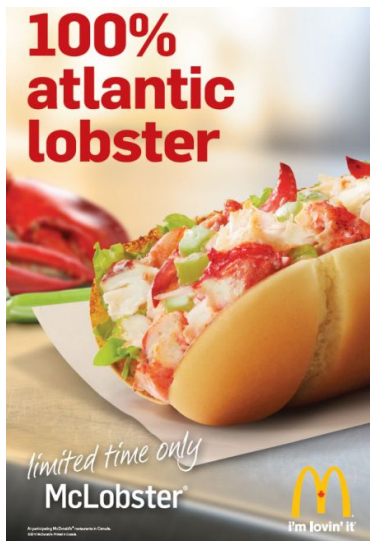
Figure 3
Adaptation for the Canadian Market
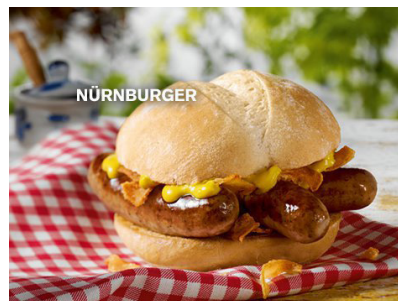
Figure 4
Adaptation for the German Market

Evidently, culture plays an important role when it comes to expanding internationally. That is why it is important to know how communication and especially marketing communication varies for different cultures. Global digital advertising spending has been growing and is expected to reach 524 billion US dollars by 2020 (https://www.statista.com/statistics/237974/online-advertising-spending-worldwide/). In this regard, it would be important to outline some cultural specifics that influence online behavior and purchase intention on behalf of the customers.

2. Dimensions of culture

Throughout the scientific field culture has been given various definitions and there has been an ongoing debate as to whether or not it needs to be defined through a

framework of dimensions. Hofstede defines those dimensions as an "aspect of culture which can be measured relative to other cultures" (Hofstede, 1980). His theory has been used to understand the differences among cultures and is by far the most used and cited model when it comes to marketing research (Bond, 2002). In his most renown work "Culture's Consequences" Hofstede outlines four dimensions of national culture:

– Power distance: the extent to which the less powerful members of institutions and organizations expect and accept that power is distributed unequally.

– Individualism versus collectivism: individualism is a society in which the ties between individuals are loose, everyone is expected to look after himself and the immediate family. On the other hand, collectivism is a society in which individuals from birth onwards are part of strong in-groups, usually the family, the extended family, the tribe, etc. In such a society people identify with "we", whereas in the individualist society they identify with "I".

– Masculinity versus femininity: masculinity is a society in which emotional gender roles are distinct. This is explained through how one should feel, for example the boy should be assertive and tough and focused on material success and the women should be focused on the quality of life. A feminine society would not have such a separation or the separation should be weakened, so that men are expected at times to be modest and tender and focused on the quality of life.

– Uncertainty avoidance: it is the extent to which the members of a culture of a national society feel threatened by ambiguous and uncertain situations. This means that in an uncertainty avoiding society uncertainty is a threat and must be fought, whereas in an uncertainty accepting society uncertainty is noble and life is accepted as it happens.

Later in 1991 Hofstede added a fifth dimension "Long term orientation versus short term orientation". In 2010, he added the sixth and final dimension "Indulgence versus restraint".

– Long term orientation versus short term orientation: long term orientation stands for the fostering in a society of pragmatic virtues oriented to future rewards: perseverance, thrift, adaptation to changing circumstances. On the other hand, short a short term oriented society is more focused on the past and the present by national pride, respect for tradition, preservation of faith and fulfilling social obligations.

– Indulgence versus restraint: societies that are seen as indulgent allow relatively free gratification of basic and natural human desires, leading to enjoying life and having fun. Restraint societies suppress gratification of needs and are regulated by strict social norms.

3. Dimensions of culture and digital marketing

A study by Moller and Eisend (2010) aimed at finding whether there is a relation between national-level cultural and sociodemographic variables and banner advertising effectiveness. The authors analyzed data from 7775 respondents from 34 countries and click-through rates from 2192 users from 26 countries. The study found that consumers from individualist countries do not accept banner advertising as much as those from collectivist countries. It also discussed the other three dimen-

sions: "For consumers from countries scoring high in uncertainty avoidance (e.g., Russia, Portugal), banner advertising should be enriched with product information (e.g., product details, product test results). When targeting consumers from countries that score high on power distance (e.g., Malaysia, Philippines), banner advertising should focus on social status cues provided by the product. Consumers from masculine cultures (e.g., Switzerland, Japan) may be best targeted by an emphasis on materialism, showing positive cues related to the purchase and ownership of products." (Moller&Eisend, 2010, p. 93). The authors concluded that based on their study banner advertising should be culturally adapted.

A more recent study by Broeder and Goorden (2019) investigated the effects of an Instagram advertisement. It analyzed two types of smile – a genuine and an ingenuine smiling celebrity with regard to purchase behavior. The sample included 174 participants from the Netherlands and 137 from Spain and the results indicated that national background plays an important role.
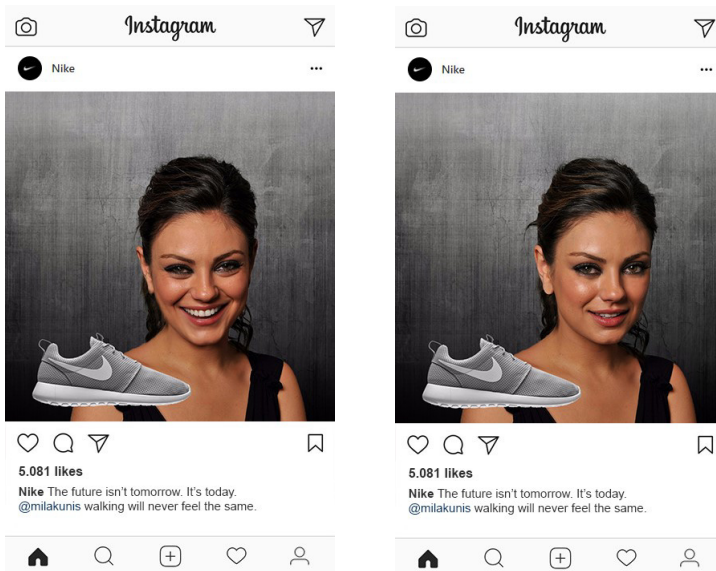
Figures 5a and 5b

Sports shoe offered in an advertisement with a genuine smile (left) and an ingenuine smile (right) of Mila Kunis
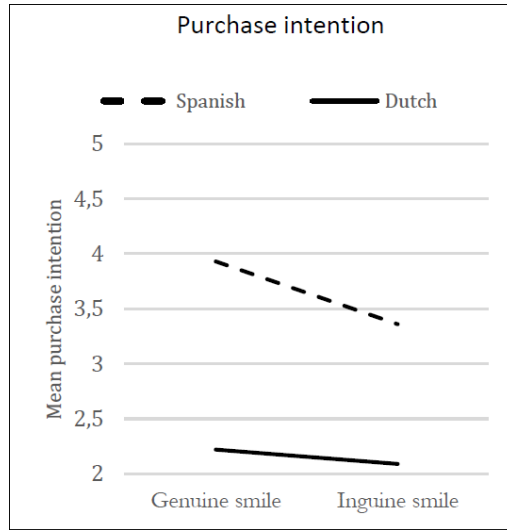
Table 1
Relationship between smile type and purchase intention per cultural group
Source: Cross-cultural impact of (in)genuine, smiling celebrities in online advertising
(Broeder&Goorden)

According to Hofstede Spain scores high on uncertainty avoidance (86 on the 0-100 scale) and the Netherlands has a relatively lower score – 53. The study shows that the Spanish group was significantly affected by the two types of smile with regard to purchase intention. The genuine smile led to a higher score on the purchase intention and the ingenuine to a lower. The Dutch group did not show such a connection. So, based on the data from the study it may be assumed that a society that scores high on the uncertainty scale is more prone to smiling celebrities in digital advertising that societies with a lower score. "Subsequently, culturally determined judgments of smiles might damage the valence of consumers' attitudes and their intention to purchase a product when they find out the endorser expresses an ingenuine smile." (Broeder&Goorden, 2019, p.33)

Conclusion
Today's society is moving at a rapid pace toward digitalization. Communication-wise this means not only using digital technology but thinking in digital terms. Digital marketing plays an important role especially when companies and organization strive to become international and even global players. In this regard they should adapt their digital marketing communications toward the various nationalities and their cultures. This applies to digital advertising, as described in the provided studies. The saying "Think globally, act locally" adapted by global companies such as Coca-Cola and McDonald's best displays the local approach and complying with local cultures. Hofstede's six-dimension model present a very good framework that specialists from all spheres of communication should take into consideration when addressing foreign national cultures.

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