

Spring 4-27-2023

The Cultural Impact on International Marketing: Understanding How Different Cultures Influence Advertising Perception and Strategies

Nathaniel Roffman
roffman@bgsu.edu

Follow this and additional works at: <https://scholarworks.bgsu.edu/honorsprojects>



Part of the [Advertising and Promotion Management Commons](#), [International Business Commons](#), and the [Marketing Commons](#)

How does access to this work benefit you? Let us know!

Repository Citation

Roffman, Nathaniel, "The Cultural Impact on International Marketing: Understanding How Different Cultures Influence Advertising Perception and Strategies" (2023). *Honors Projects*. 857.
<https://scholarworks.bgsu.edu/honorsprojects/857>

This work is brought to you for free and open access by the Honors College at ScholarWorks@BGSU. It has been accepted for inclusion in Honors Projects by an authorized administrator of ScholarWorks@BGSU.

The Cultural Impact on International Marketing: Understanding How Different Cultures

Influence Advertising Perception and Strategies

Nathaniel J. Roffman

Bowling Green State University Honors College

Honors Advisors

Professor David Dewey, Dr. Man Zhang, Dr. Kenneth Thompson

Abstract

This case study evaluates the effectiveness of standardized international marketing campaigns versus globalized international marketing campaigns in the context of two multinational corporations, McDonald's and Burger King, both operating in the United Kingdom. The study compares the outcomes of a standardized marketing approach, which uses the same marketing messages and materials across all regions, to a globalized approach that considers local cultural differences and modifies the marketing messages accordingly. The study analyzes the impact of each approach on brand recognition, and customer engagement, as well as the benefits and challenges associated with each strategy. Additionally, the study examines the importance of cultural awareness and the potential risks associated with failing to adapt to local cultures. The findings of the case study provide insights into the effectiveness of each marketing strategy and highlight the importance of balancing global consistency with local relevance in marketing campaigns.

Contents

Abstract	2
Introduction to the Problem and Guiding Research Question	4
Review of Literature	6
Financial Challenges	8
Language Barrier	8
Cultural Understanding	7
Legal and Regulatory Issues	8
Methods Used to Solve the Problem.....	11
Results.....	12
McDonalds Findings	13
Burger King Findings	13
Conclusion	14
Implications for Future Research and Practice	15
Bibliography	17
Figures.....	20

Introduction to the Problem and Guiding Research Question

As a business major at Bowling Green State University, I have been exposed to a wide range of elements of the business world through the courses I am required to take. These courses cover a broad range of subjects, including accounting, finance, information systems, supply chain management, marketing, and international business just to name a few. Through these courses, I have developed a more profound understanding of the material and used my critical thinking skills to identify connections between the various disciplines. My interest in the field of International Business was piqued, and I decided to specialize in this area.

Thanks to the Honors College and the Bowling Green State University Schmidthorst College of Business, I had the incredible opportunity to study abroad in Strasbourg, France, for the entire 2021-2022 academic year. During my time in Strasbourg, I was able to delve into my newfound passion for international business and gain a deeper understanding of the discipline. The experience was unforgettable and exceeded my expectations in every way.

Living in Strasbourg gave me the chance to immerse myself in the French culture and explore the cultural differences not only between France and the United States but also throughout Europe. I traveled extensively throughout the continent, experiencing firsthand the nuances and diversity of each country's culture, which broadened my worldview.

While living abroad, I found it challenging being away from home, but familiar American chain restaurants such as Kentucky Fried Chicken, McDonald's, Burger King, and Five Guys provided a sense of comfort and familiarity. However, I also noticed distinct differences in the way these companies marketed their brand and the food options available compared to their American locations. This made me curious about why these big-name chains modify their already successful business models to tailor to the international market. Although I

am not specializing in marketing, I found the intersection of my specialization in international business and marketing rather intriguing. After returning to Bowling Green State University, I made it a priority to dive deeper into the subject matter. Before I could create a research question, I recognized the need to fully comprehend the significance of marketing in a global setting.

Marketing plays a crucial role in promoting businesses worldwide, by satisfying needs, raising customer awareness and driving sales of products and services. Despite being just one aspect of a broader business plan, marketing has a significant impact on a company's profitability. Marketing activities include a range of strategies, such as promotion, sales management, pricing, financial analysis, and product distribution, making it an integral part of a company's success. Given its importance, businesses invest heavily in creating effective marketing branding that captures the attention of a wider audience, with the aim of generating more revenue. Depending on the company, we even see modifications in their marketing strategy to target specific locations around the globe. Companies are willing to invest significantly in this process, hoping to expand their organizations' reach and engagement. In doing so, they also open themselves up to economic diversification, which can bring many benefits.

Through my passion for international business and newfound interest in marketing, I am conducting further research on the impact of cultural adaptation of marketing campaigns on consumer behavior in different countries. To do so I must conduct a literature review on the challenges international marketers face in implementing global marketing campaigns in regions with diverse consumer behavior. By evaluating these challenges, I aim to gain a comprehensive understanding of the requirements for successfully running a global marketing campaign. To

answer my research question, I will examine the globalization attempts and marketing campaigns of two American-based companies.

My research question, "How does cultural adaptation of marketing campaigns impact consumer behavior in different countries?" is crucial in understanding how cultural differences affect consumer behavior, especially in designing effective international marketing campaigns.

Cultural adaptation involves modifying a marketing campaign to align with the cultural norms and values of a specific country or region. It is essential because consumers' behaviors, attitudes, and values are shaped by their culture, and understanding these differences is key to reaching and connecting with the target audience in different countries. Cultural adaptation can involve changing language, imagery, or symbols in a campaign to reflect local customs and traditions or modifying the product or service to better suit local preferences and needs.

The impact of cultural adaptation on consumer behavior can vary based on the nature of the campaign and the cultural context in which it is deployed. Effective cultural adaptation can make a campaign more relatable, resonant, and appealing to the local audience, leading to increased engagement and sales. On the other hand, failing to adapt to local cultural norms and values can result in a campaign that is perceived as insensitive or inappropriate, leading to negative consumer attitudes and reduced sales.

Review of Literature

Assessing and adapting a marketing plan for international markets is critical to evaluate the multiple challenges associated with international marketing and research that has already been conducted. Launching an international marketing campaign involves several obstacles that businesses need to overcome, such as financial limitations, language barriers, cultural discrepancies, and legal and regulatory matters. By analyzing these challenges, we can gain

insights into the complex choices that business leaders worldwide must make. In the following sections, I will discuss each issue and elaborate on how it impacts a company's marketing efforts.

Cultural Understanding

International marketing involves promoting products or services to meet the needs of consumers in diverse countries with varying cultures, beliefs, and values. As a result, cultural challenges can significantly impact the effectiveness of international marketing campaigns. Apart from language barriers, which were discussed in the previous section, several other factors play a crucial role in cultural understanding. One such factor is the variation in cultural norms and values across different countries, which can affect consumer behavior. “Learning about other cultures helps us understand different perspectives within the world in which we live. It helps dispel negative stereotypes and personal biases about different groups. In addition, cultural diversity helps us recognize and respect “ways of being” that are not necessarily our own. It is crucial to understand these differences to ensure that marketing campaigns align product and customer needs with cultural beliefs and values and do not offend or appear insensitive “(What Does “Culturally Diverse” Mean?,n.d.). Another factor that impacts cultural understanding is the diverse marketing regulations in different countries. These regulations can significantly impact campaign strategy and content, and companies must ensure that their marketing campaigns comply with local regulations and laws. I will go into more details on legal and regulatory issues in the next section. Communication styles are another critical factor that affects cultural understanding. Communication preferences and styles vary across cultures. For instance, some cultures prefer direct communication, while others prefer indirect communication. Understanding these differences is crucial to tailor communication messages and strategies that resonate with the target audience. Think Cultural Health breaks down various communication

styles into various categories such as tone, volume, speed of speech, eye contact, and use of pauses and silence. Once broken down into categories we see that “Loud and expressive speech is often more common in African American, Caribbean, Latino, and Arab culture”

(Communication styles - think cultural health 2014). Another good example of this is “Direct eye contact is highly valued,

both when speaking and listening, by many white Americans. Direct eye contact is considered rude in some Asian cultures” (Communication styles - think cultural health 2014). Market saturation is yet another factor that affects cultural understanding. The level of market saturation and competition varies significantly across different markets, and companies must be aware of these differences to develop effective marketing strategies. In conclusion, cultural challenges pose a critical consideration when developing international marketing campaigns. Companies can create campaigns that resonate with their target audience, build brand loyalty, and drive sales by understanding and addressing these challenges.

Language Barrier

Language barriers can be a major challenge in marketing, particularly when trying to reach audiences in regions where different languages are spoken. Although numerous countries around the world are multilingual, the interpretation of the message can still be misunderstood. “In certain situations, however, it is almost impossible to translate a given meaning accurately and fully into a second language” (Gillespie & Swan, 2022). Effective communication is essential in any industry, and when language becomes a barrier, misunderstandings can arise, potentially damaging the consumers' perception of the company.

Several factors can influence how consumers interpret marketing messages. One of the most significant factors is translation errors, which can lead to misunderstandings, confusion,

and even offense to the target audience if marketing materials are not translated accurately.

“Brand names can be particularly affected by language, because they are not normally translated but are merely transliterated” (Gillespie & Swan, 2022). Marketers also face challenges with idiomatic expressions, as these phrases may not have direct translations and can be challenging to understand or have different meanings in different languages. Additionally, tone and style play a critical role in marketing campaigns, as they can vary greatly between different languages, making it challenging to find the right tone and style that resonates with the target audience.

“Recent research indicates that recent grads and early-career professionals tend to use “business speak” to build rapport with colleagues at work, while Global English is more often used to forge international connections” (Bullock & Sánchez, 2021). Global English refers to simplified English focused on clarity. According to Bullock & Sanchez global English is “a style of written and spoken English that’s been optimized for clearer and accurate communication on global teams” (Bullock & Sánchez, 2021). Finally, local dialects can be another hurdle for marketers, as there may be many different local dialects in some countries, which can be challenging to understand or translate correctly.

Financial Challenges

Effective budgeting is crucial when conducting an international marketing campaign as there are various costs involved that can pose significant problems for the company. One such challenge is managing currency fluctuations, which can have a significant impact on campaign costs. “The main objectives of managing foreign exchange risk are found to be minimization of fluctuation in earnings and seeking certainty of cashflows” (Marshall, 2000). Failure to effectively manage these fluctuations can result in unexpected costs that can adversely affect the campaign's success. Additionally, varying customs duties and taxes in different countries can

also impact campaign costs, making it essential for companies to factor these expenses into their budgeting process. For companies operating out of the United States “The statutory tax rate appears a better determinant of income shifting than effective tax rates; and tariffs have the largest impact increasing sales in the local market while lower taxes more effectively promote exports to third markets” (Grubert & Mutti, 1991). Shipping and logistics costs can also be a significant challenge for international marketing campaigns, as transporting materials and products across borders can be costly due to transportation expenses, tariffs, and other fees. “Total logistics costs often represent a large portion of total supply chain costs, especially when the supply chain is extended to the global market. As more organizations are outsourcing their products or services to global suppliers, it becomes increasingly critical to understand and evaluate the various logistics cost components in order to assure the profit margin” (Zeng & Rossetti, 2003). As a result, companies need to weigh the costs and benefits of conducting an international marketing campaign and determine if it is a worthwhile investment for their business.

Legal and Regulatory Issues

International marketing involves promoting and selling products or services across national borders, which can present a range of legal and regulatory challenges that vary from one country to another. Intellectual property laws are a major concern, with different countries having varying laws on trademarks, copyrights, and patents. “Your intellectual property is a valuable intangible asset that should be protected to enhance your competitive advantage in the marketplace” (Protect intellectual property n.d.). It is crucial for international marketers to ensure that their products and advertising materials comply with these laws in each country where they

do business. Additionally, companies may face data protection and privacy laws, anti-bribery and anti-corruption laws, and product safety and labeling laws, which must be navigated carefully. Advertising regulations, including laws governing false or misleading advertising, comparative advertising, and advertising to children, are also important considerations. In the US for instance “Companies must support their advertising claims with solid proof. This is especially true for businesses that market food, over-the-counter drugs, dietary supplements, contact lenses, and other health-related products” (Vedova & Technology, 2023). It is also important that “If you advertise directly to children or market kid-related products to their parents, it’s important to comply with truth-in-advertising standards” (Vedova & Technology, 2023). Tariffs and trade barriers, foreign exchange regulations, and consumer protection laws are other factors that international marketers must take into account when conducting business across borders. Ensuring compliance with these laws is essential for success in international markets.

Methods Used to Solve the Problem

Analyzing the effectiveness of international marketing campaigns requires a comprehensive approach that combines both secondary research and existing data to draw accurate conclusions. In this case, I chose to evaluate McDonald's and Burger King, two popular fast-food brands, and their unique approaches to international marketing to better understand the impact of cultural adaptation on consumer behavior in European countries, specifically, the United Kingdom. The United Kingdom is comprised of four countries (England, Scotland, Wales, and Northern Ireland) that all have their own unique identity. I selected the United

Kingdom as my focus due to its diverse population, significant contributions to global culture, strong economy, and unique political systems.

Existing data on McDonald's and Burger King's international marketing strategies and campaigns provide valuable insights into their approaches and outcomes. This includes examining their marketing campaigns in various countries, analyzing their advertisements, social media presence, and consumer engagement, and studying their sales and revenue data. By analyzing this data, I can identify patterns and trends that highlight how these brands have adapted their marketing campaigns to different cultural contexts and how it has impacted consumer behavior.

Comparing McDonald's and Burger King's international marketing strategies provides a valuable case study to explore the impact of cultural adaptation on consumer behavior. Both brands are similar in terms of their fast-food offerings, but they have distinct marketing approaches in different countries. For example, McDonald's is known for its localized marketing campaigns that incorporate local cultural elements, whereas Burger King often follows a standardized global marketing approach with minimal cultural adaptation. By analyzing and contrasting these approaches, I can draw conclusions about the effectiveness of cultural adaptation in international marketing campaigns and its impact on consumer behavior.

Results

After conducting an in-depth analysis of McDonald's and Burger King's international marketing strategies, it is evident that these two brands have employed distinct approaches to cultural adaptation, which have had diverse effects on consumer behavior in different countries.

McDonalds Findings

McDonald's, known for its localized marketing campaigns, has placed a strong emphasis on adapting its marketing messages to local cultural contexts. This includes incorporating local language, customs, traditions, and food preferences in its advertisements and promotions. For example, McDonald's has introduced numerous region-specific menu items such as the "McAloo Tikki" burger in India, "Teriyaki Burger" in Japan, and "Poutine" in Canada, catering to local tastes. This localized approach has helped McDonald's create a sense of familiarity and relevance with local consumers, leading to increased consumer engagement and brand loyalty as seen in *figure 1*. McDonald's localized marketing campaigns have been successful in creating a strong brand image and a loyal customer base in many countries. The brand has often been perceived as more culturally sensitive and relevant to local consumers, leading to higher brand preference and increased sales as seen in *figure 2*. Although McDonald's localization efforts have mainly been successful, it is important to note that excessive localization efforts may lead to inconsistency in brand image, diluting the global brand identity. Additionally, localization efforts may require significant adjustments to the supply chain, menu offerings, and operational processes to accommodate local preferences and requirements.

Burger King Findings

Burger King has largely followed a standardized global marketing approach with minimal cultural adaptation. Its marketing campaigns and menu offerings are often consistent across different countries, with limited customization to local cultural nuances. While this approach ensures consistency in brand messaging and operations, it may not always resonate well with local consumers who have diverse preferences and expectations. This lack of

localization may result in reduced consumer engagement and lower brand relevance in certain markets as seen in *figure 3*. Burger King's standardized global marketing approach may not always have the same level of impact on consumer behavior. In some cases, it may struggle to connect with local consumers, resulting in lower brand awareness, reduced consumer engagement, and potentially lower sales as seen in *figure 4*.

Although it seems like a standardized global marketing approach with minimal cultural adaptation may not always be a good thing, there still are benefits associated with this approach. A standardized approach ensures that the brand image, messaging, and positioning are consistent across different markets. This helps in building a strong global brand identity and creating brand equity. Standardizing marketing strategies and tactics globally can also result in numerous cost efficiencies. Through standardized marketing strategies we see that there is no need for extensive customization of marketing materials for each local market, reducing production, design, and localization costs. Standard marketing strategies also allow for quicker deployment of marketing initiatives in different markets, leveraging global marketing assets and strategies to penetrate new markets faster. A standardized approach can ensure consistent product offerings and features across different markets, maintaining the same product quality and specifications.

Conclusion

McDonalds and Burger King, two global fast-food chains, have implemented different strategies for cultural adaptation in different markets, which have resulted in varying outcomes. For instance, in the United Kingdom in 2022, McDonald's local strategy appeared to have generated more positive results compared to Burger King, as depicted in Figure 1 versus Figure 3.

McDonald's local strategy in the United Kingdom seemed to have garnered higher levels of brand awareness, popularity, and customer visits. The strategy appeared to have resonated well with the local consumer preferences and cultural nuances, resulting in increased customer engagement and social media buzz. The brand may have effectively utilized advertising and other marketing initiatives to create a strong presence in the local market, which could have contributed to its higher visibility and customer engagement. Although the results favored McDonalds, Burger King's standard marketing strategy does have its benefits if done correctly.

Implications for Future Research and Practice

To expand further on why further research is necessary, it is important to acknowledge that analyzing just two major companies may not provide a comprehensive understanding of the issue at hand. For instance, the two companies studied may not be representative of the broader industry, and different companies may have varying levels of success or challenges.

Additionally, I chose two companies from the same industry. Potential research can be done on various companies in various industries. For example, supermarket ALDI, or furniture store ALDI. Therefore, future research should seek to analyze a wider range of companies and industries to provide a more complete and accurate understanding of the issue. Additionally, it is important to evaluate the size of the companies being evaluated as well because in this case, McDonalds is a much larger company than Burger King. This study offers valuable insight for marketing managers in terms of learning the importance of cultural relevance, market segmentation, resource allocation, and brand consistency. These insights can inform marketing managers of which strategies and tactics from both the standardized and localized approaches are the most beneficial for a successful global marketing campaign.

Limiting the research to a comparison between the US and Europe, specifically the UK, overlooks other important regions that may have unique experiences and perspectives. Focusing on just the UK, for instance, limited the international aspect that I was originally trying to achieve when I first tried to answer my research question. For example, companies in Asia, Africa, or South America may face different challenges or have different approaches to the issue compared to those in Europe and North America. Thus, future research should aim to investigate a more diverse range of regions to gain a global perspective on the issue.

While information was considered in the analysis, the perspectives and opinions of stakeholders were not fully examined. Throughout my analysis on this issue, I only had access to a limited amount of secondary data. As a result, I was limited to what I was able to analyze and interpret as a result. This is an important area for future research to explore, as it could provide insights into how different stakeholders view the issue, what their priorities are, and what strategies they believe could be effective in addressing the problem.

Bibliography

- Bullock, D., & Sánchez, R. (2021, October 11). What's the best way to communicate on a global team? Harvard Business Review. Retrieved April 18, 2023, from <https://hbr.org/2021/03/whats-the-best-way-to-communicate-on-a-global-team>
- Burger King. (2023, April 13). Burger King's revenue 2022. Statista. Retrieved April 18, 2023, from <https://www.statista.com/statistics/266462/burger-king-revenue/#:~:text=Global%20fast%20food%20giant%20Burger%20King%20generated%20approximately,that%20is%20also%20known%20by%20the%20abbreviation%20%E2%80%98BK%E2%80%99.>
- Burger King. (2023, March 27). Burger King restaurants globally 2022. Statista. Retrieved April 18, 2023, from <https://www.statista.com/statistics/222981/number-of-burger-king-restaurants-worldwide/>
- Communication styles - think cultural health. (2014). Retrieved April 18, 2023, from <https://thinkculturalhealth.hhs.gov/assets/pdfs/resource-library/communication-styles.pdf>
- Gillespie, K., & Swan, K. S. (2022). Global marketing. Routledge, Taylor & Francis Group.
- Grubert, H., & Mutti, J. (1991). Taxes, tariffs and transfer pricing in multinational corporate decision making. *The Review of Economics and Statistics*, 73(2), 285. <https://doi.org/10.2307/2109519>
- International Marketing Plan Template. (n.d.). Retrieved April 17, 2023, from <https://images.template.net/wp-content/uploads/2015/10/09212256/international-marketing-plan-template.pdf>

- Kunst, A. (2022, December 13). Burger King Brand profile UK 2022. Statista. Retrieved April 18, 2023, from <https://www.statista.com/forecasts/1335660/burger-king-restaurant-chains-brand-profile-in-the-uk>
- Kunst, A. (2022, December 13). McDonald's brand profile UK 2022. Statista. Retrieved April 18, 2023, from <https://www.statista.com/forecasts/1335605/mcdonalds-restaurant-chains-brand-profile-in-the-uk>
- Marshall, A. P. (2000). Foreign Exchange Risk Management in UK, USA and Asia Pacific Multinational Companies. *Journal of Multinational Financial Management*, 10(2), 185–211. [https://doi.org/10.1016/s1042-444x\(99\)00026-2](https://doi.org/10.1016/s1042-444x(99)00026-2)
- McDonalds. (2023, March 22). McDonald's Restaurant count 2022. Statista. Retrieved April 18, 2023, from <https://www.statista.com/statistics/219454/mcdonalds-restaurants-worldwide/>
- McDonald's. (2023, March 22). McDonald's revenue 2022. Statista. Retrieved April 18, 2023, from <https://www.statista.com/statistics/208917/revenue-of-the-mcdonalds-corporation-since-2005/>
- partnership international. (n.d.). Why is cultural diversity important? - partnership international. Retrieved April 18, 2023, from <https://www.partnershipinternational.ie/why-is-cultural-diversity-important/>
- Protect intellectual property. International Trade Administration | Trade.gov. (n.d.). Retrieved April 18, 2023, from <https://www.trade.gov/protect-intellectual-property>
- Vedova, H., & Technology, T. F. T. C. O. of. (2023, March 31). Advertising and marketing. Federal Trade Commission. Retrieved April 18, 2023, from <https://www.ftc.gov/business-guidance/advertising-marketing>

Zeng, A. Z., & Rossetti, C. (2003). Developing a framework for evaluating the logistics costs in global sourcing processes. *International Journal of Physical Distribution & Logistics Management*, 33(9), 785–803. <https://doi.org/10.1108/09600030310503334>

Figures

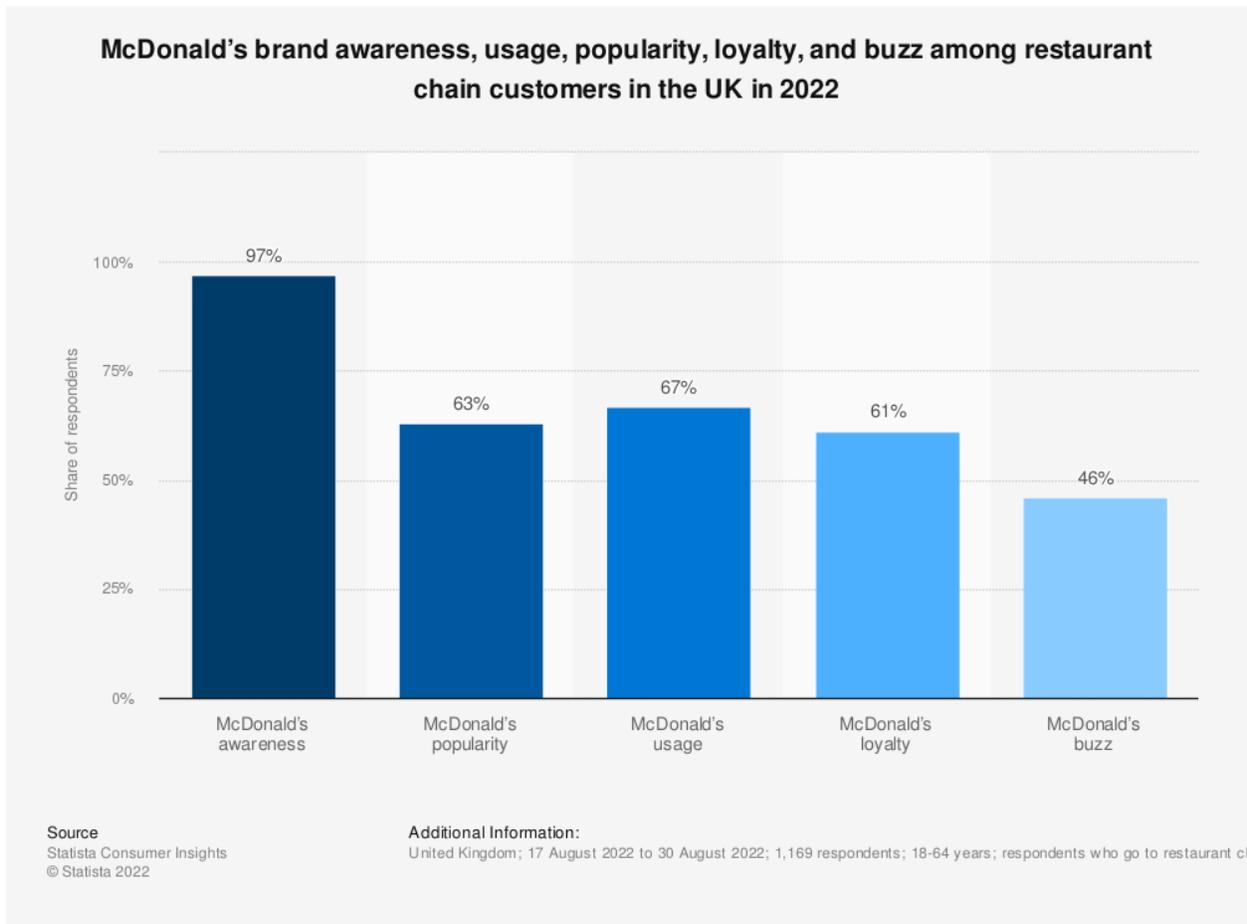


Figure 1. This bar chart depicts McDonald's brand awareness, usage, popularity, loyalty, and buzz among restaurant chain customers in the UK in 2022. To determine these outputs, 1,169 individuals aged 18-64 years responded to a series of questions. Using the results of the questionnaire each category was then calculated.

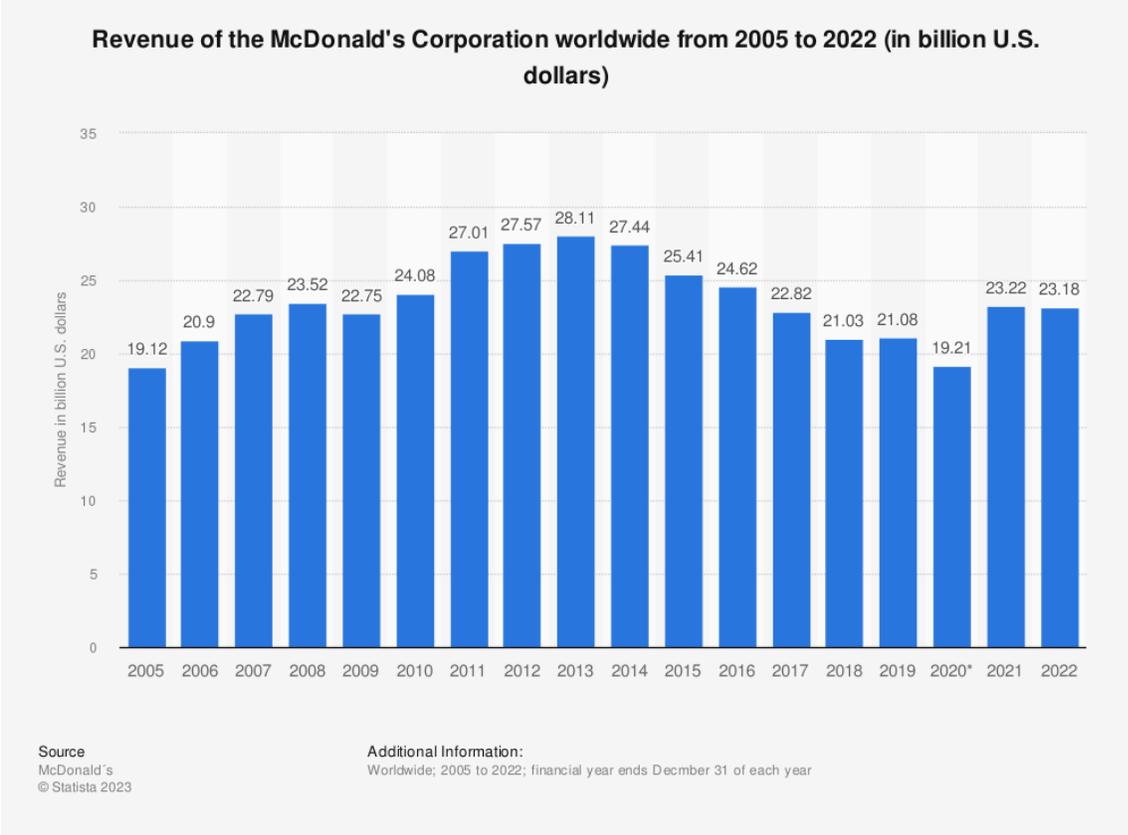


Figure 2. This bar chart depicts the change in McDonalds global revenue from 2005 to 2022.

The amount written above each bar is written in billion U.S. dollars.

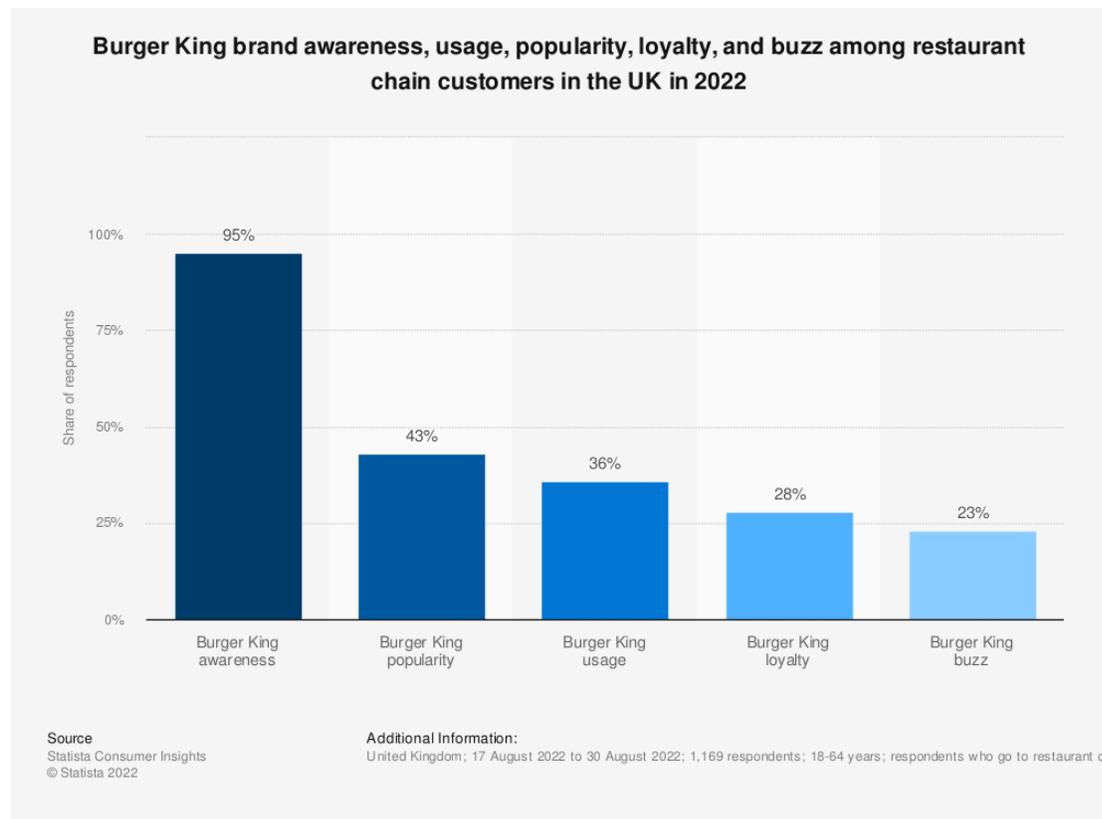


Figure 3. This bar chart depicts Burger King's brand awareness, usage, popularity, loyalty, and buzz among restaurant chain customers in the UK in 2022. To determine these outputs, 1,169 individuals aged 18-64 years responded to a series of questions. Using the results of the questionnaire each category was then calculated.

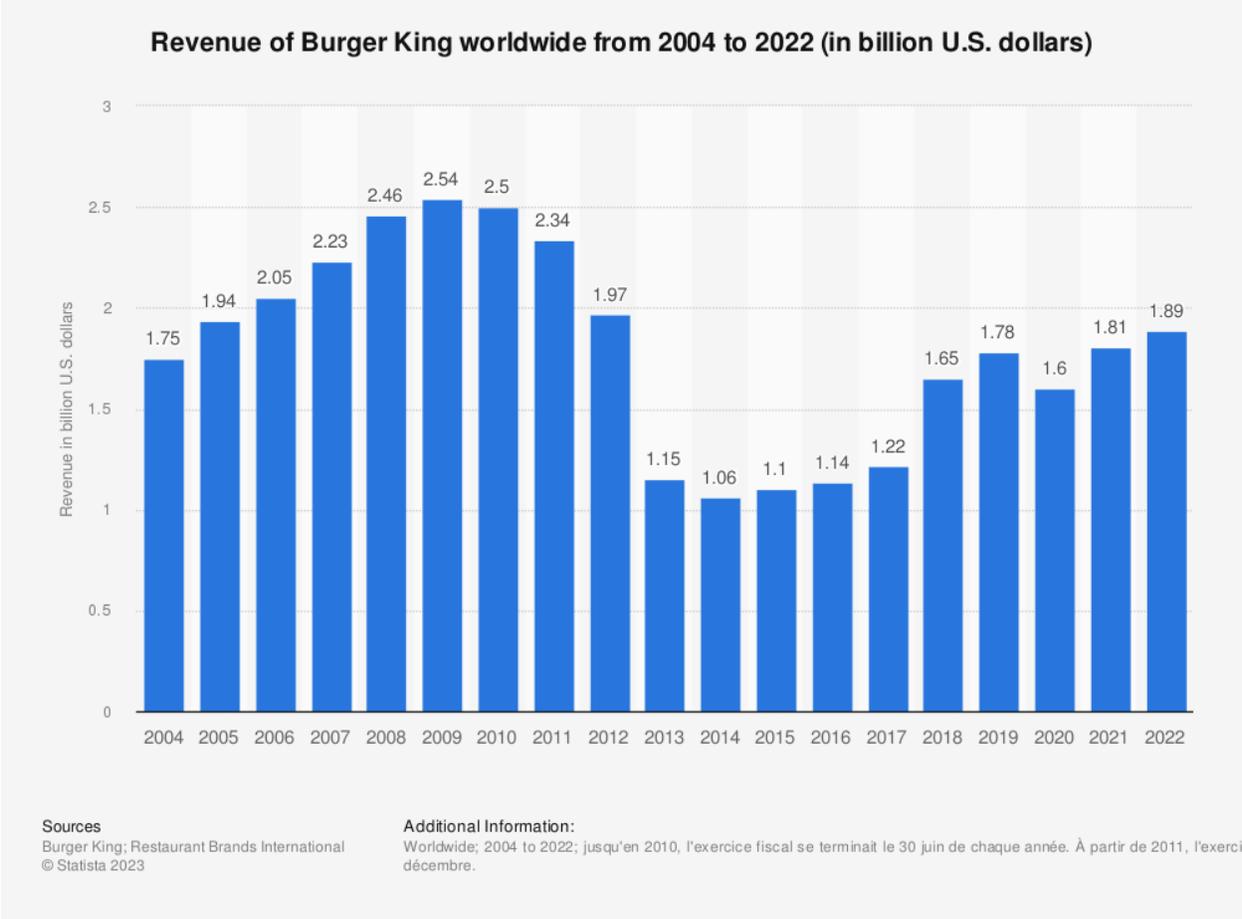


Figure 4. This bar chart depicts the change in Burger King’s global revenue from 2004 to 2022.

The amount written above each bar is written in billion U.S. dollars.