ABSTRACT

MARKETING ACROSS CULTURES
THE PROJECT HEAD AS PILOT MAN OVERSEAS

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Arab, African and Asian business methods have endured for centuries, often due to their sophistication, yet rarely have Americans regarded them as sources of instruction. Most U.S. firms prefer to conduct international business ventures along familiar Western lines. We grow less certain when foreign counterparts use local methods. Often we react in ethnocentric terms, defining indigenous commercial tactics as devious or dishonest. One obvious alternative is to examine and make use of them.

This article explores the viability of using "third world" (Asian, Arab, African) cultural and commercial strategies to enter selected third world markets. Those chosen for analysis apply particularly to problems faced by "project heads" (field representatives, country managers, etc.) from small U.S. firms, when launching business ventures in non-Western nations.

Three of these strategies focus on the need to develop key foreign contacts as company allies. Western businessmen often ignore this step, preferring to focus on presentation of their product from the moment they arrive. Non-Western businessmen, in contrast, may place product presentation to one side. Instead, they focus first upon the new environment in which their product will be launched, learning both the local rules and which players can be of greatest use. This requires mastery of three third world recruiting tools: enlisting on-site allies, "collective" visiting and the "focused" business favor. Each of these is analyzed in terms of impact in non-Western business circles.

Two further strategies focus on development of at least one sample clientele, to serve as an initial testing center for the product. To reach such groups, however, project heads must solve three daunting problems: whom to contact, cultivation once contact is made, and linking sample clientele to product lines. This article explores solutions to these problems through using third world forms of cause-related ("social") marketings.

In the U.S., firms use "donation strategies" to tie philanthropy to profit, increasing sales by linking them to worthy causes. In most non-Western nations, a "donor strategy" proves more effective. This means the U.S. firm takes on a Patron's role towards sample groups it feels may prove receptive to its product, by providing goods and services to meet collective needs. One purpose is to transform its corporate image from "foreign" (thus suspect) to a "fatherly" (thus welcome) local presence. The second is to create brand loyalty among sample group members by generating cause-related obligations to the firm.

The final strategy examines the need to expand beyond initial clientele into related markets. One method is to use individual group members in ways that benefit the firm, whether as problem solvers or living advertisements for the product. A second is to use the institutions to which sample groups belong (temples, guilds, youth wings, etc.) as the initial channels through which to spread the company message. A third is to reshape the sample clientele in such fashion as to meet future corporate needs.

Few U.S. project heads take time to use non-Western business methods, though weeks or even months can profitably be spent in cultivating key relationships before promotion of the product. Pre-launch preliminaries can disturb aggressive U.S. marketers who feel business should begin as they arrive. It may also aggravate home offices, where supervisors may feel that using time to build relationships may be unbusinesslike and thus unprofitable.

The use of time on local terms, however, might not surprise non-Western contacts. In Ethiopia, the more time spent on a problem, the greater its importance. In Indonesia, deadlines are defined in terms of "jam karet" (rubber time), those moments that must suit the needs of all concerned. Japanese perceive the time pre-launch preliminaries require as routine. One firm is said to have instructed key executives to spend five years researching business practice in the American Midwest, before launching a single product in that region.

What could our project heads achieve if given "years" (or even months) to study local methods? It seems unlikely that our business strategies would stay unchanged. Perhaps the time to start such studies is when sent as pointmen overseas, when on-site knowledge suddenly grows critical to those who launch new ventures. Recent studies state that more than one-third of U.S. corporate profits come from overseas activity. Nonetheless, 250 U.S. companies account for 80% of the volume, while only 20,000 others export at all. Another 20,000 smaller firms possess capacity to enter foreign markets but hover on their brink, uncertain how to actually begin. Perhaps examination of selected third world business concepts may suggest practical alternatives.