


ANALYSIS OF THE IMPACT OF CULTURAL DIFFERENCES ON INTERNATIONAL MARKETING NOWADAYS

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Article Info	ABSTRACT
<p>Article history: Received Apr 10, 2024 Revised May 20, 2024 Accepted May 29, 2024</p> <p>Keywords: Marketing, international marketing, cultural differences</p>	<p>This research examines the impact of cultural differences on international marketing and its relevance,based on literary sources and authors own suggestions in this environment for its improvement.</p> <p>This is an open-acces article under the CC-BY 4.0 license.</p> 
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ANNOTATION

Relevance. Analyzing the impact of cultural differences on international marketing is critical in the modern world for several relevant reasons.

Today, companies face intense competition in the international market, as each major company strives to globalize its product and competes with others with similar goals, understanding the cultural characteristics of different countries allows for the development of more effective marketing strategies to stand out among competitors. International companies also deal with diverse groups of consumers who have varying cultural preferences, values, views, and tastes, which also influence product demand in specific regions, being knowledgeable in this area helps create products and marketing campaigns that cater to the needs and expectations of the consumer audience.

Furthermore, the development of technology and the internet has drastically changed the marketing landscape, providing companies with easy access to international markets, however, a lack of awareness of cultural nuances can significantly hinder even the most straightforward and effective methods of distributing their products. In addition to all the points mentioned, modern consumers are becoming increasingly informed and demanding, valuing authenticity and uniqueness in products, therefore, knowledge of cultural differences can help meet the desires of each individual.

The development of international cooperation in the global economy also plays a crucial role in this topic, making an understanding of cultural characteristics vital for effective interaction with partners and clients from different countries.

Purpose of scientific research. The purpose of the research analyzing the influence of cultural differences on international marketing is achievement to derive, product positioning, branding, advertising campaigns, and approaches to communications in international markets. All of this is derived from the study of cultural differences because understanding how different cultural norms, values, and behavioral characteristics influence consumer preferences, purchase decisions, and the overall dynamics of the market in different countries is crucial.

Methods. In this scientific research, analysis was conducted using: scientific materials, literary sources, experiences of international companies, and so on.

Authors feedback. Rajiv Mehtar, School of Management, New Jersey Institute of Technology, Newark, The impact of cultural differences in U.S. business-to-business export marketing channel strategic alliances.

Research conducted on the impact of cultural differences on trust, commitment and cooperation in international channel marketing alliances confirms the importance of cultural considerations when establishing business relationships. I agree with Rajiv Mehtar's statement that cultural differences can significantly influence the success of collaboration between companies from different countries.

Indeed, cultural differences can have a significant impact on trust, commitment, and cooperation in international channel marketing alliances. For example, imagine a situation where an American company enters into a strategic alliance with a Japanese partner. In Japan, there is a high level of formality and respect for elders in age and status. While in the US, direct and open communication is more common.

The high level of formality and respect for elders in Japanese society is due to its historical roots and is associated with the concept of "seniority" and "group harmony". In Japan, respect for elders is considered to be a sign of respect for experience and authority, which helps maintain social harmony and avoid conflict. The concept of "guanxi" also plays an important role as the Japanese strive to avoid humiliation and maintain their reputation in society. Thus, formality and respect for elders are the result of centuries of history, culture, and social norms in Japan.

More direct and open communication in the United States is due to its culture of individualism and high levels of personal freedom. American society values directness and candor, and people are encouraged to speak openly about their thoughts and feelings. It may also be due to the lower level of formality and respect for elders that is inherent in Japanese culture, which allows Americans to exhibit a more direct and open communication style.

In this case, the Japanese company, following its traditions and values, expected to establish a more personal and trusting relationship before entering into business cooperation. However, the American company, accustomed to a more direct and open style of communication, did not pay enough attention to this aspect. As a result, misunderstandings and mismatched expectations on both sides led to difficulties in cooperation and insufficient effectiveness of the alliance.

Also, one can give an example of cultural differences between American companies and their partners from the Middle East. In the regions of this part of the world, it is customary to pay great attention to personal relationships and establishing trusting connections before starting business cooperation. Whereas in the US, business partnerships may begin through more formal procedures.

This is due to the fact that Eastern regions, such as Asia, the Middle East and some European countries, pay great attention to establishing personal relationships and trusting ties before starting business cooperation for several reasons. In these cultures, tradition and respect are valued, and personal relationships are considered the basis of successful business interactions. China's *guanxi* principle and preference for face-to-face meetings are important in establishing trust and respect for the partners' culture. Often business relationships are built on a long-term basis, so establishing personal connections helps create the basis for future successful cooperation. In general, understanding and respecting cultural differences play an important role in successful cooperation in the Eastern Regions.

In contrast, in the United States, business relationships begin on the basis of formal procedures due to the value of professionalism, protecting the interests of both parties through contracts and agreements, complying with legal norms, demonstrating seriousness and professionalism through formal documents, as well as risk management and structuring of relationships. In American society, partnerships are viewed pragmatically, not based on personal ties, making formal procedures necessary to ensure efficiency and trust between the parties.

These differences in approach to establishing business relationships can have an impact on the dynamics of collaboration and interaction between companies.

Tae Won, Moon Hongik University, Seoul, Korea. The Effect of Cultural Distance on International Marketing Strategy: A Comparison of Cultural Distance and Managerial Perception Measures.

Cultural distance does play an important role in shaping international marketing strategy. According to Tae Won's research, price, promotion and product adaptation strategy are significantly related to cultural distance. This can be explained by the fact that cultural differences can influence consumer preferences, their understanding of advertising messages, as well as the company's pricing policy itself.

I agree with this study by Tae Won and this can be proven by the fact that many international companies change their methods, products, offers and prices depending on the region.

In this way, Apple adapts its advertising campaigns to different cultures, taking into account differences in values and perceptions of technology.

And many automobile companies such as BMW, Tesla and Volkswagen differentiate prices depending on the region, taking into account the level of income of the population, inflation and other economic factors that may be associated with cultural differences.

Therefore, McDonald's also changes its menu in different countries to suit local tastes and preferences. For example, they can add local dishes or ingredients that match the cultural traditions and preferences of customers in different countries.

Based on this, we can observe how such giant companies, taking into account cultural differences, adapt to them, which helps companies stay afloat in the international market.

Huib Wursten, Itim international, International marketing and culture. Huib Wursten's assertions about the need to take cultural differences into account when developing marketing strategies represent a key aspect of successful international marketing. Adapting the cultural characteristics, values and norms of each country or region is important to achieve an effective impact on the target audience.

In his work, Huib Wursten describes national cultures as an onion with different layers, correlating with the concept of "collective psychology", where the outer aspects of culture, such as symbols, heroes and rituals, represent more superficial but noticeable aspects, while the values, representing the core of the culture, are more fundamental. These values determine people's behavior and preferences and are the key to successful marketing communication. In addition, the five dimensions of national culture, such as power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long-term orientation, provide marketers with a useful framework for analyzing and understanding the characteristics of each market, which he based on the work of Gert Hofstede, one of the most influential business thinkers according to the Wall Street Journal, and has been reconfirmed by more than 40 subsequent studies in various disciplines.

This is because the five dimensions of national culture provide marketers with a useful framework for analyzing and understanding the characteristics of each market for the following reasons:

1. Power distance (PDI) indicates the level of social inequality and attitudes toward power in a society. This aspect of culture can influence how consumers perceive authority and hierarchy, which shapes the approach to advertising, product presentation, and customer relationships. In a society with high levels of social inequality and a rigid hierarchical power structure, such as some Asian cultures, advertising campaigns and product offerings may often emphasize authoritarian traits and use hierarchical elements to highlight the status and power of the brand.
2. Individualism/collectivism (IDV) reflects the degree of emphasis on individual or group interests. This aspect influences the way people communicate, approach to advertising and consumer preferences for products and services. : In societies with a high level of collectivism, for example, in Japan or China, advertising campaigns may more often appeal to group values, emphasizing social norms, solidarity, and collective achievements, while in individualistic societies, such as the USA or UK, the focus will be on uniqueness and individual achievements.
3. Masculinity/femininity (MAS) determines the degree of emphasis on competition and achievement in society. This aspect can influence consumer preferences for products, how to attract attention to the brand and the approach to advertising campaigns. In masculine cultures, where competition and success are valued, advertising campaigns may often use elements of competition, achievements, and power, while in feminine cultures, where the focus is on soft values, advertising may be more oriented towards care, compassion, and emotional connection.
4. Uncertainty avoidance (UAI) reflects the level of comfort with uncertainty and change. This aspect is important for assessing the level of risk in marketing strategies, communication preferences and brand presentation methods. : In cultures with a high level of uncertainty avoidance, such as Germany or Japan, marketing strategies may include precise data, guarantees, and stable promises to minimize risks and create a sense of confidence among consumers.
5. Long-term orientation (LTO) reflects the degree of focus on the future and long-term plans. This aspect is important for understanding consumers' need for stability, long-term relationships with a brand and planning marketing strategies for the long term. In societies with a high long-term orientation, such as East Asian countries, marketing strategies may focus on long-term relationships with customers, stability, and confidence in the future,

which can influence the planning of product lines and marketing campaigns in the long term.

Ana Maria Soares, Hofstede's dimensions of culture in international marketing studies, School of Economics and Management, University of Minho, 4710-057, Braga, Portugal Ana Maria Soares correctly noted that research related to the influence of culture on consumption tends to grow exponentially because culture creates different values in different cultures depending on traditions and points of view. She supported her research with information from sources such as Ogden D., Ogden J. and Schau HJ., 2004. However, it is worth recognizing that culture is a complex and ambiguous concept, which introduces significant difficulties in conducting cross-cultural research. An example of this is the work of Clark T., 1990; Dawar N., Parker P., Price L., 1996; Manrai L., Manrai A., 1996; McCort D., Malhotra NK., 1993; Nasif E.G., Al-Daeaj H., Ebrahimi B., Thibodeaux M., 1991; Lenartowicz T., Roth K., 1999, who point out methodological problems and difficulties in studying cultural influences on consumer behavior.

The article proposes to use various approaches to the conceptualization and operationalization of culture in marketing research and to prove the plausibility of Ana's statement about the influence of culture on consumption, a number of real-life examples can be given.

Consumer behavior is also highly influenced by cultural aspects. For example, in some countries, shoppers may prefer to shop on certain days of the week or at certain times of day due to cultural traditions. This is proven by the fact that different cultures have different holidays and traditions that can stimulate increased consumer interest in purchasing certain goods or services. For example, during Chinese New Year celebrations, shopping areas in China can be crowded with people wanting to shop for various Chinese New Year-themed props and gifts.

Another example of how culture influences consumption is the use of color. Colors can have different symbolic meanings in different cultures. For example, in Western culture white is associated with purity and innocence, while in some Eastern cultures it symbolizes death and sadness. Therefore, companies take these differences into account when redesigning their product packaging.

David A. Griffith, American Marketing Association, Choices and Consequences: Recommendations for an Improved Understanding of Cultural Distance in International Marketing Research.

In his research, David A. Griffith raised an important question about the relevance of cultural distance in the study of international marketing phenomena. He drew attention to the fact that heterogeneity in the conceptualization and operationalization of cultural distance can significantly affect the understanding of its role. Let's look at real-life examples that support this idea:

For example, imagine a situation where a multinational company decides to launch an advertising campaign in different markets with different cultural contexts. If they do not consider cultural distance when creating and adapting their campaign to suit local values and expectations, conflict or misunderstanding with the target audience may arise. For example, an approach that works well in individualistic societies may be completely ineffective in collectivistic societies due to differences in values and expectations.

For instance, one of the well-known cases where an international company faced a conflict due to cultural differences was the Pepsi advertising scandal in China in 2017.

PepsiCo launched a commercial featuring celebrity Kendall Jenner, who is popular in the United States. In the video, she joined a group of peaceful protesters and offered the police a Pepsi, which prompted police and protesters to clash again.

However, the ad sparked widespread publicity and backlash in Chinese society due to some people considering it to be indecent and disrespectful of the cultural sensitivities of the protests in China. Chinese consumers expressed their outrage on social media, and PepsiCo was forced to apologize and withdraw the ad.

Conclusion. Thus, we can conclude that paying attention to cultural differences for international companies is not just a recommendation, but a vital necessity due to the following reasons:

Different cultures have their own unique needs and preferences. For example, one country may have a huge demand for spicy foods, while another may favor milder flavors. Ignoring these differences may result in the product simply not finding its buyer. Culture influences how people perceive the world and what values are important to them. For example, some cultures favor natural ingredients, while others favor technological solutions. Failure to consider these values can cause negative reactions among consumers. Cultural backgrounds also influence how people use products. For example, some cultures eat with their hands, while others eat with cutlery. Failure to take these features into account may make the product inconvenient to use. Colors, symbols and images can have different meanings in different cultures. For example, in one culture the color red may be associated with good luck, while in another it is associated with danger. Incorrect use of symbols can lead to misunderstandings and negative associations. Also, do not forget about the variety of holidays and different traditions in each region, which in turn, in different periods, increases the demand for some products and reduces others. This will allow international companies to make the most optimal product individually for each region, which will be liked by people both by design, choosing the most pleasant colors for a certain category of consumers in each region, and by its direct purpose, which will also be made specifically for each region. This will significantly increase the competitiveness of the company on the international market.

Changing product prices by region is not just a financial necessity, but a key element of a successful international marketing strategy. Price not only determines profitability, but also plays an important role in brand positioning, image formation and relationship with consumers. In different regions, the same product may have different target audiences, with different needs and price perceptions. Too high a price in one region can make a product “premium” and attractive to an elite group, but scare away the mass consumer. A price that is too low in another region may give the impression of poor quality. The price should also take into account the characteristics of the local market, competition and the presence of local brands. It is also important to take cultural considerations into account because different countries have different perceptions of price and its role in people's lives. In some cultures, a high price may be associated with high quality and prestige, in others with prestige, and in others with inaccessibility. A company must take these nuances into account in order to position its product correctly and not scare off potential buyers. Price is an important element of overall marketing efforts. If a company does not take regional differences into account when setting prices, its marketing campaigns may be ineffective. Correct pricing, which takes into account regional characteristics and customer needs, helps to increase loyalty. Buyers feel that the company has their best interests at heart and is offering a fair price for its product. Correct

pricing allows the company to increase profits by optimizing sales in each region. Varying prices by region helps minimize the risk of failure in the international market, allowing the company to find its own path to success in each region. Overall, changing product prices by region is not just a financial management mechanism, but an integral part of a successful international marketing strategy. Taking into account regional characteristics allows the company to build strong relationships with consumers in different countries and achieve long-term success.

Also, taking into account cultural differences when creating advertising for international companies is not just a tribute to political correctness, but the key to success. The incorrect use of images, symbols, humor or even color can lead to a negative reaction from the audience, decreased trust in the brand and, as a result, financial losses. Failure to understand cultural norms and values may result in advertising using images, words or stories that offend local people. Cultural differences can cause an advertisement to be received differently than intended. For example, humor that is understandable in one culture may be incomprehensible or even offensive in another. Incorrect use of colors, symbols or imagery can lead to negative associations with a product or brand. Poor translation of advertising materials can distort the meaning and lead to misunderstandings.

On the other hand, cultural sensitivity shows consumers that the company respects their values and is committed to building trust with them. Effective advertising that is culturally sensitive leads to increased interest in the product and increased sales. Advertising that reflects the cultural values and traditions of a country helps create a positive brand image.

For example, Coca-Cola advertisements in China use bright colors and symbols of Chinese culture to attract the attention of local consumers. McDonald's advertising in the United Arab Emirates takes into account the religious characteristics of the country, using images and slogans in its advertising that do not contradict Islamic traditions.

In conclusion: Taking cultural differences into account when creating advertising is a key factor for the success of international companies. This helps build strong relationships with consumers, increase sales and create a positive brand image. However, it is important to remember that you should not use stereotypes in advertising or simplify the perception of cultural characteristics. The goal is to show respect for the traditions and values of the country and offer consumers a quality product.

But just as we have already understood, we should not forget that cultural differences affect not only the consumer, but also the company's relationship with partners and compliance with the cultural values of the partner improves your relationship, which of course is very good for the company. But if cultural differences are not taken into account, companies may a misunderstanding will arise, followed by a conflict that will destroy the alliance. Because of this, cultural differences can have a significant impact on international marketing alliances, and understanding these differences is key to successful collaboration in the global marketplace.

Cultural characteristics have a significant impact on consumption and marketing decisions in different regions of the world. The success of international companies depends on understanding and incorporating cultural differences when developing marketing strategies. It is important to adapt products, services, advertising campaigns and communications to local characteristics, values and perceptions to avoid conflicts

with consumers and ensure effective interaction with consumers and the achievement of set goals.

Offers. The success of international marketing directly depends on a deep understanding of cultural differences. It is important to conduct an in-depth analysis of the cultural values, beliefs and norms of each target audience. Use questionnaires, focus groups, ethnographic studies to understand what people value in different countries. Divide your market into segments based on cultural differences to develop more precise marketing strategies. Study how people in different cultures interact with products and services: how do they obtain information, how do they make purchasing decisions, what communication channels do they prefer?

Localization of marketing materials is also critical. Translate the text not just word for word, but adapt it to cultural characteristics, taking into account linguistic nuances, speech style, and cultural references. Use imagery, colors and symbols that resonate with your target audience, avoiding elements that may be offensive or confusing. Do research into the local culture to understand what is considered acceptable and what is not. Incorporate local customs and traditions into your marketing content.

Communication strategies must also be adapted. Research which communication channels are most popular in each country. Use a communication style that is consistent with the cultural norms and values of the country. Adapt product positioning to the cultural characteristics of the country. What is important to consumers in this country? How can your product meet their needs?

Conduct preliminary testing of advertising materials on representatives of the target audience. Collect feedback from consumers after launching an advertising campaign. What did they like and what didn't? How can you improve your campaign? Create separate country teams, including specialists in the culture and language of the country in which you want to conduct your marketing campaign. Collaborate with local partners who have local market experience and cultural knowledge.

Never make cultural assumptions: Do your research and make sure you understand the country's cultural background. Be sensitive to differences: Use responsible marketing and avoid offensive or inappropriate content. Don't be afraid to experiment: Try different marketing approaches to find what works best.

Ultimately, successful international marketing is based on respect for cultural diversity and the ability to adapt your strategy to the characteristics of each market.

To demonstrate the effectiveness of using cultural awareness in practice, let me show you some examples of how it can be used in different regions in relation to different products:

1. Advertising campaign for a drink in China:

Problem: The company wants to launch a new line of soft drinks in China.

Cultural context: In China, tea is a drink that is consumed everywhere, it is associated with tradition, tranquility and health.

Solution:

Commercial: Create a commercial where the main character drinks your drink in a traditional Chinese garden while having tea with friends.

Packaging: Design the packaging in a traditional Chinese style, using bright colors, symbols and hieroglyphs.

Slogan: Use a slogan that reflects the values of health and tradition, such as "Your path to tranquility and harmony."

Benefit: This advertising will be perceived by Chinese consumers as respectful and attractive, which will increase interest in the product.

2. Clothing Marketing Campaign in the United Arab Emirates:

Problem: A company wants to launch a new clothing collection in the United Arab Emirates.

Cultural Context: In the United Arab Emirates, women dress in the traditional abaya, which covers the entire body.

Solution:

Collection: Create a clothing collection that will be in line with the religious norms and traditions of the country.

Advertisement: Use images of women wearing abayas in your ads to show that your product takes into account local traditions. Slogan: Use a slogan that reflects the beauty and sophistication of traditional clothing.

Benefit: Such advertising will be perceived as respectful and will show that the company takes into account local traditions and values.

3. Advertising campaign for cars in Japan:

Problem: A company wants to launch a new car model in Japan.

Cultural Context: In Japan, it is important to maintain harmony and order in society, cars are perceived as a means of transportation and a status symbol.

Solution:

Advertising video: Create a video where a car moves along the perfectly smooth roads of Japan in harmony with the surrounding world.

Slogan: Use a slogan that reflects the values of harmony and order, such as "Harmony in Motion."

Design: Create a car design that matches the style of Japanese culture - minimalistic, elegant and practical.

Benefit: Such advertising will be perceived by Japanese consumers as respectful and attractive, and will show that the company takes into account the characteristics of Japanese culture and values.

But it is important to remember that in order to avoid mistakes and negative reactions from the audience when creating international advertising, it is important to avoid stereotypes, conduct thorough research into the cultural characteristics of the country, make sure that the advertising reflects respect for local traditions and values, and have cultural and language specialists on the team the country in which you want to conduct your marketing campaign.

Therefore, against the background of these examples, you can observe that cultural differences have a huge impact on international marketing and knowledge in this area is significantly effective for international companies.

Good product design is not just beautiful, eye-catching pictures, it is also the key to success in the global market, where consumers speak different languages and have different cultural codes. Good design uses visual symbols, signs and images that are understandable regardless of the language, making the product intuitive to use, even if the user does not know the instructions. High quality design speaks of the quality of the product itself and creates a sense of trust in the buyer, making it more competitive in a world where the choice is huge.

It is important to use universal symbols, such as the plus, minus, on, off icons, which are understandable in any culture. Bright colors, contrast, dynamic images create

a memorable image of the product. Logical arrangement of elements, simple and clear instructions help the user quickly understand the product.

Examples of successful design: standard icons on smartphones (call, messages, camera), bright colors, clear images and convenient packaging of food products, standardized road signs that are understandable to drivers all over the world, regardless of language. Good design is an investment in the success of a product in the global market. By creating a universal, intuitive and memorable design, your product becomes understandable to people from all over the world.

Generalization. Awareness of cultural differences and their impact on international marketing is of paramount importance in an increasingly global marketplace and culturally diverse target audiences. Understanding these differences allows companies to adapt their marketing strategies, avoid cultural missteps and offences, and strengthen their ethical and social responsibility.

By being aware of cultural differences, companies can improve the effectiveness of their marketing by better understanding the needs and preferences of customers from different cultures. This results in more relevant and effective marketing, improved customer relationships and increased loyalty. Additionally, awareness of cultural differences helps optimize communication strategies, ensuring effective messaging.

Companies with cultural awareness can also reduce the risks associated with non-compliance with cultural norms and laws, as well as the reputational risks resulting from offensive marketing campaigns. This allows them to differentiate themselves from competitors by demonstrating cultural sensitivity and understanding of the needs of the local market.

Overall, awareness of cultural differences and their impact on international marketing helps companies effectively adapt their marketing strategies to different cultures, strengthening their ethical and social responsibility in the global marketplace.

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