Identify A Country Justifying Your Choice. Select A Product That Would Be Suitable For Marketing Within That Country. Essay, Research Paper

The author has chosen Dubai, one of the seven emirates of the United Arab Emirates to market the product in. Cultural issues will be critically discussed connected with marketing issues. Analytical frameworks such as Hofstede’s Dimensions, Lee, self-reference criterion and cultural analysis will be linked to Middle Eastern culture.

United Arab Emirates is a Middle Eastern country situated between Saudi Arabia and Oman. It is made up of seven emirates, Abu Dhabi, Dubai, Sharjah, Fujairah, Ras -al -Kahaimah and Umm al-Qaiwain, Before it gained independence in 1971 it was known as the Trucial States. The Trucial States had a British protectorate from 1892 until 1971, when the name changed to Al Imarat al Arabiyah al Muttahidah (State of the United Arab Emirates) Abu Dhabi is the capital and the largest emirate. Each emirate has its own ruler. The ruler of Abu Dhabi Sheikh Zayed is the president of the seven emirates. (http://www.uaeinteract.com, 2000)

Dubai is the second largest of the Emirates after Abu Dhabi. It stretches along the along the Arabian Gulf coast for 72 kilometres. (http://www.uaeinteract.com, 2000) (Refer 2, to appendix for general and cultural information)

Dubai is a good choice for marketing a new product in because it has a buoyant economy in manufacturing and tourism. 2.5 million tourists visit the UAE annually. In 1997, the UAE imported food and beverages worth 1,821million Dirhams (5.29 Dirham’s to ?1), http://ftimes.com, 2000)

Population is diverse; local Arabs are supplemented with expatriates from Europe, Asia and the Far East so there is a wide range of tastes. As the bulk of foodstuffs are imported and choice is somewhat limited, there is a great demand for additional and new products. The local population has a high standard of living with excess disposable cash. Dubai is known as ‘The City of merchants’ this is significant for marketers who wish to penetrate the local market. Dubai’s business community understands foreign business practices. (http://www.dubai-online.com, 2000)

The chosen product is Almond Cresent which, is based on a Bakewell tart. Instead of shortcrust pastry as a base, It will have a filo pastry base. The Arabs are known for their love of sweet things especially nut and pastry confections such as Baklava.

Like the Bakewell tart the product has a long shelf life and does not require any special conditions such as refrigeration. It can be produced locally or imported.

It is a favourite past time for local ladies to visit each other’s villas for coffee and cakes. They either drive or have a driver to take them to their friends’ villas. In the UAE, women are allowed to drive unlike Saudi Arabia

Authors driving licence issued by the Ministry of Transport.

Flour, sugar and almonds are among the top ten food products the UAE imports from the USA. (http://www.netgain.muohio.edu, 1999)

International marketing offers companies a way to expand their customer database beyond their home market. However careful planning is required to cope with the complexities of international marketing. (Kotler, 2000) (Refer to appendix 1, for examples of mistakes in international marketing because of lack of knowledge for cultural awareness & cultural opportunities for international marketing)

Marketers need to be aware of the four main environments (cultural, political and legal, technological and economic) when they make international marketing decisions. (Evans & Berman, 1988)

The environment facing international marketers (Evans & Berman, 1988 p422)

Companies have to adapt their marketing strategies to suit the local cultural climate otherwise it would be very risky to enter the Middle Eastern market due to the cultural religious factors. (Brassington & Pettitt, 1997)

“The key to success in the exploitation of international markets is found in the global launch of products and brands” (Mattelart, 1991 p49)

Before expanding into the UAE, marketers should be aware of religious and cultural factors that may hinder their marketing plans. The impact of Islam will have a profound effect on marketing. Islamic law (Sharia) is based on the holy book (the Koran) is used as a guide for different activities including economic activity. (Walsh, 1994)

Cultural awareness is improved by studying the cultural differences this could be done by employing foreign marketing research specialists. (Evans, & Berman1988)

The population of Dubai in 1997 was 514,000 males and 223,000 females with approximately 65% in the age group 15-64 years old. (Dubai in figures, 1998, Government of Dubai Dept of Tourism & Commerce marketing)

Looking at the male dominance you would think the gender role would fall into the category of masculinity in Hostedes Dimensions.

Masculinity versus Femininity

Assertiveness and personal achievement are favoured (masculine) versus caring for others, adopting neutering values and emphasising quality of life (feminine)

(Hofstede, author, Usunier, 2000, p 64). (Refer to appendix 3 for intercultural communication, Hofstede)

Masculinity and Femininity both apply to the Dubai culture, Males are assertive and personal achievement is dominant. Male dominance is deemed as a birthright in Muslim countries. Personal achievement is seen in the lifestyle the Arabs lead in Dubai, big villas with 2 to 3 servants. One of the most popular cars that the Arabs favour is a Mercedes 500SEL. (Masculine) However, the family is considered as very important. Strong relationships are extended beyond the immediate family. Arabs are respectful towards the elder members of their family. (Feminine) This will give an insight to marketers on what cultural family values are. They can then strategically plan and implement the right marketing objectives to be achieved. (Usunier, 2000)

According to Griffin

“Culture is the human made part of the human environment, the sum of total knowledge, beliefs, art, morals, laws, customs and many other capabilities and habits acquired by humans as members of society”

(Griffin, 1994, p85)

Marketing professionals should avoid the ‘Self Criterion Trap’. This means that they have the tendency to evaluate everything on one’s own cultural background. Middle Eastern culture is very different to western culture. It is a lot more restrictive. (Johnston & Beaton, 1998)

It would be a good idea to for the marketer to research the culture and lifestyles of the UAE nationals before entering the market. Bribery (via intermediaries) is not unheard of in the UAE and can sometimes be a part of business dealings. It is extremely important that the culture of the UAE is seen in the context of the country. Marketers have to be aware of the religious cultural differences when advertising products in the UAE. (Walsh 1994) When advertising on National TV it is seen as improper to make eye contact between sexes. Bodily contact is “haram” (forbidden) Ladies should have their hair covered, as UAE is liberal many women do not cover their faces.

“Advertisements and promotions that are accepted and successful in one’s home culture may, at best be ignored and the message misunderstood but at worst give real offence, which may lose the company business”

(Johnstone & Beaton, 1998, p79)

Cultural analysis is a good way to build cultural differences into the marketing mix. The main elements utilised in the process are to identify the differences between the home culture and the UAE culture. Identify the religious cultural sensitivity to the product; i.e. make sure there are no animal fats (from pork) in Almond crescent. Muslims are forbidden to eat pork or any of its derivatives. (Doole et al, 1994)

Dubai was chosen to market Almond Crescent, as it is quite westernised and is tolerable to differences in culture compared to other Arab countries. It is also the commercial centre of the UAE and is the home of the World Trade Centre building where many trade exhibitions take place. Gulfood would be a good exhibition for the introduction and sampling of Almond Crescent to locals. http://www.gulfood.com, 2000, (Refer to appendix 4, for information on Gulfood exhibition)

An agent who must be registered with the Ministry of Economy and Commerce could distribute Almond Crescent. The agent will have already formed relationships with potential buyers. Businesses in the Middle East would rather do business with someone whom they are familiar with and they can trust. There are three main supermarket chains where food products are sold, Abu Dhabi Co-operative Society, Safest Way and Spinneys, there are also numerous corner shops. Although agents are one of the most popular forms of entry into foreign markets, there are problems with this method of entry. First you need to find a suitable agent, then you must provide product information and train the agent and make sure you maintain a good relationship with him. (Doole, I et al, 1994) When the product is successful, it can be produced in Dubai. This is either done through a joint venture with a company that has a local presence in Dubai. In a joint venture partnership, an Arab must own at least 51% of the company. (http://dubaitourism.co, 2000,). However, companies can set up a business in the Jebel Ali Free Zone on the outskirts of Dubai. This is one of the only places where a company can have a 100% ownership. To own a company in this area the company should be in possession of a Free Zone Entity Licence. (http://www.dubaicityguide.com, 2000)(Refer to appendix 5, for conducting business in Dubai)

Arabic is the official language and English is the business language of the UAE. Approximately 30 % of the UAE’s population are native Arabic speakers.

Usually English and Arabic are used on signage such as road signs and for numerous publications. It is important and useful to gain a competitive edge to have Arabic/English labelling on food products. (http://www.netgain.muohio.edu, 2000). The most popular media to use for advertising would be TV, radio and press. 79% of the UAE population is literate, 820,000 people have a radio and 310,000 a TV. (1997)

(http://www.ciagov, 2000, p7)

(For a listing of radio, TV and press available refer to appendix 6)

10-15% is the normal importer mark-up on food products. Retail prices are 20-25% above import prices. High quality food products are recognised by locals who do not mind paying a premium for these products. However to introduce a product into the market special offers and samplings would be welcome. (http://www.netgain.muohio.edu, 2000)

To maximise profits and be successful globally in a competitive world companies should look beyond their domestic market. However, they must be aware of any cultural and religious differences and legal limitations in the countries that they wish to sell to. You must build up a good relationship with your buyers be aware that giving them gifts is considered normal and not an act of bribery. Make sure that the product is labelled in English and Arabic and be aware of the colour of packaging you use. The Arabs like green they consider it a respectful colour. Be aware of all cultural aspects when considering the marketing mix. If you offended an Arab by not knowing cultural issues, you could loose out on doing business in the UAE.

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