Culture in International Positioning
- A study of five Swedish international companies -

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Sara Jansson and Andreas Hasselgren
ABSTRACT

The concept of positioning was first highlighted by Trout and Ries in an article published in 1971 and has since then been a well-studied subject. However, little study has been made regarding the way positioning strategy changes depending on which country the company is about to enter. The purpose of this master dissertation is thus to investigate culture’s role as a driving force in international positioning.

The theoretical framework consists of the foundations of the positioning process and international marketing literature about cross-cultural theories. These theories are put together in an analytical model where a connection between the two theories is illustrated that will be used as a foundation in gathering and analysing the empirical data.

In a qualitative approach, the empirical data was gathered through semi-structured telephone interviews with the Marketing Directors or a corresponding title of five different Swedish international companies. These findings were also complemented with secondary data such as web pages and annual reports of the companies.

The findings of the study showed that cultural differences are considered to some extent and have resulted to an entirely new positioning strategy for one of the researched companies and to changes in the strategic tools made for consolidating the position in two additional companies. In the two remaining companies, culture has not been a driving force and the companies have thus not considered this in their positioning in international markets.

Keywords: Positioning, international positioning, cross-cultural marketing, multiple case studies
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1. INTRODUCTION

The introduction chapter consists of a background of the subject that will be researched followed by a problem discussion, which in turn is followed by the purpose of this study along with important earlier research, definitions, delimitations and a disposition.

1.1 Background

Positioning has been a well-studied subject since Trout and Ries first highlighted the concept as a new way to communicate in an article published in 1971. According to Ries and Trout (1981, p. 10) “Positioning starts with a product, a piece of merchandise, a service, a company, an institution or even a person. But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect”. The importance of the concept has been underlined in several studies where one study showed that according to 102 marketing executives, positioning was ranked as the most important key of a successful marketing mix; product, price, place and promotion (Griffin, 1994).

Positioning is becoming more and more important considering the globalisation trend with lower transportation and communication costs, which has led to an increased competition (Doole & Lowe, 2004). Because of the higher competition, the messages a consumer receives from different companies within the same product category are increasing in volume (Trout, 1996). This creates a noise that disturbs the message to be received as the company wishes. The increasing competition has also led to that products from different companies now show little compositional, material or even structural differences within the same product class (Fill, 2006). Since consumers’ perceptions and memories are selective, products are consequently now perceived relative to each other (Trout, 1996). This relative perception is created in the mind of the consumer, even though no active work with the position from the company has been made. It is therefore important for companies to find a desired empty position in the mind of the consumer and fill it themselves (Ries & Trout, 1981). Based upon this, it is no longer possible to build up the marketing mix and especially the communication of a company, in a total vacuum without any regards of the competition (Trout, 1996).

The globalisation trend has also led to that companies, with no previous experience of crossing borders, have to take new aspects such as language and culture barriers into consideration when seizing the opportunity and entering new markets (Doole & Lowe, 2004). A new market, which is geographically distant from the home market, presumably means a completely different culture than in the home market. To understand and elaborate these culture differences is the biggest challenge to conquer in order to be successful in international marketing (Usunier, 2000).

The strategies to enter an international market are in a broad view described as two different entry strategies; the adaptation strategy and the standardisation strategy (Doole & Lowe, 2004). Adaptation means that the company adapts its marketing mix to the specific country and culture whereas standardisation means that the company uses a standardised marketing mix for every market. These two entry strategies do however represent two extremes and usually companies lie somewhere in between and adapt some parts of the marketing mix to the specific culture and country and let other parts of the marketing mix be standardised throughout all markets (Doole & Lowe, 2004). Considering the impact
cultural differences have on companies’ entry strategies to new markets, these differences should also be crucial for a company’s work with its position in the new market. Especially when considering how researches have proved that consumers’ buying behaviours vary across cultures (Usunier, 2000).

1.2 Problem discussion
Even though different researchers have contributed theories and developed models with Ries and Trout’s definition as a base, those existing models and theories do not include the way a company should consider cultural differences when positioning itself in different international markets. Considering the fact that most researchers define positioning as something relative to the competitors position, entering a new market should involve changes in the positioning strategy as well. Overall, little study has been made regarding the way a positioning strategy changes depending on which country the company is about to enter. International marketing literature (e.g. Kotler, 2002; Doole & Lowe, 2004; Griffin, 1994), however, emphasise on the cultural differences in different nations and how these differences in culture affect the way a company should enter the new market. These cultural differences are especially important in consumer markets, due to the great impact culture has on the buying behaviour for the single individual (Usunier, 2000).

One way for a company to gain market shares in different markets, could be to find different advantages with the same product based on the different culture in the actual market. This could hypothetically mean that a company uses a different position with a different strategy in the new market, even though the exact same product is offered and the competitors are the same. This study will focus on companies’ work with their positions, relative their competitors, and whether these positions are standardised or adapted to the different markets? And if that is the case; how are these differences related to the cultural differences of the country?

1.3 Problem formulation
The problem formulation of this study will be; how do companies of today, consider cultural differences in their work with positioning in international markets?

1.4 Purpose
Based upon the discussion and background above, the purpose of this study is to investigate culture’s role as a driving force in international positioning.

1.5 Delimitations
This study is limited to investigate Swedish consumer goods manufacturers, operating in the USA and addressing the communication towards the end-consumer. This selection of companies delimits this study to only investigate companies that manufacture and finalise the product for the end-consumer and therefore not their possible middle hands such as resellers. This implies that possible interruptions or changes in the communication from the producer to the consumer are not investigated. The study is also delimited to the present time and do not consider historical or future actions taken by the company.
1.6 Earlier research
Positioning has ever since it first was highlighted been a well studied subject with a great deal of researches within the area as a result. Most of the earlier research in this area are however domestic, namely conducted in the USA, but a few studies to investigate the phenomenon of international positioning have been made. In the article “Positioning strategies of international and multicultural-oriented service brands” written by Blankson and Kalafatis (2007), a research of four international service brands in the plastic card industry is presented. This research investigates the positioning strategies of the four chosen companies from both the companies’ and the consumers’ point of view. The research found and concluded that no single positioning strategy is important across the investigated card brands but that some similarities between the companies can be found (Blankson & Kalafatis, 2007). Even though investigating international and multicultural brands, the study did not investigate if the four brands had different positioning strategies in their international markets, but did instead only focus on their strategies in the UK. Consequently, Blankson’s and Kalafatis’ research is different from the research presented in this dissertation, as culture’s role as a driving force in the positioning strategy is not investigated.

In the article “Successful competitive positioning: the key for entry into the European consumer market”, Darling (2001) presents a research of how American companies have positioned themselves on the European market. This research concludes the marketing mix and its elements as important strategic tools for successful positioning in Europe. By varying the four elements, the company can build up a certain perception in the minds of the consumers which distinguishes the company from the competitors (Darling, 2001). Darling’s study (2001) did however not point out any specific factors, such as cultural differences, that are related to these changes in the marketing mix but did instead just conclude that changes in the marketing mix are necessary. This means that Darling’s study had another focus than the study that will be conducted in this dissertation.

1.7 Definitions
Throughout this study, the terms positioning and culture will be frequently used and the definitions for these terms are in this study as follows:

**Culture:**
“The total sum of learned beliefs, values and customs that serve to direct consumer behaviour in a particular country market.” (Doole & Lowe, 2004. p. 66).

**Positioning:**
The definition that will be used throughout this paper is based upon a formulation stated by Fill (2006, p. 373): “Positioning is the process whereby information about the product is communicated in such a way that the object is perceived by the consumer to be differentiated from the competition, to occupy a particular space in the market”. However, since this study also will focus on the company as an object to position, the definition in this study will also include the company. Consequently, the definition for positioning that will be used throughout this study is; Positioning is the process whereby information about the company and/or product is
communicated in such a way that the object is perceived by the consumer to be differentiated from the competition, to occupy a particular space in the market.

1.8 Disposition
Figure 1.1 below, shows the disposition of this dissertation. This figure illustrates a process in which every chapter lies as a foundation for the next chapter. After introducing and discussing the subject of international positioning, the theoretical framework functions as the base when gathering the empirical findings. By analysing the empirical findings, using the theoretical framework, a conclusion can be drawn.

Figure 1.1: Disposition of the dissertation
2. THEORETICAL FRAMEWORK

A literature framework will be presented in this part of the paper by using earlier research and literature about positioning and cross-cultural marketing. Finally, an analytical model combining the theories will be presented.

2.1 Positioning

As stated in the introduction chapter, positioning is the process whereby information about the company and/or product is communicated in such a way that the object is perceived by the consumer to be differentiated from the competition, to occupy a particular space in the market. According to Brooksbank (1994), the process of gaining a position involves certain elements which are also addressed in the definition above; the object to position, the consumer target market and the competitors for the positioned object. Once a positioning strategy is finalised it is put into action by assembling the marketing mix to support the chosen position (Brooksbank, 1994).

2.1.1 The object to position

A positioning strategy starts with the object that the company wishes to position, in the mind of the consumer, relative its competitors. Many authors and researchers refer to the term positioning in different ways and with different interpretations. Sjöström sorted in his book, “Positionering under strategisk säkerhet” (1996), out all the main different researches and came up with a model where the process of positioning is divided into four different perspectives. These perspectives are defined based upon which kind of object is being positioned in the process and named product-oriented, competition-oriented, relationship-oriented and the phase-oriented positioning process (Sjöström, 1996).

Product-oriented and competition-oriented positioning are the two most common researched processes and also the ones that have the end-consumer as the target group for the strategy. These two different processes originate from the theories in Ries and Trout’s first article about the concept and are by most authors and researchers equalized and treated as one (Sjöström, 1996). Product-oriented positioning puts the product as the object to position in the mind of the customer, and this product is related to competing products on the market. This position is achieved through the marketing mix and the purpose of the process is to be perceived as the best product. The second process, competition-oriented, shows many similarities with the product-oriented process but with the main difference of positioning the company as the object instead of just a product. This in turn means that the company wishes to be related as a dominant company compared to competing companies. The activities in this process consist of either differentiating the company from the competitors by assembling the marketing mix in a certain direction or limiting the offered range to only a certain part of the market, called competitive scope (Sjöström, 1996).

The third process, relationship-oriented positioning, addresses to the role in a network as the object to position compared to other actors. The target here is not customers, but instead the other actors within the network to which the actor has an exchange relationship. The purpose of this process is to develop power by controlling resources or by developing strong relationships within the network (Sjöström, 1996). The last perspective of positioning is the phase-oriented process. This process includes all the other three perspectives but with the difference of seeing them as a dynamic process over time.
in three phases; First product positioning, then role positioning and finally company positioning (Sjöström, 1996).

### 2.1.2 Consumer target market and competitors

The process of finding the right position for the object involves defining the consumer target market and the nature of competition in this market (Keller, 2002). The consumer market target is the group of consumers to which the company aims its positioning strategy. This target group is a subgroup of the entire market and is defined upon similar needs and wants and having a characteristic of being attractive to the company (Brooksbank, 1994). The nature of competition in the particular market consists of what the target consumers perceive as the competing companies to the specific object (Keller, 2002).

These two elements of the positioning strategy are closely linked together. Because of the higher competition, the messages a consumer receives from different companies within the same product category are increasing in volume (Trout, 1996). This higher competition creates a noise in the marketplace that disturbs and sometimes prevents the message the company is trying to send, to be received as wished. In addition to this, the increased competition has also led to that products from different companies now show little compositional, material or even structural differences within the same product class (Fill, 2006). Due to the fact that perceptions and especially memories of the consumers are selective, a product and/or a company are now perceived relatively to other competing products and companies in the mind of the consumer (Trout, 1996). This relative perception is created in the mind of the consumer even though no active work with the position from the company has been made. It is therefore important for companies to actively find a desired empty position in the mind of the consumer and fill it themselves (Ries & Trout, 1981).

### 2.1.3 Positioning strategies

When the target group and its preferences and the nature of competition in the market are identified, the next step is to find a suitable position for the object and a strategy for this position that is relevant for this specific market (Fill, 2006). By perceptual mapping, the company can verify perceptions and preferences of different key attributes as the consumer perceives (Fill, 2006). With this as a base, the company can determine both what the consumer finds important and how the competitors are positioned in the mind of the consumer and therefore find and reach an empty slot for its positioning strategy (Fill, 2006; Söderlund, 1998).

Companies who enter a market first, have a major benefit of sometimes being exclusively associated to the whole product category and are therefore not in need of emphasising on special attributes. Their work lies instead in protecting the position as being number one (Griffin, 1993; Trout, 1996). For companies or products not being exclusively associated as number one in a product category, the positioning strategy must emphasise on a specific attribute ladder that puts the object in top of the mind of the consumers, relative the competition (Griffin, 1993). The eight identified strategies in doing this are; product features, price/quality, usage occasion, product class dissociation, user, competitor, benefits, and cultural heritage (Fill, 2006). To not confuse the consumer, a company should avoid using more than one attribute ladder as long as they do not go hand-in-hand and lead up to the same position (Kotler, 2002). The most important aspects in picking the right position and a strategy for gaining this, are that the position is true and in accordance
with the ability of the object and is supported and consolidated by the marketing mix. If this fails, the positioning process has the contrary effect, which leads to that the customer instead is likely to be confused (Kotler, 2002; Fill, 2006).

- **Product features** – This strategy implies that the product can be separated from its competitors on the basis of attributes, features, or benefits. The product feature is the most commonly used strategy (Fill, 2006).

- **Price/quality** – The price and quality ladder is, according to most researchers, the most effective of all eight attribute ladders. If a product has a high price it automatically indicates a high quality of the product to the consumer and a low price indicates a low quality (Fill, 2006).

- **Usage occasion** – The product is marketed as when or how it can be used as a strategy to win an empty slot in the customers mind (Fill, 2006).

- **Product class dissociation** – The product class dissociation ladder implies that a product or company can be positioned as superior its competitors or that the product is so different compared to its competitors that it almost not fit the same product category (Fill, 2006).

- **User** – This strategy indicates that the company clearly can identify and knows the consumer and its needs. (Fill, 2006).

- **Competitor** – This strategy to position a product is done by positioning it directly against the competitors position (Fill, 2006).

- **Benefits** – This strategy implies that a position can be gained through proclaiming the benefits that the customer gets when they consume the product (Fill, 2006).

- **Cultural heritage** – Addresses the cultural heritage or tradition of the company or its home country (Fill, 2006).

2.1.4 The marketing mix
After the company has chosen a positioning strategy that is appropriate for the object’s ability, important for the consumer target market and different from the competitors on the market, the marketing mix is the tool to use for assembling this strategy (Brooksbank, 1994). The relation between the marketing mix and the positioning strategy is informative in the way the price, product, place and promotion are strategic tools, used to indicate a position that might already have been strategically chosen. This means that the position enacts the marketing mix and its elements and in the other direction; the marketing mix consolidates the position (Uggla, 2006).

The most important element of the marketing mix in the positioning strategy is the promotion element. This is the instrument used to communicate the position for the object to the target group that the other parts of the marketing mix are consolidating, (Uggla, 2006). According to Kotler (2003), the position the company wants to communicate should be included as a statement in the marketing plan and be used with consistency in all communication, having the following form;
- Receiver – the target group and their specific needs
- Sender – the brand of the product or company
- Concept – the category of the product
- Distinction – the relative position to other brands

When a clear positioning strategy has been developed, it is important that the positioning strategy is impregnated and managed in all communication through every point of contact between the customer and the company (Kotler, 2003; Trout, 1996; Ries & Trout, 1981). It is however important to point out that effective positioning communication goes beyond advertising. Communication tools such as the webpage and personal sales are also crucial and if a company does not back up its positioning strategy with consistency, the consumer is likely to be confused (Kotler, 2003).

2.2 Cross-cultural marketing

Consumers’ behaviours are culture bound as a consumer’s decision to buy a certain product is influenced by a number of factors, where culture is one (Hofstede, 1994). There are many definitions for culture, Ralph Linton’s definition from 1945 is however one of the most accepted and therefore frequently used (Doole & Lowe, 2004; Usunier, 2000). This definition states “a culture is the configuration of learned behaviour and results of behaviour whose component elements are shared and transmitted by the member of a particular society.” (Usunier, 2000. p. 4). However, in international marketing, culture is often defined as “the total sum of learned beliefs, values and customs that serve to direct consumer behaviour in a particular country market.” (Doole & Lowe, 2004. p. 66). Whereas learned beliefs are mental and verbal processes that reflect knowledge and attitudes of products and services, values refer to what is the appropriate behaviour and customs are ways of behaviour in specific situations. Consequently, in international marketing as a result of cultural differences, another supplier does not have to be the strongest competitor but instead customs or believes (Doole & Lowe, 2004).

Culture’s impact on the consumer’s buying behaviour is a well researched area and three aspects are particularly interesting and vary across culture when it comes to buying behaviour; consumer involvement, perceived risk and cognitive style (Usunier, 2000). Consumer involvement refers to the level of involvement in the buying process which varies across cultures, especially for private consumption. The perceived risk can be divided into physical risk, financial risk and social risk that occur in relation to a purchase which all vary across cultures in different ways. The cognitive style relates to an individual level with steps as reviewing opportunities, evaluating alternatives, searching information, relying on opinion leader and word-of-mouth and finally buying a product (Usunier, 2000).

International marketing literature (e.g. Kotler, 2002; Doole & Lowe, 2004; Griffin, 1994) emphasises on how the culture differences in different nations and the consequences these have on the consumer can affect the way a company enter the a market. These ways are in a broad view described as two different entry strategies; the adaptation strategy and the standardisation strategy (Doole & Lowe, 2004). Both strategies concern the company’s marketing mix and to which extent the product, price, place and promotion should be adapted or standardised to the particular market. Being the most important factor and
obstacle to consider and surmount in international marketing, culture is however not the only factor that have an impact of the adaptation or standardisation of the marketing mix. For instance, political, legal, technological and economical factors are other forces in this process (Doole & Lowe, 2004).

The discussion about standardisation and adaptation leads, at one extreme, to the multi-domestic approach in which the company has a completely different approach for every single market and adapts all the four P’s to the specific market. The other extreme is the global approach, in which all the elements of the marketing mix of the company is standardised throughout all markets (Doole & Lowe, 2004). The latter strategy, global approach, has big benefits like economies of scale and reduced cost in design modifications whereas the multi-domestic approach take cultural differences into consideration and instead gain benefits through this (Doole & Lowe, 2004). These two extremes are however seldom seen in reality, and instead most companies use a mix of these two strategies and adapt some elements of the marketing mix to the specific market and standardise the other elements throughout every market (Doole & Lowe, 2004).

<table>
<thead>
<tr>
<th>Product</th>
<th>Place</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Advertising</td>
<td>List Price</td>
</tr>
<tr>
<td>Features</td>
<td>Personal Selling</td>
<td>Retailers</td>
</tr>
<tr>
<td>Name</td>
<td>Sales Promotion</td>
<td>Locations</td>
</tr>
<tr>
<td>Packaging</td>
<td>Public Relations</td>
<td>Inventory</td>
</tr>
<tr>
<td>Services</td>
<td>Direct Mail</td>
<td>Transport</td>
</tr>
<tr>
<td>Guarantees</td>
<td>Company Literature</td>
<td></td>
</tr>
</tbody>
</table>

Table 2.1: The Main Elements of the Marketing mix (Brooksbank, 1994. p 2)

Table 2.1 shows the elements of the marketing mix and a scale describing which of the elements being easier to adapt or standardise (Brooksbank, 1994; Doole & Lowe, 2004). As the table shows, the price is generally easier to adapt to the specific market whereas the product is the hardest element of the marketing mix to adapt. This is due to how much time and capital the company has to spend in order to make the change and adapt the element (Uggla, 2006).

2.2.1 Cross-Cultural analysis

In the approach of adaptation, one of the most common used cross-culture theories is Geert Hofstede’s culture dimensions. It identifies five different dimensions of culture; individualism, power distance, uncertainty avoidance, masculinity, and confucian dynamism. These dimensions explain cross-cultural differences in people’s beliefs systems and behaviour patterns in different nations and cultures (Doole & Lowe, 2004; Hofstede, 1994). The dimensions are also useful explanations of cross-cultural differences in consumer behaviour, as all the dimensions except for power distance are independent and not related to societies as a whole (Mooij, 2003).

Hofstede’s model measures the different dimensions in 75 of the world’s countries and regions. The model has a scale from 0 to 100 and is based on quantitative research (Mooij, 2003; Hofstede, 1994). The two countries that will be researched in this study, USA and
Sweden, show small cultural differences in every dimension except for the masculinity dimension where they instead represent two extremes. Table 2.3 shows the differences between the two countries in every dimension.

<table>
<thead>
<tr>
<th></th>
<th>USA</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism</td>
<td>91</td>
<td>71</td>
</tr>
<tr>
<td>Power Distance Index</td>
<td>40</td>
<td>31</td>
</tr>
<tr>
<td>Uncertainty Avoidance Index</td>
<td>46</td>
<td>29</td>
</tr>
<tr>
<td>Masculinity</td>
<td>62</td>
<td>5</td>
</tr>
<tr>
<td>Confucian Dynamism</td>
<td>29</td>
<td>33</td>
</tr>
</tbody>
</table>

Table 2.2: Cultural differences between the USA and Sweden (www.geert-hofstede.com) [1]

**Individualism**
Individualism explains the relationship between an individual and his fellow individuals in the society. In a society where there is a high degree of individualism and self-interest, everyone is expected to look after himself and his immediate family, remaining independent from different groups and organisations. Societies where there is a low degree of individualism refer instead to collectivism, which means that people from early age are integrated into groups and the group is a major source of identity (Doole & Lowe, 2004; Hofstede, 1994).

**Power distance**
Power distance refers to the way society deal with human inequality. It is the extent to which less powerful members of a society is not distributed equally. When power distance is high, people believe that everyone has their rightful place and they understand that not everyone is treated equally. In these societies, the differences in are income big. When instead the power distance is low, people believe that everyone has equal rights society and everyone has also the opportunity to change their position (Doole & Lowe, 2004; Hofstede, 1994).

**Uncertainty avoidance**
Uncertainty avoidance reflects how a society deals with uncertainty about the future. It relates to the extent to which people in a society feel threatened and uncomfortable dealing with unknown factors. In societies were there are a high uncertainty avoidance the people to try to beat the future which creates laws and rules. In societies were the uncertainty is low the people accept and handle the uncertainty and takes every day as it comes (Doole & Lowe, 2004; Hofstede, 1994).

**Masculinity**
Masculinity explains the degree to which societies subscribe to the typical stereotype associated with males and females.

In masculine societies, such as the USA, the people stress making money and the pursuit of visible achievement. Furthermore, the people admire individual brilliance and idolise the successful achiever. (Doole & Lowe, 2004; Hofstede, 1994). People in this society see women as the role of nurturers that are concerned with the welfare of the children (Keegan & Green, 2000). Status is important to show success and consequently big and fast are considered beautiful features. Being a winner is considered positive and people admire the
strong. Furthermore, in masculine societies, people consume for show (Mooij, 2003; Hofstede, 1994).

In female societies, such as Sweden, the people attend to be more interested in the people and concern more about social values than making money (Doole & Lowe, 2004). The social roles of men and women overlap in these societies (Keegan & Green, 2000). In the feminine society people care for others and the life quality is more important than competition. Status is not important to show success but instead small is beautiful. Being a winner is not considered positive and people show sympathy for underdogs. Furthermore, in feminine societies, people consume for use (Mooij, 2003; Hofstede, 1994).

**Confucian dynamism**
Confucian dynamism reflects culture to the degree they are universalistic and particularistic. Universalistic means that what is true can be applied everywhere and particularistic means that unique relationships and circumstances are more important considering in determining what is right and good rather than abstract rules (Doole & Lowe, 2004; Hofstede, 1994).

These five different dimensions are useful for companies, who are in the process of expanding and developing its business, as they give an insight about how to act in foreign cultures. All the dimensions can be helpful in winning potential customers by adapting the marketing activities to the specific culture (Keegan & Green, 2000). Especially, the masculinity dimension is an important dimension for companies to consider when it comes to marketing in different cultures and entering new markets(Mooij, 2003).

**2.3 Analytical model**
The positioning theories gave an insight of how the different elements of the positioning process are put together and lead up to a positioning strategy that is consolidated by the marketing mix. The positioning circle in Figure 2.1 below, shows how the positioning strategy is based upon three factors that determines the position the company should be aiming for; the object, the target consumer and the competition (Brooksbank, 1994; Fill, 2006). The strategy must emphasise on the characteristics of the object that is important to the target consumer and at the same time are different from the competitors’ offers. This strategy can be outlined in several different ways; using different attribute ladders to lead up to the chosen position (Fill, 2006). These identified strategies are product features, price/quality, use, product class dissociation, user, competitor, benefits, and cultural heritage. Usually, a company should work with only one of these strategies for the same object, in order to not confuse the target consumer (Kotler, 2003). The chosen positioning strategy is then expressed through and consolidated by the marketing mix, in which every element is a strategic tool used to indicate the already strategically chosen positioning strategy (Fill, 2006; Uggla, 2006).

The cross-cultural marketing theories gave an insight of culture’s impact on the consumers’ buying behaviour and how this in turn affects the companies’ entries to international markets (Doole & Lowe, 2004; Kotler, 2002; Usunier, 2000). The cross-cultural marketing circle in figure 2.1 below shows how the specific culture of a country influences the buying behaviour of the consumers (Usunier, 2000; Hofstede, 1994). Hofstede’s culture dimensions showed how the specific culture in the USA differs from the culture in Sweden in one of the five dimensions; the masculinity dimension (Hofstede,
This impact on the consumer leads in turn to a choice for a company of either standardising or adapting its marketing mix to this specific culture (Doole & Lowe, 2004). The different elements of the marketing mix is however not dependent on each other but can instead be treated individually and usually only some of the elements are adapted to the specific culture of the market whereas the other elements are standardised throughout the company’s all markets (Doole & Lowe, 2004).

Figure 2.1: Analytical model (constructed by authors)
The purpose of this dissertation is to investigate culture’s role as a driving force in international positioning. Figure 2.1 is a combination of the positioning process and the cross-cultural marketing process and is put together in order to illustrate the concept of international positioning. This model shows how these two processes integrate in the marketing mix. The marketing mix is the strategic tool used for signalling and putting a positioning strategy into action (Uggla, 2006) but also the tools for the company in the process of approaching a country and its specific culture in either standardising or adapting its product, price, place and promotion (Doole & Lowe, 2004). In excess of this integration of the two processes, culture has an immense impact on the consumer and its buying behaviour and consequently culture must be an essential component in the work of international positioning, as the target consumer is one of the three foundations of which the positioning strategy is based upon as figure 2.1 shows.
3. METHODOLOGY

The choice of field to study will affect the choice of methodology to use. In this part of the study the methodology will be presented. A qualitative multiple case studies with semi-structured interviews as data collection technique have been chosen in order to answer the research question and to meet the purpose of the study.

3.1 Choice of methodology

There are two methodologies to use in scientific research; qualitative and quantitative methodologies. Both methodologies are closely related to different ideas about how the social reality should be researched. The choice of methodology is affected by the research-area and will work as a frame to collect the empirical findings (Bryman, 2002).

There are researchers that believe that there is no right methodology to use when doing research. Qualitative and quantitative methodologies can be seen as equal tools to get a better knowledge about the researched subject (Holme, Solvang, 1997; Kvale, 1989). However, there are researchers that believe that there is an enormous different between the two methodologies. Qualitative research is characterized by flexibility, while quantitative research is characterized by structure. The focus in qualitative methodology is in-depth understanding of human behaviour and relies on reasons behind different aspects of behaviour. Whereas in quantitative methodology the research technique is instead used to collect quantitative data from a larger population, information concerned with numbers and figures (Bryman, 2002; Jacobsen, 2002).

The methodology chosen in this study is a qualitative approach, this in order to get a deeper understanding if culture is a driving force in international positioning. This methodology is suitable for this study as it let the research to focus on attitudes, values and perceptions expressed through words from the respondent’s perspective; how the respondents chosen to interpret and describe the phenomenon (Bryman, 2002; Jacobsen, 2002). Using a qualitative methodology will also let the researcher have the opportunity to be flexible in the research and to get a clear and broad view about international positioning and culture aspects (Holme and Solvang, 1997; Jacobsen, 2002). The methodology will also let the research develop, test theories and explain the researched phenomenon in a new way (Bryman, 2002; Jacobsen, 2002).

3.2 Choice of research framing

Research framing creates a structure for generating the empirical findings; this should fit the research question and purpose of the study (Bryman, 2002). The research framing chosen in this study is a multiple case study, which concerns cases in their environment and that it is a valuable methodology with distinctive characteristics (Tellis, 1997). A multiple case study gives a deeper knowledge of the international positioning and culture aspects and will therefore be appropriate to this study as it is suitable for theory-development; the researcher can go deep in cases and find results that were not previously clear. From these results it is then possible to create hypothesis and test them through further studies (Jacobsen, 2002).
3.3 Choice of companies
When a qualitative case study methodology is used, the number of respondents has no greater impact on the empirical findings; it is more a question about which respondents that have been strategically chosen to participate in the research (Bryman, 2002; Denscombe, 2000; Jacobsen, 2002; Maxwell, 1996). In this study the sample of companies are chosen as good examples of Swedish consumer goods manufacturers, operating in the USA and addressing the communication towards the end-consumer. The choice of only including Swedish companies that are active in the USA, is partly due to the proved difference in culture between the two countries and partly due to surmount possible language barriers for the researchers.

Today, about 900 Swedish companies operate in the USA [2]. Out of those 900 companies only about 50 companies produce consumer goods and have consumers as their target groups. Out of those 50 companies, 20 companies were randomly picked by the researchers. All of these 20 companies were contacted through telephone and asked to participate in the study. Finally, five companies that fitted the delimitations of this study, were willing to participate and had knowledge about the phenomenon, remained; Brio, Bahco, Odd Molly International AB, Älö AB and one company that wishes to be treated anonymously – Company A.

3.4 Data collection
In order to collect data, the researchers have used primary and secondary data to gather the essential information. To use different kinds of data is useful as it gives support to and strengthens the outcome of the result (Jacobsen, 2002).

3.4.1 Primary data
Primary data is information that especially has been collected for a specific purpose from a primary source (Bryman, 2002; Jacobsen, 2002). In this study the primary data has been gathered through semi-structured interviews with five different Swedish companies. In these semi-structured interviews the researcher used a specific interview-guide (appendix 1) and the respondents had the liberation to answer freely and form the answers in his own words. This technique is flexible and leaves room for unexpected answers. It is also possible in this technique to ask follow-up questions if the answers from the respondents not are enough (Bryman, 2002; Denscombe, 2000). Furthermore, semi-structured interviews allow the researchers to interview the respondent more times if necessary (Bryman, 2002). This technique is also appropriate for this research in collecting the empirical findings as it gives the study deeper information and wider angles about the subject straight from the source (Jacobsen, 2002).

All interviews have been conducted through telephone with the Marketing Manager, or a corresponding title in the company, for each of the five chosen companies. The interviews varied in length to small extents, but took an average of about 50 minutes to conduct for each case. Telephone interviews, in comparison with personal visits, are negative in aspects such as the interviewer is not given the opportunity to observe the interviewee during the interview (Jacobsen, 2002). In addition to this, a face-to-face interview is likely to be more open and thus more rewarding since the contact becomes more personal between the involved. According to Jacobsen (2002), there are however positive aspects with telephone interviews. Except obvious reasons such as less travelling and time
consuming, a telephone interview is also more reliable since the chance of affecting the interviewee is unarguably lower.

3.4.2 Secondary data
The secondary data is information that already has been collected for another purpose by other persons than the researcher in question. Secondary data is often of good quality and it can therefore be useful for another purpose than the first reason (Bryman, 2002; Jacobsen, 2002). However, when using secondary data as a source in a research it is important to be critical to the data and also to the selection of the data, this to make sure that the data is reliable and trustworthy for the research in question (Jacobsen, 2002). The secondary data in this study has primarily been collected in literature and articles about positioning and international marketing which all have been published. The secondary data about the companies has been gathered through their web pages and annual reports.

3.5 Research criteria
In a research’s methodology the researcher works with different criteria that make the research trustworthy and valid (Bryman, 2002; Jacobsen, 2002). The criteria that will be used and followed in this study are; validity and reliability.

3.5.1 Validity
Validity determines whether the research measures that which it was intended to measure (Bryman, 2002; Jacobsen, 2002; Kvale, 1989). The validity of a research is inevitably linked to the sources from where the data is collected. To strengthen the validity of a research it is therefore important that the sources of the data are close to the phenomenon, have knowledge about the event and are willing to share this knowledge (Jacobsen, 2002). As the sources of primary data in this study are Marketing Managers representing their companies and therefore have both the closeness and knowledge about the phenomenon. Furthermore, the sources were given the choice of staying anonymous which could strengthen the validity of the sources further, since it eliminates possible unwillingness to give away information that might hurt the company.

When gathering the primary data, the researcher had the opportunity to contact the respondents again if something was unclear or misunderstood the first time. This opportunity is one thing that will increase the validity of a research according to Bryman (2002).

3.5.2 Reliability
The reliability of a research indicates to which extent the results are consistent over time and can be reproduced under a similar methodology. In this study, the semi-structured interviews let the researcher collect data that is enough trustworthy and valid to analyze through the theoretical framework and to draw conclusions on (Bryman, 2002; Jacobsen, 2002). The semi-structured interviews have followed an interview-guide, which increase the reliability and the validity. The interview-guide is based upon theories presented in the theoretical framework which in turn are based upon reliable secondary data.

In an interview, there is always a risk that the interviewer affects the respondents in certain directions (Jacobsen, 2002). This reduces the reliability of the study’s result but is hard to avoid. To avoid this as much as possible, according to Jacobsen (2002), the researchers should use the same interviewer for all the interviews, which has been done in this study.
Furthermore, the interviews in this study were conducted through telephone which implies less affect on the interviewee in comparison to face-to-face interviews (Jacobsen, 2002).

To further increase the reliability of a study involving interviews, it is according to Jacobsen (2002), important that the interviewer is not taken by surprise and is aware of the content of the interview. To meet these demands and increase the reliability, all respondents in this study were informed about the content of the analysis before the actual interview. Furthermore, according to Jacobsen (2002), one of the biggest obstacles in gaining reliable findings, is that the interviewer perceives answers wrongly or put it down on paper wrongly. To avoid this problem and increase the reliability, the respondents got the opportunity to read through the completed interview to make sure that nothing was incorrect.
4. EMPIRICAL FINDINGS

In this section the empirical findings from the research will be presented. The background information of every company is collected on its homepage. All other data in this section has been collected through interviews with the Marketing Manager from each and every company. The companies will be presented one by one and the layout will follow the positioning process; object, target group, competitors, positioning strategy and finally the marketing mix as the strategic tool to consolidate the strategy. One of the investigated companies wished to be treated anonymously and will therefore be called Company A.

4.1 Bahco

Bahco is market leader in Europe in a wide range of professional hand-held tools, for example handsaws, screwdrivers and band saws. Both professional and non-professional craftsmen have used Bahco tools since 1886, when the company began to manufacture its products. Bahco is, since 1999, a subsidiary of SNA Europe and distributed in more than 40 different countries whereas the USA is one of those [3]. The products can be found in hardware shops, builders' merchants, superstores, tool specialists and industrial merchants [4]. Bahco’s core values are well designed and available globally with local expertise, creativity and entrepreneurship [5]. In Netherlands, a screwdriver is associated and called by the name of the company, Bahco.

4.1.1 Bahco’s positioning in Sweden

According to Martin Wrege, Sales Program Manager Trade, Bahco’s target consumer groups are non-professional craftsmen and professional craftsmen in the building, engineering, aeronautical and automotive industries. The tool industry in Sweden is competitive and consists of few but large competitors.

The position the company aims for in Sweden, is to be a premium brand. In clear terms, this means offering the best products in all of the company’s main categories. To reach this position, Bahco emphasises on product features such as efficiency, user-friendliness, quality, ergonomics and design. Wrege states further that an important aspect for the company is that the customers should have the feeling of getting a lot for their money when purchasing the company’s products. The company works actively with maintaining its position in Sweden through a continuously product development and through two big international promotional campaigns; “120 years” and “One More”.

Position: Premium brand
Positioning strategy: Product features – efficiency, quality, ergonomics, design and user-friendliness

4.1.2 Bahco’s positioning work in the USA

The target group in the USA are slightly different from Sweden, in the USA the company has a smaller penetration and is especially working with resellers but still directs parts of its communication towards the end-consumer. The competition in the USA is tougher than in Sweden and there are bigger and more companies on this market compared to the Swedish market. The competing companies are not the same as on the Swedish market but instead domestic American tool manufacturers.
According to Wrege, the company aims for the same position on this market, which is to be the premium brand of the market. Wrege states that this position is suitable for the American market as a masculine society where status is important. To achieve this position the company emphasizes on the same features as in Sweden; efficiency, user-friendliness, quality, ergonomics and design.

<table>
<thead>
<tr>
<th>Position:</th>
<th>Premium brand</th>
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<tr>
<td>Positioning strategy:</td>
<td>Product features – efficiency, quality, ergonomics, design and user-friendliness</td>
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The tools for indicating and consolidating the above positioning strategy in order to gain the position of being a premium brand are the same as for the Swedish market; the two big international promotional campaigns and a continuously development of the products. However, according to the Marketing Director, the company does take the USA as masculine society into consideration in its positioning strategy, as the company had to develop its products to meet the demand of the market. Wrege states that the American consumers prefer big tools which forced the company to an adaptation of the product for the company in order to back up the position of being a premium brand on this market. This adaptation is due to the cultural differences explained by Hofstedes’s dimensions according to Wrege, as consumers in the USA prefer big tools than Swedish consumers. When it comes to the other elements of the marketing mix, no adaptation to the American culture has influenced and changed the elements in order to strengthen the position of being a premium brand. Bahco has same distribution channels in the USA as in Sweden, using the same local business activities in the USA as in Sweden, this is due to that the company wants to give the customers large-scale advantages of the best possible quality and function at market prices, combined with local knowledge and service. However, a bigger part of the products are sold through resellers in the USA compared to Sweden. This difference is however related to economical reasons and not done in order to consolidate the position. Furthermore, the company has, because of the currently low dollar, lower prices in the USA than in Sweden. In excess of this, the pricing strategy is the same for both markets.

4.2 Brio

Brio is a Swedish company that manufactures, promotes and sells toys and baby products. The company was founded in Sweden 1884 and is today a global corporation spread all over the world and also the biggest company in the toy industry when it comes to wooden toys [6].

4.2.1 Brio’s positioning in Sweden

According to Elisabet Stahlenius, Brio’s Marketing Director, the target groups for Brio on the Swedish market are defined as: “on the go parents” and “at home parents”. All the communication from the company is however focused on the first group; ”on the go parents”. This group consists of consumers that can be described as active parents in big cities in the age from 25-35 years old, which still are interested in keeping their lifestyles in spite of their new parenthood. This means that they travel a lot, go out to eat and have a substantial knowledge about brands. As a consequence of these features, mobility and style/class are the key criterions when purchasing toys and baby products such as prams and car safety seats.

The competition on the Swedish markets varies depending on which product category it comes to. Brio has no competitor that covers all the same product areas, but instead
different competitors for different products. On the Swedish market Stahlenius states that this means that all kinds of competition from small local brands to big global brands in some way are competitors for some of Brio’s products.

According to Stahlenius, Brio works actively with gaining a position in the mind of its target groups. This position is to be perceived as “the best parent brand” on the market. To fulfil this position, the company works and build up its strategy around the two purchase criterions that are distinguished for its target group; mobility and style/class. This position is impregnated in all of the company’s communication towards the target group, as well as in the product development. Brio’s assortment is spread in different product categories and consequently the company works separately with its products and therefore has a product-oriented positioning strategy.

**Position:** The best parent brand  
**Positioning strategy:** Product features – mobility and style/class

### 4.2.2 Brio’s positioning work in the USA

Brio has technically the same target groups on the American market as on the Swedish market. The difference lies however in that Swedish parents mature earlier in terms of attitude towards parenthood and co-equality than the American parents. Therefore are there some differences in ages between the two markets’ target groups even though the criterions for purchase are the same; mobility and style/class according to Stahlenius. The competition is in the USA, according to Stahlenius, extremely fierce and the American market represents the toughest market in the world for the toy industry. This is due to the toy industry’s characteristic of being dominated by few but large actors.

Brio is aiming for the same position on the American market, to be the best parent brand on the market. And just like in Sweden, this position is trying to be achieved through the criterions the target group has for its purchases of toys and baby products; mobility and style/class.

**Position:** The best parent brand  
**Positioning strategy:** Product features – mobility and style/class

According to Stahlenius, Brio does not itself actively work with this position in the USA. This is instead done by a distributor the company uses as a link to the consumer on the American market. This distributor is however instructed by Brio to use the same communication towards the target group in the USA as Brio does to the Swedish market. The reason to that Brio uses a distributor for the American market in contrast to Sweden where the company has its own stores, is due to the fact that the company at this moment not have the American market as a primary focus. When it comes to the other elements of the marketing mix, the pricing strategies are practically the same for the company on the two markets, according to Stahlenius. At this moment, some small differences may occur due to the currently low dollars, the main pricing strategy is however to offer the same price and offers to the Swedish and American consumers. Compared to the home market, only some of Brio’s product assortment is offered to the American consumers. This is due to practical reasons that are related to the fact that the company does not have its own stores in the USA and therefore has to fit its supply on this market to what the distributor wants to sell. The promotion element of the marketing mix is according to Stahlenius, the only element of the marketing mix that is adapted to the USA as a masculine society. This
adaptation is of a linguistic character as some of the expressions had to be reformulated and is not done in order to consolidate the position of being the best parent brand on the market. In excess of the communication the distributor is instructed to do, this adaptation is also noticed on the English version of the company’s web page, states Stahlenius.

4.3 Odd Molly International AB
Odd Molly International AB was founded in 2002 and designs and sells women clothing and accessories. The products are at this moment in time, sold in 33 different countries. The company’s goal is to continue to develop the brand with high growth and profitability; it wants to strengthen the position in the established markets and especially in the USA. In 2006, Odd Molly was introduced in the USA and this market has become one of the most important markets after the Swedish [7].

4.3.1 Odd Molly’s positioning in Sweden
The Creative Director and Founder, Per Holknekt, states that Odd Molly’s target group is three generations of women; daughter, mother and grandmother, in ages between 20-45 years. The company’s does not see other brand as its competitors; “the other brands are more a necessity for Odd Molly to grow further”, according to Holknekt. He also states that a weakening of the business cycle can be seen as a competitor to Odd Molly, this because when people lack money, they tend not to be willing on spending it on clothes and accessories.

According to Holknekt, the company is actively working with its position on the Swedish market of being perceived as a company that fulfils needs with quality. The strategy of gaining this position is to address the user as the attribute ladder. This user values a big portion of warmth, playfulness, love, and smiles. This strategy is chosen because of that the fashion industry can be hostile and tough and therefore Odd Molly wants to communicate a fellowship that brings people together. Odd Molly tries to maintain its position by communicating its qualitative message in the products, showrooms, tags, press, PR, and web page.

Position: Fulfilling needs with quality
Positioning strategy: User-strategy

4.3.2 Odd Molly's positioning work in the USA
The target group in the USA is the same as in Sweden, however in the USA the customer are five years younger and has a bigger feeling for design and fashion according to Holknekt. The competition in the USA consists of companies with big fashion brands and an efficient logistic and history of doing clothes. The weakening of the business cycle can also be seen as a tough competitor in this market, according to Holknekt.

The company wants, just like on the Swedish market, be perceived as a clothing brand which fulfils needs with quality. And just like in Sweden, the strategy of gaining this position is to address the user that values a big portion of warmth, playfulness, love, and smiles.

Position: Fulfilling needs with quality
Positioning strategy: User-strategy
The strategic tools used to consolidate this position are mainly communicating its qualitative message in the products, showrooms, tags, press, PR, and web page. Holknekt states in the interview that the company is well aware of the cultural differences between Sweden and the USA that Hofstede’s dimensions shows, but the main idea of the company is to work with the same basic concept in all its markets, including the USA. Holknekt thinks that the strategy for the Swedish market is working well and that the woman has the same interests all over the world and therefore it is not necessary for Odd Molly to consider cultural aspects in its way of doing business. As a consequence of this, all marketing activities are standardised for all markets, including the American market.

4.4 Ålö AB
Ålö AB was founded 1950 and produces and sells front loaders to private consumers, farmers and resellers in the agricultural sector. The company is today present in 30 different markets and has a goal of being the market leader in every represented market. Ålö acquired 1988 the American company, KMW and reformed it into ALO North America. In excess of the parent company in Sweden, the corporation consists of twelve different sales- and production units spread in nine different countries [8].

4.4.1 Ålö AB’s positioning in Sweden
Ålö’s target group in Sweden for its communication consists of two different subgroups; private consumers/farmers and resellers in the agricultural sector. In the interview with the Marketing Assistant, Marie Engman, it appears that the competition on the Swedish market consists of only a few but large competitors. The company is however market leader in all of the three product categories in which it offers products.

The position that is communicated to the consumer is that Ålö is the market leader. The strategy for gaining this position is using product class dissociation as an attribute ladder, where the company emphasises on how dominant and superior it is on the market and thus offers the best products. According to Engman, the company works actively with maintaining this position on the Swedish market through product development and promotion in advertisements, press releases, web pages and sales promotion.

Position: Market leader
Positioning strategy: Product class dissociation – superior the competition

4.4.2 Ålö AB’s positioning work in the USA
The company has, according to the Engman, the same target group in the USA as in Sweden, which are private consumers/farmers and resellers. The competition on the American market is however more fierce and consists of domestic American companies that is not present on the Swedish market.

Engman states that the position being communicated to the American consumer is the same as in Sweden; market leader and that the strategy for gaining this position is the same as in Sweden, through product class dissociation where the company is superior its competitors and thus offering the best products on the market.

Position: Market leader
Positioning strategy: Product class dissociation – superior the competition
The way this position is backed up by the marketing mix does however differ compared to the Swedish market. Except for continuously development of its products to make sure of always staying on top, the positioning work is mainly maintained by communication through customer visits. This is due to the fact that the company in the USA mostly works with resellers and then let these do the communication towards the end consumer. However, some of the company’s communication is pointed directly towards the end consumer by Ålö and this is through advertisements in agricultural magazines. In excess of changes in the place and promotion elements of the marketing mix, the company offers only one of its three different brands, Quicke, to the American market. This is according to Engman due to the fact that the American consumer is part of a masculine society that values the feature of being number one. The products under this brand are however the same for both markets. The price level on the products is lower compared to the price level in Sweden due to the lower market price in the USA, and with the currently low dollar; this price gap is even bigger than before.

4.5 Company A
Company A is a car manufacturing company that was founded 1937 in Sweden. Its primary focus was military jets but after World War II the Company started to also manufacture automobiles and 1949 the first mass-produced car was put to the market by the company. The company is today a global corporation and its products are sold in 64 countries spread in all parts of the world.

4.5.1 Company A’s positioning in Sweden
According to the Global Marketing Director of company A, the target group on the Swedish market is defined as upper liberal segment. This means a progressive group of younger individuals, 35-40 years old, married with children, looking for alternative to conventional premium cars, modern and independence, rejecting mainstream values, advice status symbols, active lifestyle and high education. In terms of gender, the target group is equally divided between male and female but at this moment; most of the communication is mainly directed to the male part of the population in Sweden. In Sweden, the company is one of the biggest actors and has a market share of 8-10 percent. The competition on this market consists of other well known car manufacturers that are the same for the rest of the world. However the mainly direct competition the company experiences, is from non premium cars.

According to the Global Marketing Director, the company works actively with gaining a position of its products in the mind of the consumer as a car with a sporty driver focus. The strategy for achieving this position is using the user as the attribute ladder where the company addresses a driver with independent thinking and has a passion of driving and an environmental focus. This position is communicated throughout all communications to the end consumer. The Global Marketing Director, especially emphasises that the main objective with Company A’s all advertisements is to be considered different and special compared to the competitors on the Swedish market.

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<thead>
<tr>
<th>Position:</th>
<th>Sporty driver focus</th>
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<tr>
<td>Positioning strategy:</td>
<td>User-strategy – independent thinking</td>
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</table>
4.5.2 Company A’s positioning work in the USA

According to the Global Marketing Director, the company has the same definition of the target group in the USA as on the Swedish market. However, in the USA the focus and consequently then the communication is mainly pointed towards women. The company is a relatively small player on the American market and the brand is consequently perceived smaller than other brands by the consumers. At this moment, mostly women and students drive the company’s cars in the USA and these two groups choose the company’s cars due to safety. The competition on the American market for the company is basically consisting of the same competitors as in Sweden, which are the same all over the world. However, the main direct competition consists of other European car companies that offer small premium cars just like Company A.

The company works actively with gaining a position in the mind of the consumer on the American market. This position is the same as for the Swedish market; sporty driver focus. The company does however use a different strategy in the USA to gain this position. On this market, product features such as powerfulness and masculinity are used as an attribute ladder instead of the user as in Sweden. According to the Global marketing Director, this difference is something the American consumers values due to the cultural differences between the two countries explained in the masculinity dimension related to the USA as a masculine society.

**Position:** Sporty driver focus  
**Positioning strategy:** Product features – masculinity and powerfulness

In contrast to many car manufacturers that work with standardized communication for all markets, Company A has adapted its communication to the American market in order to differentiate itself from the competition. Even though it is a small company on the American market, USA is the biggest market for the company. The size of the company and the importance of the market for the company make it even more important for the company to have a clear message to the consumer, according to the Manager of Global Advertising. The promotion element of the marketing mix is therefore adapted to the American market as a masculine culture and is based upon the company’s heritage from the flying industry. This heritage is supposed to represent the two product features the company uses as strategy for gaining its position according to the Global Marketing Director.

When it comes to the other elements of the marketing mix some adaptations to the American market has been made in order to consolidate the position. The products offered at the American market are mostly the same as for the Swedish market, but with two significant differences. Firstly, no ethanol driven cars are offered to the American market since this fuel is not available for the American consumers. Secondly, in the USA all cars come with a six-cylinder engine whereas in Sweden all cars come with a four-cylinder engine. This is according to the Global Marketing Director due to the USA as a masculine society where the consumers generally want more powerful and faster cars. In order to meet this demand, more powerful engines are offered. The price level on the markets differs as well. With the currently low dollar, the company has chosen not to follow the currency and consequently the price on the American market is higher compared to Sweden. The currently low dollar has led to stagnation in the company’s sales volume at this moment of time.
5. ANALYSIS

In this part, the empirical findings will be analyzed through the analytical model presented in the theoretical framework. The companies will be analyzed one by one in order to discover if the company’s positioning strategy and/or the strategic tools for this strategy are influenced by the American culture or not. After this, a summary of the analysis will be made to create a clear picture and discover similarities and differences between the companies’ positioning work.

5.1 Case analysis

To determine culture’s role as a driving force, the companies will be analyzed by using the analytical model presented in the theoretical framework. This model consists of presented theories regarding positioning (e.g. Brooksbank, 1994; Fill; 2006; Uggla, 2006) and cross-cultural marketing (e.g. Doole & Lowe, 2004; Usunier, 2000; Hofstede, 1994). The essential focus of the analysis will be on culture’s influence on the companies’ position and positioning strategy and the marketing mixes as strategic tools used to consolidate and indicate the positioning strategy. This means in other words, the parts of the analytical model which involve the companies’ own active work and only adaptations that are due to cultural reason.

5.1.1 Bahco

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<thead>
<tr>
<th>Position</th>
<th>Positioning strategy</th>
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<tr>
<td>In Sweden</td>
<td>Premium brand</td>
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<tr>
<td>In the USA</td>
<td>Premium brand</td>
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</tbody>
</table>

By using the analytical model, the influence culture has had on Bahco’s positioning work in the USA can be determined. It appeared that Bahco works with maintaining a position as being a premium brand on both researched markets, to achieve this position the company uses the strategy of product features as attribute ladders. These features are the same for both markets and consequently the position for both markets are identical. The position itself is suitable for the American, as status is something an American consumer values highly according to Hofstede’s dimension (Mooij, 2003). However, since this position is the same as for the Swedish market, a feminine society, the culture has not influenced the company in the positioning strategy as a whole. The cultural difference has in other words not been an enough driving force to change the positioning strategy for Bahco.

The cultural difference has however been an enough driving force to make the company adapt one element of the marketing mix in order to consolidate the chosen strategy. According to the positioning theories, the marketing mix is the strategic tool used to consolidate the strategically chosen position (Uggla, 2006), but also the element of which the company can use to surmount cultural differences (Doole & Lowe). To fulfil the consumers’ needs, the company had to develop its product assortment and offer bigger tools due to the American culture as a masculine society (Mooij, 2003). This adaptation of the marketing mix was necessary in order to consolidate the position of being perceived as a premium brand in the USA and consequently the culture has been a driving force in consolidating the chosen positioning strategy. All in all, culture has not been an enough powerful force to create a change in the positioning strategy for Bahco but driving enough
to make the company adapt its products to the masculine society in order to consolidate this positioning strategy.

### 5.1.2 Brio

<table>
<thead>
<tr>
<th>Position</th>
<th>Positioning strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Sweden</strong></td>
<td>The best parent brand</td>
</tr>
<tr>
<td><strong>In the USA</strong></td>
<td>The best parent brand</td>
</tr>
</tbody>
</table>

Analysing Brio’s positioning work in the USA, compared to Sweden, gives a clear indication of that culture has not been a driving force in the international positioning work of the company. Brio does not itself work actively with a position in the USA but instead through a distributor that is instructed by Brio. The company wants to be perceived as the best parent brand on both markets and uses product features as the strategy for gaining this position on both markets. The USA as masculine culture has therefore not been a driving force in any visible parts of Brio’s positioning strategy.

When it comes to the strategic tools, the marketing mix, the company take cultural differences in consideration as the expressions and language used in the promotion element towards the target group are adapted to the American consumers as part of a masculine society (Mooij, 2003). These changes are however not made in order to particularly strengthen the strategically chosen position as being the best parent brand, but instead necessary changes for the company’s business activity in the USA as a whole. The adaptations in the marketing mix that are due to cultural reasons are therefore not particularly connected to, or made in order to consolidate the position. Consequently, culture has not been a driving force in Brio’s strategic tools used to consolidate the positioning strategy in the USA and does therefore not reach in to the positioning circle in the analytical model. All in all, the American culture has not driven Brio to a new position and positioning strategy or influenced the marketing mix as a strategic tool used to consolidate the strategy.

### 5.1.3 Odd Molly International AB

<table>
<thead>
<tr>
<th>Position</th>
<th>Positioning strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Sweden</strong></td>
<td>Fulfilling needs with quality</td>
</tr>
<tr>
<td><strong>In the USA</strong></td>
<td>Fulfilling needs with quality</td>
</tr>
</tbody>
</table>

By using the analytical model, the influence culture has had on Odd Molly’s positioning work in the USA can be determined. The company aims for the same position using the same strategy for both markets as seen in the empirical findings. The company is aware of the culture in the USA as a masculine society but has deliberately chosen not to take this into consideration when outlining the positioning strategy. As a consequence of this, the marketing mix is standardised for all markets and therefore not adapted to the American culture in order to consolidate this position. This means that culture has not been a driving force in either of the two elements concerning the company’s positioning work in the analytical model; the positioning strategy or the marketing mix as the tool to consolidate this strategy.
5.1.4 Ålö AB

<table>
<thead>
<tr>
<th>Position</th>
<th>Positioning strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Sweden</strong></td>
<td>Superior Market leader</td>
</tr>
<tr>
<td></td>
<td>Product class dissociation</td>
</tr>
<tr>
<td><strong>In the USA</strong></td>
<td>Superior Market leader</td>
</tr>
<tr>
<td></td>
<td>Product class dissociation</td>
</tr>
</tbody>
</table>

As seen above, Ålö is aiming for the same position of being perceived as the superior market leader in Sweden and the USA. This is done by using the strategy of product class dissociation on both markets. However, the position of being perceived as the best brand on the market is not a position that is not favourable in the USA as a masculine society. A consumer in a masculine society considers, among others features, being number one as something positive (Mooij, 2003). However, since this position is the same as for the home market Sweden, a feminine society where status is not highly valued (Mooij, 2003); the culture has not influenced the company in the positioning strategy as a whole. Culture has therefore not been an enough driving force in the positioning strategy element of the positioning process in the analytical model.

When it comes to the marketing mix as the tool used to consolidate the above positioning strategy, Ålö has adapted its product element due to cultural differences. In Sweden, the company’s all three brands are market leaders and therefore suitable for the company’s position as being the superior company on the market. In the USA, the company only offers one of its three brands, the only actual market leader. This adaptation was necessary in order to be perceived as market leader, superior the competition. The American culture as a masculine society has in other words driven the company to changes in the product element in order to be able to maintain the position of being a superior market leader. Thus, the culture has had an impact on the strategic tool for the positioning strategy in the analytical model but as described above, not enough to create a change in the position or the positioning strategy.

5.1.5 Company A

<table>
<thead>
<tr>
<th>Position</th>
<th>Positioning strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Sweden</strong></td>
<td>Sporty driver focus</td>
</tr>
<tr>
<td></td>
<td>User</td>
</tr>
<tr>
<td><strong>In the USA</strong></td>
<td>Sporty driver focus</td>
</tr>
<tr>
<td></td>
<td>Product features</td>
</tr>
</tbody>
</table>

As seen in the empirical findings, the position for company A is the same for both markets, and the company wants to be perceived as the best car with a sporty driver focus on the market. The positioning strategy in the USA to gain this position does however differ from the positioning strategy used in Sweden. In Sweden, the company uses the user as the attribute ladder up to the position, communicating that the company understands the consumer’s needs in terms of independent thinking, environmental thinking and a passion of driving. This is addressing the Swedish culture and is in accordance with the theory explaining Sweden as a feminine society with a care of well being (Mooij, 2003). In the USA however, the user is not used as an attribute ladder but instead product features. Those product features are masculine and powerful and are stressed by communicating the company’s heritage from the aviation industry. This change in strategy is addressing the American consumers as part of a masculine society (Mooij, 2003). Culture has thus been an enough driving force to reach the positioning strategy in the positioning process and influenced the company to an entirely new strategy for the same position.

When it comes to the elements of the marketing mix that are adapted to the American market as a masculine society, it appeared in the interview that the cars offered to the
American market have been provided with more powerful engines and the communication towards the target group is emphasising the aviation heritage. Both these cultural adaptations are done in order to consolidate the above positioning strategy and the American culture has thus been a driving force in this part of the positioning process as well. In the analytical model, this means that culture has been an enough driving force to reach Company A in both the positioning strategy and the strategic tools, the marketing mix, used to consolidate this strategy.

5.2 Summary of case analysis
By putting the five case companies together, differences and similarities can be discovered. Figure 5.1 below, is a fraction of the analytical model presented in the theoretical framework; figure 2.1. This fraction is especially essential for the purpose of this study as it concerns the companies’ deliberate work in the process and furthermore illustrates the integration between the positioning process and the cross-cultural marketing process; the relationship to the marketing mix. In this figure, all the five investigated companies are presented and the American culture’s impact on each of these companies is illustrated by a grey arrow symbolising culture as driving force.

As can be seen in figure 5.1, the cases show differences in how they have been influenced by the American culture. The case by case analysis showed that Odd Molly has not taken any cultural aspects into consideration in it positioning work in the USA even though...
aware of them. This is shown by the arrow which starts from the culture block, goes through the company’s name but does not reach the marketing mix. The culture arrow for Ålö, illustrates how the company adapted its product assortment to the American culture in order to consolidate its position of being superior market leader. The culture was however not driving enough to reach and change the position and the positioning strategy for the American market and thus reaches halfway up towards the positioning strategy. Also Bahco, which shows many similarities to Ålö, adapted its products to the American culture to consolidate the position of being a premium brand but just like in Ålö’s case, the culture was not an enough driving force to create changes in the position or the positioning strategy. As the culture arrow for Company A shows, the company adapted its promotion and product to the American culture. The American culture was also an enough driving force to reach and change the positioning strategy for the company, namely from user strategy to product features strategy. For Brio, the American culture led to an adaptation in the promotion element but this was not due to consolidate the positioning strategy and therefore the American culture as a driving force does not reach further up in the figure for Brio.

As the figure shows, culture has not lead to adaptations for any of the companies in the place and price elements of the marketing mix. These two elements are however according to Doole & Lowe (2004), the two easiest elements to adapt to a specific market as seen in table 2.1 and thus contradicting. However, the empirical findings showed that the companies certainly adapted those elements to the USA, but these adaptations were not generated by culture but instead by economical factors such as currency and taxes.

As already mentioned Bahco and Ålö have in similar ways been influenced by the American culture. Both companies have adapted only the product to the culture in order to consolidate a positioning strategy that is the same as for their home markets. Company A has been further influenced and in excess of the product also adapted its promotion element and furthermore the positioning strategy to the American culture. These three companies are the only companies in this study that have taken cultural differences into consideration when outlining the positioning work, according to figure 5.1. The product element has in other words played a vital part and been adapted for all the companies in this study that are influenced by culture in their positioning work.
6. CONCLUSION AND DISCUSSION

In this part of the paper the conclusion of the research will be drawn, there will be a discussion about the conclusion followed by theoretical implications. This in turn will be followed by research limitations and suggestions for further research in the subject of culture in international positioning.

6.1 Conclusion
Based upon the problem discussion and the background in the introduction chapter, the purpose of this master dissertation is to investigate culture’s role as a driving force in international positioning. To investigate this purpose, the following research question was formulated; how do companies of today, consider cultural differences in their work with positioning in international markets?

By researching five case companies the conclusion can be drawn that cultural differences in some aspects, are considered and have resulted to an entirely new positioning strategy for one of the companies and to changes in the strategic tools made for consolidating the position in two additional companies, namely in the product element of the marketing mix. In the two remaining companies, culture has not been a driving force and the companies have thus not considered this in their positioning in international markets.

6.2 Discussion
The conclusion drawn for this study shows that culture has not played such an important part of the companies’ activities as the theories may suggest. Culture could possibly have had an even greater impact on the companies positioning processes considering the theories explaining the consumer as one of the three foundations of a positioning strategy (Brooksbank, 1994) and as largely influenced by culture in its buying behavior (Usunier, 2000). But according to this research, it seems like the actual way a company acts, differs in some aspects compared to what the theories suggest. A great example of this is that none of the participating companies strategically have changed their position as a whole in order match the culture of the specific country.

One of the problems in this study was that Both Ålö and Bahco use a position which addresses status and being number one which is suitable for the American market as a masculine society. The same positions are being used in Sweden, which according to Hofstede (1994) is not suitable for Sweden as a feminine society. The problem is that both these companies have been successful in Sweden, to the degree of being able to go abroad and enter plenty international markets, for instance the USA. If the position was not desired by the Swedish consumers, this success would not have happened and therefore positioning may not be as culture bound as the theories and consequently the analytical model suggest.

When it comes to the outcome of the study, a discussion about culture is appropriate. Culture is hard to define which is proved by the many definitions available in literature. Culture may suggestively not only involve the consumer’s buying behavior but also affect economical, technological and political factors, factors that are treated individually and separated from culture in this study. A good example of this is that the USA not provides ethanol as a fuel for its consumers which in turn forced Company A to not sell cars with
ethanol engines, as the company does in its other markets. This factor goes under technological factors and was therefore not further analyzed here but it is not impossible that this technological factor is due to the reigning culture in the USA.

Furthermore, this study did not aim to analyze underlying reasons to why the companies acted a certain way when entering the USA but instead to analyze how the companies acted. However, there is the possibility that the size of the company may have been affecting its way of positioning itself in international markets. For instance, Company A, is the biggest company in this study when it comes to both employees and turnover, and this company is also the company who has taken cultural differences in consideration the most. In the other end, Odd Molly is the smallest company when it comes to both turnover and employees and was the company in this study who was the least influenced by culture, even though aware of it. This means that if all the participating companies had the size of Company A, the outcome of this study might have been different.

6.2.1 Theoretical implications
Earlier research in the area of international positioning, such as Darling (2001), have not investigated the role culture play in positioning strategies but instead emphasized on the importance of assembling the marketing mix to suit the position. This study investigated the role culture play in the process of international positioning. Even though moving in the same direction as Darling (2001), concluding the importance of the marketing mix to address the specific culture, it is however important to point out that culture in some aspects has been concluded as a driving force in three of the five investigated companies which can be considered as a development of existing theories. Furthermore, to conduct this research and be able to analyze the findings, a model was constructed on the basis of accepted theory. Elements of the theory were reduced to better understand the phenomena studied. From this perspective, the model can be viewed as a theoretical development of international positioning.

6.2.2 Limitations
Inevitably this study suffers some limitations that can affect the outcome of the research. As this study reflects the researchers’ interests and values, this can have an impact on the research and therefore decrease the study’s trustworthiness. It is hard to draw any general conclusion based upon the results provided by this study as it consists of only five case companies, a generalisation was however not the intention of the study. Another limitation is that the study is based upon the companies’ point of view about culture and positioning and therefore do not take any other perspectives in to consideration. These two facts make it hard to provide any general managerial implications.

Any results in this study which can or cannot relate to cultural differences in the two different countries are exclusively linked and limited to Hofstede’s dimensions since no other cross-cultural model are used in this research. This implies that some differences in the companies positioning work could be related to cultural differences according to other models or theories but not discovered in this study.

6.2.3 Further research
In order to back up and strengthen the results and conclusions in this study, it is important with further research in culture bound international positioning. Further studies in this subject are also important as it will not only give a broader view about the subject, but also a deeper and clearer understanding. Suggestions for these further studies are:
- A research involving other international companies in other geographical areas.
- A research of why a company acts like it does in international positioning in the sense of for instance linking the positioning work with the size of the company.
- A research of also the consumer’s point of view in both markets in order to see what the cultural differences actually have implied for the buying behaviour.
- A research of other market contexts such as business markets and the service sector.
7. LIST OF REFERENCE

7.1 Literature


7.2 Articles


7.3 Web pages
1. www.geert-hofstede.com viewed 2008-02-25
6. www.brio.se viewed 2008-03-29
7. www.oddmolly.com viewed 2008-03-29
8. www.alo.se viewed 2008-04-04

7.4 Interviews
- Brio: Elisabet Stahlenius, Marketing Director, 2008-04-08
- Bahco: Martin Wrege, Sales Program Manager Trade, 2008-04-07
- Odd Molly International AB: Per Holknekt, Creative Director and Founder, 2008-04-02
- Ålö AB: Marie Engman Marketing Assistant, 2008-04-04
- Company A: Manager Global Advertising, 2008-04-01
Appendix 1. Semi-structured interview guide.

Questions about Company X and its positioning strategies in Sweden and the USA

The following questions will be used only for intended study and the answers can be treated confidentially if wished so.

A. Basic information

1. What is your role/title on the company?

2. Do you wish that you and/or your company is treated confidentially in this study?

B. Positioning

Positioning is in our study defined as the process whereby information about the company and/or product is communicated in such a way that the object is perceived by the consumer to be differentiated from the competition, to occupy a particular space in the market. By using different attribute ladders such as product features, price/quality, use, product class dissociation, user, competitor, benefits or cultural heritage a company can occupy this particular space in the market. It is important that the positioning strategy is impregnated throughout every part of the company’s marketing mix. It is however easiest to discover it in the communication towards the customer in for example advertising, sales promotion, slogans, brand, and web pages and so on.

B1. Sweden

3. Which is your target group on the Swedish market? That is, to whom are you communicating?

4. How is the competition on the Swedish market (e.g. many small competitors or few bigger, international companies or domestic and so on.)?

5. Do you work actively with achieving a position in the mind of the consumer on the Swedish market? How?

6. Which position are you aiming at in Sweden, which attribute ladder is used to differentiate yourself from the competitors in the same product category?

B2. USA

7. Do you have the same target group on the American market as on the Swedish market? If not, which is your target group on the American market?

8. How is the competition on the American market in comparison with the Swedish market? Are you a player on a global market and compete against the same competitors in either markets or does the competition differ between the markets?
9. Do you offer the same products/brands to the American market as you do to the Swedish market?

10. Does your work with how the product can be reached and purchased by the consumer differ compared to in Sweden? Distributors, retailers, locations and transport.

11. Does the pricing strategy differ between the two markets? If so, how is the relation between the two?

12. Do you work actively with achieving a position in the mind of the consumer on the American market? How?

13. Which position are you aiming at in the USA, which attribute ladder is used to differentiate yourself from the competitors in the same product category?

Culture has according to many studies a great impact on the consumers’ buying behavior. In a cultural comparison between Sweden and the USA, using the model of Hofstede’s cultural dimensions, the two countries show great similarities except for in one dimension; the masculinity dimension. USA is a masculine society whereas Sweden is a feminine society. This means that in the USA it is important for the consumer to be a winner. Big and fast is considered beautiful, the consumer consumes for show and not for use and status (money) is an important measurement for success.

14. Are the above mentioned cultural difference and its impact on the consumer, something that is affecting any of the above discussed marketing activities on the American market? How?

15. Have any other cultural aspects influenced your marketing activities in the USA?

Extra comments related to the above material:

Thank you for your participation!

Sara Jansson and Andreas Hasselgren
International Marketing, Master’s level
Halmstad University