

Impact of Cultural Adaptation on Sales Performance: A Comparative Study on Marketing Practices of Multinational and Local Pharmaceutical Companies in Bangladesh

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Abstract: *Culture has been an influential force to affect the performance of an organizational activity including sales. Cultural differences impede the harmonization and replication of marketing mix elements for sales performance. So, understanding and adapting to the culture and cultural differences play pivotal role for success by the MNCs. There are several multinational pharmaceutical firms that have been operating in Bangladesh for the last three decades. But their sales performance are not expectedly growing as per the sales growth rate of local firms in Bangladesh. This research has been taken to identify the cultural adaptation in marketing practices in host country considering both home and host country culture of MNCs. To identify the cultural consideration and adaptation, the marketing practices of two local companies and one MNC operating in Bangladesh have been studied using the Hofstede's cultural dimensions and rankings (Hofstede, 1991) on the basis of cultural analysis since these dimensions were identified as the most widely accepted (Sondergaard, 1994) framework to know the cultural context of countries. The findings of the study revealed that the failure in successful adaptation or partial adaptation of marketing mix elements is responsible for poor sales performance of multinational pharmaceutical firms in Bangladesh. The study identified the effect of cultural congruency in marketing mix on sales performance of local firms.*

Keywords: Cultural Adaptation, Marketing Practices, Sales Performance, MNC & Local Pharmaceutical Firms

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1. Introduction

The practices of marketing are culture bound. In the age of globalization, adapting the effective sales practices to the cultural context of the countries is one of the greatest challenges for the marketing practitioners engaged in international business (Lenartowicz and Roth 1999; Usunier, 2000). Cultural non-congruency is to be considered for the better sales performance in a country. The market trend and relevant analysis depicted that multinational companies (MNC) in pharmaceutical sector are underperforming compared to their local counter parts and competitors. To identify the reasons of underperformance of pharmaceutical MNCs, it is a time bound need to analyze the cultural impact of marketing practices on sales. Congruency effect in marketing does not only limit in culture. It is noted that there are other factors that may have impact on the congruency effects, including the product life cycle, purchase situations, and consumer demographics. But culture is the main focus of this study.

This theoretical discussion focuses on the effects of cultural adaptation on the relationships between sales volume and their consequences. Hence, depending on the control system the sales-people face and the culture they are in, they are supposed to behave differently. For example, some control systems or cultural values may induce marketing people to neglect activities with long-term payoff such as planning or non-selling activities. Culture has an impact on many aspects of consumer behavior, from service expectations to consumer innovativeness. It also has been suggested that an understanding of localized strategies – something that has been discussed recently in the context of retailing strategies” (Mooij & Hofstede, 2000). There are many cross-culture studies in consumer marketing, which examined the impact of culture across nations. However, there is a limited empirical research focusing on culture and its impact on customer behavior in Bangladesh.

The purpose of this study is to investigate into the cultural differences and to identify their impact on the congruency framework of sales volume effectiveness. For this reason, the study has been organized to understand the impact of cultural congruency or non-congruency in marketing mix. In this regard, the impact of cultural congruency of marketing practices of local pharmaceutical companies and cultural adaptation of marketing practices of multinational pharmaceutical companies were analyzed to see their effects on sales performance of companies. The study has been conducted in Chittagong, Bangladesh. Data of this study have been collected from some area managers, territory managers, regional managers and information /promotion officers of sample local & multinational pharmaceuticals companies.

2. Literature Review

Cultural differences have boundless impact on business practices. But the extent of studies has yet developed to the field of marketing as it has been done in the field of management. Culture is very difficult to define in a cognitive way, but

typically it is seen as a set of norms, beliefs and values that are shared amongst a group of people and that provide the guiding principles of one's life. (Goodenough, 1971; Kroeber and Kluckhohn, 1952; Schwartz and Bisky, 1952, 1987 and 1990). Culture can be defined as a society's accepted basis for responding to external and internal events. Even though the nuances of a culture can be observed, one can not expect to fully understand a society's actions and points of view without an appreciation for the influence of the historical events it has experienced and the geographical uniqueness to which a culture has had to adapt. Culture cannot be defined by only one definition. However, the following two are representative: "That complex whole that includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as a member of society" (Loudan david L, Albert j Della Bitta ,1993). "The distinctive way of life of a group of people, their complete design for living" (Loudan david L, Albert j Della Bitta ,1993)

Therefore, culture is everything that is socially learned and shared by the members of a society. Culture consists of material and nonmaterial components. Nonmaterial culture includes the words people use; the ideas, customs and beliefs they share; and the habits they pursue. Material culture consists of all the physical substances that have been changed and used by the people.

This definition is appropriate for several reasons. Firstly, it implies that culture encompasses all the norms and beliefs of a society – it is the total way of life in a society. As Triandis (1989) suggests, these societal norms and beliefs will ultimately have an impact upon the dispositions and behaviors of society members. Thus the definition allows for the possibility of culture to have an impact on consumer behavior.

Secondly, the definition is flexible in allowing for different levels of culture. This is evident by the notion of "Society" within the definition, which means culture is not necessarily restricted to a country basis. Furthermore, it has been suggested that equating culture with nations can be inappropriate" (Lenartowicz and Roth 1999; Usunier, 2000). Instead, culture can be effective. Especially it is true for a large country where different societies prevail. But in Bangladesh, only Bengali people are living here. So, National cultural may be important here. Culture varied among different nationals. National culture can be differentiated based on different dimensions. These dimensions help us to understand the national culture in an easy way.

2.1 Cultural Dimensions

Cultural dimensions have given the potential relevance of culture, a basis is required for assessing its impact. Here use is made of the five cultural dimensions popularized by Hofstede (1991): power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity and the Confucian dynamism. Alternative dimensions have been suggested by other researchers (Clark, 1990),

but Hofstede's dimensions are by far the most widely accepted (Sondergaard, 1994) and have been applied in many cross-cultural studies (Steenkamp, Hofstede and Wedel, 1999;). But the uses of Hofstede's dimensions are criticized by the researchers in marketing from different points of view. Firstly, Hofstede's original study is relatively old and may be outdated. Secondly, the dimensions were developed from work-related values and thus, they may not be fully applicable to a consumer context. The above mentioned criticism could not limit the use of Hofstede's national cultural dimensions because of clear national distinction in the global mindset of cultural mapping. As a result, transnational players in marketing need to adapt their practices from local as well as global context.

2.2 Cultural Adaptation in Marketing Mix

The significance of culture in understanding human behavior is that it extends our understanding of the extent to which people are more than just chemistry, physiology or a set of biological drives and instincts. For these reasons, business theories and practices have to be adapted to the cultural condition of a society to do business in that society.

In spite of our resistance to change, cultures are gradually and continuously changing. Some societies are quite static, with a very slow rate of change, while others are more dynamic, with very rapid changes taking place. Each culture has what may be termed core values, which are the dominant or basic cultural values that people accept with little question. This value is complex and closely interrelated with such things as freedom, democracy, nationalism and patriotism.

2.3 Importance Of Cultural Adaptation

For adaptation of culture in a society we have to understand the elements of culture. We defined culture by listing its five elements: values, rituals, symbols, beliefs and processes. International marketers must design products, price, promotional programs and distribution system with due consideration of each of the five elements. The underlying cultural diversity that exists among countries is fundamental differences in cultural values. The most useful information on how cultural values influence various types of business market behavior comes from seminal work by Geert Hofstede. Cultural adaptation helps to remove the cultural separation. Life is filled with rituals, or patterns of behavior and interaction that are learned and repeated. The most obvious rituals are associated with major events in life. Marriage ceremonies and funerals are good examples. Rituals are important. They coordinate everyday interactions and special interactions and special occasions. They let people know what to expect, which is important for adaptation. Anthropologist Edward T. Hall tells us that culture is communication. Cultural adaptation helps to develop the communication between different types of people. Adaptation is a key concept in international marketing, and willingness to adapt is a crucial attitude. Adaptation or at least accommodation is required on

small matters as well as large ones. In fact, the small, seemingly insignificant situations are often the most crucial. More than tolerance of an alien culture is required. There is a need for affirmative acceptance, that is, open tolerance of the concept 'different but equal'. As a result of such affirmative acceptance, adaptation becomes easier because empathy for another's point of view naturally leads to ideas for meeting cultural differences. As a guide to adaptation, there are ten basic criteria that all who wish to deal with individuals, firms or authorities in foreign countries should be able to meet: (1) Open tolerance (2) Flexibility (3) Humility (4) Justice/fairness (5) Ability to adjust to varying tempos (6) Curiosity /interest (7) Knowledge of the country (8) Liking for others (9) Ability to command in to the environment.

2.4 Areas of Adaptation in Marketing Mix

There are four components of marketing mix identified by Kotler. These are product, price, place, and promotion. A product is more than a physical item. It is a bundle of satisfaction or utilities that the buyer receives. These include its form, taste, color, odor and texture; the package; the label; the warranty; manufacturer's and retailer's servicing and the confidence or prestige enjoyed by the brand. The values and customs within a culture confer much of the importance of these other benefits. In other words, a product is the sum of the physical and psychological satisfactions it provides to the user. To appreciate the complexity of standardized versus adapted products, one needs to understand how cultural influences are interwoven with the perceived value and importance of a market places on a product. A product's physical attributes can vary among cultures and are perceived as negative or positive. To maximize the bundle of satisfactions received and to create positive product attributes rather than negative ones, adaptation of the nonphysical features of a product may be necessary.

Adaptation may require changes of any one or all of the psychological aspects of a product depends on the extent of cultural influences on an individual's perception of what a product serves. The adoption of some products by consumers can be affected as much by how the product concept conforms to norms, values, and behavior patterns as by its physical or mechanical attributes. When analyzing a product for a second market, the extent of adaptation required depends on cultural differences in product use and perception between the market the product was originally developed for and new market. The greater these cultural difference between the two markets, the greater the extent of adaptation that may be necessary. The country in which business is being conducted, the type of product, variations in competitive conditions, and other strategic factors affect pricing activity. In general, pricing decisions are viewed in two ways: pricing as an active instrument of accomplishing marketing objectives, or pricing as a static element in a business decisions. If prices are viewed as an active instrument, the company uses price to achieve a specific objective, whether a targeted return on profit, a targeted market share, or some other specific goal. The

company that follows the second approach, pricing as a static element, probably exports only excess inventory, places a low priority on foreign business, and views its export sales as passive contributions to sales volume.

At this stage of globalization marketing activities varied among the countries based on cultural difference. As a result, promotion mix elements will not give same result across the world because of different levels of development of the countries. Promotion activities vary in use of promotion tools, message, design and ways of transmission. The distribution process includes the physical handling and distribution of goods, the passage of ownership and –most important form the stand of marketing strategy –the buying and selling negotiations between middleman and customers. Each country market has a distribution structure through which goods pass from producer to user. Traditional channels in developing countries evolved from economics with a strong dependence on imported manufactured goods. In an import – oriented or traditional distribution structure, an importer controls a fixed supply of goods and the marketing system develops around the philosophy of selling a limited supply at high prices to a small number of affluent customers.

3. Hypotheses

The hypotheses have been developed based on the first four cultural dimensions given by Hofstede. Based on the Hofstede's theory we define the cultural dimension for Bangladesh as: "Bangladesh is a high power distance, weak uncertainty, collective and masculine culture country." So, local company should be congruent in their marketing practices with this culture and multinational companies should adapt their marketing mix elements with these cultural conditions. In the following, the hypotheses are detailed based around the four cultural dimensions. For example, hypotheses regarding collectivism have a stronger theoretical basis than hypotheses regarding power distance. Also, as is in the nature of any testing of this kind, it is possible to conceive of alternative arguments. However, four dimensions have been included to ensure the study is a comprehensive one.

3.1 Power Distance

Power distance deals with the acceptability of social inequalities, such as in power, wealth and status. The hypotheses related with power distance are given below:

Hypotheses 1A: Product quality is more effective for high power distance cultures relative to low distance power cultures.

1B: Price sensitivity is more effective for high power distance cultures relative to low power distance cultures.

1C: Monetary promotions are more effective for high power distance cultures relative to low distance power cultures.

1D: Non-monetary promotions are more effective for low power distance cultures relative to high distance power cultures.

1E: Low channel distribution system is more effective for high power distance cultures relative to low power distance cultures.

3.2 Uncertainty Avoidance

Uncertainty avoidance deals with the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, establishing more formal rules, not tolerating deviant ideas and behaviors, and believes in absolute truths. The relevant

Hypotheses 2A: Product quality is more effective for strong uncertainty avoidance culture relative to weak uncertainty cultures.

2B: Price sensitivity is more effective for weak uncertainty cultures relative to strong uncertainty avoidance cultures.

2C: Monetary promotions are more effective for weak uncertainty cultures relative to strong uncertainty avoidance cultures.

2D: Low channel distribution system is more effective for weak uncertainty cultures relative to strong uncertainty avoidance cultures.

3.3 Individualism or Collectivism

In individualistic culture, everybody is supposed to take care of himself/herself. Furthermore, collectivistic cultures are characterized by close relationships and interdependence.

Hypothesis 3A: Product quality is equally effective with individualistic and collectivistic cultures.

3B: Price sensitivity is more effective for collectivistic cultures relative to individualistic cultures.

3C: Monetary promotions are more effective for collectivistic cultures relative to individualistic cultures.

3D: Low channel of distribution system is more effective for collectivistic cultures relative to individualistic cultures.

3.4 Masculinity or Femininity

Masculinity refers to the tendency to strive for personal achievement and performance (Cutler, Edrem and Javalgi, 1997; Nakata and Sivakumar, 2001). In more masculine cultures strong values are placed on “materialistic success and assertiveness” (Fletcher and Brown, 1999). It can be argued that consumers in masculine cultures are more likely to respond to monetary promotions, since the more tangible and transactional –based benefits can satisfy their need for personal and materialistic cultures. Feminine cultures are expected to be more

responsive to non-monetary promotions, since the benefits offered are more relationship focused.

Hypotheses 4A: Product quality is more effective for masculine cultures relative to feminine cultures.

4B: Price sensitivity is more effective for masculine cultures relative to feminine cultures.

4C: Monetary promotions are more effective for masculine cultures relative to feminine cultures.

4D: Low channel of distribution system is more effective for masculine cultures relative to feminine cultures.

4. Methodology of the Study

The study has been organized to know the cultural impact on sales performance in Pharmaceutical industry. In this regard, one multinational company and two local companies have been selected for the study.

Data: - This section provides information on the data sources, sample choice, data processing and methods of analysis.

4.1 Data Collection Procedure

Data has been collected from primary as well as secondary sources.

4.1.1 Primary data

Survey method was used to collect primary data. A questionnaire has been developed based on attitudinal model of cultural adaptation. The issues concerning the design of the questionnaire are discussed after a brief discussion of the sampling framework.

4.1.2 Sampling Frame Work

The research has targeted to analyse the marketing mix practices of the sample of Field Forces Like Medical Information Officers/Medical Promotion Officers/Territory Managers/Field Managers/Area Sales Managers/Regional Managers of Novartis (BD) Ltd., Square pharmaceuticals Ltd., & Beximco pharmaceuticals Ltd.. In selecting the sample, four decision making factors have been considered to ensure the representation of the field forces. The four decision making factors are: i) Market share ii) Product range iii) Product quality iii) Quality people or field force. In case of collecting data from the key customers i.e. Doctors, chemists/owner of hospitals, clinics; primary data have been collected from field forces of different territories. Because they are more involve between company and their customers. They know their customers beliefs, attitudes, customs, values and any other capabilities and they have vast knowledge about their organization. But time limitations did not allow us to collect more data.

4.1.3 Design of Questionnaire

The questionnaire was designed in the light of the research objectives based on the cultural and marketing mix variables and related models. There were two types of questions open ended and closed questions. The questionnaire consists of two sections, where section-A consists of four questions to collect personal information.

Section-B consists of twenty-two statements based on the following 7 points scale.

Scoring the Data

Response	Score
Very Highly Positive / Agree	7
Highly positive	6
Moderate	5
Low	4
No effect	3
Negative	2
Highly Negative	1

4.2 Secondary Data

Secondary data have been collected from different published working papers, books, journals, periodicals, daily newspapers, and from different online sources.

Data Processing and Analysis: - For data processing and analysis Microsoft Excel have been used.

5. Findings and Analysis

5.1 Customers' Satisfaction Level

From the overall response table we see that product of Novartis satisfied eighty six percent customers whereas product of Square satisfied ninety one percent customers and Beximco's product satisfied eighty eight percent customers. All companies are producing high quality product in their Bangladesh factories. There are few reasons for these variations of ratio among them.

Table 5.1 Customers' overall Satisfaction Level to Marketing Mix Variables:

	Novartis	Square	Beximco
Product	86%	90.55%	88%
Price	65.5%	89.44%	88.57%
Promotion	75.5%	90.56%	84.28%
Distribution	68.5%	82.33%	84%

From this table it is seen that price of Novartis satisfied only 65.5% customers because of high price of the products, which are beyond of general customer's reach. On the other hand price of Square and Beximco satisfied 89.44% and 88.57%. Most of the people can buy their products easily. So, key customers of the pharmaceutical market have an opportunity for prescribing high quality and low price product. This is increasing their sales volume year to year. Novartis's promotional effort satisfied 75.5% customers. This is one of the reasons of this low coverage of their customers which effect in their sales volume. But promotional effort of Square satisfied 90.56% of their key customers. Regularly they are trying for maximum coverage in their individual's territory. On the other hand Beximco's promotional effort satisfied 84.28%. One of the reasons of this number of field forces of Beximco is less than Square. Distribution system of Novartis satisfied 68.5% customers. It is because of the low commitment of the channel members. Most of the time, the Novartis cannot supply its products without schedule. But distribution system of Beximco satisfied 84% customers. Because the company can supply their product within short span of time in any destination and commitment of channel members are highly acceptable to their customers. And Square's distribution system satisfied 82.33% customers.

5.2 Customers' Comparative Response

Bangladesh is a least developed country. People's buying capacity is not high. They want to buy quality product but it would be of low price. It is their culture. Bangladesh is a high power distance country. Product is also important for this country's people. Monetary promotions are more effective for high power distance cultures than low power distance cultures. And low channel distribution system is also effective for high power distance cultures. Square and Beximco are operating their business by maintaining Bangladeshi cultures. So the companies are successful in their business. But Novartis is trying to maintain its own cultures in its business practices in Bangladesh. As we know that it is not possible to change the culture of a nation. As a result they are loosing their business last couple of years, what they were expecting. It is shown in Fig.-5.2.

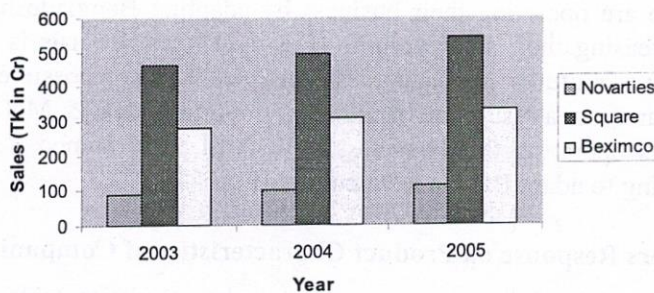
Table-5.2: Customer's comparative response on all characteristics:-

	Novartis	Square	Beximco
Product	5.63	5.87	5.71
Price	6.2	7	7
Promotion	5.45	5.81	5.60
Distribution	4.95	6.14	5.89

From comparative response table it is evident that customer's response on product of Novartis is 5.63 where as Square's is 5.87 and Beximco's is 5.71. Square has a lot of product range i.e. more than 370 products including different dosages forms. This helps the key customers to choose the alternatives. Beximco has more than 300 products and Novartis has more than 100 products including different dosages forms. Large product range helps customers for choosing alternatives in the competitive market. All of them produce high quality product but there is one difference is product range. Large product range helps the company for large volume of sales. Customer's response on price of Square is 7 that means it is highly acceptable to their customers. And Beximco's is 5.60 which is near about highly acceptable to its customers. But Novartis's is 5.45, which is moderate to its customers. According to Bangladeshi culture high quality product with low price create greater market demand than others. As a result from the sales performance graph

Figure -5.2

Comparative Sales Performance



we see that local companies' yearly sales volume is relatively higher than multinational companies. Customers' response on promotion of Novartis was 5.45, which is more than moderate. On the other hand Square's was 5.81 which is highly acceptable to its customers and Beximco's was 5.60 which is near about highly acceptable to its customers. According to Bangladeshi cultures, key customers' expect frequent visit from the company, which customers get more from Square for their large field forces. Square has more than 700 field forces including managers. As a result they can cover maximum customers, and Square

gives its field forces sufficient promotional materials /support for customers. On the other hand Beximco's field forces are near about 500. This is less than the number of field forces of square. As a result, they cannot cover all of their customers frequently like Square but better than Novartis. Because, Novartis has only more than 200 field forces including managers, which is insufficient for maximum/frequent coverage of customers, Novartis promotional support is not sufficient for maximum coverage. They cover only selective customers, which is not the criteria of Bangladeshi pharmaceutical market's cultures. As a result their yearly sales growth and sales volume is not satisfactory and they cannot achieve their yearly sales target last couple of years. On the other hand Square and Beximco achieve their yearly sales target more than forecasted volume. Distribution response of Novartis is 4.95 that means Novartis distribution system satisfied its customers moderately, which effect on its sales. Response of Square distribution system is 6.14, that means customers are more than highly satisfied and Beximco's is 5.89, which is near about highly satisfaction of their customers about their system. Square gives 1/2 days credit facilities in Ex-headquarter markets and they supply any amount of product -it is large or small. Beximco do almost the same thing for the customers. But Novartis do not gives 1/2 days credit facilities in Ex-headquarter markets and they do not supply less than 1000/= taka's product. For this bar small retailer cannot buy their product. They choose same type of product from local companies and sell it to the final consumers. For this cultural habit MNCs loose their sales. It is clearly seen in comparative sales performance graph(Fig.5.2).

Bangladesh is a weak uncertainty cultures country. Quality product, price sensitivity, monetary promotions and low channel of distribution are more effective for weak uncertainty cultures than strong uncertainty cultures. Square and Beximco are operating their business by adapting Bangladeshi cultures, so they are increasing their sales volume (Fig.-5.2). But Novartis is practicing to adapt their own cultures on Bangladeshi people. It is not possible to change a nation's cultures. As a result one of the most important OTC & MN business unit of Novartis is operating their business by a third party named Response from 2005, for trying to adapt Bangladeshi culture (Fig: 5.2).

5.3 Customers Response on Product Characteristics of Companies

Comparative weighted responses on product characteristics table show that if company gives the opportunity to chemists for selling loose product, it increases their sales. Lose product sell is important because most of the final consumers are unable to buy their full course product at a time because of their poor purchasing capacity.

Table: 5.3 Customers comparative weighted response on product characteristics:

Product	NOVARTIS	SQUARE	BEXIMCO
Lose product	0.09193	0.11638	0.105972
Small volume	0.16192	0.17372	0.167565
Importance of packaging	0.18051	0.18043	0.169137
Product design	0.17186	0.168086	0.165472
Product quality	0.19921	0.189561	0.1872372
Brand image	0.19643	0.186586	0.197455

So lose product is almost similar important for Square (0.11638) and Beximco(0.105972) than Novartis(0.09193). Small volume product i.e. small pack size is similarly important for all. Small retailers are interested to buy the small pack size. As a result they can buy different types of products within their buying capacity, it is important for final consumers because they are habituated to buy all products from the chemist's shop. From comparative weighted response on product characteristics we see that Square emphasize on small volume of product which is 0.17372, Beximco's is 0.167565 and Novartis's is 0.16192. From this comparative ratio we see that Square and Beximco emphasize on small volume of product than Novartis, which reflects on their yearly sales volume. Importance of packaging consists of packet's color, packet's shape and size. From comparative weighted response on product characteristics we see that Beximco emphasize on its packaging is 0.167565 which is less than Square (0.17372) but more than Novartis (0.16192). Beximco's packet's color is same for its all products. It helps consumer at the time of re-purchasing. Because, final consumer can identify Beximco's product by its same color. Most of the packet's of Square's product have almost same packaging materials which helps to increase its sales volume. Square uses pet bottle instead of glass bottle which is easily portable for customers from one place to another and also uses alo-alo blister for almost all products, it is luxurious for customer satisfaction. Novartis uses different types of color for different business unit's product. It is little bit difficult for identifying the products. Square packaging style is better than Novartis. From comparative weighted response on product characteristics we have seen that Novartis emphasized on product design is 0.17186; Beximco's is 0.168086 and Square's is 0.165472. Novartis uses state of the art for its product design. Square and Beximco's product designs are also good.

As a multinational company Novartis's product's quality is world class. Square and Beximco almost produce same quality product as Novartis. They export their products in the foreign countries. In Bangladesh, Beximco's (0.197455) brand

image is better than Novartis (0.19643) that we observed from the comparative weighted response on product characteristics. Square's brand image is almost near of Beximco and Novartis. Brand image helps the company for auto sales.

Bangladesh is a high power distance, collectivistic, weak uncertainty and masculine cultures. For these types of cultures quality product is so much important. Quality product contains brand image, acceptable design and it's get up also. But price is an important factor for these types of cultures. Three of them produce high quality product but price of Novartis's product is beyond of general people's reach. As a result Novartis losing it's sales volume and other local company fulfill the gaps only for cultural effect.

5.4 Customers Comparative Weighted Response on Promotion Characteristics

From Customers comparative weighted response on promotion characteristics, it is revealed that during the promotion ready cash carry almost same importance for Square (0.106866) and Beximco (0.106028). Bangladesh is a masculine culture country. Monetary promotions (ready cash) are more effective for masculine cultures relative to feminine cultures. Monetary promotions are helping Square and Beximco for increasing their sales. On the other hand, direct monetary promotions are not Novartis's organization culture, as a result sells is less promoted.

Table: 5.4 Customers comparative weighted response on promotion characteristics

Promotion	NOVARTIS	SQUARE	BEXIMCO
Ready cash	0.053547	0.106866	0.106028
Sample	0.146285	0.17309	0.1634019
Gift&Gimmicks	0.164412	0.14751	0.145766
Opp.to attend conference.	0.173859	0.131561	0.126718
Product quality	0.173773	0.172479	0.173101
Other nonfinancial	0.109553	0.130737	0.094906
Effectiveness of Field Forces	0.178571	0.161059	0.17646

Square gives importance on sample promotion. Its ratio is 0.17309. It is one type of monetary promotion also. Square supplied sufficient sample for key customers by their field forces. Novartis (0.146285) sample promotion is not sufficient for its key customers. Beximco's sample promotion is better than Novartis. Sufficient sample promotion influence key customers for prescribing their products. Novartis provides gift & gimmicks to it's key customers in every month, but Square and Beximco gift & gimmicks sometimes. So their comparative weighted response on promotion characteristics are Novartis (0.164412), Square (0.14751) and Beximco (0.145766). Novartis provides opportunity to attend conference

abroad for some of its selective opinion leaders. They bear all costs of it. But customers support them for some certain period. Square (0.131561) and Novartis (0.126718) do not do this frequently. They do it when they fall in pressure from the leaders of different types of medical association of Bangladesh. High quality product is a great promotional tool during promotion. All of them produce high quality products. Other non-financial supports are books support, medical journal support, medical equipments support etc. From Customers comparative weighted response on price characteristics, it is seen that Square (0.130737) emphasizes it more than Novartis. They supply it within 3-5 days, for customer satisfaction. But Novartis (0.109553) do it also. They take more time for its supply. For this reason sometimes some key customers become annoyed with them and it brings negative result for them. Square service is good than Novartis and they enjoy more prescription share. Man (field forces) is the most important for modern promotional strategy. Novartis peoples (0.178571) are more efficient than Beximco (0.17646) and Square(0.161059).Efficient people can change the situation. After considering all this factors, it can be said that Square's and Beximco's promotion is better than Novartis and they are enjoying more sales.

Bangladesh is a high power distance, collectivistic, weak uncertainty and masculine cultures country. Monetary incentives are more effective for these types of cultures. Monetary promotions contains ready cash support, customer's requirements (sample, services). Square and Beximco are doing their jobs more efficiently than Novartis and they are gaining more sales (see Fig. 4.2). This is a cultural effect on Novartis.

5.5 Customers Response on Distribution Characteristics

From customers comparative weighted response on distribution characteristics we see that ratio of availability of Novartis product's is 0.289736, Square's is 0.275931 and Beximco 0.26588. Availability of product is important for sales. Because without the presence of the product, other company enjoy the situation and existing product lose it's sales. Square and Beximco have long product mix length and depth and their availability ratios are good. Distribution system is almost similar for Square(0.243696) and Beximco (0.248068).But Novartis (0.221556) distribution system is not as satisfactory as Square and Beximco. They are more flexible for retailers & wholesalers.

Table 5.5 Customers comparative weighted response on distribution characteristics

Distribution	Novartis	Square	Beximco
Availability	0.289736	0.275931	0.26588
Dist. System	0.221556	0.243693	0.248068
Channel members commitment	0.207842	0.244094	0.236002
Impact of supply destination	0.220865	0.246259	0.260296

Channel members commitment of Square (0.244094) is nice. Their dealings with customers are highly acceptable. Their behavior, norms are highly satisfactory. But Channel members' commitment of Novartis (0.207842) is not acceptable as Square and Beximco. Beximco's Channel members commitment is (0.236002) almost similar as Square. Channel members commitment also helps to increase sales. If channel members commitment is low then percentage of product return will be high, which effects sales. Impact of supply destination is important factor for distribution system. Beximco can supply product within short time to any destination and the ratio is 0.260296 from customers' comparative weighted response on distribution characteristics. Square's ratio is 0.246259. Square takes some more time for packing the individual product. Ratio of impact of supply destination of Novartis is 0.220865. Novartis cannot supply the product without van-schedule and they do not stay sufficient time in the market, as a result return percentage is increased. Considering all these factors we can say that Square and Beximco's distribution system is highly acceptable to its customers.

High power distance, collectivistic, weak uncertainty and masculine cultures are the cultural dimensions of Bangladesh. Low channel distribution system, channel members commitment and availability of product is also important for these cultures. Square and Beximco are operating their business by adapting Bangladeshi cultures, so they are successful in their business. But Novartis is trying to adapt their own cultures on Bangladeshi people. It is difficult to change and consequently they are loosing their business, which is evident from their sales performance graph.

6. Recommendations

Bangladesh is a good market for pharmaceutical business. The market size of Bangladeshi pharmaceutical market is 3000 crore taka per year. But Bangladeshi companies including multinationals meet their need only 2200 crore taka per year. The rest of the demand of products of 800 crore taka is met by smuggled products from other countries. The pharmaceutical market in Bangladesh is increasing every year. Bangladesh has another opportunity, which is –In Bangladesh any pharmaceutical company will produce off patent product under the conditions of WTO up to 2016. In near future other multinational companies

may come in Bangladesh for operating business. Culture is an important factor for operating business in international market. Before introducing business in Bangladesh market, if they conduct the study on the culture of Bangladeshi pharmaceutical market it will help them for their smooth business operations. They will have to conduct the competitive study about marketing mix like Product, Price, Promotion and Placing culture of Bangladeshi local leading companies.

7. Conclusion

From this study it is clear that, cultural adaptation plays a vital role for company's growth in international business. We also know about cultural dimension, cultural impact on sales, cultural adaptation on marketing mix and culture effects on sales from the comparative study of Novartis, Square and Beximco pharmaceuticals.

The study identifies that as a member of high power distance, collectivist Hofstadian country MNCs like Novartis need to adapt their marketing mix elements for better sales performance in Bangladesh. The study proves and accepts the hypothesis. From this discussion it is evident that cultural differences as high power distance and low power distance cultures, weak and strong uncertainty avoidance cultures, Individualistic and collectivistic cultures, masculinity and femininity cultures create the differences in marketing practices between two extreme cultural countries like Bangladesh and Switzerland and as a result Swiss company Novartis is not achieving expected sales performance in comparison to its local counterpart Bangladeshi leading competitors in pharmaceutical industry.

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