IMPORTANCE OF LOCAL CULTURE IN ADVERTISING: CASE OF SERBIA***

Abstract: The paper explores the importance of local culture in advertising in Southeast Europe, in particular in Serbia. The aim of the research was to examine whether there is any difference in perception among people in Serbia toward brands using local advertising campaigns and brands using global advertising campaigns. The research included 520 respondents and the analysis included different statistical methods. The study examined the extent to which the influence of culture on the communication strategy is felt, and whether this impact is the same for all target audiences and for all product categories. The research reveals whether customers from Serbia prefer local or global campaigns, and whether the choice of the local versus the global has a more positive impact on brand perception. The findings showed some interesting and contradictory results: consumers prefer local advertisements rather than global campaign, though other finding indicate strong influence of globalization Serbia as represent of Southeast Europe countries.

Keywords: Culture, advertising, brand, communication, values, globalization.

1. INTRODUCTION

In the era of globalization companies decides to operate in international environment which brings opportunity and challenges at the same time (Hudea & Papuc 2009). Globalization opens new market from one side, but from the other side there is a serious challenge concerning marketing strategy. These challenges are related with product portfolio, communication, pricing strategy, culture, etc. because differences between regions are the consequence of the differences in average income, social customs and factors such as culture, religion and others (Đeri et al. 2013). For example, McDonald’s cannot sell the most popular product Big Mac in India since Hindu people do not eat veal. Similarly, the American telecommunication company which presents...
the Executive Manager talking on the phone with his feet up on the desk (typical American position) would be considered as an insult in Japan and India also. Alden et al. (1999) describes global consumer culture as a set of consumption-related symbols and behaviours that are commonly understood but not necessarily shared by consumers and companies around the world. Despite we live in the era of digital globalization, where “the symbiosis with digital environments is another arena for a formative experience that shapes values, perceptions, attitudes, and behavior” (Nikolić, Bojić & Jevtović 2021: 1687), people still have their strong local values. Consumers understand global consumeristic culture marks and brands but continuously rely on their own local systems for interpretation, use and display (Akaka & Alden 2010).

Hofstede (1980: 163) highlights that “business is a different game with different rules in each country”. These “rules” are according to Hofstede and many other authors (Ricks 1983; Jain 1989; Zhang & Gelb 1996; Valaei et al. 2016) in strong relationship with local culture. The companies who don’t understand foreign cultures, or disrespect the differences between them, might fail on the global market. Strategies, promotion and marketing activities adequate for one cultural context can produce considerably different effects or even be counterproductive in different culture (Podrug et al. 2014). Hollesen (2011) identified several elements that are usually involved in the concept of culture: local language(s), manners, social environment, technology, education, different values and attitudes, aesthetics and religion. Analyzing these elements, it can be easily concluded that in terms of advertising and marketing communication company needs to adjust at least language, though it is a basic step. Buzzell (1968) maintained that advertising and communication are mainly affected by language, literacy and symbolism. Therefore, the influence of culture on international marketing strategy, especially advertising and communication is not questionable. But the question that arises from this introduction is which elements have a stronger impact on communication strategy? In order to provide the answer to this question it also needs to be examined whether identified cultural elements have the same impact on all markets and among all target audiences. Therefore, the authors of this paper examined the extent to which the influence of culture on the communication strategy is felt, and whether this impact is the same for all target audiences and for all product categories. Moreover, the research reveals whether customers from these countries prefer local or global campaigns, and whether the choice of the local versus the global has a more positive impact on brand perception. Authors believe that brands that are allaying on local strategy in their campaigns have a more positive image compared to the brands that approach the globalization strategy. This assumption is on based on high level of consumer ethnocentrism in Serbia, based on the findings of Vranešević and Perić (2020).

2. LITERATURE REVIEW

The growth of global market is followed by emergence of international advertising. Therefore, frequently debate in marketing practice and literature is weather to follow the path of localization or globalization in terms of communication strategy
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and advertising. Keegean (1989) and many others authors maintain that understanding of cultural differences in different countries and regions is often considered a prerequisite for successful international advertising and promotion. This idea refers adaptation and support heterogeneous strategy. This strategy means that companies should adjust their strategy and marketing and communication mixes elements to each target market. This approach involves more costs but hopes for a larger market share and return (Kotler & Armstrong 2017). Similarly, AMA defines adaptation as: “Strategy of developing new products by modifying or improving on the product innovations of others. Contrasts with the strategies of pioneering and imitation” (Bennett 1988: 2). This definition requires the adaptation of portfolio and complete marketing strategy. According to Webster’s (1993: 13) adaptation means “adjustment to environmental condition”. In other words, adaptation does not necessarily require changes in all aspects of marketing strategy, sometimes these changes can be related only to part of strategy, for example communication.

On the other hand, Kanso and Nelson (2002) indicate that behind the trend of consumers’ homogeneous, basic human needs become more universal and global. In other words, we can globally use identical product portfolio with same positioning strategy (Buzzell 1968). For example, this business concept is supported by Coca Cola. Their philosophy is that the need of their consumers is universal all around the world, therefore they can use strategy of standardization. Similarly, Elinder (1961: 12) argued with prophet idea that: “We are all moving towards a uniform European style of advertising and then towards a uniform world style”. This idea supports homogenous strategy or the strategy of standardization. There is one more perspective which support the idea of standardization in terms of advertising and communication strategy. Steenkamp et al. (2003) believe that consumers associate the wide geographic reach of global brands with better quality. Additionally, same authors maintain that global brand has the positive associations with glamour. In other words, consuming global products customers feels more glamorous, as a part of Global world. Indeed, Holt et al. (2004) state that the reason why consumers have positive attitude towards global brand can be explained with their inner feeling that they belonging to global community.

Following this thought, standardized approaches in advertising campaigns seems to be more efficient. Especially if we consider the costs of the localization strategy and development of local campaign for each international market. On the other hand, strong differences in cultural values can be notice among various cultures. DeMooij (1997) states that cultural values can be consider as root of consumer behavior, therefore the understanding of local values can be essential for success.

The third approach is somewhere in the middle of these two because it recommends reorganization of local cultures on level of regions and countries that have numerous similarities. This approach goes into the direction of development and production of marketing communications and advertising that uses language and advertising appeals and famous persons that consumers from two or more countries can understand and/or recognize. Indeed, local language(s) is one of the most important elements in every culture, and it is the strongest link between the advertiser and their
Influence of culture can be crucial for success or failure of business, while cultural differences may explain why management’s practices suited for one cultural environment may bring about undesirable consequences in another (DeMooij & Hofstede 2002; Kustin 2006; Treven et al. 2008). Culture is defined as “collective programming of the mind which distinguishes the members of one human group from another” (Hofstede 1980: 87). Anthropologist Sir Edward Taylor offered a broad and well-known definition of culture: “complex which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”. (Tylor 1871: 1). In other words, culture consists of the beliefs, behaviors, objects, and other characteristics common to the members of a particular group or society. Additionally, Hollensen (2011: 234) states that “Culture encompasses virtually every religion, education, family and reference groups. Further, it is also influenced by legal, economic, political and technological forces”. Huntington (1996) used more simple way to describe and divided the culture in the world as Western (USA, Canada, Western Europe, Australia), Orthodox (former Soviet Republics and Eastern Europe), Confucian (China and parts of Southeast Asia), Islamic (Middle East), Buddhist (Southeast Asia), Hindu (India), Latin-American (Central and South America), African and Japanese.

In terms of basic elements of culture Gillespie and associates (2004) mention that the most important elements are: religion, language, history and education while Hollensen (2011) provide broader list with following elements of culture: language(s), custom, religion(s), technology environment and material culture, social surrounding, education, values and attitudes and aesthetics. Each of these elements can affect the advertising strategy therefore, Elbashier and Nicholls (1993) maintain that among various marketing and communication decisions advertising is most adapted strategy in international marketing. All these authors see communication as transmission of messages, where communication is a process through one person affects the attitudes and behavior of the other (Fiske 2002). However, advertising is besides the language based on images as well, therefore we need to consider the Semiotic School of Communication process. In the Semiotic School, the focus is on sign or the messages passes between them rather than on sender and receiver. According to Harvey and Evans (2001), semiotic analysis of advertisements is the study of how many (and which in particular) signs (words, pictures, music and myths) create meanings and evokes feelings.

3. METHODS OF THE RESEARCH

The research was done in Serbia which was selected because many global brands and advertisers make regional advertising campaigns with same ads that are distributed in Serbia, Croatia, Bosnia and Hercegovina and Montenegro since they all share very similar culture and basically speak the same language with minor differences. Serbia is
the biggest among them (in both demographics and territory) and they were republics of same country until 1991-Socialistic Federative Republic of Yugoslavia and in case of Serbia and Montenegro until 2006 in their union.

The research presented in this paper is quantitative and it was carried out through a structured questionnaire that included questions related to socio-demographic information about the respondent and a group of questions that represented dependent variables. This was operationalized through closed questions - claims on advertisement offered with closed answers that represent the agreement of respondents with those claims, using Likert scale from 1 to 5, where: 1 represents the answer (personal assessment) - I completely disagree; 2 - I disagree; 3 - I am not sure; 4 - I agree; 5 - I completely agree.

The collection of data was carried during first quarter of 2021. The examinees were evaluated to what extent they agree with the questions/claims regarding attitudes towards foreign and domestic advertisements. The research involved 520 respondents, male 47.7% and female 52.3%. In terms of working status 55.4% of respondents were employees, 7.7% were unemployed while 29% of them were pupils and students and 7.7% declared themselves as retired. Regarding the level of education, 15.4% of the respondents completed only primary school only, 32.3% attended secondary education, while 51.7% of respondents were from the group with completed higher education.

The sample characteristics are independent variables in this study: gender, age and the level of professional education of the respondents. For the analysis of data we used: descriptive analysis (percent, arithmetic mean), chi-square test, t-test, single-factor analysis of variance, multiple linear regression and Pearson correlation coefficient. The level of statistical significance was $p < 0.05$, and the obtained data were processed in the SPSS (ver. 20). We used the one-factor analysis of variance (ANOVA) in order to investigate the influence of age on the attitude of respondents towards domestic and foreign advertisements. Also, with multiple regression we examined how gender, age and level of education are related as a linear combination of predictors with a group of dependent variables. We researched whether the ratio of respondents to domestic and foreign advertisements could be predicted, depending on the indicated linear combination of predictors.

Dependent variables examined the attitude of respondents towards domestic and foreign advertisements using five-step Likert type scale that evaluated to what extent they agree, where 1 represents the answer (personal assessment) I completely disagree; 2 - I disagree; 3 - I am not sure; 4 - I agree and 5 - I completely agree. They were formed in five questions:

1. it is important that advertising camping (for the brand I like) is adopted to local culture,
2. the impact of local values decreases with the rise of globalization,
3. I consider myself as person who respect local and traditional values,
4. the presence of local culture in advertising is important for success,
5. I can easily notice the difference between the advertising campaign produced on local market and advertising campaign which is only translate on local language.
4. RESULTS AND ANALYSIS

In order to provide the answer from respectable representative group the first question was related with general opinion regarding the importance of adaptation of advertising to local culture on the choice of respondents. The research reveals that surprisingly only 32.4% find it important comparing to 46.1% of the respondents who do not find this issue important. Similar percentage of the respondents (43%) believe that the impact of local values decreases in the process of globalization, while 21.6% of the respondents oppose this. Further question was related with importance of respecting local culture. The research results showed that 49.2% of respondents agreed with a claim “I am a person who respects local values”, while only 12.3% of the respondents do not care for local culture. This is followed 50.8% of the respondent who consider the use of local values in advertisements as important part of their success, comparing to 23% who consider that local values do not contribute to the success of the ads. The biggest contrast was found with the last question, where only 3% of the respondent think that they cannot notice the difference between the advertising campaigns produced on local market and advertising campaign which is only translate of local language, while majority of the respondents (86.2) think that they are capable to notice that difference.

Table 1: Respondent’s opinion regarding the influence of advertising and local values (Likert scale)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
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<tbody>
<tr>
<td>It is important that advertising campaigns (for the brand I like) is adopted to local culture</td>
<td>16.9%</td>
<td>29.2%</td>
<td>21.5%</td>
<td>29.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>The impact of local values decrease with rise of globalization</td>
<td>3.1%</td>
<td>18.5%</td>
<td>35.4%</td>
<td>35.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>I consider myself as person who respect local and traditional values</td>
<td>4.6%</td>
<td>7.7%</td>
<td>38.5%</td>
<td>41.5%</td>
<td>7.7%</td>
</tr>
<tr>
<td>The presence of local culture in advertising is important for success of ads</td>
<td>9.2%</td>
<td>13.8%</td>
<td>26.2%</td>
<td>43.1%</td>
<td>7.7%</td>
</tr>
<tr>
<td>I can easily notice the difference between the advertising campaign produced on local market and advertising campaign which is only translate of local language</td>
<td>1.5%</td>
<td>1.5%</td>
<td>10.8%</td>
<td>46.2%</td>
<td>40.0%</td>
</tr>
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Source: Authors’ research

With Pearson linear correlation coefficient we researched the interrelation between the dependent variables. The results of the correlation matrix show that the highest degree of dependency is found next two claims: “I consider myself as person who respect local tradition and values” and “it is important to use local values in advertisements” \((r = + 0.596, p <.01)\), which means that what the respondent perceives themselves as a person who respects local values, they consider local values in the advertisements more important.
Some of these results tend to be expected if we took into consideration the Hofstede’s cultural dimension theory and high level of traditionalism in Serbia which were found by Lazić and Cvejić (2007), Miroslavljević and Milovanović (2012) and Tomanović (2012).

However, this research discloses one interesting finding: 46.1% of respondents believe that influence of local culture in advertising is not important for the brand they like, while 30.3% of them consider it as important. According to this result it can be concluded that “global” campaigns are acceptable to the consumers, but at the same time they must respect the basic values of local culture. This finding is also supported with the result which shows that 43% of respondents consider that the influence of local values decreases with the growth of globalization, supported by Hofstede’s assumption about the process of convergence and the influence of global economic growth (Hofstede 2001).

In order to understand the relevance of culture, the authors examined what is the most important local “element” in advertising. The majority of respondents (44.6%) think that humor is the most important element of local culture, followed with the “natural and social environment” (29.2%). While the 7.7% of respondents think that the spirit of local mentality in advertising should be most noticeable in music, while significant percentage would prefer some other element then the offered (10%) (Table 3). Additionally, humor is more important for woman, while for the man natural environment is most important element of local culture in advertisements. H square test showed statistically significant difference regarding the music in advertising which tend to be most important part of advertisements for younger consumers.
Following these results, it can be concluded that for marketing practitioners tone and voice of communication should be one of most important element in advertising and communication strategy, while the results which indicates the importance of “natural and local environment” emphasizes the importance of semiotic in communication process (Zakia & Nadin 1987: 1). Indeed, every second respondent (50.8%) states that they pay attention on message in advertisements while the product itself is noticed by 23.1% of respondents. But this finding is not applicable for all categories of products or services. According to the research result food category tend to be most sensitive on “local tone and voice of communication” (36.9%) followed with beer (10.6%) and financial institution (6%). (Table 4) It is also interesting result that 33.8% of the respondents agreed with the statement that all local products and services should comply with local culture.

Table 4: Preferences toward expressing local culture regarding the categories of products/services

![Bar chart showing preferences towards expressing local culture in products/services](image-url)
After the general analysis of result, Chi-square test was concluded and it revealed a statistically significant difference (at the level of 0.05) in preference for local or global advertisements among respondents of different age. The results showed that the respondents under the age of 50 prefer global advertisements, and this percentage is the highest among respondents under the age of 20 (70%) and those between the ages of 41 and 50 (69.2%). On the other hand, almost respondents with aged 65 or more (98%) said that they prefer local advertisements. These results can be put into surrounding of youth who was under influence of globalization since the birth in contrary to elderly people.

5. DISCUSSION

Several managerial implications can be derived from this study. Recognizing cultural differences allows marketing managers to understand people’s attitudes better, improve their managerial skills, and design management concepts and business strategies more successfully. The findings of theoretical framework resulted with idea that Serbian consumers prefer local advertisements rather than global campaign. Many previous researches showed that cultural values tend to be recognized as important for consumers’ motivation and brand behavior. However, this research discloses a bit different point of view. The importance of local culture in advertising is divided in two aspects. Firstly, it is related with local values whereas more than 50% of respondent agreed with claim that understanding and respect of local values in advertisement is important. However, the respondents point out that they disagree with the claim that advertisement for the brand they like needs to be align with local culture. These finding indicate strong influence of globalization on Serbian market. Indeed, more than 40% of respondent agreed with this idea. However, this claim cannot be considering as relevant for all categories of products or services.

In other words, this research also proved statement “Think global act local” whereas in terms of “local” of two countries consider tone and voice of communication. Moreover, regardless the strong influence of globalization, companies and advertisers should think about its communication strategies when entering the new market. The analysis of the cultural distance between different markets is also important in the choice of strategy. If the difference between basic local cultural values is low, strategy of standardization can be acceptable. On the other hand, in the case of larger cultural distances between the markets, localization strategies would be desirable, so we agree with Gerpott et al. (2016).

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ЗНАЧАЈ ЛОКАЛНЕ КУЛТУРЕ У ОГЛАШАВАЊУ: СЛУЧАЈ СРБИЈЕ

Резиме
Рад истражује значај локалне културе у оглашавању у југоисточној Европи, посебно у Србији. Циљ истраживања био је да се испита да ли постоји било каква разлика у перцепцији међу људима у Србији према брендовима који користе локалну рекламу кампању и брендове користећи глобалне рекламне кампање. Истраживање је обухватило 520 испитаника, а анализа је укључивала различите статистичке методе. Студија је испитала до какве степени такова утицај у оглашавању на комуникациону стратегију, као и до какве степени таква утицај на разним категоријама. Многа претходна истраживања показала су да културне вредности имају тенденцију да буду препознате као важне за мотивацију, поновно пренос и понашање брендова. Међутим, ово истраживање откриве мало другачије становишта становништва. Значај локалне културе у оглашавању подељен је на два аспекта. Право, то је повезано са локалним вредностима, док се више од 50 одсто испитаника сложило са тврдњом да је разумевање и поштовање локалних вредности у реклами важно. Међутим, испитаници истичу да се не слажу са тврдњом да рекламе за бренд који им се слаже треба да буде усклађена са локалном културом. Ови закључци указују на снажан утицај глобализације на оба српска тржишта. Заиста, више од 40 одсто испитаника сложило
се са овом идејом. Међутим, овај захтев не може бити разматран као релевантан за све категорије производа или услуга. Другим речима, ово истраживање је такође доказало изјаву „Мисли глобално делује локално”, док у смислу „локалног” две земље разматрају тон и глас комуникације. Штавише, без обзира на снажан утицај глобализације, компаније и оглашивац би приликом уласка на ново тржиште требало да размишљају о њеним комуникационим стратегијама.

Кључне речи: Култура, оглашавање, бренд, комуникација, вредности, глобализација.

Рад је предат 1. фебруара 2022. године, а након мишљења рецензената, одуком одговорног уредника Баштине, одобрен за штампу.