

Analysis on the Marketing Strategies of Beats between Cultural Influence and Reference Group

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ABSTRACT. *Cultural influence and reference group can be belong to the concepts of consumer behavior. It influences the purchasing motivation and behavior of customer. As a international corporation Beats, which utilized these two concepts its marketing strategies including advertising and marketing activities. In this essay, Hofstede cultural model, and reference group can be used to analyze how Beats can spread brand widely and pull its target customers to purchase the headphone.*

KEYWORDS: *Beats; Hofstede cultural model; Reference group*

1. Introduction

Since the society is flooded with various technological breakthrough nowadays, the demand on electronic accessories are uplifting day by day. Two of the most common electronic devices associated to technological gadgets are headphone and speaker. Beats Electronic LLC is a company founded in 2008 that focuses on production of audio headphones and speakers. There are a lot of controversial opinions towards the marketing strategies of Beats. According to Erik (2011), there are people doubting whether a \$300 headphone is worth it and giving out quality that reflects the price. He added on describing that Beats is selling their product not only by pushing the product quality but also focusing on the value it portrays. This essay is going to discuss Beats marketing strategies in two parts which are the cultural influence on the promotional advertisements of Beats pill+ and also the reference group influence carried out by celebrity endorsement.

2. Cultural Influence

2.1 Definition of Culture

According to Kleinman (1996), the recent definition of culture is seen as a demographic illustration of population and it is built up by patterns of habits toward everyday activities. Schiffman and Kanuk (2007) have mentioned, cultures can be classified into three levels which are subculture, national culture and supranational cultures. In this essay, the national cultures between America and China are used to investigate the cultural impacts on the marketing strategy in Beats pill+ product. In this case, the two different TV advertisements launched in China and America are selected to find out the contrast embedded. According to Hofstede et al (1991), individualism stands for people for the level of interdependency that a member of society holds to each other. As shown in table 1 below, China rated 20 while the USA rated 91 in individualism. Therefore, China and USA are in two extremes that the former is highly collectivistic but the latter is highly individualistic.

In the Chinese advertisement, One of the Chinese Advertising (Lemomiy, 2015) shown in a family setting where the extended family is also included in their family gathering and playing together. Moreover, they are making dumpling together which symbolizes “reunion” of family and it is a Chinese tradition to enjoy the process of making dumpling as a family. These setting highly tapped into the collectivistic character which is relevant to the Chinese market. On the contrary, the USA advertisement (Beats by Dre, 2014) is showed in a more individualistic perspective. The man fought for his own goal which is to attract the girl and complain to the electronic store for a better option of speaker just for the sake of implementing his goal. The advertisement fits into the individualistic mind of United States society.

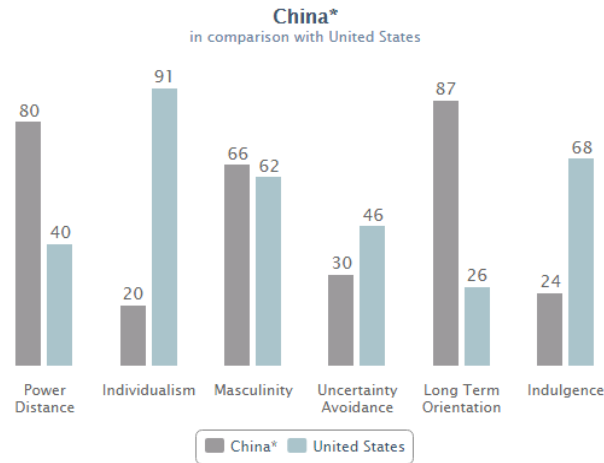


Figure.1 Hofstede'S Dimension Scores for China and United States.

2.2 Recommendation

Even though Beats Company used different approaches accordingly to two different national cultures, there is still room to improve by providing a more appropriate advertisement to consumers. Especially, since culture is a complicated factor that influences purchasing motivation, it is necessary to take extra caution. For instance, the Chinese advertisement mainly focuses on associating beats pill+ to the hedonic pleasure but no clear explanation on the features of the product and how they can use it. Therefore, Beats should portray more utilitarian information in Chinese advertising.

3. Definition of Reference Group

With respects to the reference group, Hyman (1942) coined this term when they investigated which individual or group would respondent compare their social status to. Also, Kelley (1952) has added on classifying reference group into two types which are normative and comparative reference group.

The former influences people's attitude and value through direct interaction such as peers and family while the latter influences people by comparing themselves to those they aspired to be such as celebrities.

3.1 Reference Group

Beats Company has entered the headphones market, there are a lot of controversial opinions about their promotional methodology. The sales of the headphone rely heavily on celebrity endorsement marketing. For example, Beats has launched a marketing activity "SoloSelfie" in 2016, they invited a group of celebrities from different fields to participate in this campaign. (Cole,2014) In the show, all celebrities were wearing Beats' headphones while taking a video by themselves. The reason why Beats decided to use abusive celebrity endorsement can be explained by reference group effect.

3.2 Recommendation

However, there are some opposing voices going against the heavy use of celebrity endorsement in the society. Since they over-exploit the power of celebrity, it leads to a feeling of disgust from the society which they refuse to be 'fooled' by the marketing strategy of Beats Company. Even though Beats is renowned in their marketing strategy, their exploration in bass quality is approved by the market as well. Therefore, instead of only using celebrity endorsement, they can launch promotion emphasizing the exclusive bass quality of the headphone in order to reflect the product quality is worth the high-end pricing.

4. Conclusion

In conclusion, this report has discussed how Beats Company approaches the markets in different cultural backgrounds and utilizing celebrity endorsement. They have successfully adapted appropriate approach into China and USA market accordingly, it is shown by analysing Hofstede dimension Model. In terms of the reference group influence in Beats' promotion, the use of celebrity endorsement has implement normative, comparative and value-expressive influence to the consumer that ultimately motivate consumer to purchase their product. Despite the significant success in Beat's marketing strategy toward culture and consumer reference group, there is still room for improvement to obtain a more comprehensive and long term development such as including minimum feature description of product and emphasizing quality but not just celebrity endorsement.

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