

The role of marketing in promoting cultural goods.

Erasmus University Rotterdam

Erasmus School of History, Culture and Communication

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Submitted by Stepina Marina (452611)

Supervisor: Arjo Klamer

Abstract.

The study presents the results of qualitative research which aims to examine how marketing approaches are important in promoting cultural goods. More particularly, the study gives the explanation of the advantages of application particular marketing tools to increase awareness of cultural goods.

Keywords: cultural goods, marketing, consumption, coffee

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1 Introduction

As a cultural economist, I believe that the role of marketing in promoting cultural goods is critical but often it is neglected in the field of cultural economics. Marketing is a key in boosting the consumption of cultural goods. In general, the role of marketing is a set of tools and processes for establishing communication with consumers to connect business needs with customers' satisfaction. This position of marketing is applicable for regular and cultural goods due to its universal approaches in promoting goods. To understand how the role of marketing has evolved, it is necessary to take into account the development in the field over the years.

History of marketing thought

Marketing has been going on for over a century. But as an instrument of business development, companies had started to apply marketing only in the 1950s (History of Marketing, 2017). Prior to this time most of the marketing related activities were classified under different disciplines like Economics and even advertising which was already recognized as an important tool. In the 1950's as competition became stronger the old ways of selling to consumers were found to be not effective. So, companies started looking at the buyer side of the transaction process to look for ways to increase their business scope and to stand out from other competitors. This is the first time when the demands of the consumers as such were considered important by businesses. Marketing approaches have been changing over a period of time due to the changing needs of businesses. A key driver of this change is the advent of globalization and the increased importance of consumer needs. The rapid advancement of technology has also made it that much easier to gain insights into consumer behavior and to push forward the revolution of putting the consumer first in making any business decision.

Cultural economics and marketing

Cultural economics is a relatively new domain of economics that is focused on understanding the cultural economy, mainly production and consumption. According to Scott (2001), production within the cultural economy can include any type of goods or services that are involved in creation of entertainment, communication or any other related field that create values and experience for consumers. These goods or services have also been called as cultural goods due to their symbolic content. The location of manufacturing, the field or the way of production of cultural goods add values to it and attract the attention of potential customers. Thus, cultural goods and its production stand for the important component of cultural economics.

The second aspect of cultural economics is consumption of produced goods. This process of consuming cultural goods generates experience of consumers. The choice for choosing one or another cultural good is up to consumers' intention and expectation. However, in the model of cultural economics there is no dedicated role for marketing. If we take into account that marketing historically was related to the economics discipline, its role in cultural economics should also be significant. Since consumption of regular goods is different from cultural goods due to its symbolic content and experience that consumers get, marketing should be a significant tool in delivering to consumers the importance of cultural goods. Therefore, by creating a right message to the audience cultural manufactures can impact on the consumption of their goods. Considering the fact that cultural economics is based on production and consumption of cultural goods, it is crucial to notice that marketing plays a role of connector between these two main aspects of cultural economics. Thus cultural economics can benefit from application of marketing.

Role of marketing in promoting cultural goods

The position of marketing in the growing demand for cultural goods has started gaining some momentum within companies. This thesis will explore how marketing can be used in promoting culture goods in a Global Fortune 500 company Royal Philips BV. Philips has a strong presence in the coffee industry and it considers coffee as a cultural good with its Saeco brand. The study will be based on how some goods can position itself as cultural goods and how marketing strategies impact on its consumption. By looking at marketing strategies of one of the biggest companies in Netherlands, the study aims to understand how marketing is applicable for cultural goods and show the impact of marketing in cultural economy. Traditionally big companies like Philips were considered as slow movers. But with changing times and focusing on valorization of product, promotion of culture has become critical. Philips is using different marketing approaches and strategies for local markets to emphasize the meaning of coffee as a cultural good and stand out among its competitors. The study will be based on qualitative analysis and observe how market strategies can focus on symbolic aspects of cultural goods in order to promote it.

1.2 Research question

Due to changing environment and strong competition companies are reviewing their product valorization and its promotion. Marketing can be a powerful tool in attracting consumers'

attention to cultural products. Therefore, by analyzing the meaning of marketing in promoting cultural goods, the study is conducted by the following research questions:

- 1. To what extent marketing is important in promoting cultural goods?**
- 2. What are the key marketing strategies that help in promoting cultural goods?**

At the moment there is no detailed research of marketing application for cultural goods and its impact on their consumption. The study aims to show how cultural awareness has become a driver of promotion in order to attract consumers' attention and how it can influence on consumption of coffee as a cultural good. Thus, the study will help to summarize the importance of implementation of various marketing approaches to stimulate consumption of cultural goods.

1.3 Structure of the thesis.

To support the study and answer on the research question qualitative research was adopted. There were eight in depth interviews with Philips stakeholders who were responsible for Dutch and Chinese markets.

The second chapter of the study presents the reviews of existing literature in field of economics, marketing and sociology. It shows the concept of culture and cultural goods, explains the role of coffee as a cultural good and new trends of marketing approaches in order to understand how to promote cultural goods. It illustrates the similarities and difference of economics and marketing disciplines to understand its relationships. Chapter three contains the description of the case, introduction of the company and characteristics of Dutch and Chinese markets. It illustrates the story of Saeco brand and its acquisition by Philips. Chapter four reviews methodology. It explains the general approach, the methods of data collection, data analysis and limitations of methodology application. The chapter five contains findings from interviews and connects the findings with theoretical framework. The chapter six illustrates conclusion and answers on the main research questions; it provides limitations of the study and recommendation for further research.

2 Theoretical framework

This theoretical framework summarizes reviewing existing literature of different disciplines as, marketing, economics and sociology. The objective of it is to find out the role of culture and the concept of cultural goods and what marketing approaches can be implemented in promoting cultural goods. The framework starts from the explanation of a concept culture, definition of cultural goods and notion of coffee as a cultural good. In addition, the framework describes consumer decision making process and summarized relatively new marketing approaches which are relevant to promote cultural goods.

2.1 Culture and cultural goods

2.1.1 The concept of culture

One of the earliest definitions of culture, that is relevant nowadays, was suggested by Tylor (1871). He claimed that “culture or civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”. Geertz (1957) defines culture as “the framework of beliefs, expressive symbols, and values in terms of which individuals define their feelings and make their judgments”. House et al. (2002) characterize culture as “Shared motives, values, beliefs, identities and interpretations or meaning of significant events that result from common experiences of members of collectives that are transmitted across age generations”.

2.1.1.1 Elements and layers of culture

Culture as a broad definition can include different elements and have various layers (Ferdman, 1990). Since culture is a combination of components that are interrelated organically and work as a coherent set, it becomes as daily life guidance for certain people (Usunier et al., 2005). Quinn and Holland (1987) in their study propose the concept of cultural framework which helped to analyze various stages of cultural formation and interaction cultural elements with each others. Terpstra and Sacathy (2000) developed this model by providing structure for the analysis. Their concept includes eight elements: values and attitudes, education, social organizations, technology and material culture, law and politics, aesthetics, language and religion.

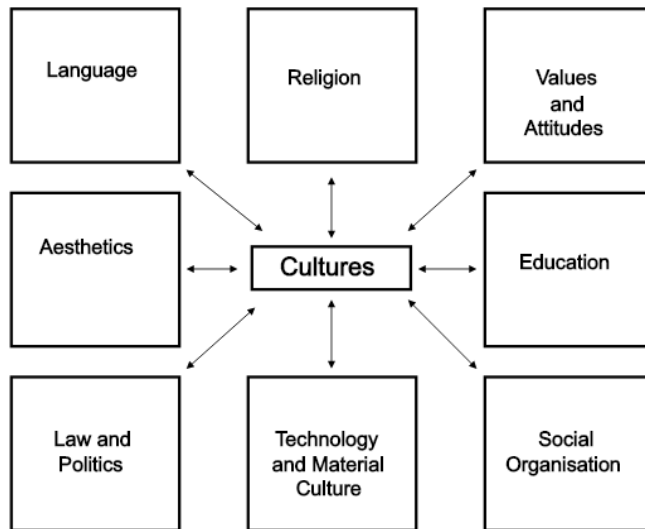


Figure 1. The cultural framework.
 Source: Tersptra and Sarathy (2000).

However, this framework does not distinguish between individual and societal levels of culture (Yeganeh et al, 2009). According to Hofstede (1997), culture is derived from one's social environment and not inherited from one's genes. It should be distinguished from human nature on one hand, and from an individual's personality on the other hand. Additionally, culture cannot be seen as one layer that impacts on human's behavior, it should be divided into several layers itself (Endrass, 2015). Hofstede (1997) describes culture as a model of several layers in the shape of the 'onion diagram'.

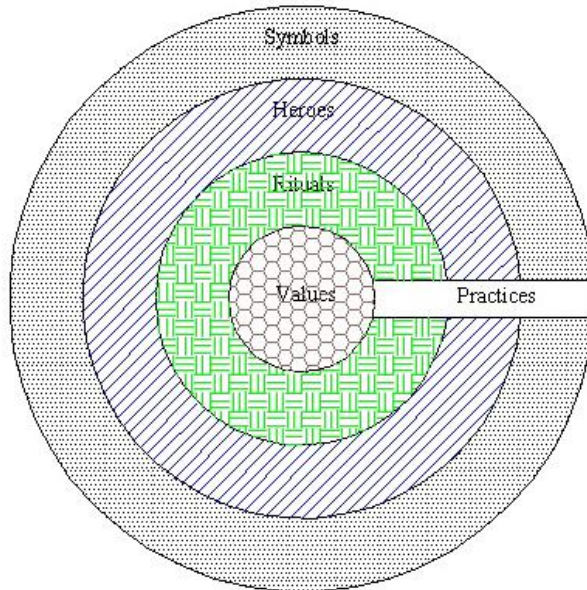


Figure 2. Manifestations of culture at different levels of depth
Source: Hofstede (1997)

There are four layers that shape culture (Hofstede, 1997, p.9):

- *Symbols* are words, gestures, pictures or objects that carry a particular meaning which is only recognized by those who share the culture. New symbols are easily developed and old ones disappear.
- *Heroes* are persons, alive or dead, real or imaginary, who possess characteristics which are highly prized in a culture, and who thus serve as models for behavior.
- *Rituals* are collective activities, technically superfluous in reaching desired ends, but which, within a culture, are considered as socially essential: they are therefore carried out for their own sake. Ways of greeting and paying respect to others, social and religious ceremonies are examples.
- *Values* are broad tendencies to prefer certain states of affairs over others. Values are feelings with an arrow to it: they have a plus and a minus side.

All these components as symbols, heroes, rituals can be subsumed under the term practices.

Moreover, Hofstede (1997) points that this model of several layers corresponds to various level of culture: symbols represent the most external or superficial layers, values the internal or the deepest layer of the framework illustrate manifestation of culture.

2.1.1.2 Factors that influence on culture diversity

There are few factors that can influence on culture variety. The most influential aspect that impacts on the cultural diversity is technology. Technology as the consequence of globalization can impact on cultural diversity and variety of local cultural, societies and economies; it has become unified through a global network connection and trade. The definition of globalization refers to global circulation of ideas, popular culture or languages through socialization. The debate around technology as the effect of globalization whether it is positive or negative process that impacts on culture has been going on worldwide. From one side, according to Smith (2000), the technological advancements reduce international boundaries and as a result dispose diverse cultures. From the other side, technology as the aspect of globalization can enable entity; it can link the world, maintain development, provide information availability and assist in developing local regions (Moahi, 2007). Therefore, when it comes to technology and cultural diversity, there is a dualism in its perception as a consequence of globalization mechanism. The perception of technology as two-side impact process on cultures has been performed in various studies. Gibson (2007) in his work points that technology from one side has power to mobilize and empower people. He claimed that it can provide the opportunities for people for self-reflection and self-representation and therefore, to save a collective identity through socialization. From the other side, according to his study, technology as a result of globalization can tend societies to become a dominated monoculture with an ability to disempower people by distorting and replacing their values, further stimulating the loss of individual and group identity. In other words, technology with its pros and cons, is supporting opening of avenues for the consumers to experience culturally rich products and services (Jameson, 1998).

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2.1.1.3 The concept of cultural goods

The definition of cultural goods includes more than just a description of their cultural values (Klamer, 2004). According to Eagleton (2000), overall a cultural good can be considered as any good if it is different from others due to reason that people consider it. It can be as a symbol of something whether it is national, communal, traditional, religious or cultural appurtenance. He also claims that a cultural good endows with broad meaning and purposes and be valuable over

its own usefulness. Thus cultural goods combine cultural values and represent inspiring and distinctive symbols. Cultural goods, in addition to its notions as symbols, also have economical values (Throsby, 2001).

Cultural goods: consumption and production of culture

Consumption of cultural goods as exceptional goods brings a positive effect for society - it impacts on mindsets of consumers and stimulates them for the further cultural development, it brings variety of choices for consumers and involves culture into peoples' life (Throsby, 2011). Repeated consumption of cultural goods will be transformed over time into cultural capital and enjoyed by all members of society (Castro, 2012). Therefore, as many cultural goods are consumed as more cultural capital is accumulated and as greater the society will benefit from its consumption. According to Anderson (1993), the meaning of values is a combination of positive attitudes towards it collecting by its perception, desire or emotions. Thus, the complex of valuing becomes a process of valorization of something and converts personal attitudes of individuals and cultural values growth into preferences of people (Klamer, 2004).

The concept of consumption and production of cultural goods is contested and complex (Wright, 2005). Keat (1999) argues that cultural goods tend to be transformative rather than simply a demand value and they create a possibility to analyze aspects of people experience and human well-being. Therefore, in its notion as the 'meta-good' it evokes the 'specialness' of cultural production since it stimulates people to reflect on their values and its evocation of the particularity and consumption of cultural goods (Wright, 2005). According to Bourdieu (1996), the value of culture is based on a process of creating cultural goods as symbol of values starting from individuals who are involved in its production. Moreover, people tend to represent themselves and act according to what cultural goods they consume based on their values (Katz-Gerro, 2004). This makes individuals to become a part of a social group that influences on cultural consumption and participation and allows consumers to reinforce social connection with culture (Therborn, 1995). According Sao-Wen Cheng (2006), cultural capital accumulated through consumption of cultural goods is assumed to benefit to all members of society. He also claims that continuous consumption of cultural goods leads to the growth of cultural atmosphere and enlarges the flow of new cultural goods. It entirely creates new experiences and thus increases the stock of cultural goods which stimulates cultural values. This means that by generating experience from consuming cultural goods individuals become its producers and they positively impact on the cultural goods they create (Sao-Wen Cheng, 2006).

Cultural goods as experience goods

Almost all cultural goods are experience goods or at least they have attributes of experience goods (Nelson, 1970). That means that cultural goods can only be evaluated after they have been consumed (Hutter, 2011). Experience is critical in terms of selling cultural goods because by consuming cultural goods people generate their own experience (Nelson, 1970).

To use the full benefit of staging experience can help companies to find the balance from selling service to selling experience and therefore to engage consumers into the process that creates a memorable event (Pine and Gilmore, 1998). According to them, experience already exists in the mind of consumers on the emotional, physical, intellectual and other sensorial levels. Similarly, in their study they claim that experience should be displayed into two different dimensions. The first dimension is customer participation when consumer's engagement can be passive or active towards the performance or event that generates experience. The second dimension of experience involves connection or environmental relationship that engages consumers with the event or performance. This method of engaging consumers was adopted from art world and successfully implemented in promoting cultural goods.

The storytelling technique is used to reinforce the notion of cultural goods. Due to the fact that cultural goods require experience or knowledge to consume it, people invest in developing and refining their tastes for cultural goods (Caves, 2000). Telling stories is one of the most fundamental way in which people communicate with each other. The concept of storytelling remains the same despite of changes we can interact with each other these days (Rendler-Kaplan, 2017). According to Gunelius (2013), there are five steps in creation storytelling method. The first step is to create an honest story that can convince consumers and meet with their expectations. The second step is to infuse personalities into stories. That brings personality at central stage and attracts consumers. The third step is the creation on characters of the target audience. The important aspect of this step is to enable the target audience to become emotionally connected to characters and to engage it into follow character's arc. The next step of creating storytelling technique should include a beginning, middle, and end of a story. That means a story is consistent and has a strong establishment of setting characters that makes audience to enjoy a story and give a willingness to come back and revel in it again. The last step is to provide the audience a hook that makes it eager to learn more. Therefore, the storytelling technique is the best way to hit emotional chord with target audience (Olenski, 2015). For

cultural goods it is a power instrument to explain its significance and cultural heritage that makes it desirable to consumers.

Demand for cultural goods.

Demand for cultural goods depends on cultivation of taste which expands by learning-by-consuming or cultivation-of-taste development of consumers' behavior in order to enjoy cultural goods (McCain, 1979). The demand for cultural goods is different from the mainstream demand for regular goods. According to Ryder and Heal (1973), the learning-by-consuming process for cultural goods corresponds to adjacent complementarity and its cultural basic has an undoubted value for the consumer. Moreover, the demand for cultural is based on a dependent structure of preferences of consumers (Stigler and Backer, 1977). The definition of culture in terms of the demand can be characterized as culture of a valuable addictions of consumers (Becker and Murphy, 1988). Additionally, the difference between the demand for cultural and regulars goods is not only about consumers preferences and their valuables (Brito and Barros, 2005). The empirical studies on the principles of the demand for the cultural goods have underlined its position towards changes in their price and in income (Disdier et al., 2010). Gapinski (1976) and Thosby (1990) in their empirical demand test had shown that cultural goods have low price elasticity and as a result, they exhibit a limited substitution effect to price increases. Heilbrun and Gray (1993) in their research also had found that the income elasticity of demand is absolutely low and thus it shows that the demand for the cultural goods has a high rate of inertia. In addition, the demand for cultural goods does not depend on its variety; cultural products tend to become winning substitutes and transform into habits, therefore they are difficult to abandon and to be replaced (Bianchi, 2008).

2.1.2 Coffee culture

Coffee is a very important drink in numbers of countries. Drinking coffee had become a cultural aspect worldwide. Since coffee was adopted as a drink in different communities, coffee culture integrated into traditions and customs of people (Tucker, 2017). Therefore, coffee culture had become a subculture with its own traditions and rituals (Frost et al, 2010). Coffee culture can be described as a social atmosphere or a set of social behavior according to tradition of a particular country (Jonasson, 1993). Nowadays, coffee culture and its social aspects can be found in modern lifestyle. In the Northern America, Europe, Australia or Japan coffee consumption is higher than it was two decades before (International Coffee Council, 2012). In the Western world and metropolises around the world espresso has become as a preferable coffee drink in the late 20th century (Morris, 2013). Since espresso is a thick and strong drink than other coffee brewed

in different methods, it has become popular due to its taste and traditional Italian quality (Gelder et al, 2007).

2.1.2.1 Italian coffee tradition

History of Italian coffee traditions

Historically, all well-known espresso making machines were made in Italy (Pantel & Pennacchiotti, 2006, July). The first espresso machine was invented and patented by Angelo Moriondo in Turin in 1884 (Stamp, 2012). Later the improved prototype was bought by an entrepreneur Desiderio Pavoni in 1905 who started to produce machines commercially (Stamp, 2012, June). From that time espresso machines has speared around the globe. Therefore, Italian machines and Italian coffee due to its excellent quality and unique technology had become a national symbol (Morris, 2013). It is the fact that Italian coffee drinks are famous and people use their names in own language, it also shows how strong Italian coffee culture is (Luttinger & Dicum, 2011).

Coffee culture had become a common practice for people in Italy. It has become an important ritual for the society to meet up over a cup of coffee (Frost et al, 2010). Due to the popularity of coffee in late 18th century, many cafés sprung up and furthered as the hotspots for intellectuals, artists, writers and other intelligentsia. For instance, in late 1760s, Antico Caffè Greco was recognized as a meet-and-greet spots for famous faces like, Keats, Liszt and Hans Christian Anderson etc (Bensalhia, 2015, October). They were discussing interesting ideas and new waves of cultural development. According to Bensalhia (2015, October), later in 18th and 19th centuries few other cafés had become as a handy base attracting well-known novelists and musicians as Stendhal and Byron. The role of coffee prepared according to the recipe to perfection was inevitable part of discussions. A very tasty, dark and hot Italian coffee with rich taste had become an obliged unaltered symbol of gatherings artists (Cammatt, 1967). Some café's owners as Francesco Morosini had noticed that business people prefer to meet up over a cup of coffee (Cammatt, 1967). Therefore, gathering over a hot, dark beverage had become a common routine whether it comes to business conversations or culture projects. The variety of espresso drinks in menu's of Italian cafes includes all possible variations of coffee from the traditional espresso and cappuccino to originally created recipes as the caffè schiumato and creamy caffè con panna (Morris, 2010). Overall, globally the concept of Italian coffee culture has spread in the world and has a strong association with high quality espresso in Italian sidewalk cafes.

Expansion of Italian-style coffee

Italian-style coffee drinks based on espresso shots have influenced on the coffee culture of many countries. Literally, it has become mainstream also called “the third wave” of coffee around the world and within Europe in particular. The term “the third wave” was coined in 2002, it references the movement within particularity of coffee and is appreciated as fine wine and craft beer (Craft Beverage Jobs, 2016). Italian-style coffee beverages have conquered the German and Nordic market; consumers were ready to pay the acquired price for Italian-style espresso drinks since the coffee was promoted as premium product (Schwarz, 2005). Relatively new bean-to cup technology together with new beverage has changed the culture meaning around coffee. Italian-style has influenced not only on the out-of-home sector, it has created the trend of consumption Italian-style coffee drinks at home (Morris, 2013).

The boost of the demand for espresso has affected the manufacturing Italian coffee machines. Around 70% of professional coffee machines produced in Italy during the period from 2004 to 2008 were exported, fewer than 14% of it were full automatic machines for domestic use (Nathaus, 2016). Technology plays a key role in creating new opportunities for Italian manufactured coffee industry especially at a time when the domestic market has become saturated (Morris, 2008).

2.1.2.2 The modern meaning of coffee

Coffee as a beverage was not always popular globally. Coffee industry was facing low popularity in the 80s, therefore it was a need to create a new concept of coffee. By emphasizing its quality, value and image the attitude towards coffee had started to change in consumer’s perception. To connect coffee with people’s identity the ‘me’ generation was entered (Roseberry, 1996). The critical questions that audience asks itself before starting to consume were important to consider at the first place: "What's in it for me? Does the product represents 'me'? Is it consistent with my lifestyle? Does it fill a need? Do I like how it tastes? What will it cost me? Is it necessary? Can I afford it? Is it convenient to prepare? How will it affect my health?" (Roseberry, 1996).

Therefore, according to Roseberry (1996), by answering on these questions the modern specialty of coffee was born. The perception of coffee has appealed to everybody including flavored coffees for the "soft drink generation” (D’Costa, 2011). Coffee has penetrated into all aspect of life and had become affordable and convenient to consume. The various concepts of coffee as “to go” or preparing coffee at home by using automatic coffee machines had made coffee more personal and more accessible (Wisniewski & Middleton, 2002). People had started to drink

coffee because they have found the important meaning of it: it is a flavor for everyone, a style for every lifestyle. People have methodically been taught to socialize over coffee and look for a boost in productivity from this drink. Due to the demand of productivity people have surrounded by coffee and caffeine (Ryan, Hatfield & Hofstetter M, 2002). In addition, over the years a coffee drinking habit have moved farther away from the social activity that originally it was meant to be and represents these days coffee the freedom of choice (Pendergrast, 2010).

2.1.2.3 Coffee as a cultural good

Coffee has a major impact on history or literature due to coffee industry influence on cultures and traditions where it is manufactured and consumed (Rocha, 2001). According to Luttinger, & Dicum (2011), the references of the role of coffee in culture can be found in literature and regional history. With years coffee had had a transformation from a symbol of luxury beverage to mass consumer drink (Pendergrast, 2010). Having attributes of a good that plays a central role in the creation of national identity, coffee had become a cultural good that stands for “tasting freedom” - the act of self-fashioning through cuisine (Mintz, 1996). With the growing awareness about Italian coffee culture, coffee has become associated with Italy as tea is considered to be British or Chinese, beer is German, and wine is French (El Paso, 1994).

2.2 Marketing strategies for cultural goods

The role of marketing is to attract consumers’ attention and satisfy their needs. In general, there are few definitions of marketing. According to American Marketing Association (2008), “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Having a good marketing strategy helps companies to stand out among others. Drucker (1954) defines marketing as one of the premium component of business management. Therefore, managing the business nowadays it is about creating strategy for the future development especially for promoting of cultural goods.

2.2.1 Consumers decision making process

2.2.1.1 Traditional concept of consumers decision making process

The role of traditional marketing has been always to seek moment or touch points to influence on consumers decisions. For decades touch points were explained through the metaphor of a

“funnel” (Court et al, 2009). This key concept of a funnel consists of five phases consumer decision steps (Figure 1). It starts from the list of potential brands to choose and then directing by the marketing influence to consumer decisions it reduces the set of brands. Finally, in the last phase of the concept it emerges with the chosen brand to purchase.

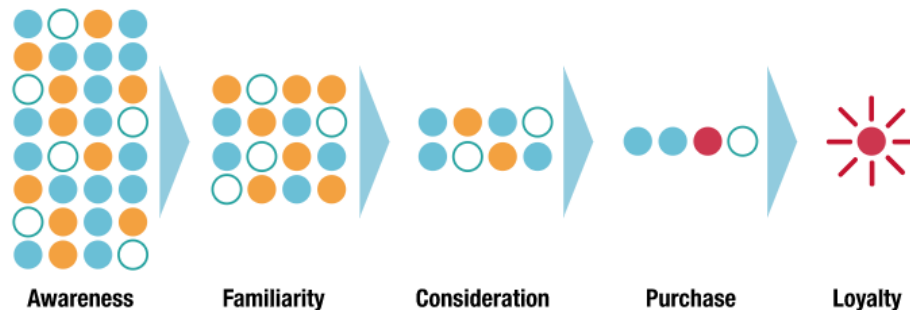


Figure 3. Traditional funnel approach.

Source: Court et al, 2009.

The concept of the funnel metaphor is an instrument of the traditional marketing that has been used for analyzing consumers’ behavior. To increase brand awareness companies would use a disproportional size of the marketing budget to target consumers at the point of a wide gate of the funnel (Bezovski, 2015). After that companies invest again in marketing strategy to engage consumers at various touch points of the funnel in order to influence on their decision-making process (Court et al, 2009). That process of investing and influencing on consumer decision will continue until the final purchase is done. Due to the fact that marketers relied on traditional channels of media (TV, radio) to engage consumers they had monopolistic power to control their campaigns.

2.2.1.2 Modern concept of consumers decision making process

With the developing of technologies the influence of the Internet and social media impacts on marketing approaches. Due to this effect, there is a shift of marketing strategy towards a new digital approach. Even though the traditional approaches of classical marketing communication channels as TV, media, trade faire are still applicable, the usage of the Internet and the Social

Media Networking specifically has revolutionarily changed the way consumers and business interact (Alyea, 2011).

Having an unlimited access to different resources of information, consumers become more aware of variety of products and well-informed about its characteristics. For consumers a name of a brand is no longer a critical factor for making a purchase. Due to the growth of online and mobile platforms that gives an access to information, there is a significant increase of numbers consumers' touch points which has created disruption in marketing (Court et al, 2009). As a result technology expansion, consumers' perception of brand image consists of a broad system of facts, experiences and emotional connections. Therefore, it is critical to create a correlation between the message from the brand and consumers aims and values concentrating on consumer's identification with brand (Alyea, 2011).

Therefore, traditional funnel approach is inapplicable in digital environment. As a result of the spread of technologies, a new approach of the consumer decision journey pattern is more applicable to analyze consumer-decision process (Court et al, 2009). This approach describes numbers of challenges that marketers can face promoting products. It also helps to analyze to what extend and in which area they should invest in their brand development. Overall, consumers make decision to purchase a product based on their previous experience and future expectations. According to Peppers & Rogers (2016), the majority of people do not consider themselves as followers of any particular brands. Consumers' expectations about brand consist of their own first product usage and post experiences shared via social media or directly expressed by brand itself (Staplehurst, 2011). According to Uncles et al (2003), the positive feeling about brand, generated by these experiences, will push consumers to choose one brand over another. Whereas, consumers' attitudes about brands are shaped more frequently after usage of products and from a need to rationalize decisions (Bommel et al, 2014).

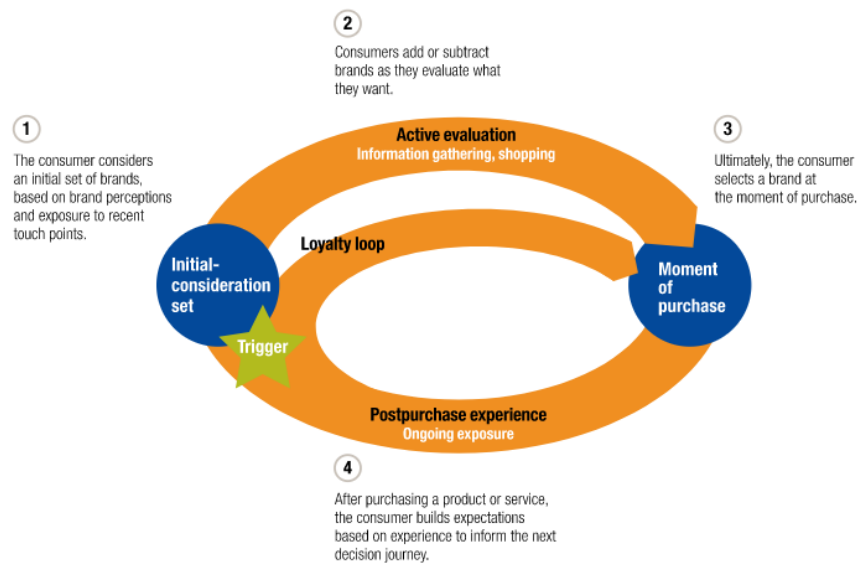


Figure 4. Consumer decision loop.

Source: Court et al, 2009.

The consumer decision journey is a cyclical process with four phases of consumer thinking progress representing potential competitor environment where marketers can increase or lose market share (Court et al, 2009). These four phases include initial consideration; active evaluation, or the process of researching potential purchases; closure, when consumers buy brands; and post-purchase, when consumers experience them (Figure 4).

Comparing to the traditional funnel approach, the consumer decision journey shows that steps are taking consumers to make purchasing decision might be collapsed together or even jumped and mixed over (Bommel et al, 2014).

Initial consideration is the phase when consumers are not already loyal to one particular brand. In this stage it is highly important for marketers to increase brand awareness while consumers are creating their consideration set (Richardson, 2010). The following phase is active evaluation of the consumer needs (Court et al, 2009). In this phase consumers are strongly influenced by existing variety of distributed information about brand which they can be easily found in blogs, reviews and social media (Bommel et al, 2014). At this point, marketers should be in touch with consumers to capture purchasing intention. It can be done through online activities from marketers side by providing additional information about products which can attract consumer's

attention (Staplehurst, 2011). Being involved with consumers in micro-conversations allows marketers to set proper values, keyword or click (Bommel et al, 2014).

Peppers & Rogers (2016) point that at the stage moment of purchasing it is important for marketers to arrange a streamlined conversion path which leads to finalize purchase at ease. According to them, messages created by promotion campaigns of products such as placement, tone and other attributes should align with consumers' intent and provide a high-standard consumer experience at the end. These positive or negative feedback impacts on other consumers purchasing decisions in the evaluation stage and also provides important data for marketers to apply in guiding future marketing strategies (Uncles et al, 2003).

2.2.2 Marketing tools for cultural goods

2.2.2.1 Place-based marketing.

Place-based marketing is a market strategy that promotes product by stressing on its specific geographic location (Kompaniets and & Rauhut, D, 2016). Since cultural goods have a notion as a particular symbol, the location represents the special feature of cultural goods. Therefore, the target of this strategy is to involve unutilized economic potential of a locality and combine it with the basic strategy for sustainable development of business (Tomaney, 2010). By comparing this growing marketing trend with the traditional valuation technique, it can be seen that the potential of geographic location helps to expand clear brand proposition of symbolic goods (Kotler and Gertner, 2002). A country can be associated with a specific cultural product or a brand or in other words, it can be named as country equity when consumers value goods due to its belongings to certain geographic origins (Ships et al, 1993). Therefore, a name of a country amount to a cultural product and helps consumers to evaluate it and eventually to purchase (Kotler and Gertner, 2002).

Place-based marketing is applicable in agricultural industries, specifically it occurs in the special form of country-of-origin marketing application such are food and wine production (Frochot, 2003). The specification of wine and food industry as a cultural symbol, also according to Frochot (2003), is difficult to study due to variety of domestic micro-private actors. Whereas, many consumers tend to stereotype the evaluation of product quality based on its country-of-origin (Han and Terpstra, 1988). Therefore, image of a country or information that related to a

region are frequently used by consumers as short-cuts for decision making process about a purchase (Kotler and Gertner, 2002).

2.2.2.2 Cross-cultural marketing.

Cross-cultural marketing is a practice of marketing when the targeting consumers have different culture from marketer's own culture (Guang, 2012). According to De-Mooij (2015), cross-cultural marketing operates with varieties in perception, intention and beliefs of consumers with diverse cultural backgrounds in order to expend exposure of product by exhibiting interest and acknowledgment of different cultures.

Cross-cultural marketing strategy.

The role of cross-cultural marketing strategy is to adapt business value propositions to particular groups focusing on a multicultural target (Demangeot et al., 2015). Since cultural goods represent symbols and values, these marketing approach is critical in promoting it. According to Kotler (2013), for establishing strategy for cross-cultural marketing, such instruments of traditional marketing as the marketing mix and the 4Ps (product, price, promotion and place) plays a significant role. He defines the marketing mix as “the set of marketing tools that the firm uses to pursue its marketing objectives in the target market” that helps in establishing channels of communications. For successful cross-cultural marketing strategy marketers should take into consideration their brand message addressed to people of different cultures and identity. Therefore, communication via promotional channels as TV, radio, social media and the Internet play the role of touch points for the target market (Burrell, 2015). As a result, by applying of cross-cultural marketing strategy producers attract consumers by respecting their culture and lifestyle. Kotler (2014) also emphasizes that the decision of consumers about purchasing a product is influenced by their culture, personality, psychology and society. That is why a promo message from a brand needs to be adopted to local markets and to be fit to different cultural environment (Kotler et al., 2013).

There are five key steps for successful cross-cultural marketing strategy (Guion, 2010, p.2) in promoting cultural goods:

1. To value the cultural identity of a target group or market
2. Value cooperation and bridge-building with community leaders and other organizations working within the community
3. Value the cultural beliefs, symbols, and practices of target audience.

4. Value differences in languages, accents, practices, and social conduct
5. Value word-of-mouth and interpersonal communication to spread brand message

Overall, cross-cultural marketing stresses on creating messages to consumers and usage marketing channels for each target group. In multicultural environment with diverse society there is a need to use a cross-cultural approach for cultural goods in marketing strategies (Rugimbana & Nwankwo, 2003).

2.2.2.3 Experiential marketing

Experiential marketing is a growing trend which combines marketing a product or service itself by promoting it through emotional attachment to the product or service (Nierenberg, 2007). The aim of this market strategy is to directly involve consumers into a brand experience (Pine and Gilmore, 2011).

Experiential marketing can be found in variety of industries. Producers have chosen experiential marketing over traditional "features-and-benefits" marketing model in order to stimulate business development. In contrast with basic principal of traditional marketing, experiential marketing engages consumer experience. As a different marketing approach, consumer experience takes place when a company attracts consumers by creating a memorable event (Pine and Gilmore, 2003). The aim of this strategy for experimental marketers is to evoke a strong emotional response by implementing sensory technique (Shukla, 2007). Experiential marketing can be used when the markers want to attract consumers' attention by bringing enthusiasm into everyday day life shopping experience. According to Gautier (2003), experiential approach tends to identify consumer's behaviors, attitudes or value sets that are common among an audience whose demographic characteristics include the traditional basis of segmentation are quite diverse. Finding insights of people by targeting their passions and connections that are created naturally and uniquely between them and the equity in the brands (Srivastava, 2008).

Schmitt (1999) describes four key characteristics of experimental marketing (Figure 3).

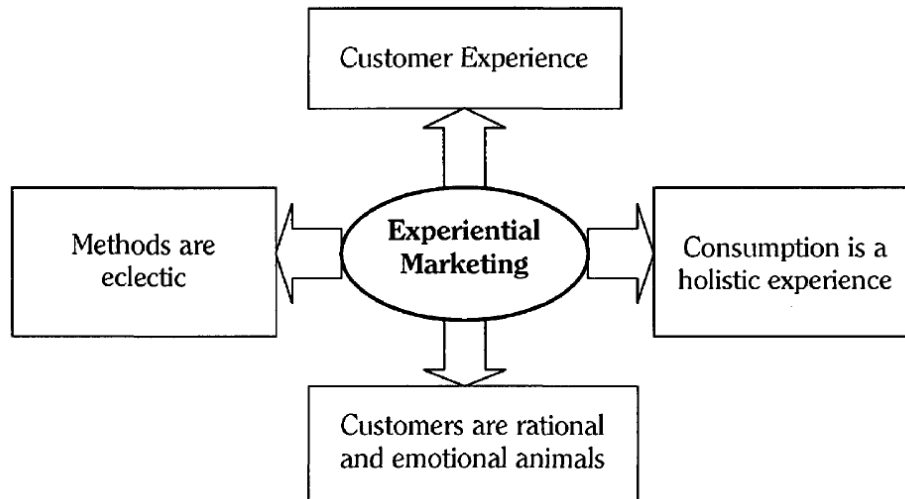


Figure 3.

Source: Schmitt (1999).

Schmitt (1999) defines four elements of experiential marketing:

1. A focus on customer's experience.

Experiential marketing specifically focuses on customer experiences. The focus is on providing the customer with sensory, emotional, cognitive, behavioural, and relational experiences instead of focusing on product related features.

2. A focus on consumption as a holistic experience.

In experiential marketing marketers look at a particular event or a story to engage consumer's attention. A storytelling technique gives consumers an impression what kind of experience consumers will have from using a particular good.

3. Customers are rational and emotional animals.

Consumers for experiential marketers at the same level emotional oriented as well as rationally driven. According to Holbrook and Hirschman (1982), emotions drive consumers to purchase a product since they want to fulfill their fantasy, fillings or fun. Additionally, consumers can also be considered as animals who have physical and mental features for generating sensations and also thoughts and feelings to solve their problems they are facing with.

4. Methods and Tools are Eclectic.

Methods and tools of experiential marketing can be verbal and visual. Verbal methods represent traditional marketing approaches for collecting information like focus group, in-depth interview or questionnaire. Visuals can be used in specifically created environment as an artificial lab or in day-today life as commercial on TV or Internet. They are frequently ideographic such as situation at hand than nomothetic as equal standard for all respondents. In a word, everything depends on the object.

Virtual experiential marketing

These days marketing strategies turn into personalization of consumers with the help of technology (Kearney, 2002) in particular for cultural goods. Chen (2007) argues that with increasing influence of the Internet competition between companies for consumers attention has led to virtual experiential marketing. For virtual experiential marketing the usage of the Internet and its various channels is the way to create an enriched and alluring experience by applying visual and audio cues (Daugherty and Biocca, 2001). In comparison to traditional physical experience which engages senses, virtual experiential marketing appeals directly to the real experience (Li, 2001). Effective involvement consumers into companies' brands lead to purchasing growth. Therefore, by emotionally engaging of consumers into online brand experience it is possible to create purchase intention (Luo et al, 2011).

A framework 7Cs created by Kearney (1999) shows how virtual consumer experience can embody all the consumer interactions with business development and make cultural goods more attractive for consumers. This framework offers a set of tools to bring tangible consumer experience in virtual field:

1. Deliver compelling content. The key is to understand what content is relevant for a targeting group.
2. Embed convenience. Online navigation must be easy and quick to load.
3. Establish communication. Communication must adapt to particular user's interests and interactions.
4. Integrate customer care. Companies can excel at consumer care anticipation of customers' needs and provide timely assistance in every step.
5. Make connectivity easy. To create an easy access to information for target groups.
6. Build a community. To establish a platform where consumers can interact with each other to share their experience.

7. Customize the experience. To obtain consumers' feedback in order to improve and promote companies products and services.

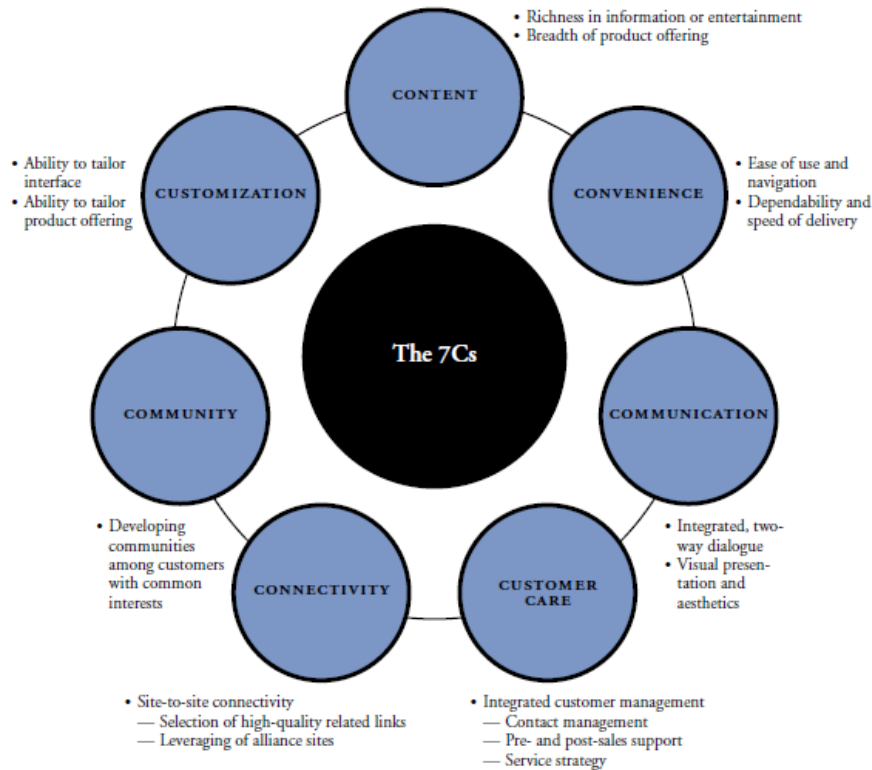


Figure 4. The 7Cs framework

Source: Kearney (1999)

By implementing all tools of the framework and creating differentiated digital consumer experience, companies can meet with the demand intrinsic to each 7Cs category (Macdonald, 2011).

2.2.3 Relationship between economics and marketing

Economics as a science describes and analyzes the consumption and production of goods (Stigler, 1984). Cultural economics as a branch of economics focuses on relationship of culture towards economics outcomes (Manz et al, 2006). One of the main distinguishes between cultural economics and traditional economics is the consumer decision thinking process (Casson, 2006).

Cultural economists claim that consumers make their decisions for buying goods is based on their values and experience that are built through years (Weber& Dawes, 2005). Therefore, traditional economical principles and theories are applicable in cultural economics with consideration of values and experience that consumers receive from consuming cultural products (Throsby, 1995).

Marketing can be described as a sub discipline of economics (Drucker, 1958). Nevertheless economics is considered as the base of marketing and it explains processes from position of rationality and sobriety, marketers and economists have different visions on economics theories and its implementation (Hunt, 1976). Thus, there are points when marketing and economics have agreements and disagreements regarding to basic economical principles (Carter et al, 1998).

Aspects of agreements between marketing and economics.

1. Tradeoffs in consumption of goods. From the view of economics rational choice is an important aspect of consumption and consumers' behavior (Train, 1978). This means that people need to make tradeoffs and chose goods that are affordable for their budgets. From the view of marketing, consumption is not only a process of giving preferences for one brand over another for a similar good. It is also a privilege of other choices for different goods that a consumer might make. The practical application of this principle in marketing concentrates on how to convince consumers for making a purchasing decision based on values of goods and necessity to spend money on it (Carter et al, 1998).
2. Opportunity cost. In terms of economics it is a key concept of the basic relationship between scarcity and choice (Palmer & Raftery, 1999). The choice of a best alternative includes the loss of potential gain that can be received from the second best choice (Buchanan, 2008). From marketing point this principle supports the price skimming view opportunity cost when marketers can set up a strategy to charge a relatively high price for a good in the beginning of its lunch and set up a lower price over time (Dean, 1976). Opportunity cost principle is applicable for different local market – the same product can be sold more expensive to affluent regions and for lower price to less affluent region.
3. People respond to incentives. For economists consumption behavior is based on the understanding of human nature of people's attitude towards money (Repetto, 1987). By

offering any incentives producers stimulate consumers purchasing. In marketing this principle is implemented in coupon and discount strategy when consumers consider an incentive more valuable than their time spending to gain it (Carter et al, 1998).

4. Trade can make everybody better off. From economics view trade allows regions to concentrate on what they can do best (Krugman, 1981). As a result of region specialization there is a variety of goods and services that countries can produce and be famous due to its high quality. From the marketing view this principle helps people to make trade-offs with labor. In terms of marketing strategies trade stimulates market development to create a market of professionals who can focus on designing strategies for other companies (Carter et al, 1998).

However, despite of agreements of marketers in perception of economics principles, there are points of disagreements between economics and marketing:

1. Economists claim that consumption is based on rational consumers' decisions (Thaler, 1980). In contrast for marketers consumers' behavior is often irrational when it comes to purchasing decision process. This trend is visible in consumption of luxury and leisure goods (Holbrook & Hirschman, 1982). Therefore, for marketers take into consideration consumers' behavior is a combination of emotional incentives when people are ready to spend more on goods that can make them more happy (Kotler, 2012).
2. Economics consider that markets are efficient and in a long-term prospective based on the competence of people (Fama, 1998). Marketers, however, consider that in the long run products can be not successful and producers can disappear from market. Therefore, marketers focus on consumers' feedback to improve products or phase it out if it is not popular among customers (Hu et al, 2008).

Thus, the position of marketing as a tool that makes a positive contribution by stimulating demand, relaying information and impacts on living standards (Kaynak & Hudanah, 1987) can also positively influence on economics. It can make economic principles more flexible for market needs. It can help to consider markets as a changeable environment when long-terms forecast can be harmful for producers in shifting conditions (Dekimpe, & Hanssens, 1999). In addition, economists should take into consideration that consumers' choice can be unexplainably irrational and it can strongly affect consumption overall (Vigneron, & Johnson, 1999).

2.3 Conclusion

The theoretical framework for the research provides definition of cultural and cultural goods. It also provides an explanation why coffee is a cultural good based on its traditions and historical heritage. Additionally, the theoretical framework describes marketing approaches that can help in promotion cultural goods. This is the basis for the study to investigate the role of marketing in promotion cultural goods. The correlation of application marketing tools with consumption of cultural products will be highlighted is impotent guidance for investigating to what extend marketing impacts on increasing awareness of cultural products for the particular company and category.

3 The case

Philips was chosen as a case study to understand in details of the role of marketing in promoting cultural goods. The company applies marketing strategies to promote Saeco espresso machines and espresso drinks by positioning it as cultural goods. Moreover, there were two markets have been selected to understand how the application of marketing in promoting cultural goods in different markets is implemented by the company. The Netherlands is considered as a conservative market that is why the application of marketing approach can face with difficulties due to biases of consumers. China is well-know about its fast growing economy and market. Therefore the comparison of application marketing strategy in the dissimilar markets makes the study case strong.

3.1 Dutch and Chinese cultures

To investigate the role of culture in marketing, firstly it is necessary to focus on particular markets to understand their specifics. After having descriptions of markets and its society it is possible to apply different marketing approaches focusing on selected markets. Dutch and Chine market were chosen due to its dissimilar society, market condition and consumers behavior.

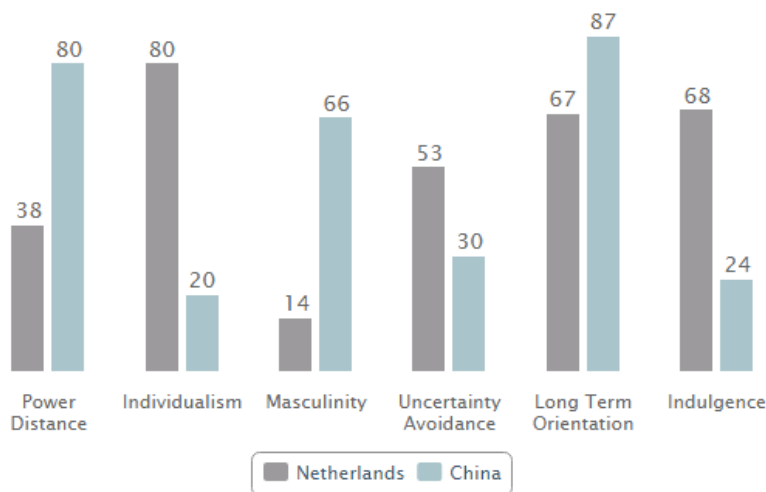


Figure 7. The 6-D Model

Source: Hofstede (2017)

Hofstede (2017) in his model compares countries by taking into consideration 6 dimensions of values and projecting it on a 100-point scale of measurement: power distance, individualism, masculinity, uncertainty avoidance, long term orientation and indulgence.

Hofstede (2017) points that the low score of power distance dimension characterizes high independence of Dutch mentality and hierarchy occurs when it is convenient for all members. In addition to being independent Dutch society is a highly individualist. This means that people focus on themselves and their family only. Low score in masculinity dimension indicates that the Netherlands tends to feminine society. This means that that Dutch people prefer to keep the balance between life and work. Moreover, Dutch society has a tendency to avoid uncertainty and it has a pragmatic nature. A high score in long term orientation dimension shows that people can easily adapt their traditions to changing conditions and they have an intention to invest in order to achieve significant results. Finally, Dutch mentality tends to have high score in indulgence that is described as a willingness of people to realize their desires and fulfill their life with joy and fun.

According to the model by Hofstede (2017), Chinese society has a high score in power distance dimension which means that inequality in society is acceptable. China is a strongly collectivist, people have a low level of individualism, they prefer to express an interest of a group and not of themselves. In addition according to a quite high score of masculinity, the society is success oriented. This means that for Chinese people it is hard to find a balance between home and work. Additionally, Chinese society is very pragmatic and people do not have difficulties in adapting their habits to different conditions and perseverance in achieving results.

3.2 Dutch and Chinese coffee cultures.

Dutch coffee culture

Drinking coffee is a daily practice for Dutch people. A cup of coffee is a symbol of the beginning of a new day in the Netherlands. The consumption of coffee in the Netherlands is one of the highest in the world - it is around 3.2 cups of coffee per day per person (CBS, 2006) which puts the country in terms of coffee consumption on the second place after Finland. Coffee plays a role of more than just a drink in Dutch society. Coffee has a social significance for people at work and at home. Coffee break and meeting over a cup of coffee is an integral part of the Dutch working day (Dutch community, 2012). In contrast with other countries, Dutch people prefer to drink coffee at home. According to statistics (CBI, 2017) only 30% of Dutches purchase their

coffee in coffee stores and the rest 70% of coffee is consumed at home. Thus, there is an increasing trend of growing popularity of coffee machines for home and office in the Netherlands with the function of single-serve or two cups coffee that can satisfy Dutch consumers (CBI, 2017).

Chinese coffee culture

Coffee consumption is a new habit for Chinese people. It is a rapidly growing trend and has nearly tripled in the past four years comparing to other markets (Meyers, 2016). It is also potentially one of the biggest markets due to its expansion and the population of China. That means that a small market which is around 2% of the global coffee consumption will be transformed into one of the largest coffee drinking region and can reshape the coffee industry in the future (Meyers, 2016).

Historically, China is famous as a nation of tea drinkers, however in recent years the coffee concept has penetrated into Chinese market and has been becoming a popular trend among young generation especially in big cities (Duggan, 2015). The habit of drinking coffee has developed by growing numbers of Chinese tourists traveling abroad and bringing this tradition to their home country (Duggan, 2015). More Chinese tourists in their travels taste espressos in Japan, Europe and America and want to have new coffee experience in daily life. Also, another factor of the increasing popularity of coffee is urbanization and expansion of different style of living. The western model of living has become popular for Chinese society when meeting with friends over a cup of coffee is enjoyable moments of life. The boom of the increasing awareness about coffee in China is visible in social media (Hanson, 2015). Via different platforms consumers are sharing their coffee experience. Same channels are used by brands to promote coffee and to attract potential customers for coffee experience.

Despite of the boom of coffee consumption in China it is still a quite expensive product and a price for a single cup can be equal to few lunches or a month home broadband package of the Internet (Ge, 2016). Therefore, while coffee is an everyday drink for western workers, in China it is considered as a premium product and a symbol of luxury that is not affordable for most average workers (Duggan, 2015). In addition, coffee remains a relatively new beverage due to its unusually bitter taste for the tea drinking nation. To adopt coffee taste to Chinese market brands create special offers of drinks by making coffee less bitter, more milky and sweet (Mateer, 2015).

Overall, the average consumption of coffee in China is only 5 to 6 cups per year per person (ICC, 2015). In comparison with Japan – another famous nation of tea drinking – Chinese coffee consumption is low due to the absence of coffee culture and coffee concept in cultural heritage. Due to the absence experience of coffee consumption, there is no understanding of what good coffee is (Duggan, 2015). Additionally, it requires time to get used to the coffee taste. In contrast, in Japanese culture coffee had appeared in the 17th century through a Dutch merchant trading (Pendergrast, 2010). From that time the history of coffee traditions in Japan had started and by the 21st of century Japan has become one of 20th of coffee consumption countries in the world (Hyde-Keller, 2010). The evidence of how important coffee for Japanese culture is the establishment of the Japanese National Coffee Day on the 1st of October. Japanese coffee traditions are the combinations of North American coffee culture with traditional Japanese tea serving culture (Pendergrast, 2010). The Japanese coffee culture is based on handmade and artisanal technique which is more cultural experience when coffee is served with a hand pour rather than brewed by machine (Hyde-Keller, 2010). This unique concept of Japanese coffee culture has become recently popular in Europe and North America. This shows that a new trend of coffee experience can come from the country that is famous for non-coffee traditions and due to its strong coffee cultural concept it can impact on already shaped coffee traditions in other regions (Beser, 2015).

3.3 Philips company and Saeco brand

Philips

Philips is a diverse Dutch technological company. It was found in 1891 and had started from manufacturing light bulbs (Philips, 2017). Over the years, the company had expended its business and launched different products in various fields as domestic appliances, hi-fi systems, healthcare and many others (Philips, 2017). With its long presence in the market, Philips, focuses on capturing significant market opportunities to expand the business.

Saeco

Saeco company was famous as the producer of super-automatic espresso machines for domestic use. The Saeco brand was found in 1981 in Italy (Saeco, 2017). It was the first company that invented the full automatic “bean-to-cup” coffee making technology in 1985 (Saeco, 2017). This innovated process has allowed to automate the espresso brewing system and maintain the quality of Italian coffee in the cup. Despite of the growth of the company by 2003, Saeco management had not reflected on strategy of the company and marketing trends (Saeco, 2017). However,

being an innovator in automatic espresso coffee machine manufacturing and having a reliable reputation by 2009 Saeco had become unprofitable with outstanding debt.

Acquisition of Saeco brand.

In 2009 in order to seek new business opportunities Philips had acquired Saeco Group – a pioneer in manufacturing automatic espresso coffee machines (Saeco, 2017). The acquisition had allowed Philips to strengthen its position in the espresso market with a technologically advanced range of products. Philips already had a portfolio of drip-filter coffee makers, however by acquiring Saeco brand the company had decided to strengthen its positions in coffee machine business. Since the market of domestic espresso machines is the most valuable segment within the coffee makers, it had allowed Philips to increase its sales growth and profit margin (Saeco, 2017). The acquisition of Saeco brand had given Philips an opportunity to join dynamic market of full automatic coffee machines. Andrea Ragnetti, Chief Executive Officer of Philips Consumer Lifestyle, had pointed the importance of the acquisition of Saeco brand due to its reputation as a traditional producer of espresso machines. He had declared "It makes total sense for Philips to establish a strong foothold in espresso machines. Our reputed and reliable brand in coffee appliances gives us an excellent position to win in this space. With Saeco, we acquire a company with massive experience and credibility in the espresso machine market and a strong management team which has agreed to stay on following this acquisition" (Philips, 2010).

Keeping Italian traditions

All Saeco espresso machines have Italian names. A name of a machines refers to its capacity and stand for its functional setting. For example, a machine that has a name "Minuto" that means a "minute" in Italian language makes coffee fast but has less additional options due to its simplicity. A name of a machine as Picobaristo consists of two Italian words as "piccolo" which means small and "baristo" translates as a specifically male bartender. Therefore by giving Italian names Philips shows how are important Italian traditions for coffee making process.

Turnaround of Philips marketing strategy.

By 2014 Philips was facing with difficulties in creating a successful marketing strategy to promote Saeco espresso machines. For the future development Philips has set up a new strategy called "Accelerate! Journey continues" focusing on change and performance improvement to deliver meaningful innovation to customers in local markets (Philips, 2017). However, for the Espresso category this strategy was not quite successful since the message had not included the

cultural aspect of espresso drinks and its traditions. By the 2015 Philips has revised the strategy by taking into account strong performance and cultural approach. The improved strategy has targeted quality and productivity focusing on the culture of higher performance and customer-centric strategy. That approach has transformed the way how the company market the espresso machine using Italian traditions together with digital platforms. By rebuilding marketing tools by stressing on cultural aspects and processes of promotion coffee machines, Philips has attracted more consumers. The Philips company has used its reputation as a powerful global brand together with Italian background of Saeco brand to increase the sales of espresso coffee machines.

4 Methodology

This chapter describes the connection between the theory and practice. It explains the purpose of application of the qualitative research and characterizes the approaches that have been adopted for conducting the research. The first section illustrates the research fashion and the strategy. The second section contains the models and approaches that were used for this the study. The third section explains the method of the data collection and data analysis. Finally, the limitations of the research methodology are discussed.

4.1 General approach

To successfully promote Saeco espresso machines Philips uses marketing strategy that consists of different tools.

Key marketing tools for marketing strategy.

1. Advertising campaign. Philips promotes espresso machines by emphasizing the Italian origin of Saeco brand in commercial videos. This enables to portray coffee as a strong cultural good by showcasing its Italian cultural heritage. Since Italian coffee culture is famous for its traditions, Philips emphasizes the quality of espresso drinks.
2. Philips also uses brand association for promoting espresso machines. Philips markets Saeco espresso machines by stressing on its design. Italy is recognized as a pioneer and trendsetter of new wave of design in interior, architectural or fashion design. Based on this fact, Philips underlines the brand image of Saeco as a producer of avant-garde appliances.
3. Coffee events. Participation in coffee festivals is one the channels of Philips marking strategy. This plays an important role in promoting espresso culture into general public.

The strategy behind the campaign

Advertising campaign

Philips runs a successful video marketing campaigns to promote Saeco brand in espresso market. To recreate the atmosphere of Italy, Philips uses in commercials Italian actors, language and interiors. To recreate the atmosphere of Italian-style coffee ritual, Philips uses the approach of storytelling technique. This method gives a clear understanding of the characters in videos, their lifestyle and coffee drinking habits. It shows how coffee plays a significant role in connecting friends and families.

Brand association.

Philips uses brand association strategy to market Saeco brand associated it with high fashion luxury quality product. The company launched the successful campaign in China by stressing on the authentic and luxurious feeling of drinking real Italian coffee. The campaign was targeting well-known competitors and trying to make consumers switch to Saeco brand. To increase the market share and brand awareness in China Philips used its dual brand strategy. Philips took the necessary consideration and planning to properly execute the dual brand strategy through channelization, communication and pricing. To associate Saeco brand with a high end experience and luxury feeling, in the marketing communication campaign, the company used quotes from Coco Chanel, such as “Fashion fades, only style remains the same”, “Fashion is made to become unfashionable” and “Luxury must be comfortable, otherwise it is not luxury.” By using Coco Chanel, the timeless and authentic fashion icon, Philips implicitly made the link with the proper way of drinking coffee and longtime Italian craftsmanship. The scheme’s benefit was so unheard of and such an instant success that it created great market buzz, leading to the complete sell-out of 200 coffee machines within the first 2 days of the launch. Later this year Philips organized another burst of above the line digital media exposure in the weekend of April. The campaign was also very successful, the company managed to sell yet more machines in 2 days, which again proved the power of Philips turnaround brand and the sustainability of a creative go-to-market strategy, which has continued to excite the market.

Coffee events

To reach different audience and promote Saeco brand Philips participates in numbers of coffee festival and organizes own coffee events. This marketing strategy focuses on sharing the message that coffee is more than just a refreshing drink. Coffee represents a center of dynamic lifestyle with a unique atmosphere created by people who are passionate about coffee. Coffee plays its part in connecting people and shaping further sub-culture of coffee connoisseurs.

Coffee festivals attract people due to its lively atmosphere and positive energy. These are the platforms proposing various activities where visitors can attend different entertaining and educational programs. Organizers of coffee festivals structure its agendas with various events in order to maximize numbers of visitors. Therefore, coffee festivals include not only coffee related activities. They provide different events where coffee, tea, chocolate and new culinary trends are

parts of innovative subculture. Taking into account the importance of coffee events, Philips is a regular sponsor of many coffee festivals.

4.2 Data collection

All interviews were conducted during the PIM the internal annual Philips event that gathers representatives of all local markets in order to share experience and discuss new prepositions. These events have a special ambience since Philips recreates the atmosphere of Italy. In 2017 the theme of the event was Italian vineyard. All elements that have symbols of Italian vineyard were used for the decoration of conference rooms which helps to Philips stakeholders to feel the spirit of Italy and to remember how tradition can be a strong symbol of a country.

The interviews were having place with 8 Philips stakeholders are responsible for local marketing strategy in Dutch and Chinese markets. There were three consumer managers and one market leader for each dimension that know local markets and can explain details of marketing campaigns. The interviews took between 45 to 120 minutes depends on the availabilities of respondents, overall the duration of all interviews was 10 hours and 23 minutes. All interviews were led in English and respondents were interviewed individually. The advantage of a face-to-face interview is that it is possible to ask additional questions besides of selected questions. To make the study effectively it is necessary to identify what data will support the research. A qualitative approach was chosen over others due to its concept. It allows going into details in order to analyze the context (Bryman, 2012). The context is important because it takes into account all critical details that interviewees were referring whether it is social aspects or characteristics of the markets. Semi-structured questions for the interviews helped to receive the main data since this approach allows focusing on the relevant information (Bryman, 2012). The list of the topics for interviews was creating using theoretical framework. The interviews were consisted from a small introduction of respondents and the discussion of selected questions. The questions were chosen to understand how Philips stakeholders see the importance of cultural application in marketing and what marketing strategy Philips is currently using to promote Saeco brand (see Appendix). One of the main advantage of the interviews was that respondents were able to express their personal views about the strategy, consumers behavior and market features.

4.3 Data analysis

To analysis interviews the recordings were transcribed to avoid the data lost. The transcription increases the validation of the research and help to analyze data (Bryman, 2012). The next step is to interpreter interviews by coding the transcription. Bryman (2012) points that there is no a

specific framework about how the coding should be processed, however it should start from generating codes and to move towards more abstract conception.

Coding the interviews allowed to capture key words which were attached as labels to sections that had links to theoretical framework. The process was divided into few steps: firstly, the transcriptions were carefully analyzed in order to find basis keywords. Secondly, the analysis of the transcription was done along with reviewing theoretical framework. This process of data analysis required a comparison between the transcription and the codes in order to establish categories.

No application of transcription software was used.

4.4 Limitations

There are few limitations of application of qualitative research. The main disadvantage of this method is that a replication of the study is difficult. Due to the fact that the content of the research and data sampling will change over the time, the generalization of the research is not applicable (Bryman, 2012). Additionally, taking into account that the research method is based on the limited size of sampling, it raises the problem to generalize findings in extended area (Thompson, 2011). Another limitation associated with qualitative analysis approach is that it is time-consuming. It requires a preparation to conduct interviews in order to structure leading questions and avoid missing data collection (Bryman, 2012). Moreover, personal characteristics of the researcher can affect the findings of the study and prejudiced data analysis can lead to different conclusions (Maxwell, 2012). Despite of the criticism of qualitative approach for its subjective method (Bryman, 2012), it helps to deep dive into research question. The depth analysis approach helps to focus on the context and take into account details of campaigns of the company.

5 Findings and discussion

This chapter contains the finding from interviews of Philips stakeholders Saeco team of coffee department. The aim of the research is to understand how marketing can be a successful tool in promoting cultural goods (Nakata and Sivakuma, 2001). This chapter illustrates an overview of Philips stakeholders and their descriptions of marketing campaigns divided into different themes and its connection to the literature review.

5.1 The place-of-origin

All stakeholders emphasized the Italian root of Saeco brand and gave examples how country-of-origin can be used as a marketing tool. This element of place-based marketing when the origin of a product has become a synonymous with a country (Frochot, 2003) has a significantly positive effect on brand's equity (Yasin et al., 2007). The importance of manufacturing espresso machines of Saeco brand are mentioned by each Philips stakeholder:

To stress on the Italian origin of Saeco brand helps to attract consumers' attention. There are very few people who claim that they do not like rich taste of Italian coffee with milk. Even someone does not like coffee at all, almost no one refuses to have a nice hot cup of foamy cappuccino – Consumer marketing manager 1, Benelux market

It is also critical for interviewees that the place-of-origin represents traditions together with the high quality of coffee:

What I see so far from the consumers' feedback, people value the origin of Saeco brand. It is not only because of spreading out Italian coffee traditions around the world. [...] It is also about the refreshing influence of a cup of traditional espresso in the morning. I am originally Italian so I try to bring to the market the same attitude towards coffee as my family has. A cup of a strong espresso is an everyday morning ritual to Italian people. Therefore, the message how important to start a day from a cup of good Italian coffee we deliver to consumers in every our campaigns. Based on this I can tell that people trust our brand and recommend it to others due to the fact origin the Italian brand – Consumer marketing manager 2, Benelux team

Therefore, when consumers are highly involved with region-of-origin branded products they are likely to consume more of this type of goods (Santos et al., 2008). As a result, the positive impression of Saeco brand due to the Italian ancestry stimulates its market share and boosts consumers' loyalty:

In China coffee culture is a growing trend, so it is not that popular yet for the moment. Plus, the taste of coffee with milk is quite unusual for Chinese people. However, young generation is less conservative in trying something new. Therefore, we market espresso machines by emphasizing that the first full automatic espresso machine was manufactured by Saeco and since that time the quality of appliances are the best in the world – Consumer marketing manager 1, China

Some ideas of interviewees about the meaning of Italian origin and its application in marketing strategy were referring to the importance of culture:

In general, without exaggerating, culture is the key of almost any campaign. I don't want to go deeply into details or even try to give a definition of culture from my point of view and then to go to examples. So overall, Philips and our team in particular use different set of values to make campaigns successful. Whether it is video where we show Italian coffee tradition and rituals of morning coffee, or coffee event where people can try their favorite drinks, but also to connect with others and feel the vibe of the event. - Consumer marketing manager 2, Benelux team

To see how elements of Italian coffee culture influence to the consumers' decisions is critical for the brand promotion:

Coffee becomes as a boom in China. People want to have own machine at home to have a good coffee any time they want. That is why it is important to show to consumers that it is an original appliance which is made in Italy and brews an excellent coffee, the same as they can try in Italian cafes – Consumer marketing manager 3, China

The role of the cultural aspects of Italian coffee traditions can be shown in the application of Hofstede's framework of Manifestations of culture at different levels of depth (Hofstede, 1997). According to his model the core of a culture is shaped by the values (Figure 6), which in terms of coffee traditions are the best taste of coffee and its smell. Rituals are Italian family traditions of gathering together in the morning to start a day with a cup of aromatic espresso or creamy cappuccino. Heroes are names of Italian espresso drinks which represent characteristics that we highly value about Italian coffee around the world. Symbol of Italian coffee culture are Italy itself as it is famous for the best quality and also because it carries specific meaning within a cultural coffee traditions worldwide. And finally practice as a combination of all elements is Italian coffee culture.

Hofstede model (2017) that describes culture in particular countries based on the main dimensions that illustrate the motivation of nation towards coffee experience.

Let's face it – when someone mentions Italian coffee, the picture of cappuccino comes to many people's mind [...] Based on this I can tell that people trust our brand and recommend it to others due to the fact origin the Italian brand – Consumer marketing manager 1, Benelux market

Due to the fact that Dutch society highly individualist and family oriented (Hofstede, 2017); there is the demand to have a coffee machine for single usage or family purpose for making coffee at home. Philips marketing strategy by emphasizing the possession of espresso machines for daily usage is reflected in values of Dutch people. In addition, according to Hofstede model (2017), Dutch people tend to avoid uncertainty therefore in terms of making their choice they pragmatically chose the device with proven quality. Thus, the Italian origin is a marker for Dutch consumers in terms of decision making.

For Chinese nation as for a strong collectivist society (Hofstede, 2017) it is typical to follow by the trend:

We market espresso machines by emphasizing that the first full automatic espresso machine was manufactured by Saeco and since that time the quality of appliances are the best in the world – Consumer marketing manager 1, China

Even if the taste of coffee is not familiar to Chinese people, they put an effort to learn it by consuming and bring it into their style of life. According to the feature of Chinese society (Hofstede, 2017) as very pragmatic that able to adopt their habit to different conditions, coffee consumption of Chinese is rapidly growing.

5.2 Emotional engagement of consumer base.

Philips stakeholders confirm that marketing strategy is effective when consumers are emotionally engaged into espresso machines:

We are engaging consumers into the brand experience by creating memorable videos. We try to use storytelling approach when in a video characters have names, traditions and hobbies. It is easy to associate yourself with someone from the video. So, for instant, if I see in the video how people spending time nicely having a Saturday's brunch and drinking good coffee, I also want to have a similar experience – Consumer marketing manager 2, Benelux market

Several interviewees mentioned that creating atmosphere is the key in for marketing strategy:

How to bring a piece of Italy into China? This is what our team does at the coffee festival by showing the stand that resembling an Italian cafe. It was so great to see how people were amazed about Italian atmosphere and taste of coffee – Market Leader, China

By stimulating emotions attachments of consumers Philips uses strategy of experiential marketing. The aim of this approach is to develop consumers' relationship with a brand (Nierenberg, 2007) and directly involve consumers into brand experience (Pine and Gilmore, 2011).

Two interviewees that represented completely different markets described similar approaches that suite for dissimilar markets.

Besides representing Saeco brand as a manufacturer of authentic Italian espresso machines, in our marketing strategy we also stress on cultural and historical heritage of Italian espresso. Many people are aware that Rome or Venice were like the second home for famous writers as Byron, Dickens or Twain. They had described the admiration of Italian coffee in their works. Therefore, consumers want to try this Italian coffee that had inspired well-known authors to create their master-pieces – Consumer marketing manager 2, Benelux market

Chinese people are known as the most travelled people in the world. In their voyages they want to try everything which is good and famous in countries they visit. Since Italian coffee is famous for its quality and there are historical cafes that are serving the best coffee in the world, Chinese people want to have the same taste of coffee at home. And as we market Saeco brand as the original producer of the best Italian espresso, this stimulates our consumers to buy coffee machines –Consumer marketing manager 3, China

The application of tools of experiential marketing can be shown through the Schmitt's framework (Schmitt, 1999).

1. A focus on customer experience. By focusing on quality of coffee and taste of hot cup of espresso in marketing campaigns Philips stimulates sensory, emotional and cognitive values of consumers. To address to consumers' experience and emotions Philips stimulates their loyalty to Saeco brand.
2. A focus on consumption as a holistic experience. By creating an image of coffee as a connector that gather friends and family together, Philips stimulates consumers' associations of espresso drinks with enjoyable moments.
3. Customers are rational and emotional animals. Since consumers are driven emotionally and rationally, the image of coffee of refreshing beverage that gives energy to be more

productive from side and an aromatic drink that helps to relax and enjoy a company of favorite people, helps Philips to succeed in marketing campaigns.

4. Methods and tools are eclectic. Philips' tools of marketing Saeco brand are diverse and adding values to each other. Application of different approaches as video commercials that emphasize the premium status of espresso machines, storytelling technique, participation in coffee festivals and creating brand image as a trendsetter of design coffee machines gives Philips the advantage to stand out among competitors.

Another important aspect of the finding mentioned by interviewees is that Philips builds its marketing strategy to stress on the cultural aspects of Italian coffee. Due to the reputation of the Italian coffee as a favorite beverage of intelligence and famous artists (Cammett, 1967), the role of Italian coffee is more than just a drink (Morris, 2010). Therefore, by having significant historical and cultural values Italian coffee considers as a cultural good (Klamer, 2004). Besides, two respondents mentioned that Philips uses a brand association approach for China to market espresso machines as a luxury good famous by its longtime Italian craftsmanship. Also, taking into account that the demand for cultural goods is different from traditional goods, consumers are ready to pay high price (Gapinski, 1976 and Thosby, 1990) to enjoy the taste of the Italian coffee which is described in literatures and memoirs. In addition, Bianchi (2008) argues that cultural goods turn into habits and they are difficult to be replaced, that is why consumer loyalty to Saeco brand is growing significantly. By processing of the symbol of luxury gives to Chinese people an opportunity to display their success. Hofstede (2017) defines Chinese society as a success oriented, therefore having an expensive coffee machine at home helps contribute to their status.

5.3 Consumer influence

All interviewees mentioned how Philips works with consumers' feedback to improve the quality of coffee machines and if needed to change marketing strategy. The findings indicate that Philips analyses consumer purchasing behavior by taking into account the consumers decision journey loop (Court et al, 2009). The interviewees describe how Philips applies particular consumer's feedback in improving the interaction with customers:

Many people these days have a habit to purchase online. Mainly it happens because it is convenient and less expensive. That is why before making a decision about buying products, they usually read reviews of other consumers to understand whether some particular brand or

model reliable or not. Thus, we check weekly all consumers' reviews at Amazon and official Philips web-site to analysis what needs to be improved. – Market leader, Benelux market

Since we have a Saeco youtube channel with commercial and troubleshooting videos people leave their feedback by expressing what they like in it or what information they find practical. This feedback first of all is useful for other consumers since people prefer to do some research before purchasing products. Secondly, it points what we can improve and therefore, to have a reputation of the highly responsive brand – Market leader, China

From application of this model Philips consider pre-purchase and post-purchase information as an important step in the consumer-decision process. Since these days due to the easy access to the Internet consumers can find information about the brand in social media and on official web-site of the company, it critically impacts on consumers' expectations about brand (Staplehurst, 2011). Additionally, the experience and impression of consumers about the brand from post-purchase information turns into pre-purchase for new consumers (Richardson, 2010).

Also three interviews described how Philips launches new model of machines only for certain countries and adapts functions or design of coffee machines to the demand of the particular market:

For the Benelux market we have additional coffee option in menus of espresso machines that people have been drinking. For example, for the Dutch market we have drinks “coffee crème” to satisfy our consumers and respect their habits – Consumer marketing manager 3, Benelux market

I think it is quite well-known fact that Chinese culture is full of colors. [...]We love bright colors and to be surrounded with by colorful design. That is why for Chinese market Saeco launched limited additions of red and blue machines which are not typical for other markets - Consumer marketing manager 1, China

By taking into account different cultural environment Philips applies tools of cross-cultural marketing (Kotler et al., 2013). Since consumers make purchase decision based on their cultural, personal or social preferences (Kotler, 2014), Philips adopts its marketing strategy considering values, cultural beliefs, language of local markets and the power of word-of-mouth communication to meet consumers' expectations. Therefore, base on the finding it is possible to confirm that Philips successfully applies key steps of cross-cultural marketing strategy (Guion, 2010).

5.4 Technological impact

All interviews had emphasized how technology influences on business development. Technology has played a central role in the marketing strategy adopted by Philips. Few respondents stressed on the fact that technology helps to understand the consumers' opinion and feedback:

We created a special platform named Coffee care hub where consumers can find useful information and share their feedback about machines. We take into careful consideration what consumers criticize or would like to be improved to meet with consumers' expectations
- Consumer marketing manager 2, Benelux market

The best feedback from consumers I have ever seen was "Thank you for showing how Italian people drinking coffee in your commercials. Now I know what kind of desert I will serve for the branch next Saturday and what type of coffee will go along with that to surprise my guests". Therefore, we are bring not only amazing coffee to China. We also educate people about traditions and habits of other culture by means of technology - Consumer marketing manager 2, China

On one side technology has helped in bringing consumers closer to Philips and on the other side it has created innovated designs which enable to personalize of the product. Two interviewees emphasized that the support of the brand through social media and the Internet gives an advantage for the brand development:

Nowadays promotion of a brand is about the use of technology in a right way. To reach consumers in different corners of our country is not easy. So with the help of social media and interesting content in our commercial Philips can attract even conservative audience – Market leader, China.

As shown by Smith (2000), technology has helped in demolishing international barriers which gives them an access to experience products that were inaccessible in the past. Globalization has enabled global access to cultural goods from a particular region which is also in agreement with Moahi (2007). For example, Italy has enhanced its reputation as a strong player on the coffee market due to the positive impact of technology:

Technology is way too important for the future development for any strategy. From my experience, I don't think that I can name any previous strategy that we were using before and adopted for the current market needs without any element of technology. We can

influence on a consumer decision by our content in various social media channels. We can explain how people in other countries keep their traditions and basically heritage of their own local goods. It can be a long list of honorable mentions but nothing would be possible without the impact of technology. – Market Leader, China

The application of the framework created by Kearney (1999) can illustrate the impact of technology on the improvement of consumer experience in the Saeco brand. There is a vibrant coffee community which is available for consumers through both online and offline platforms. Consumers can share experience among themselves and also provide a valuable feedback to Philips. This creates convenience and also builds a direct communication line with the company.

5.5 Limitations

There are few limitations of the study that needs to be mentioned. Despite of the application of a qualitative approach that appeared to be principally suitable in exploring the role of marketing in promoting cultural goods, the study is not applicable for generalization. By considering only two markets as a focus field of the application marketing strategies for Saeco brand, generalization cannot be made for other markets due to distinguish characteristics of different regions. The additional limitation of the study is that it has a limited scope. The research focuses on the single case and the findings are based on the short numbers of interviews. Further comprehensive research can be conducted on how to use marketing to promote cultural goods to increase customer satisfaction.

6 Conclusion

The study sets out to find out the connection of culture and marketing strategy. By looking on Philips marketing approaches, the research aimed to answer the following research questions:

1. To what extent marketing is important in promoting cultural goods?

The study illustrates how the application of marketing is critical for promoting cultural goods and helps producers in attracting consumer's attention.

First of all, marketing has a strong influence on cultural economics due to the origin of consumption of cultural goods. Cultural goods are unique from traditional goods as they are characterized by some key prerequisites prior to their consumption. Consumers need cultural capital that is based on their reflected cultural background, experience and knowledge. This makes the process of consumption of cultural goods different from traditional goods due to a particularity of how consumers arrive to their final purchasing decisions. Leng (2010) have described how the mindset of individuals for buying cultural goods is reflected on their cultural background which in turn forms cultural capital. The role of marketing helps in promoting cultural goods in two ways – consumers are aware of their own values, traditions and habits that stimulates cultural capital and increases their consumption of cultural products. Based on the fact that repeated consumption of cultural goods will be transformed over time into cultural capital (Castro, 2012), it will lead to a positive effect for society when all its members have a variety of choice for cultural goods for further cultural development. Additionally, it serves as an educational tool that provides important information to consumers about other cultural traditions that stimulates their cultural awareness. Rugimbana and Nwankwo (2003) in their study have shown how cultural can be used as a marketing strategy for promoting cultural goods in a similar way.

Therefore, marketing as a discipline can contribute to the field of cultural economics by emphasizing the importance of consumer incentives and consumers decision journey for purchasing goods. Marketing approaches for promoting cultural goods focus on few incentives that stimulate consumers' purchasing. By emphasizing values of cultural products, their cultural heritage or its high quality based on its historical traditions of manufacturing, marketing increases consumers' awareness about cultural goods and, consequently, its consumption. Therefore, by increasing consumption of cultural goods from one hand, it encourages producers

to manufacture more cultural goods. On the other hand, due to the fact that by consuming cultural goods individuals generate experience from its consumption and they become its producers (Sao-Wen Cheng, 2006). As a result, the rise of consumption of cultural goods stimulates the growth of cultural atmosphere and increases the flow of new cultural goods.

Although, marketing has a strong influence on cultural economics, cultural economics can also contribute to the marketing field. Marketing approaches for promoting cultural goods do not contain its exact meaning and characteristics. By bringing a general notion of cultural goods in the description of marketing tools, it helps for producers to concentrate on values their products and, therefore, market it more efficiently. By taking into account the importance of values of cultural goods for consumer, producers can reach the audience faster by implementing particular marketing tool that corresponds with values of their goods. In addition, the description of cultural goods can help in shaping a suitable marketing strategy for the same product for different markets. Since cultural goods have attributes of experience goods, producers need to engage consumers into the process that creates a memorable event and generates experience (Pine and Gilmore, 1998). For markets in various regions the process of engaging of consumers can be different due to cultural heritage of localities. Thus, marketers need to consider local tradition and consumers' mentality in advance for shaping marketing strategy of cultural products for diverse markets. Moreover, by using definition of cultural goods in marketing from the field of cultural economics, marketers can also focus on the consequence of the growth of consumption of cultural goods for society. Since it brings the increase of the stock of cultural goods which stimulates cultural values, marketers can use integrated marketing tools to address their message to consumers' values.

2. What are the key marketing strategies that help in promoting cultural goods?

Place-based Marketing

The study confirms that place based marketing serves as a key tool in promoting cultural goods. By emphasizing the Italian origin of Saeco brand, Philips positions espresso as a cultural good. This helps in bringing the rich Italian tradition of manufacturing espresso machines and also promoting the coffee culture which has strong roots in Italy. The emphasis on Italian origin is seen in the marketing campaign where Italian culture is showcased which is done by shooting videos in Italy, using Italian names for actors and even the coffee machines have Italian names. This helps in building strategic brand association with Italian culture and helps in building brand quality based on Italian coffee culture and tradition. The findings are in line with the study by

Kotler and Gertner (2002) and show how country-of-origin is considered by consumers as a guidance for purchasing. Philips markets espresso machines focusing on the longtime Italian craftsmanship using the “Made in Italy” slogan. This proves that place-based marketing can serve as a useful tool in promoting cultural goods.

Cross-cultural marketing

Cross-cultural marketing is characterized by the adapting of cross cultural goods in local markets. In the study, it was seen that for the Dutch markets Philips takes into account local traditions of coffee culture and drinking habits. This is done by giving the Dutch consumers certain options which are typical of their local coffee drinking habits like “coffee crème”. Also, for the Chinese market, the colors of the machines are chosen keeping in mind the Chinese traditions. The use of bright colored machines was launched specifically for Chinese market to match with local tastes. Through these ways, the study shows that cross cultural marketing is an important tool in adapting cultural goods to the local market needs.

Experiential marketing

Experiential marketing utilizes story telling techniques in promoting the brand. By creating a family tradition of coffee drinking in the video commercials, Philips is engaging the consumer and promoting the coffee drinking culture in families. Coffee is branded as a drink which gives you energy, dynamism and success in life. Philips also promotes coffee by participating in coffee events and festivals to engage the consumer base and boost the coffee culture. In China, espresso machines are positioned as a luxury good that becomes the status symbol of the owner of this product. Brand associations with high fashion icons like Coco Chanel is seen in this attempt to promote the expression of luxury with Saeco machines.

The application of cultural marketing tools helps to gain competitive advantage for the Saeco brand and differentiate it from other competitors. This also helps to valorize coffee as a unique cultural good that has a far reach in different cultural markets. The application of cultural marketing focuses on creating emotional attachment of consumers to brand by touching their senses (Luo et al, 2011), it identifies consumers behavior, attitudes or values set in the first place (Gautier, 2003). The study shows that marketing when used in the right way can be an important factor in business growth within the cultural good economy but also importantly spread the awareness of cultural goods across the world.

Recommendations and future trends

The study concludes by highlighting certain current trends and the implication of them in the future. It is important to have an agile approach to the ever changing business environment around us. Cultural economy has a big role to play in the future and its success will be based on how producers can continue to change their offerings to reach consumers through different approaches.

1. The ongoing digital transformation of companies has enabled the increase of consumer touch points. This will lead to the collection of big data for the company. The next challenge will be on how to effectively use this data to promote cultural goods around the world in different markets.
2. Consumer participation will increase with the added connectivity features on coffee machines for example. Mobile platforms will make it easier to enable customization of the coffee machines. This will impact on future designs of coffee machines which keep in mind consumer inputs.
3. Cross cultural marketing will see a bigger influence in both the current and the future landscape as cultural goods will be marketed using local traditions and habits in different communities around the world.
4. The producers needs to focus on creating local content instead of creating common content and translating it across various markets. Having a local campaign which shows respect to the local culture and traditions will increase the consumer acceptance of the culture good from a foreign land.
5. Circular economy will see a bigger role in the future within the cultural economy. For example, with the coffee machines could be leased to the consumers instead of the traditional buying process. This will create a different revenue generation model based on service fees. On the consumer side, it enables opportunity to have customizations and upgrades based on their tastes. The older machine can be upgraded and then sold to another customer, thus enabling the possibility of recycling and a second hand market for cultural goods.

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Appendix

A: The list of question for the interviews.

1. Please describe your position in the company.
2. Please describe the market you are focusing at.
3. To what extend are you responsible for creating marketing strategy for the market?
4. How do you market espresso machines?
5. What are the key market strategies are you using for different campaigns?
6. What is the role of culture in your marketing strategy?
7. How consumers react on Italian origin espresso machines?
8. How technologies influence on marketing strategy?
9. How do you communicate with consumers?
10. What are the key aspects for the future marketing strategy?

B: Coding List: Code name	Definition
The place-of-origin	Italian coffee, history of espresso drinks, culture, rituals, decision making process
Emotional engagement of consumer base.	How do you communicate with consumers? What is important to pay attention on? Importance of culture, story-telling technique, values, habits, traditions
Consumer influence	Connection with consumers, adaptation to local markets, understand consumers needs
Technological impact	Consumer's feedback, the Internet, Social media, globalization, online platforms