

Star TV in India, an analysis of the fit between culture and strategy

Introduction

Star TV is a network owned by News Corp, an Australian based company, which has been expanding their operation into many Asian countries. Among the many Asian countries, they have decided to enter a country with 1 billion and rising population, also a welcoming democratic country, India.

Star TV entrance strategy to India more a decade ago was to enter by global strategy. It was basically the same formulas that are derived from, and successful in the Western counterparts before, with minimal local adaptation, thus neglecting the cultural differences among many countries. Their strategy was by serving the Indian with exactly the same program as it was created for the Western societies, without putting too much thought on tailoring the TV programs to the mostly traditional Indian population. They had an ethnocentric mindset thinking what has been a success in other countries such as in Hong Kong, Australia could be a success anywhere. English language programs and all the TV shows that were intended for Western audiences that even have some obscenities scenes mostly dominated the channel programs. The result of that global strategy was a major flop. There is almost no Indian society who can see a fit between them and the Star TV programs. Thus Star TV was deserted and their presence was neglected by lots of Indians.

A decade later, Star TV learned that their global strategy was not working for the Indian people. After losing millions of dollars in their business practice, they have learned the hard way that they need to localize the contents of their programs in order to fit the Indian culture and society. They then build brand new strategy, taking into considerations the cultural differences and the language barrier that exists, turned around the company and managed to be among the top players in the field.

Issues regarding the mismatch of the culture and strategy

In general, the failure of Star TV in the India was rooted from their failure to recognise the model for going International. They have never thought of the cultural differences in Indian societies opposing the Western societies could have a big of an impact to their operation. Star TV had an ethnocentric mindset at first. They thought that anybody would accept the famous Western TV shows and movies easily. Therefore, there is no thorough research about Indian

culture as a whole and no research about the preparedness of the Indian society to receive the Western culture from TV before they decided to enter the market. The effect of this was said in the case study as Star TV was being seen as a “White-skinned-channel” for middle class and nobody would sample the shows basically.

Language is also an issue for Star TV. Star TV thought at first that India is ready to accept English language programs when in reality only half of the Indian understands English. Although there are many educated people from India, the education level there has not reached the majority of the population; as a result, there are still a lot of people who don't understand English. The fact is that most of the middle class and lower class people who made up more than half of the population do not understand English or not ready to accept Western program with their culture to enter India pronto, especially with the traditional nature of the society there.

Some issues that are presented in Star TV failure in India at first are:

- Nudity issue, nudity is an issue that is considered taboo by most of the traditional societies. People in India holds high their traditional values, the women still wear Sari for everyday use and the most of the men are dressed in traditional sarong like dress.
- Not easily accept western cultures such as violence and western soap opera, India being a synchronic culture as evidenced by their movies who has lots of traditional characteristics
- There is a big unfit of the theme of the Western movies that a lot of violence with the society in general. Indians are really proud of their heritage; most of their movies still have strong characteristics such as the singing and the tree dancing part.
- The education level has not allow them to easily understand English and people are not ready to be served total Western culture through Western shows like NYPD blue, etc. The fact is more than half of the people do not understand English there.
- Localisation is key, adaptive strategy where local culture or norms can still be defended
- Star TV did not localise their shows to fit the Indian culture and norms.
- There is almost no research nor networking with the local company done to learn about the local market needs or taste prior entering the market.

- Assumed as the white skinned channel, a chauvinistic company that only few people would want to sample. Target market was middle class, which is only small percentage of the communities.

Trompenaars and Hofstede Analysis of Indian culture

India as a particularist society, instead of universalist, where the time to build relationship is important to avoid future problems.

One of the mistake that Star TV done was that they did not develop any real local network before they enter India. Star TV did not think of the complicatedness of the Indian culture and their working environment. If they have built a strong network with a local company, they could have figured out what sort of things would be accepted and liked by the local society. In other words, star TV has very little understanding of the market they try to enter, and did not make any effort to tackle that by doing research or networking with local people. As a result of the lack of research and networking, are very little local adaptation of their products and the un-fitness of the products to the target market.

The only network Star TV has looked into at first is the Zee TV, in which they also failed to reach consensus to cooperate in the end. From the Hofstede theory, the breakage of the partnership might be due to the different culture linked with managerial responses. Rupert Murdoch, being an Australian comes from a low context culture where the way of doing business is very different of the Indians who are from high context culture. Coming from a low context culture, Mr. Murdoch is used on doing business “straight up”, focusing on time efficiency and try to have as less time spent together, the bottom line is having a contract. As opposed to this, his partner Mr. Chandra comes from a culture where relationship and trust in business is important for the base of lasting future partnership. Someone who comes from this kind of culture would want to build relationship and trust through having as much communication and relationship building activities as possible. There are two ways of doing business there and without understanding of it, it can become a roadblock to lasting partnership. This is also an area that might contributes to the failing partnership, because Murdoch’s partner feel that he can not trust him enough to do business with him.

With respect to the society, Particularism is what usually comes out of a collective community. People who come from a particularism culture regarded their friends,

families or acquaintances highly that they are more willing to bend the rules and go all the way when it comes to them. The effect for Star TV on particularism is that Mr Murdoch must work hard to build relationship with the partner and understand that once they got the trust, deals can be flexible and the contract can be modified in respects of both party needs, which can be good for him.

India as a NEUTRAL society rather than affective

Star TV entrance strategy also fails to recognize that India being a traditional country, where their own culture are still highly regarded and deeply valued and history made up a big part of their lives today. The Indians hold true their cultural identity and are proud of showing it to the global world. This is proved by their movie themes and settings that always show strong characteristics such that of women and men wearing traditional costumes of Sari and singing by the trees. Indian movie also has a very prominent characteristic of a neutral society culture as Trompenaars said in his cultural framework. Shown from the way their love story goes, where men will chased up women and both of them never really say directly what they really feeling and wanted. From that, it can be generalized that India is a neutral society in where feeling are not expresses freely and the simplest form of obscenity is seen as taboo.

Being a society that still holds true their traditional values, India will seem to dislike Western movie that has obscenity scenes in it like *Baywatch* and some movie where language are expressed freely such as the cartoon *Beavis and Butthead* and the American hit *Jack Ass*. Failure to recognize that issue can result in severe damage for multinational companies, as people would think they are trying to bring bad influence to the ethnocentric society. Star TV learned that lesson by getting a lawsuit and a ban to enter India for Mr. Murdoch.

India as a collective and diffuse culture

“Individualism is often regarded as the characteristic of a modernizing society while collectivism reminds us of both more traditional society and the failure of the communist experiment.” --Fons Trompenaars from *Riding the Waves of Culture*

India as a collective community meaning that most of the people feels that they belong to a group of people coming from the same background, religion, believe and culture and thus have shared responsibility and would not do extreme things to jeopardise their relationships. As a result of this, the Indian community regard peace highly and live closely together. This is

shown by how most Indian families stick together, take care of each other and support their children up until at least they got married, unlike most Western families.

The collectivism culture can be a source of competitive advantage for Star TV if they are to design family entertainment programs that are suited for the entire family watching. Movies about typical happy families and traditional love stories or even movies with happy endings will most suited the traditional collective community in India. Star TV can also target their advertisement not to individual group, but to advertise to fathers, mothers, children and they would want to be accepted by the majority of people there. In collective society, decisions are made based on group consensus and they have respect for collective opinions, therefore they want to appeal to as much people as possible.

Societies with collective culture also takes responsibilities together and regard achievement as a group effort rather than individual effort. Star TV in designing its company structure should also take that issue into consideration because it will affect how employees going to stay and be productive in the company. For example, in designing the reward system, they do not want to focus on too many pay by individual performance system that can disrupt the company's moral for the under performer, but instead they would want to design things that could improve the employees cohesiveness.

Bartlett and Ghosal Framework Analysis for Star TV

Star TV as a global company

The ethnocentric mind of Star TV made them unable to recognise the existence of different culture with their linkage to strategy. A company adopting the global strategy, like Star TV did first entering India focused on cost efficiency and strive to reach economy of scale by its products with minimum local adaptation present all over the world. However, the technique will be different from product to product as there is big difference in each products usage and needs throughout the culture.

The need for national differentiation varies according to the type of product with respect to consumer usage. Universal products such as appliances, vehicles, furniture, electric products etc. need only minimal local adaptation because the usage is universal throughout the world. As opposed to that, some personal products such as toiletries, cosmetics, food and even TV channels need a lot of tailoring to reflect the local usage and habits. The second category of

products involves personal habitual usage and there are some cultural difference in the way people across different cultures use it. Especially for consumer product such as Star TV is categorised, there is really high need for national differentiation and responsiveness.

Example of product adaptation is Red Rooster opening up in India would want to serve curry soup in their restaurants or serve some Indian rice as part of their meal. In the contrary, when Philips decide that they want to enter India, they do not need high product adaptation as the usage of the products are the same throughout the world, the only thing they need to do to sell TV abroad is to write instruction manual in different language and adjust the power voltage accordingly.

Star TV neglects the fact that their products need to suit up or at least go together with the traditional societies in India. If Star TV has made a better effort in understanding the traditional society, they would have came up with more Hindi language programs with more mild themes. Mild themes here could be, old-fashioned love stories, family oriented movie themed, because most of the community in India belongs to more collective culture where they watch TV together as a family. All of those themes reflects more to the traditional Indian society and would be easily accepted by them.

Transnational solution

What makes Star TV is successful at last is the effort in being a transnational company as Bartlett and Ghosal called it. In the Transnational company, centre of command is **decentralised** into different regions and decisions are made locally with local considerations. The **key product is standardised**, like the famous western movies and sitcoms as broadcasted through Star Movies India and Star World. While **secondary programs** such as game shows like the hit *Who Wants to be a Millionaire* which use the International concept but translated into Hindi and hosted by a famous Hindi host, music television, and general entertainment are **customized** in Hindi language or at least having a local sourcing such as Hindi broadcasters or hosts.

Star TV as a transnational company also characterised by the big role of overseas operation of Star TV India, in the local company lies the future strategic plan for the operation, integrating key competencies from parent company and developing new competencies that emerge from local market opportunities.

Recommendations

Based on the analysis of the link between culture and strategy, there are several recommendations that can be made in order for Star TV to be more widely known and accepted in the Indian community.

- Star TV to take on wider networking in India, team up with local companies to produce more films with themes that are mild and adapt Western entertainment channels to bring more Indian value, such as the setting, the hosts, language, etc.
- Sensor Western programs prior entering India from heavy violence, delete some obscene scenes before entering India
- Make more programs that pictures the history of India and traditional Indian society
- Advertise Star TV to appeal to the majority of people, majority of family groups
- Once the popularity of the game show Who wants to be a millionaire has gone down, they should have a replacement of shows ready, prior or after the game to get more viewers to preview and taste it
- Be a more cultural sensitive company by taking more time in redesigning the whole structure of the company to be a more local operation, such that making the company an open organisation where employees are like families and foster collaboration among the working teams
- Capitalise on the home family entertainment concept. People in India watch TV together, develop on this concept to make more family watching like game shows, Hindi sitcoms, etc.

Conclusion

Star TV operation in India proved that there are tight link between culture and strategy. There are many cases of multinational company failures because of the insensitiveness of culture and too little local adaptation incorporated in their products. In Star TV case, even thinking globally and acting locally is not enough to successfully penetrate the market. So, before a company takes on new market, especially new market that are in different region or cultural orientation, they must make a thorough research to design their cultural sensitive strategies in order to win the consumer's heart.

Reference Lists:

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