Social and Cultural Environments

Global Marketing
Chapter 4

Task of Global Marketers

- Study and understand the cultures of countries in which they will be doing business
- Understand how an unconscious reference to their own cultural values, or self-reference criterion, may influence their perception of the market
- Incorporate this understanding into the marketing planning process

Society, Culture, and Global Consumer Culture

- Culture—ways of living, built up by a group of human beings, that are transmitted from one generation to another
- Culture has both conscious and unconscious values, ideas, attitudes, and symbols
- Culture is acted out in social institutions
- Culture is both physical (clothing and tools) and nonphysical (religion, attitudes, beliefs, and values)

Social Institutions

- Family
- Education
- Religion
- Government
- Business
- These institutions function to reinforce cultural norms
Material and Nonmaterial Culture

- Physical component or physical culture
  - Clothing
  - Tools
  - Decorative art
  - Body adornment
  - Homes

- Subjective or abstract culture
  - Religion
  - Perceptions
  - Attitudes
  - Beliefs
  - Values

Society, Culture, and Global Consumer Culture

- Global consumer cultures are emerging
  - Persons who share meaningful sets of consumption-related symbols
  - Pub culture, coffee culture, fast-food culture, credit card culture

- Primarily the product of a technologically interconnected world
  - Internet
  - Satellite TV
  - Cell phones

Attitudes, Beliefs, and Values

- Attitude—learned tendency to respond in a consistent way to a given object or entity
- Belief—an organized pattern of knowledge that an individual holds to be true about the world
- Value—enduring belief or feeling that a specific mode of conduct is personally or socially preferable to another mode of conduct

Religion

- The world’s major religions include Buddhism, Hinduism, Islam, Judaism, and Christianity and are an important source of beliefs, attitudes, and values.
- Religious tenets, practices, holidays, and history impact global marketing activities.
In South Korea, Pepero Day, celebrated on November 11, when young couples give each other romantic gifts. There is an additional day for single people, Black Day, celebrated on April 14.

In Saudi Arabia in 2008, religious police banned the sale of all Valentine's Day items, the day is considered as an un-Islamic holiday.

Example: Islamized Products
- Such as Mecca Cola
- Islamic version of Coke
- Launched in 2002 after the Muslim boycott to US products
- Although the product was created in France, the company is currently based in the United Arab Emirates.
- Target market: Arab Muslim countries and Muslim minorities all over the world

Positioning of Qibla Cola
- "for any consumer with a conscience, irrespective of ethnicity or religion"
- "Liberate your taste"
Religion and Global Marketing

- In 2006, after a publication of cartoon images of the Prophet Muhammed in a Danish newspaper, Carrefour removed Danish products from their shelves.

Aesthetics

- The sense of what is beautiful and what is not beautiful.
- What represents good taste as opposed to tastelessness or even obscenity.
- Visual—embodied in the color or shape of a product, label, or package.
- Styles—various degrees of complexity, for example, are perceived differently around the world.

Aesthetics and Color

- In the USA:
  - Blue stands for solid, responsible.
  - Green for innovative, caring organizations and
  - Yellow for young, bright and exciting firms.

Aesthetics and Color

- Red—associated with blood, wine-making, activity, heat, and vibrancy in many countries but is poorly received in some African countries.
- White—identified with purity and cleanliness in the West, with death in parts of Asia.
- Gray—means inexpensive in Japan and China, but high quality and expensive in the U.S.
The Meaning of Color

Red signifies good luck and celebration in China

Aesthetics and Color

- use of purple and black colours by Samsonite in Mexico (Parmar, 2004),
- ice blue colour by Pepsi in Southeast Asia and
- wearing white dresses by concierges of United Airlines on its Pacific routes (Neal et al., 2002),
- where these colours symbolized death and mourning in the target markets

Dietary Preferences

- Domino’s Pizza pulled out of Italy because its products were seen as “too American” with bold tomato sauce and heavy toppings.
- Subway had to educate Indians about the benefits of sandwiches because they do not normally eat bread.

Dietary Preferences

- Share ice cream, share happy!
Dietary Preferences

Patisserie
Tai Kadayfli
Potterollu
Halal Kazandibi Lazzeti
Ekme Kadayfli
Baklava

Language and Communication

Speaking English around the Globe
- There are more people who speak English as a foreign language than native speakers
- 85% of European teens study English
- Sony, Nokia, Matsushita require managers to speak English

Nonverbal Communication
- Westerners tend to be verbal; Asians value nonverbal communication
- In Japan, bowing has many nuances
- In the Middle East, Westerners should not show the soles of shoes or pass documents with the left hand

Dietary Preferences

Different Brand Names

A fabric softener that carries different brand names in different countries uses a teddy bear to convey softness

in Denmark
in Italy
in Greece
in Germany

| Table 6-1 American Communication Styles: Verbal versus Underlying Realities, and Suggested Adaptations |
|---------------------------------------------------|---------------------------------------------------|
| **Verbal-Centric Reality** | **Adaptation Required** |
| I. Take pride in your culture. | Respect the customs, manners, and rules of the foreign culture. |
| II. Tell me your story. | Be ready to answer questions about your background. |
| III. Use your sense of humor. | Be aware of the cultural implications of humor. |
| IV. Bow to the power. | Understand that people from other cultures feel the need to secure information and pace themselves in conversations. |
| V. Try your tact. | Remember to speak slowly and train your eye on the person speaking. |
| VI. Make sure you understand! | Recognize that others may not be as fluent in English. |
| VII. Don’t let the cat out of the bag. | Understand that information that is shared should be shared in a way that is meaningful to the other person. |
| VIII. Let’s keep it simple. | Be aware of the need to simplify language and cultural references. |

Marketing’s Impact on Culture

- Universal aspects of the cultural environment represent opportunities to standardize elements of a marketing program
- Increasing travel and improved communications have contributed to a convergence of tastes and preferences in a number of product categories

Controversy Surrounding Marketing’s Impact on Culture

- “McDonaldization of culture”
  “Eating is at the heart of most cultures and for many it is something on which much time, attention, and money are lavished. In attempting to alter the way people eat, McDonaldization poses a profound threat to the entire cultural complex of many societies.”
  - George Ritzer
- Protest against the opening of McDonald’s in Rome led to the establishment of the Slow Food movement

High- and Low-Context Cultures

- High Context
  - Information resides in context
  - Emphasis on background, basic values, societal status
  - Less emphasis on legal paperwork
  - Focus on personal reputation
  - Saudi Arabia, Japan
- Low Context
  - Messages are explicit and specific
  - Words carry all information
  - Reliance on legal paperwork
  - Focus on non-personal documentation of credibility
  - Switzerland, U.S., Germany

Hofstede’s Cultural Typology

- Power Distance
- Individualism/Collectivism
- Masculinity
- Uncertainty Avoidance
- Long-term Orientation
Hofstede’s Cultural Typology and Advertising Appeals

- Large PD cultures → “Prestige” “elder advises the younger”
- Ind cultures → “words like you and I are frequently used” “privacy”
- Masculine cultures → “winning” “being first”
- High UA → “showing how a product works” “comparative”

Self-Reference Criterion and Perception

- Unconscious reference to one’s own cultural values; creates cultural myopia
- How to Reduce Cultural Myopia:
  - Define the problem or goal in terms of home country cultural traits
  - Define the problem in terms of host-country cultural traits; make no value judgments
  - Isolate the SRC influence and examine it
  - Redefine the problem without the SRC influence and solve for the host country situation

Diffusion Theory: The Adoption Process

- The mental stages through which an individual passes from the time of his or her first knowledge of an innovation to the time of product adoption or purchase
  - Awareness
  - Interest
  - Evaluation
  - Trial
  - Adoption

Diffusion Theory: Characteristics of Innovations

- Innovation is something new; five factors that affect the rate at which innovations are adopted include:
  - Relative advantage
  - Compatibility
  - Complexity
  - Divisibility
  - Communicability
### Diffusion Theory: Adopter Categories

- Early majority
- Late majority
- Early adopters
- Laggards

**Life Cycle**

- Introduction
- Growth
- Maturity
- Decline

### Marketing Implications

- Cultural factors must be considered when marketing consumer and industrial products
- Environmental sensitivity reflects the extent to which products must be adapted to the culture-specific needs of different national markets

### Environmental Sensitivity

- Independent of social class and income, culture is a significant influence on consumption and purchasing
- Food is the most culturally-sensitive category of consumer goods
  - Dehydrated Knorr Soups did not gain popularity in the U.S. market that preferred canned soups
  - Starbucks overcame cultural barriers in Great Britain and had 466 outlets by 2005