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**Executive Summary**

Culture is a very important factor that can influence not only the business world, but also human behaviour in general. Studying culture can help firms in gaining competitive advantage in international markets and it can also help people around the world to better understand how to deal with each other. In fact, the same gesture or sentence could be interpreted differently across countries: one gesture could be considered neutral in one culture and offensive in another and, by knowing this difference, people can avoid possible conflicts or misunderstandings. The objective of this desertion is to analyse culture and its possible implications. The first part will be focused on Hofstede four main cultural dimensions. The second part will be Cultural Effects on Consumer Behaviour and marketing strategies in general, values and effects on consumer behaviour.

**Definition and elements of culture**

Culture is a very complex concept that embraces many different branches of research and therefore, even nowadays there isn’t a clear agreement on its definition. The anthropologist Geertz (1973, p. 44) introduces a semiotic concept of culture and defines it as “a set of control mechanisms – plans, recipes, rules, instructions (what computer engineers call “programs”) – for the governing of behaviour”. In fact, he views humans as animals whose behavioural patterns are shaped by culture, because it can be considered a “system of inherited conceptions expressed in symbolic forms So, without these symbols and signs, human behaviours would be composed by what he calls a series of pointless acts and exploding emotions which don’t have any patterns and meaning.

Hofstede (2001, p. 9) instead sees culture as “the collective programming of the mind that distinguishes the members of a group or category of people from others”. So, culture defines a group of people and not only the single individual, because it is a phenomenon that is shared by people subjected to the same social environments. Since childhood, everyone goes through a process of learning and acquisition of “mental programs”, which refer to patterns of thinking, feeling and acting, that change with different social contexts.

**Introduction**

Hofstede identifies four main cultural dimensions, which are individualism vs collectivism, power distance, masculinity vs femininity and uncertainty avoidance for each of these dimensions there are effects in consumer behaviour.

The distinction between individualism and collectivism is strictly related to the concept of self, to whether the individuals see themselves as part of a community or consider only themselves and their nuclear family. This has consequences in consumer behaviour as well. People from a collectivistic culture see themselves as part of an integrated whole, so they have a greater need to conform to the norms, rules and values of the reference group, because they feel the pressure to achieve the group’s goals and to adopt the in-group’s opinions and attitudes.

Hofstede’s framework is nowadays widely used for international marketing research, in particular for comparative cross cultural studies in consumer behaviour. Hofstede developed his model by analysing a large database based on a worldwide survey made by the multinational corporation International Business Machines (IBM) to the managers and employees of its subsidiaries in 66 countries. The data was collected in a period between 1967 and 1973 and was later revised more than once to add more countries in his study and to improve his model. The purpose of this paper was to understand the differences in employees work-related behaviour, and how their values and work motivations change across countries. In fact by analysing responses from people belonging to the same company he was able to eliminate the influence of corporate culture and focus on the differences in behaviour created by nationality. In his initial model he recognized four different dimensions of national culture power: distance, individualism, Masculinity versus Femininity**.**

**Hofstede’s cultural dimensions**

**Power distance**

Power distance reflects the way people deal with inequalities in power or authority inside organizations, referring to work places, and institutions, like a family, school or community. In order to classify cultures in terms of power distance, Hofstede creates the Power Distance Index (PDI) based on three types of questions, that show the level of relationships dependence inside a country. The first two questions are related to how respondents regard their daily work, in particular how often are employees afraid of disagreeing with their boss and whether the boss has an autocratic or paternalistic decision making style or not. The third question shows what are respondents’ preferences regarding their ideal working environment, that is whether they prefer a consultative boss who consults with subordinates in order to make decisions or not. The survey shows that the three answers are correlated: in fact when there is an autocratic or paternalistic boss, the employees are often afraid of disagreeing with him or her and vice versa and respondents prefer a non-consultative boss. Contrariwise, when employees are not afraid of disagreeing with their boss too much and their boss is not too autocratic or paternalistic, respondents show a preference towards a consultative boss. Therefore cultures can be distinguished based on their PDI scores. Countries with a low PDI scores are called low power distance cultures and are characterized by an interdependent relationship between members with authority and their subordinates and a strong feeling towards the equality of rights and opportunities. Children are encouraged by their parents into becoming more independent, they are treated more as equals the more they grow up and at school they can ask questions or disagree with their teachers. In the working environment, there is a flat hierarchical pyramid characterized by a small number of supervisory personnel and subordinates expecting to be consulted before making a decision. Countries with a high PDI, instead, are called high power distance cultures, where there is a strong dependence relationship between subordinates and people with authority. In these types of cultures there is a social hierarchy with rules and obligations that are followed naturally by the members of the community, so authority roles are accepted and respected without disagreements. Children are taught how to respect their parents and elder people, including an older sibling, and have to be obedient, even towards teachers at school, where they can speak only when invited to. At work there is a tall organizational pyramid based on inequality, where the power is centralized in the hands of few people and subordinates expect to be told what to do.

**Individualism versus Collectivism**

The second dimension of Hofstede’s model is individualism versus collectivism and refers to how people value themselves and their group or organizations. In the survey respondents are asked to grade the level of importance that they attribute to a set of fourteen work goals, including personal time, freedom to approach the job, level of challenge, having training opportunities, having good physical conditions and the opportunity to fully use their skills and abilities. From the data collected, Hofstede’s calculates the Individualism Index (IDV), with which he distinguishes countries between individualistic and collectivistic cultures. In individualistic cultures IDV is high, identity value is in the person and each person wants to differentiate himself from the others. People grow up to look only after themselves and their nuclear family, they learn to think in terms of “I”, have a more extrovert and independent personality and their individual interests prevail over the collective ones. Even at work, it prevails the management of the individuals where the employees are economic persons who act in the employer’s interests only if these coincide with their own. Collectivistic cultures, on the contrary, are characterized by in-groups where the identity is based on the social network of a person. Children grow up thinking in terms of “we” and with the idea of protecting their extended families or in-group in exchange of loyalty. Collectivistic people have a more interdependent and introvert personality and act in the interests of their in-group. Moreover Hofstede affirms that individualistic cultures tend to be also universalistic, so they think that the same values should be shared by everyone and they treat people on the basis of who they are as individuals without looking at which group they belong. Collectivistic cultures, on the other hand, are exclusionist, meaning that they recognize that different groups have different value standards: they treat people accordingly to their respective groups and they tend to try achieving good relationships inside their groups while at the same time they tend to be indifferent towards the members of out-groups.

**Masculinity versus Femininity**

The third dimension is masculinity versus femininity, which is related to the emotional gender role and the dominance of masculine or feminine values. In the same 14 work goals proposed to respondents for the Individualism Index, some of them are used to calculate the Masculinity Index (MAS). These work goals are earnings, recognition, advancement, challenge, employment security, a desirable living area, cooperation in the work environment and having a good relationship with the superiors. Cultures with a high MAS are characterized by the dominance of masculine values, so people give more importance to acquisition of wealth, and a clear distinction in the emotional gender roles. Men are very competitive, assertive and ambitious and aim at advancement and success in their careers, whereas women should be caring, gentle and taking care of the house and the relationships within the family. Countries with a low MAS are called feminine cultures and are characterized by the focus on relationships rather than monetary achievements and an overlap of social gender roles. So both men and women should be modest and tender and should focus on relationships and the quality of life.

**Uncertainty Avoidance**

The fourth dimension is uncertainty avoidance, which expresses how people deal with uncertainty and ambiguity and is defined as “the extent to which the members of a culture feel threatened by ambiguous and unknown situations”. Three questions of the survey show a strong correlation to each other and are used by Hofstede to calculate the Uncertainty Avoidance Index (UAI). These three questions refer to the level of job stress, the level of respect of the rules and the preference towards a long-term career in the same company. In countries with a high UAI, uncertainty is seen as a threat that provokes high levels of stress and anxiety. People tend to express more their emotions, in particular when stressed, and see what is different as dangerous. At work they prefer larger organizations, are more loyal and committed towards a long-term career in the same company and in general they are more unhappy and worried about health and money. Countries with a weak uncertainty avoidance have low levels of stress and anxiety because they accept uncertainty as a normal part of life. People are less expressive, so they don’t express particularly their emotions and aggression and worry less about health and money. Even at work they are less loyal to the employer, so the duration of their employment in the same company tends to be shorter and they prefer smaller organizations with not too many rules.

**Cultural Effects on Consumer Behaviour**

Have you ever seen a woman jogging with her baby in a stroller? If you visit the capital of Norway Oslo, you will notice the presence of lots of parks and natural environments. The Norwegian culture, like the Swedish one, is characterized by a deep respect and love towards nature and this is reflected in the behaviour of its people. Norwegian people like spending their free time outdoors instead of their homes they prefer jogging or playing sports, having a barbecue at the park with friends or just sitting on the grass and relaxing. So it is totally normal for Norwegian mothers to take their babies outside all the time, even while jogging, because they strongly believe that fresh air and nature are the best for them. For this reason when shopping for a baby stroller, Norwegian consumers use different values for product evaluation and choose the stroller that is better qualified for their needs, meaning that they would prefer a stroller with bigger and stronger wheels that can handle rocks, bumps or paddles.

**Advertising**

It is one of the main tools that marketers use to communicate with customers, to change their buying behaviour or to persuade them into taking certain actions. In fact, it is able to reach big audiences without too much effort, transmitting to the customers the product’s information. It can also be used to inspire certain social behaviours or to create a long-term image and reputation in the consumers’ minds. Each year marketers invest huge amounts in advertisements, because they can be considered as the fastest way to convey a message to as many people as possible. Sports events like the FIFA World Cup or the Olympic Games are considered as the best opportunities for reaching big masses. In USA, for example, the biggest sport event is represented by the Super Bowl, that is the annual championship game of the American National Football League. Football can be seen as a representative element of the American culture. Gannon (1994) uses football as a metaphor for the American society, because it highlights three main aspects of American culture: individualism and competitive specialization, huddling and ceremonial celebration of perfection. In fact, American society is a typical individualistic culture that emphasizes competition and personal success. Moreover, football represents American history and character: it shows male bravado, physical strength, competitive struggle and violence. It is a game that is shared by most Americans, as it is a reason for family or friend reunions. So, naturally, the Super Bowl generally attracts huge audiences each year. That is why a television advertisement during this event is particularly costly, but at the same time it could lead to high profits. As an example, a 30-second spot during the Super Bowl of 2016 required an average of 5 million dollars of expenditure. Nevertheless, many marketers decided to pay for a Super Bowl ad and invested even more money on creating those commercials, trying to obtain the highest pay offs. It is possible to say that advertising is a sort of investment: it can help the company into promoting their products, but at the same time it could lead to big failures and ruin reputations. One example is the commercial aired during the Super Bowl of 2011 of the ecommerce marketplace site Groupon. The campaign included one spot, which featured actor Timothy Hutton starting by talking about how the people and culture of Tibet were in jeopardy. After saying that, he immediately started promoting the deals, with which Groupon offered Tibetan fish curry at only $ 15 instead of $ 30. The commercial received a severe backlash: it was interpreted as a trivialization of an important cause and many expressed their negative thoughts in their social media, forcing the company to remove the advertisement a few days later. So, despite Groupon spent almost 3 million dollars for the Super Bowl ad, it was a total failure and, even nowadays, it is still remembered as one of the most controversial Super Bowl ads. Another example is the British airline company Easy Jet’s attempt to ridicule British Airways’ marketing campaign. In 2011 British Airways launched a new commercial showing the history and evolution of the company and communicating their message “To fly. To serve”19. This advertisement received positive feedbacks from viewers.

**Advertising Strategy?**

A typical global brand could be Coca Cola, which is sold over 200 countries and is one of the most known soft drink in the world. In order to be sold worldwide Coca Cola Company decided to maintain the same structure of its logo, referring to the red background and white letters and translated only the name itself according to the different languages. For the Chinese market, for example, the name Coca Cola was translated into 可口可乐 (ke kou ke le), which literally means “to permit mouth to rejoice”, indicating the pleasure that the customer would feel by drinking it. To find this logo, Coca Cola had to look to all the Chinese characters that had the same pronunciation as the original name, but at the same time they had to be very careful about the meaning. In fact, while the company was still choosing the right Chinese name when it entered the market in 1927, some local Chinese shopkeepers decided to assign Coca Cola a name created by themselves by looking only at the pronunciation and not at the whole meaning. And one of these self-created translations was “ko ka ko la”, which literally meant “female horse fastened with wax” or “bite the wax tadpole”. Thus, Coca Cola decided to use “le” as the last letter instead of “la” because they could not find a suitable character with the same pronunciation, but with an appropriate meaning. A globalized advertisement, however, has also its negative factors. In fact, by only translating the message in different languages, many companies experienced some misunderstanding that lead customers to think negatively about the brand. The American soft drink producer Pepsi translated in Chinese its slogan “Come alive with Pepsi generation” with “Pepsi bring your ancestors back form the dead”, while the popular beverage brand Schweppes’ original message of “Schweppes tonic water” became “Schweppes toilet water” in Italian. Also the American Fast food restaurant chain KFC’s attempt at translating its motto in Chinese failed miserably: in fact, the original message “finger-lickin’ good” became “we’ll eat your fingers off”.

**Case Study “Dove Summer Glow”**

If a person had clear skin, for instance, it generally meant beauty, wealth and refinement, whereas an individual with tanned skin was considered poor because he was probably working in the fields. Nowadays this belief changed in most western countries, so that wellbeing and wealth is represented more by a tanned skin, implying leisure activities as sunbathing or travelling, whereas in eastern countries a pale skin is still a symbol of beauty and wealth. This difference is also expressed in the types of products that marketers try to sell. In fact, in Western countries it is common for high level people to go to the spa for a session with the sunlamp or the tanning beds or to see advertisements for tan prolonger and maximize products In 2008, for example, the Unilever brand Dove launched a new product called “Dove Summer Glow”, which was characterized by self-tanning agents that allowed customers to have a smooth and even tan. For its advertisement campaign, Dove maintained a simple style with black as the main colour and hired common women for the spot in order to be nearer to the customer and to focus on its message, which was “good for your skin, great for your look”, emphasizing the good properties of the lotion for the physical and psychological health.

Contrariwise, in eastern countries it is more common to find tan remover products or even whitening skin lotions, creams or powders. Many advertisements, in order to attract Asian customers, generally include as key words “whitening”, “lightening” or “illuminating” and they usually have a white background. Also, Dove adopted a different strategy for the Eastern market: for promoting its “Deeply nourishing body wash”, Dove hired common women like the other advertisement, but in this case it used white as the main theme colour and made a comparison between the product’s nourishing properties and those given by the milk, which is, not surprisingly, white as well.

**Conclusion 1**

There are different beliefs and values are reflected also in differences about what consumers may need and how they choose their products or generally behave. It is essential for firms and marketers to understand what factors can influence consumers into buying a certain product instead of another and culture is one of these factors. Nowadays there is a high level of competition between firms, so the number of products belonging to the same category, some identical and others with slightly different features, is increasing more and more. Everyday consumers have to decide between a myriad of options and choose only those products that can fulfil more their needs. So the companies that better understand the factors influencing consumer needs will be also the more successful ones. Before analysing the cultural effects, however, it is necessary to first understand what we mean by consumer behaviour.

**Conclusion 2**

When a company enters a foreign market, it must decide which kind of marketing strategy to adopt: a global standardized or a local adapted strategy. This question belongs to a debate that has been going on for many years. People supporting a standardized strategy think that globalization is lowering trade barriers and approaching different cultures. So they argue that there is greater market similarity and that customer needs and preferences are becoming the same. A standardized advertising strategy means promoting the same product around the world by using the same approach, like its style or message, with the only difference in the language translation. This kind of strategy has many advantages.

**Conclusion 3**

Culture is a very important factor that can influence not only the business world, but also human behaviour in general. Studying culture can help industries and retail markets in gaining competitive advantage in international and local markets and it can also help people around the world to better understand how to deal with each other. In fact, the same gesture or sentence could be interpreted differently across countries one gesture could be considered neutral in one culture and offensive in another and, by knowing this difference, people can avoid possible conflicts or misunderstandings.

**Recommendation 1**

A good advertising policy allows the company to save media costs and advertising production costs. Moreover, it provides consistency in the image and identity that the company conveys around the world and allows consumers who travel frequently to receive the same message in different countries. Finally, a standardized strategy implies a better management control of international operations because the company has to coordinate the same advertisement campaign across countries.

**Recommendation 2**

Marketers need to be careful about their promotional strategy: they need to consider a lot of factors when implementing an advertisement strategy and have to make a lot of decisions to find the best promotion mix for the target market. One very important decision refers to the question of whether to adopt a global or a local advertising strategy.

**Recommendation 3**

Firms that wish to compete and succeed in foreign markets must consider, among other aspects, the culture that characterizes that particular market, because it influences many aspects such as consumer behaviours, preferences or even the way companies do business and interact with each other. As a matter of fact, the term “blunder” is generally used to indicate avoidable mistakes made by companies that enter in foreign markets, caused by poor knowledge or complete ignorance of the local culture.

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