



Global Marketing

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Social and Cultural Environments Chapter 4



Introduction

This chapter includes:

- Society, Culture, and Consumer Culture
- Hall's Theory
- Hofstede's Cultural Typology
- Ethnocentricity and Self-Reference Criterion
- Maslow's Hierarchy
- Diffusion Theory
- Environmental Sensitivity



African Village



AFRIC PARTNERSHIP

MPARTNERSHIP

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 Culture

- Clothing
- Tools
- Decorative art
- Body adornment
- Homes



Abstract Culture

- Religion
- Perceptions
- Attitudes
- Beliefs
- Values

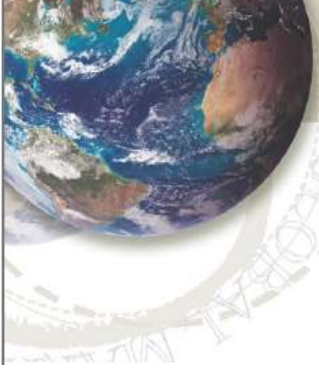


Society, Culture, and Global Consumer Culture

“Culture is the collective programming of the mind that distinguishes the members of one category of people from those of another.”

Geert Hofstede

A nation, an ethnic group, a gender group, an organization, or a family may be considered as a category.



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, Christianity, Hinduism, Islam, and Judaism and are an important source of beliefs, attitudes, and values.
- Religious tenets, practices, holidays, and history impact global marketing activities.



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

- **Red**—associated with blood, wine-making, activity, heat, and vibrancy in many countries but is poorly received in some African countries.
- **Blue**—since the pigment was rare, ancient Egyptians, Chinese, Mayans associated it with royalty and divinity. Half of interviewees state blue is the favorite color.
- **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



Yellow indicates a merchant in India



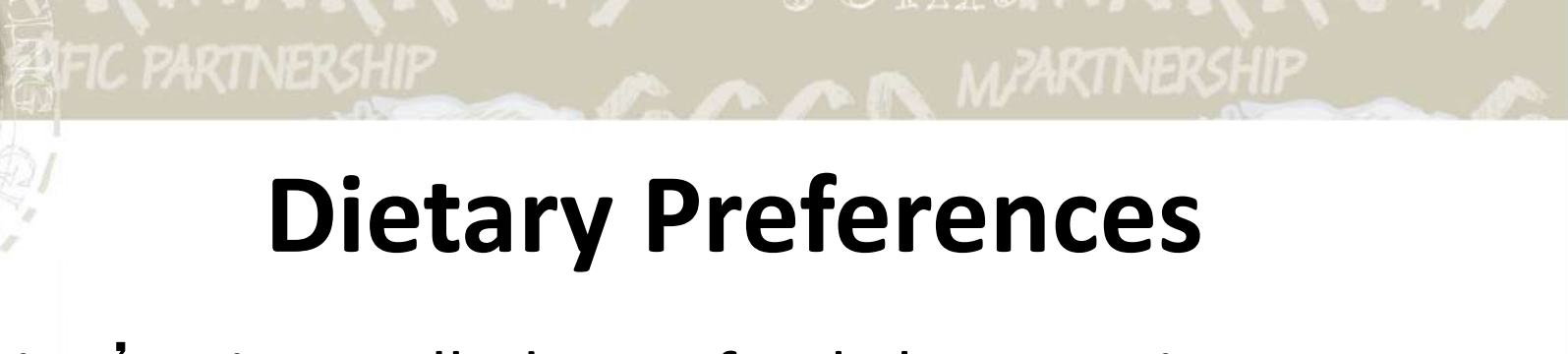
In England and the U.S., “Something Blue” on a bride’s garter symbolizes fidelity



Music

- Found in all cultures
- Rhythm is universal
- Styles are associated with countries or regions: bossa nova & Argentina, salsa & Cuba, reggae & Jamaica, blues, rap, rock, country & U.S.
- Understand what style is appropriate in advertising; varies by culture and government regulations





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.
- Although some food preferences are deeply rooted in culture, global dietary preferences are converging.
 - Pasta, pizza, sushi, other ethnic foods



Language and Communication

Linguistic Category	Language Example
Syntax-rules of sentence formation	English has relatively fixed word order; Russian has relatively free word order.
Semantics-system of meaning	Japanese words convey nuances of feeling for which other languages lack exact correlations; 'yes' and 'no' can be interpreted differently than in other languages.
Phonology-system of sound patterns	Japanese does not distinguish between the sounds 'l' and 'r'; English and Russian both have 'l' and 'r' sounds.
Morphology-word formation	Russian is a highly inflected language, with six different case endings for nouns and adjectives; English has fewer inflections.



Language and Communication

書

book

Pronounced “shu”
Sounds like “I hope
you have bad luck”.

傘

umbrella

Sounds like
“break into pieces
or fall apart”.

鐘

clock

Sounds like
“death” or
“the end”.

In China, it is bad luck to give these three items.



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



McDonaldization of Culture

Many people resent the breaking down of cultural barriers that occurs when global firms expand into new markets.

“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.”



The Slow Food Movement

Sociologist George Ritzer



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



High- and Low-Context Cultures

TABLE 4-1 High- and Low-Context Cultures

Factors or Dimensions	High Context	Low Context
Lawyers	Less important	Very important
A person's word	Is his or her bond	Is not to be relied upon; "get it in writing"
Responsibility for organizational error	Taken by highest level	Pushed to lowest level
Space	People breathe on each other	People maintain a bubble of private space and resent intrusions
Time	Polychronic—everything in life must be dealt with in terms of its own time	Monochronic—time is money; linear—one thing at a time
Negotiations	Are lengthy—a major purpose is to allow the parties to get to know each other	Proceed quickly
Competitive bidding	Infrequent	Common
Country or regional examples	Japan, Middle East	United States, Northern Europe



Hofstede's Cultural Typology

- Power Distance
- Individualism/Collectivism
- Masculinity
- Uncertainty Avoidance
- Long-term Orientation



Hofstede's Five Dimensions of National Culture

1. **Individualistic**—People look after their own and family interests

Collectivistic—People expect the group to look after and protect them

Individualistic

United States, Canada, Australia

Japan

Collectivistic

Mexico, Thailand

2. **High power distance**—Accepts wide differences in power; great deal of respect for those in authority

Low power distance—Plays down inequalities; employees are not afraid to approach nor are in awe of the boss

High power distance

Mexico, Singapore, France

Italy, Japan

Low power distance

United States, Sweden

3. **High uncertainty avoidance**—Threatened with ambiguity and experience high levels of anxiety

Low uncertainty avoidance—Comfortable with risks; tolerant of different behavior and opinions

High uncertainty avoidance

Italy, Mexico, France

United Kingdom

Low uncertainty avoidance

Canada, United States, Singapore



Hofstede's Five Dimensions of National Culture

3. **High uncertainty avoidance**—Threatened with ambiguity and experience high levels of anxiety

Low uncertainty avoidance—Comfortable with risks; tolerant of different behavior and opinions

High uncertainty avoidance

Italy, Mexico, France



United Kingdom

Low uncertainty avoidance

Canada, United States, Singapore

4. **Achievement**—Values such as assertiveness, acquiring money and goods, and competition prevail

Nurturing—Values such as relationships and concern for others prevail

Achievement

United States, Japan, Mexico



Canada, Greece

Nurturing

France, Sweden

5. **Long-term Orientation**—People look to the future and value thrift and persistence

Short-term Orientation—People value tradition and the past

Short-term Orientation

Germany, Australia, United States, Canada



Long-term Orientation

China, Taiwan, Japan



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



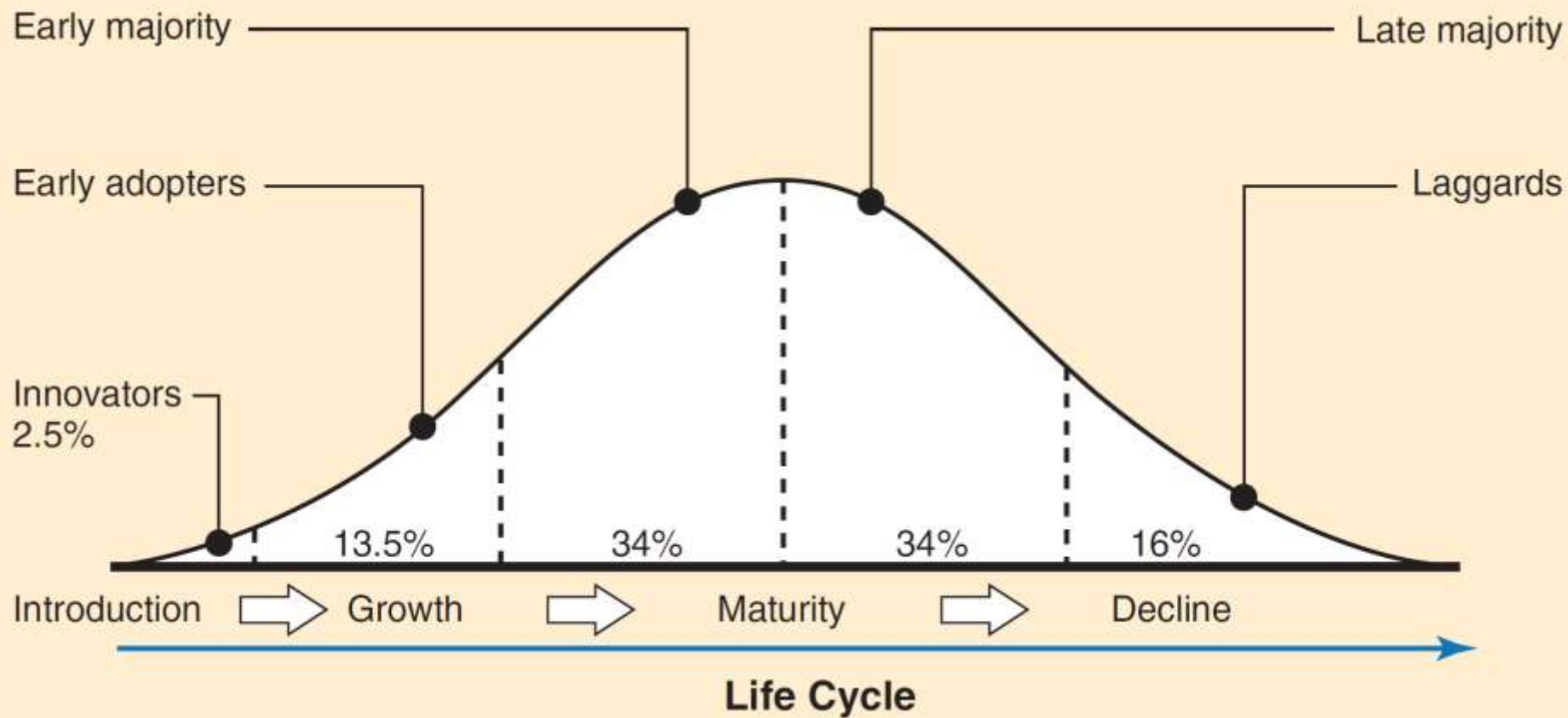


Diffusion Theory: Characteristics of Innovations

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

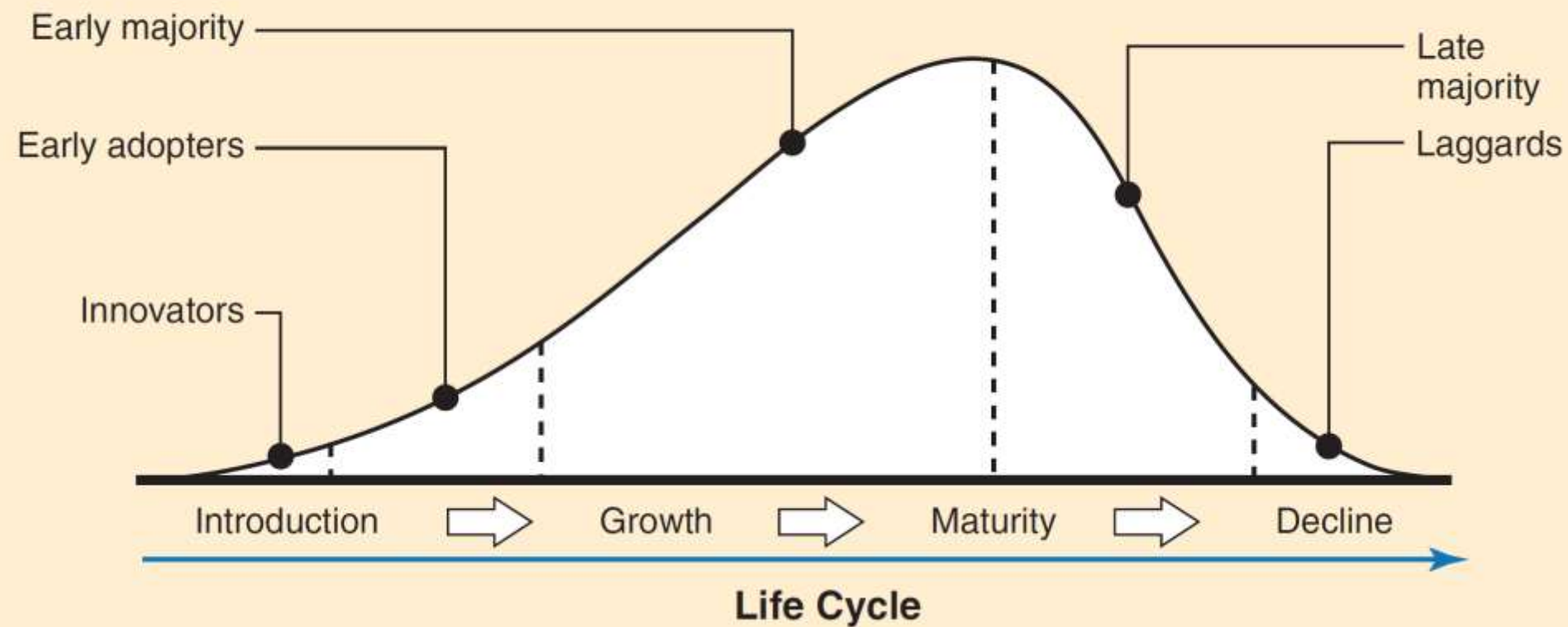


Diffusion Theory: Adopter Categories





Asian Hierarchy



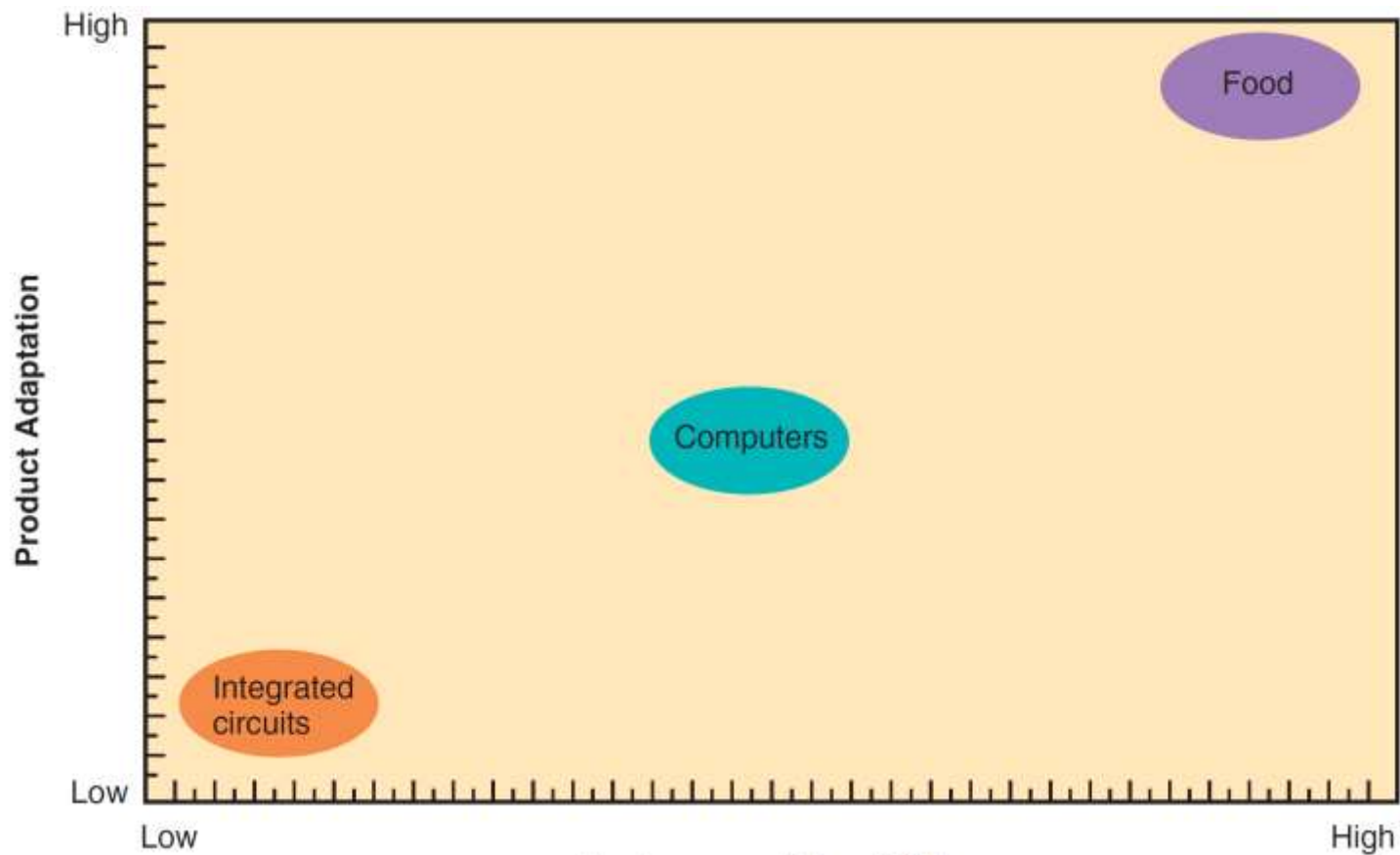


Marketing Implications of Social and Cultural Environments

- 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



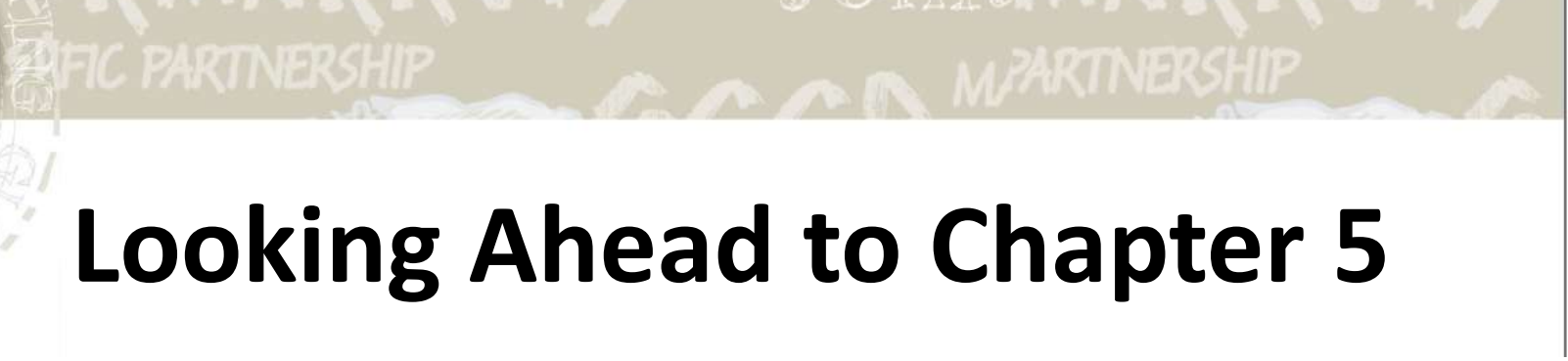
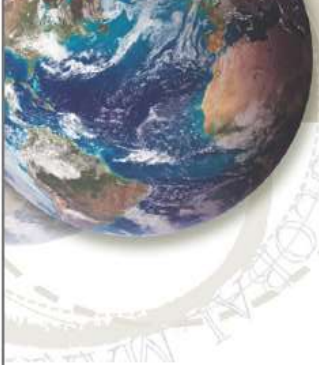
Environmental Sensitivity





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 today has over 700 locations



Looking Ahead to Chapter 5

The Political, Legal, and Regulatory Environments of Marketing