Global Marketing

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Ninth Edition, Global Edition

Social and Cultural Environments

Chapter 4

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Learning Objectives

1. Define culture and identify the various expressions and manifestations of culture that can impact marketing strategies.
2. Compare and contrast the key aspects of high- and low-context cultures.
3. Identify and briefly explain the major dimensions of Hofstede's social values typology.
4. Explain how the self-reference criterion can affect decision making at global companies and provide a step-by-step example of a company adapting to conditions in a global market.
5. Analyze the components of diffusion theory and its applicability to global marketing.
6. Explain the marketing implications of social and cultural environments around the globe.

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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

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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**
- These institutions reinforce **cultural norms**
- Culture is both **physical** (clothing and tools) and **nonphysical** (religion, attitudes, beliefs, and values)

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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.

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Social Institutions

- Family
- Education
- Religion
- Government
- Business

These institutions function to reinforce cultural norms

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Material and Nonmaterial Culture

Physical Culture

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

Abstract Culture

- Religion
- Perceptions
- Attitudes
- Beliefs
- Values

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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, soccer culture

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

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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
- **Subcultures**—smaller groups of people with their own shared attitudes, beliefs, & values (ex. Vegetarians)

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Religion

In 2014, jihadist gunmen opened fire at the Paris office of Charlie Hebdo.

- 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.

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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

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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.

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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

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Dietary Preferences

- Domino’s Pizza pulled out of Italy because its products were seen as “too American” with bold tomato sauce and heavy toppings.
- Domino’s is India’s largest foreign fast-food chain with over 700 stores. It’s success is attributed to localized toppings.
- Dunkin’ Donuts morning business in India was slow. Indians eat breakfast at home. Business took off after it introduced the Original Tough Guy Chicken Burger for later time of day.
- Although some food preferences are deeply rooted in culture, global dietary preferences are converging.
  - Pasta, pizza, sushi, other ethic foods

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Language and Communication

- Semiotics—the study of signs and their meanings
- Semiotics includes both spoken and unspoken language
- Unspoken language includes gestures, touching, body language
- Spoken language has four areas

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Spoken or Verbal Language

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.

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Language and Communication

書	傘	鐘
book	umbrella	clock
Pronounced "shu" Sounds like "I hope you have bad luck".	**Sounds like "break into pieces or fall apart".**	**Sounds like "death" or "the end".**

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

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American Football in Chinese

blitz
突袭:猛撞
(四分卫)一种
防守技术

gambling kickoff
赌博踢

short kick
短开球

punt
凌空踢球

capture and kill
'擒杀'

successfully capture the quarterback
成功地擒抱四分卫

play action
假跑真传

Hail Mary pass
长传到达阵区

touchdown
持球触地

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Pronunciation Problems

- Colgate in Spanish means “go hang yourself”
- IKEA hired linguists to rename products in Thailand because they had sexual connotations
- Whirlpool spent large sums on advertising only to find out that French, Italian & German consumers could not pronounce the brand name
- Diesel brand name was chosen because it is pronounced the same in all languages

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Cell Phones & Texting

- In Korea, certain number combinations have special meanings
- 8282 (Paul Yi Pal Yi) sounds like “hurry up”
- 7179 (Chil Han Chil Han) = ”close friend”
- 4 5683 968 = I Love You

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Language & Communication

English Around the Globe

- More people speak English as a 2nd language than there are native speakers
- 85% of EU teens study English
- Sony (Japan) & Nokia (Finland) require upper managers to pass a proficiency test

Nonverbal Communication

- In the Middle East, Westerners should not show the soles of shoes or pass documents with the left hand
- In Japan, bowing has many nuances
- Asians place greater value on nonverbal communication than Westerners

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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

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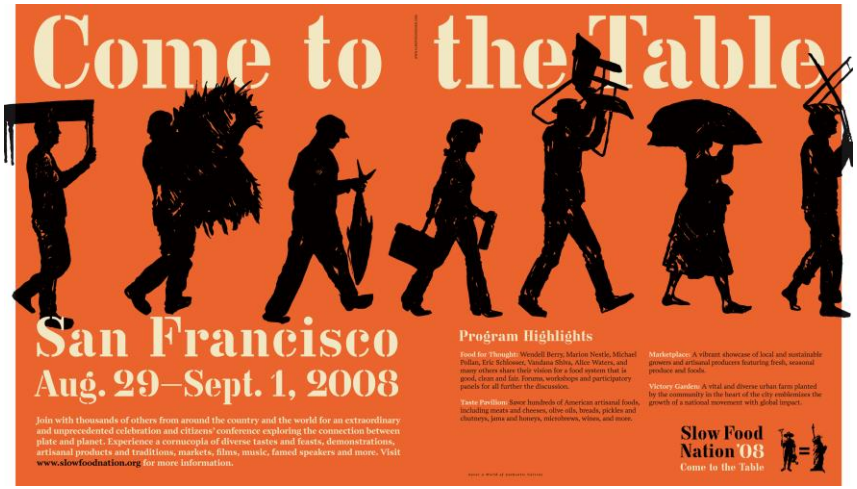
McDonaldization of Culture

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



The Slow Food Movement

"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."

Sociologist George Ritzer

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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

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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

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Hofstede's Cultural Typology

- Individualism/Collectivism
- Power Distance
- Uncertainty Avoidance
- Achievement/Nuturing
- Long-term Orientation

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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 ⟷ *Collectivistic*

   United States, Canada, Australia — Japan — 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 ⟷ *Low power distance*

   Mexico, Singapore, France — Italy, Japan — 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 ⟷ *Low uncertainty avoidance*

   Italy, Mexico, France — United Kingdom — Canada, United States, Singapore

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Hofstede's Five Dimensions of National Culture

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

   Nurturing–Values such as relationships and concern for others prevail

Achievement ⟷ *Nurturing*

Canada, Greece

United States, Japan, Mexico — 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

Long-term orientation ⟷ *Short-term orientation*

China, Taiwan, Japan — Germany, Australia, United States, Canada

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Self-Reference Criterion and Perception

- Unconscious reference to one's own cultural values; creates cultural myopia

- How to Reduce Cultural Myopia:
  1. Define the problem or goal in terms of home country cultural traits
  2. Define the problem in terms of host-country cultural traits; make no value judgments
  3. Isolate the SRC influence and examine it
  4. Redefine the problem without the SRC influence and solve for the host country situation

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Disney in France & Tokyo & the Self-Reference Criterion

1. Unlimited demand for American culture. Tokyo a huge success. No alcohol in parks.

2. Europeans, especially the French, are sensitive about American cultural imperialism. Disney characters are based on European folk tales. Real castles here!

3. Compare Steps 1 & 2. American & Japanese conditions are different. Modify design for European success.

4. Redesign the theme park in keeping with European cultural norms; allow the French to put their identify on the park.

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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

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Diffusion Theory: Characteristics of Innovations

- Innovation is something new; five factors that affect the rate at which innovations are adopted include:
  - Relative advantage : How the product compares with existing ones
  - Compatibility: The extent to which a product is consistent with existing values and past experiences of adopters
  - Complexity: The degree to which an innovation or new product is difficult to understand and use.
  - Divisibility: The ability of a product to be tried and used on a limited basis
  - Communicability: The degree to which benefits of an innovation or the value of a product may be communicated to a potential market

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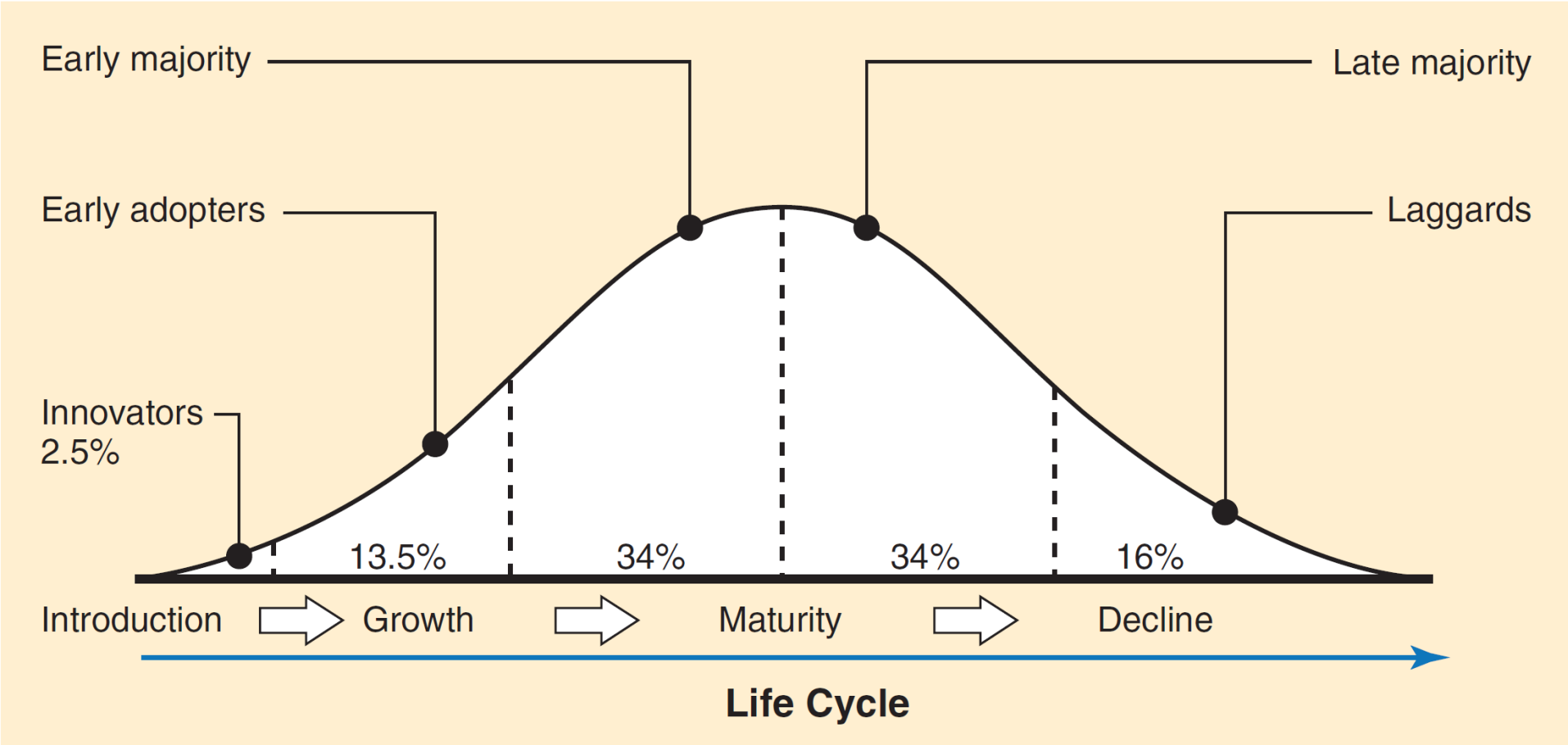
Diffusion Theory: Adopter Categories



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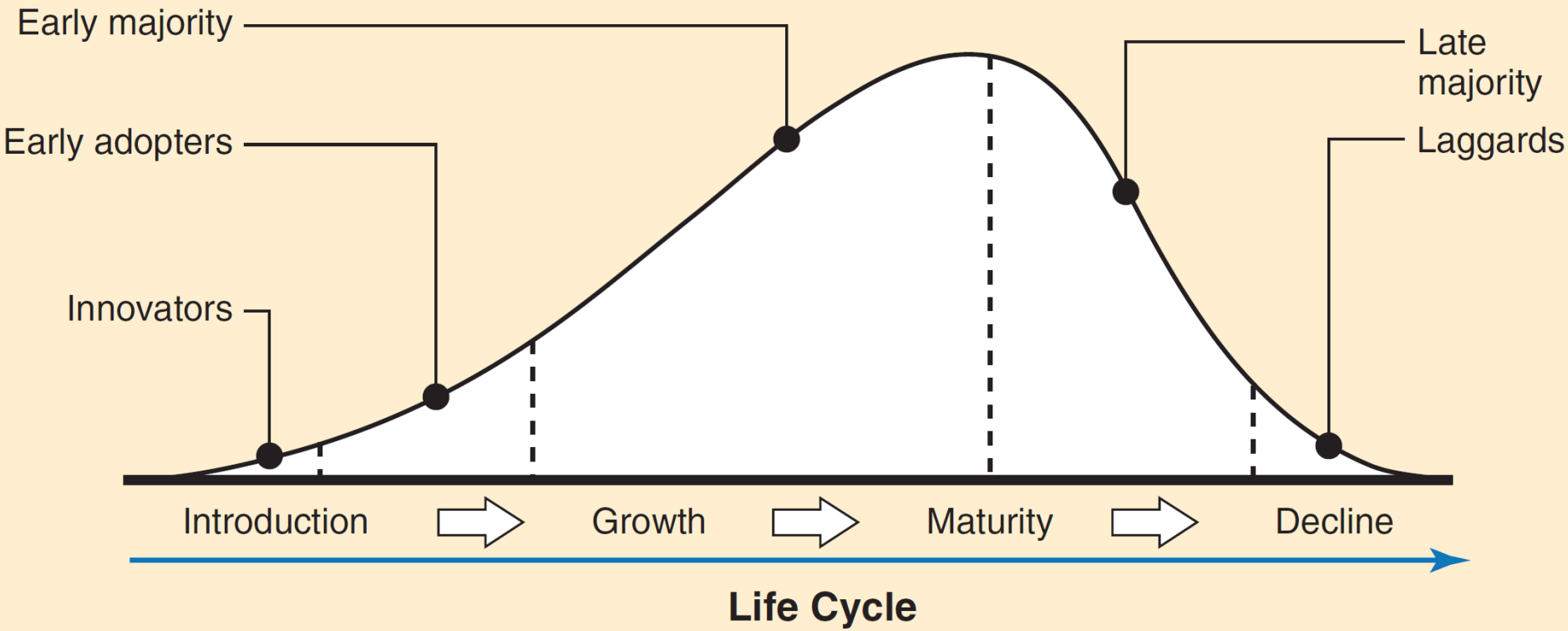
Asian Hierarchy



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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

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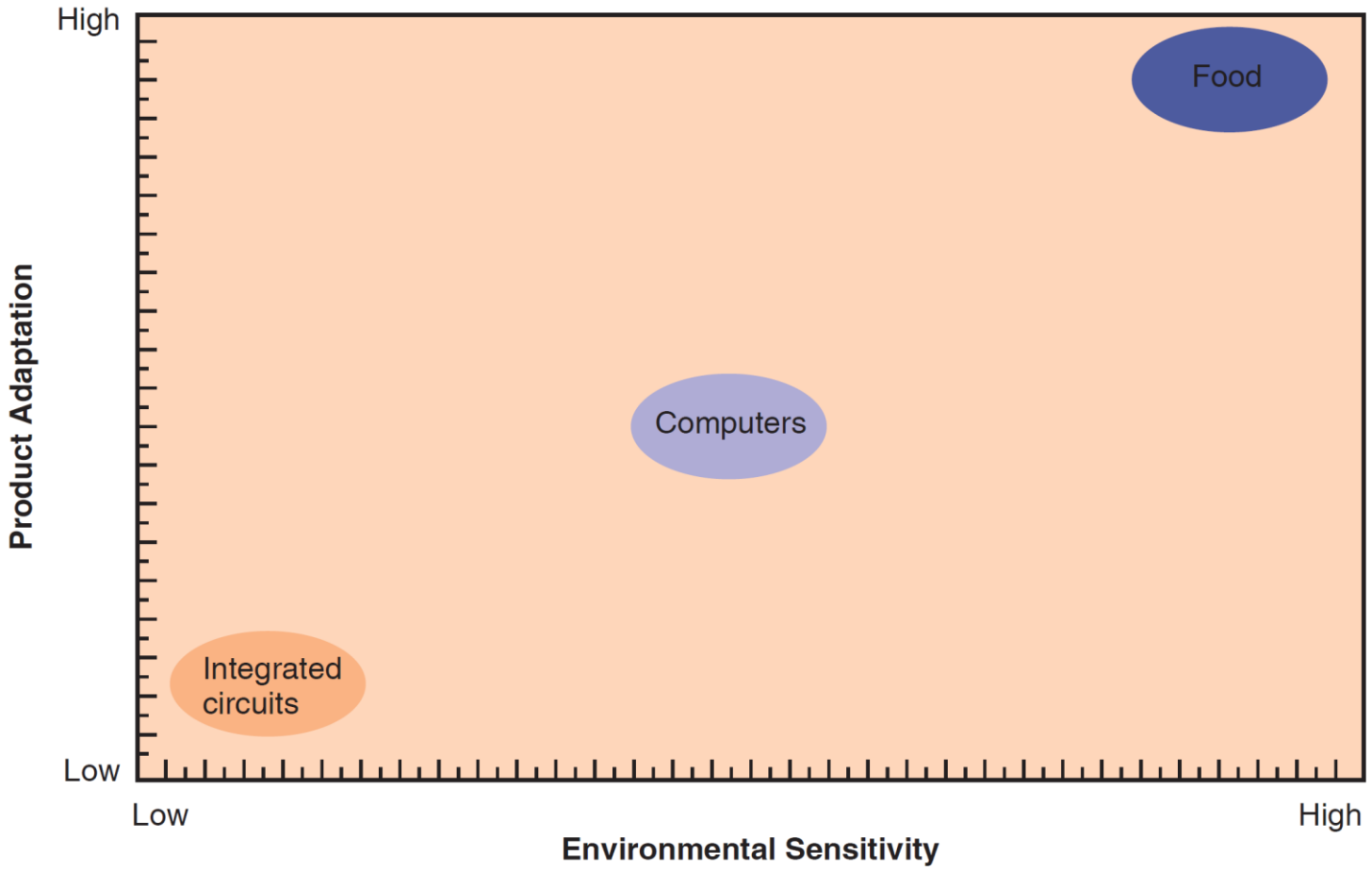
Environmental Sensitivity



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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
  - Bottled water is a convenient alternative in countries where well or tap water may be contaminated. Bottled water consumption as tripled in India, doubled in China in the last five years
  - Starbucks overcame cultural barriers in Great Britain and today has over 800 locations

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