

Social and Cultural Environments

Global Marketing

Chapter 4





Introduction

This chapter includes:

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



African Market



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

“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, 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.



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.
- 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

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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.
- Subway had to educate Indians about the benefits of sandwiches because they do not normally eat bread.



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

- 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 Mideast, Westerners should not show the soles of shoes or pass documents with the left hand

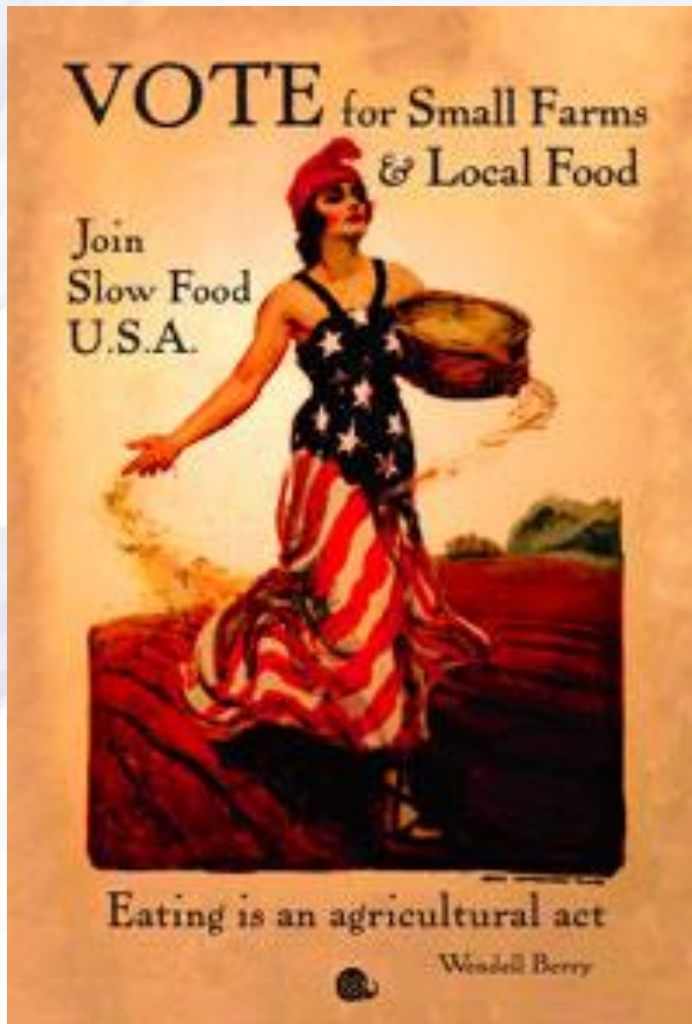


Marketing's Impact on Culture

- 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



High- and Low-Context Cultures

Factor/Dimension	High Context	Low Context
Lawyers	Less Important	Very Important
A person's word	Is his/her bond	Is not reliable—get it in writing
Responsibility for Organizational error	Taken by highest level	Pushed to the lowest level
Space	People breathe on each other	Private space maintained
Time	Polychronic	Monochronic
Competitive Bidding	Infrequent	Common



Hofstede's Cultural Typology

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



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



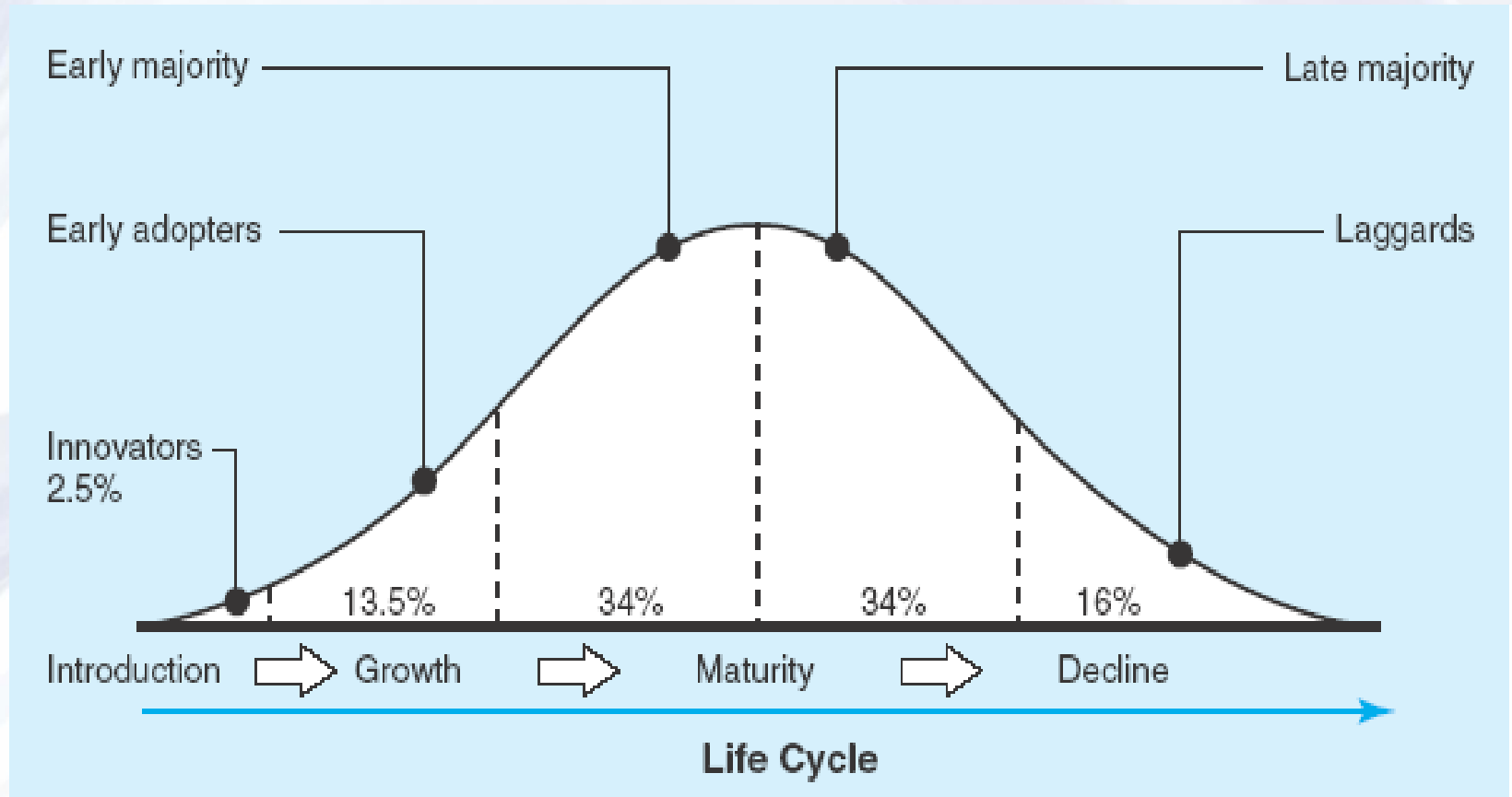


Diffusion Theory: Characteristics of Innovations

- 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



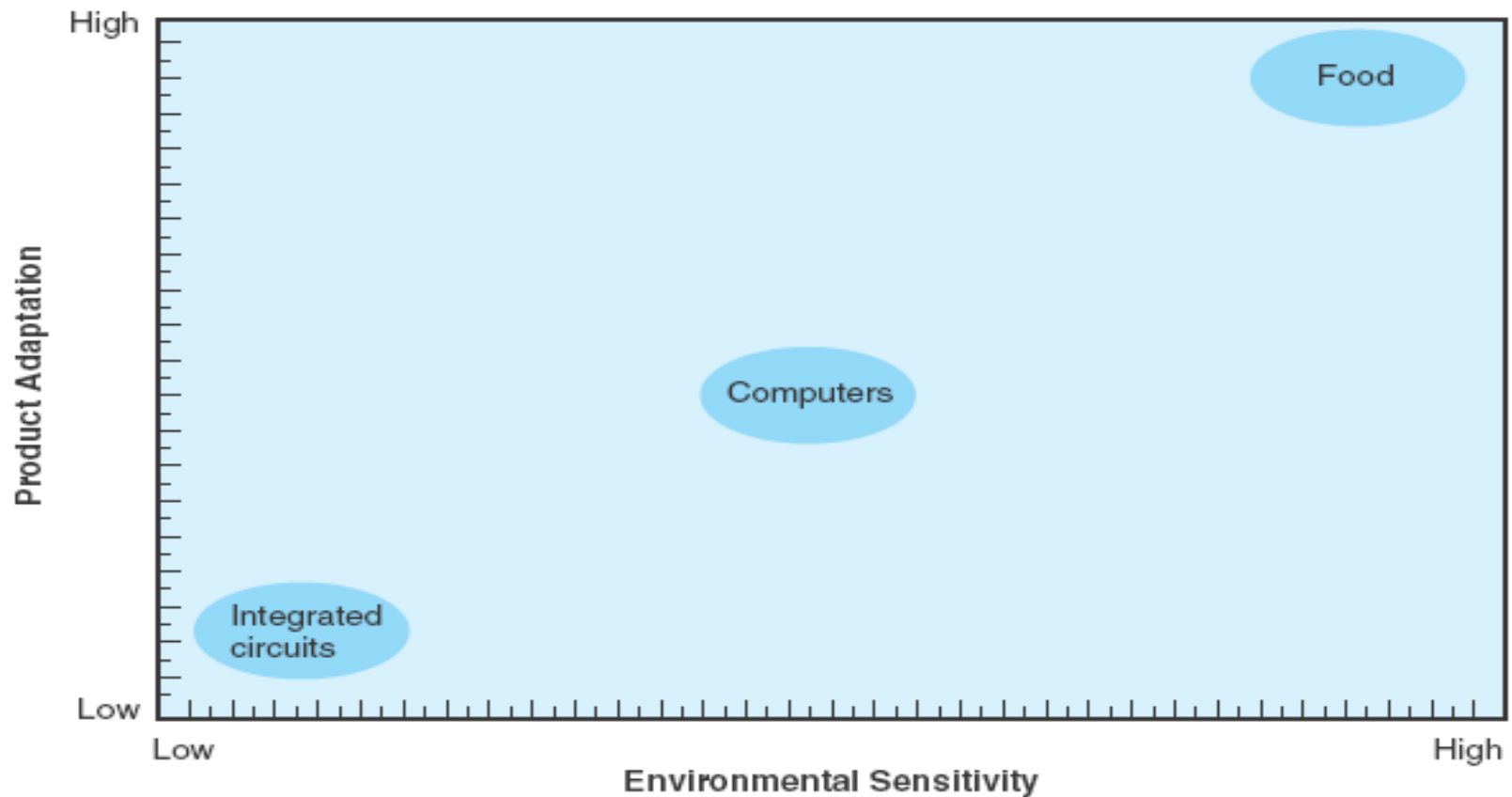


Marketing Implications

- 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





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