Global Consumers in a Global Village?

- Do travel, global media and technology make us all the same?

Global Youth Culture

- Assae 2004: Consumer behavior, a strategic approach:
  - Teens across the world
    - Watch the same television shows and similar commercials
    - Develop the same consumption patterns
    - Find being with friends and watching television to be the most enjoyable ways to spend time
  - Travel and global communications have spurred the development of common norms and values

The Globalization myths in marketing

- ‘Globalization of markets’ Levitt (1983): The world’s needs and desires have homogenized
- (Internet) technology brings a world culture
- Global business and global media have brought global communities
  - youth, business people more similar to each other across countries than to other people within countries
  - similarities in media exposure bring consumers together
- Increased wealth makes people travel → Increased travel brings universal values

Results:
- Increased focus on similarities, not on differences
- An ideal world versus the real world
Definitions of Culture

- Incorporates both objective and subjective elements.
  - **Objective aspects** of culture include tools, roads, television programming, architecture, and other physical artifacts.
  - **Subjective aspects** include norms, values, ideas, customs, and other meaningful symbols.
- The human part of the environment (Herskovits)
- 'collective mental programming' of people, and the 'software of the mind,' (Hofstede, a well-known Dutch organizational anthropologist)
  - How we think and reason.
- Interplay of sameness and differences

What is Culture?

- product of social life
- related with human
- social heritage of human race
- bridge from past to the future

What Culture is *not*

Culture is:
- *Not right or wrong.*
  - Culture is relative. There is no cultural absolute. Different nationalities simply perceive the world differently.
- *Not about individual behavior.*
  - Culture is about groups. It refers to a collective phenomenon of shared values and meanings.
- *Not inherited.*
  - Culture is derived from the social environment. We are *not* born with a shared set of values and attitudes; we learn and acquire as the grow up.

Several ways to view culture

- Learned and shared ways of doing things and solving problems
- in a society (national culture) or in a company (company culture)
- “How we do things here”
- The glue that binds people together
- If there are no shared ways of doing things it is difficult to live or work together

Characteristics of Culture

- Culture is social
- Culture is in interaction
- Culture satisfy needs
- Culture is learned
- Culture is shared
- Culture is dynamic
- The invisible hand of culture

Culture Satisfies Needs

Culture exist to satisfy the need of the people within society.

Culture provides "standards and rules" regarding
- When to eat
- Where to eat
- What is appropriate to eat for breakfast, lunch, dinner
- What to serve to guests at a dinner, party, picnic, or a wedding

"Why not have White Castle for breakfast?" Most Americans do not consider hamburgers as a suitable breakfast food, White castle real challenge is to overcome culture not competition.
Culture is Learned

People do not born with an understanding of culture.

Socialization (growing up)
Acculturation (adjusting to a new culture)

How is culture learned?

Formal Learning
Adults and older siblings teach a young family member “how to behave”

Informal Learning
A child learns primarily by imitating the behavior of selected others (friends, TV Heroes, family etc.)

Technical Learning
Teacher instructs the child in an educational environment as to what should be done, how it should be done.

Culture is Shared

Culture is shared, communicated and transmitted by members of social set and defines the boundaries between different groups.

Common language is critical cultural component.

Social institutions play a major role in the transfer of culture.

Culture is Dynamic

Marketer should follow the socio-cultural environment

This is not easy task

Many factors are likely to produce cultural change.

New technology, population shifts, resource shortages, wars, changing values etc.

Culture is in Interaction

Beliefs, Values and Norms
Language
Religion
Social Institutions
Material Culture
Non-verbal Communication

Surface Culture
Symbols, Language, Customs, Arts, Music, Fashions

Deep Culture
Expectations
Traditions
Attitudes
Norms, Values
Beliefs
Perceptions

Cultural Iceberg
Elements of Culture

- Language
- Beliefs and Values
- Nonverbal Communication
  - Body Language
  - Time
  - Esthetic
  - Religion
- Social Structure and Institutions
- Material Culture
- Education

Norms and Values

- **Values**: Abstract ideas about what a group believes to be good, right and desirable.
  - values may include a society’s attitudes toward such concepts as individual freedom, democracy, truth, the role of women, honesty, loyalty, marriage etc.
  - serve as a guide for culturally appropriate behavior.
  - difficult to change.
  - not tied to specific objects or situations.
  - widely accepted by the members of society.
- **Norms**: Social rules and guidelines that prescribe appropriate behavior in particular situations.
  - Eg: Appropriate dress code in a particular situation.

The value concept

- **Rokeach: Terminal and Instrumental values**
- **Norms vs. Values: desirable vs. desired**
- **Values have**
  - cognitive, affective and behavioral components

Values: the desirable and the desired

<table>
<thead>
<tr>
<th>The desirable</th>
<th>The desired</th>
</tr>
</thead>
<tbody>
<tr>
<td>The norm, what ought Words Approval, disapproval What is good, right For people in general</td>
<td>What people want for themselves Deeds Choice Attractive, preferred For me and for you</td>
</tr>
</tbody>
</table>

Rokeach and values

- Levels of values
  - End-state of existence: terminal value
  - instrumental value
- 18 terminal value items
  - e.g. world at peace, equality, salvation, national security
- 18 instrumental value items
  - e.g. ambitious, honest, obedient, broad-minded
- Instrumental values are motivators: instruments to reach end-states

Rokeach’s terminal and instrumental values

<table>
<thead>
<tr>
<th>Terminal values</th>
<th>Instrumental values</th>
</tr>
</thead>
<tbody>
<tr>
<td>A comfortable life</td>
<td>Ambitious</td>
</tr>
<tr>
<td>An exciting life</td>
<td>Broad-minded</td>
</tr>
<tr>
<td>A sense of accomplishment</td>
<td>Capable</td>
</tr>
<tr>
<td>A world at peace</td>
<td>Cheerful</td>
</tr>
<tr>
<td>Equality</td>
<td>Clean</td>
</tr>
<tr>
<td>Family security</td>
<td>Courageous</td>
</tr>
<tr>
<td>Freedom</td>
<td>Forgiving</td>
</tr>
<tr>
<td>Happiness</td>
<td>Helpful</td>
</tr>
<tr>
<td>Inner harmony</td>
<td>Honest</td>
</tr>
<tr>
<td>Mature love</td>
<td>Imaginative</td>
</tr>
<tr>
<td>National security</td>
<td>Independent</td>
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<td>Pleasure</td>
<td>Intellectual</td>
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</tr>
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<td>Responsible</td>
</tr>
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<td>Self-controlled</td>
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Ten American enduring Core Values (Yankelovich)

- Freedom, free speech and freedom from constraint to the pursuit of private happiness
- Equality before the law
- Equality of opportunity: ‘freedom & individuality in the marketplace’
- Fairness: ‘get what you deserve’
- Achievement: ‘individual effort will pay off’
- Patriotism
- Democracy
- American exceptionalism: special moral status
- Religion
- Luck

Jack Daniel’s is a brand of Tennessee whiskey that is the highest selling American whiskey in the world

- Patriotic Ad: http://www.youtube.com/watch?v=Sia3nRjht48

Turkish values???

- Such as BENEVOLENCE

Turkish TV Series vs. British TV Series

Turkish TV Series vs. American TV Series

Measure of values
**Value studies in marketing and advertising**

- **Segmentation**
  - enriching segment descriptions
  - add values to demographics
  - see consumer as a whole

- **Differentiation**
  - add values to attributes and benefits
  - communicate how brand delivers higher level consequences

- **Positioning**
  - adding values creates association network which distinguishes products
  - positions a brand vs. other brands in the category

---

**Product: Light Beer**

- Attribute: Fewer Calories, light taste
- Benefit: not gaining weight, relaxing, refreshing
- Instrumental Values: Logical, self-controlled, cheerful
- Terminal Values: Pleasure, happiness, inner harmony, self-respect

**Product: Whisky**

- Attribute: Status, Taste, Relaxing
- Benefit: Feeling good, pushing ego
- Instrumental Values: Ambitious, capable, independent
- Terminal Values: Freedom, social recognition, pleasure

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**Rokeach’s terminal and instrumental values**

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<tr>
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<td>Public</td>
</tr>
<tr>
<td>Wisdom</td>
<td>Responsible</td>
</tr>
</tbody>
</table>

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**Campbell soup company is a global manufacturer and their products are sold in more than 100 countries**

- Campbell soup failed in South America
  - because mother’s behavior was judged as not caring enough about family.

---

**Benetton: Unhate Campaign**

---

**Beyond the anecdotal: Understand values**

- Cultural values explain how people interact in business
  - Meetings, dress codes, trust, relationships b/w bosses-subordinates
  - Organization models
- Cultural values explain consumer behavior
  - Influence on marketing and advertising
  - Media usage, communication styles
Measuring cultural values

• Derive cultural values from cultural artifacts (fairy tales, advertising)
• Information about cultures derived from the study of individuals
• Problems:
  ◦ Results based on self reports
  ◦ Implicit comparisons with others
  ◦ Questions, language
  ◦ Interpretation
  ◦ Equivalence
• Individual vs. culture-level
  ◦ Associations can vary for individual and culture-level

Religion

• Consumption frenzy before Christmas in Christian societies
• Consumption frenzy before Bayram in Muslim societies
• The ‘protestant work ethic’ emphasizes hard work, individual achievement, and a sense that people can control their environment

Language

• Language shape the way people perceive the world and it also helps define culture.
  ◦ The “mirror” or expression of culture; essential for communications; provides insights into culture
  ◦ In countries with more than one language ➔ more than one culture
  ◦ Canada has an English speaking culture and French speaking culture
  ◦ Chinese is the “mother tongue” of the largest number of people, followed by English and Hindi
  ◦ Most widely spoken language is English (language of international business)
  ◦ Learning a local language ➔ advantage

<table>
<thead>
<tr>
<th>Rank</th>
<th>Language</th>
<th>Approximate number native speakers/billions</th>
<th>Countries with substantial number of native speakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mandarin Chinese</td>
<td>774</td>
<td>China, Singapore</td>
</tr>
<tr>
<td>2</td>
<td>Hindi</td>
<td>345</td>
<td>India</td>
</tr>
<tr>
<td>3</td>
<td>English</td>
<td>311</td>
<td>United States, United Kingdom</td>
</tr>
<tr>
<td>4</td>
<td>Spanish</td>
<td>252</td>
<td>Argentina, Mexico, Spain</td>
</tr>
<tr>
<td>5</td>
<td>Bengali</td>
<td>197</td>
<td>Bangladesh, India</td>
</tr>
<tr>
<td>6</td>
<td>Arabic</td>
<td>176</td>
<td>Algeria, Egypt, Saudi Arabia</td>
</tr>
<tr>
<td>7</td>
<td>Portuguese</td>
<td>175</td>
<td>Brazil, Portugal</td>
</tr>
<tr>
<td>8</td>
<td>Russian</td>
<td>99</td>
<td>Russian Federation, Ukraine</td>
</tr>
<tr>
<td>9</td>
<td>Japanese</td>
<td>82</td>
<td>Japan</td>
</tr>
<tr>
<td>10</td>
<td>German</td>
<td>80</td>
<td>Germany, Austria</td>
</tr>
<tr>
<td>11</td>
<td>Korean</td>
<td>78</td>
<td>South Korea, North Korea</td>
</tr>
<tr>
<td>12</td>
<td>French</td>
<td>77</td>
<td>France, Belgium</td>
</tr>
<tr>
<td>13</td>
<td>Turkish</td>
<td>75</td>
<td>Turkey, Central Asia, Eastern Europe</td>
</tr>
</tbody>
</table>

Exhibit 5.7. The Most Common Native languages in the World

Worldwide percentage of Adherents by Religion (mid 2005)

- Christians (31.5%)
- Muslims (20.6%)
- Hindus (11.3%)
- Buddhist (5.8%)
- Taoists (5.9%)
- Neopagans (2.6%)
- Shinto (0.9%)
- Zoroastrians (0.6%)
- Other religions (0.5%)
- Non-religious (11.9%)

“A system of shared beliefs and rituals that are concerned with the realm of the sacred.”
### Language

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
<th>Brand Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Motors</td>
<td>Auto</td>
<td>Matador</td>
<td>Spain</td>
</tr>
<tr>
<td>Ford</td>
<td>Truck</td>
<td>Fiera</td>
<td>Spain</td>
</tr>
<tr>
<td>General Motors</td>
<td>Auto</td>
<td>Nova</td>
<td>Spain</td>
</tr>
</tbody>
</table>

### Nonverbal Language

- A failure to understand the nonverbal cues of another culture can lead to a failure of communication.

### Perception of Time

- **Monochronic**
  - A rigid orientation of time
  - The individual focuses on schedules, punctuality, and time as a resource
  - E.g.: Australia, US, Canada

- **Polychronic**
  - A flexible orientation of time
  - Delays are sometimes needed before taking action
  - E.g.: Latin America, Middle East

### Searching for similarities or differences

- In international marketing focus is on the search for similarities, finding similar groups across countries – youth, business people etc.
- Studies that focus on differences use dimensions or typologies
- Typologies describe easy-to-imagine types within countries, based on lifestyles or socio-milieus
- Lifestyle studies:
  - VALS - based on US value study
  - CCA - based on French value study, later extended to other countries in Europe
  - Kompas - Scandinavia
- Values of culture of origin reflected in dimensions

### National cultures

- **Nations should not be equated with societies**
- But, many nations are historically developed wholes even when consisting of clearly different groups
- United States heterogeneous nation
- Comparing nations
  - Differences within nations are smaller than differences across nations
**Classifying cultures**

- Classifications of culture
  - Descriptive characteristics
  - Value categories
  - Dimensions
- Dimensions empirically based; factor analysis of large databases
- Countries have a score on a scale
- Useful for secondary analysis of consumption data

**Large-scale dimensional models**

- Hofstede: 5 dimensions of national culture
- Schwartz: 7 value types or motivational domains
- Hofstede and Schwartz most used for marketing

**Hofstede’s dimensions of national culture**

- Power Distance
- Individualism-Collectivism
- Masculinity-Femininity
- Uncertainty Avoidance
- Long-Term vs. Short-Term orientation

- Explain most of variation of consumer behaviour

---

**The Work of Geert Hofstede**

**Power Distance**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. The highest P.D.: Malaysia</td>
<td>2. The highest U.A.: Greece</td>
</tr>
</tbody>
</table>

- Large Power Distance
- Broad differences between individuals in terms of power status and wealth
- High Uncertainty Avoidance
- Strong preferences for structured over unstructured situations

**Uncertainty Avoidance**

- Indicates the extent to which a society expects and accepts inequalities between its people and an unequal distribution of power and responsibility within its institutions and organizations.

---

**Low Context – High Context**

- Direct - Indirect
- Explicit - Implicit
- Verbal - Visual
- Facts - Symbols
- Concrete - Abstract
- Lecture style - Entertainment

---

**The Work of Geert Hofstede**

**Individualism/Collectivism**

| 1. The lowest I.: Guatemala |
| 2. The highest I.: USA |

**Masculinity/Femininity**

| 1. The lowest M: Sweden |
| 2. The highest M: Japan |

**Power Distance**

- Indicates the extent to which people in a country prefer to act as individuals rather than as members of groups.

**Uncertainty Avoidance**

- Indicates the extent to which which people in a country prefer to act as individuals rather than as members of groups.

---

**The Work of Geert Hofstede**

**INDIVIDUALISTIC**

- Make own decision, adopt their own approach, emphasis on personal liberties, having sufficient time for personal or family life, high sense of independence

**MASULINE SOCIETY**

- Promote competition, strong leadership, decisiveness, gender roles often defined quite rigidly

---
Power Distance, 22 countries
Rightful place vs. equality

- Power Distance large
  - Respect authority & elders
  - Acceptance and expectancy of authority
  - "rightful place", dependence, consume for social status
- Power Distance small
  - Inequality minimized, anti-authority
  - Arguments, "critical mind", opinions
  - Respect for youth, independence
  - Consume for use

Data: Hofstede, 2010

Social status and Scotch Whisky
Regular consumption Scotch Whisky
Regular consumption Scotch Whisky: r = .74***

PDI score

Sources: Hofstede 2010 & EMS 95

Social status: well-known brands

- Pakistan’s former president shows his Nike shoes

Spain: Respect for elders

Int'l ad, PDI-
- Elders look like youngsters
- Not acceptable in PDI+ cultures

Korea (PDI+): need for prestige and status

"Using a cartoon under the title of the campaign 'Just Close Your Eyes' to appeal to the fears of the elderly may possibly be a way of ensuring this group is not included in tourism in order to avoid a sense of discrimination."

"Brandy 103"
"TU SABES, LLEGARAS A 103"
Individualism–Collectivism, 22 countries

“I” versus “we”

“I” oriented, personality, identity, independence
- privacy, freedom, differentiation
- media main source of information
- universalist, sell, persuasion
- verbal orientation, product brands
- communication direct

“we” oriented, interdependence
- harmony / face, sharing, conformance
- social network main source of information
- particularist, trust, invest in relations
- visual orientation, company brands
- communication indirect

Data: Hofstede, 2010

Spain: Individual choice (literal translation of int’l ad for Lucky Strike) vs. culture-fit group enjoyment for L&M

Masculinity–Femininity, 22 countries worldwide

Gender of nations: hard vs. soft

Material success, what you do
- competition, money & things, consume for show
- live for working, role differentiation
- Mothers clean, look after children

Modesty, who you are, equality (= leveling)
- people, quality of life, consume for use
- work for living, overlapping roles

Not sharing (Magnum) vs. sharing (Danette)

Magnum Ad: http://www.youtube.com/watch?v=2QSI1JWAs
Danette Ad: http://www.youtube.com/watch?v=7qsM4CB_Mac
Masculine cultures: biggest, the best, aggressive typology

Feminine cultures: modesty, understatement

Italy:
A Seat Cordoba must always be seen. Glass door in garage

Does this ad work in Turkey???

Netherlands
Spain
Overlapping roles
Denmark

Role differentiation
MAS: Mothers clean and look after children
FEM: Fathers also clean and look after children

Dove Ad: [http://www.youtube.com/watch?v=cK29F3WU5Q](http://www.youtube.com/watch?v=cK29F3WU5Q)

Uncertainty Avoidance, 22 countries worldwide
Coping with ambiguity

- **Strong UA**
  - clarity, structure, precision, punctuality
  - competence/expertise, scientific control
  - Expertise, process-orientation
  - stress, stability, need for purity in food and drink
  - slow adoption of innovations
  - advertising is serious

- **Weak UA**
  - comfortable with ambiguity, chaos
  - result-orientation
  - fast adoption of innovations, tolerance
  - humor in advertising

Data: Hofstede, 2010

Germany: experts and specialists

USA: Result orientation
Little information about product or details

France & Spain: grooming is important, combine the right colors
Norway & Australia: no attention to grooming

Long Term Orientation – Short Term Orientation

Thrift sparing with resources, perseverance, work hard, pragmatism, slow results

Spending buy now, pay later, instant gratification, convenience, tradition, self-enhancement

Data: Hofstede, 2010

For Instant Pleasure Rub Center and Remove Top?

Be good. Be bad. Just be.

Long term symbols: old trees

Trompenaars Model

Universalism → Particularism

Individualism → Collectivism

Neutral → Affective

Achievement → Assorption

Specific → Diffuse

Sequential → Synchronic

Inner-Directed → Outer-Directed

More Trompenaars & Nida-Rümelin (2002) = 100 years of future
**Schwartz model**

- **MASTERY**
  - Successful, ambitious
  - independent, daring, capable
  - choosing own goals

- **AFFECTIVE AUTONOMY**
  - Enjoying life
  - exciting life pleasure
  - Curiosity
  - Creativity
  - freedom
  - broadminded

- **INTELLECTUAL AUTONOMY**
  - Successful, ambitious
  - independent, daring, capable
  - choosing own goals

- **HIERARCHY**
  - Social power
  - authority
  - humble

- **EMBEDDEDNESS**
  - Social order, politeness, obedience
  - Security, conformity
  - preserving public image
  - wisdom, respect tradition

- **EGALITARIANISM**
  - Honest
  - freedom
  - equality
  - responsible
  - social justice
  - helpful

- **HARMONY**
  - World of beauty
  - peace
  - unity with nature
  - protect environment

---

**E. T. Hall's High- and Low-Context Cultures**

- **Low-context cultures** rely on elaborate verbal explanations, putting much emphasis on spoken words.
- Tend to be in northern Europe and North America,
- central importance on the efficient delivery of verbal messages;
- speech should express one’s ideas and thoughts as clearly, logically, and convincingly as possible.
- Communication is **direct and explicit**, no “beating around the bush”.
- Agreements are concluded with specific, legal contracts.

---

**High Context Cultures**

- A **high-context culture** emphasizes nonverbal messages and use communication as a means to promote smooth, harmonious relationships.
- Prefer an **indirect, polite, “face-saving” style** that emphasizes a mutual sense of care and respect for others; careful not to embarrass or offend others.
- It is difficult for Japanese people to say “no” when expressing disagreement.
- In East Asian cultures, showing impatience, frustration, irritation, or anger disrupts harmony and is considered rude and offensive.
- To succeed in Asian cultures, it is critical to notice nonverbal signs and body language.