

Global Marketing

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Social & Cultural Environments Chapter 4



Introduction

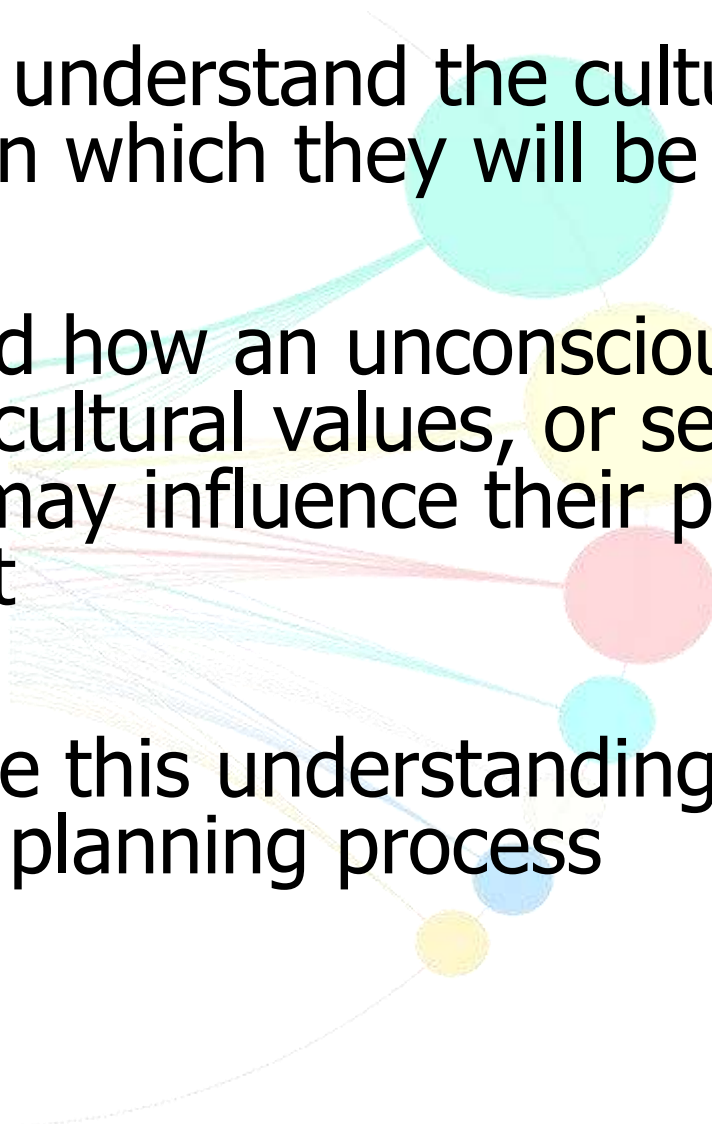
This chapter includes:

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

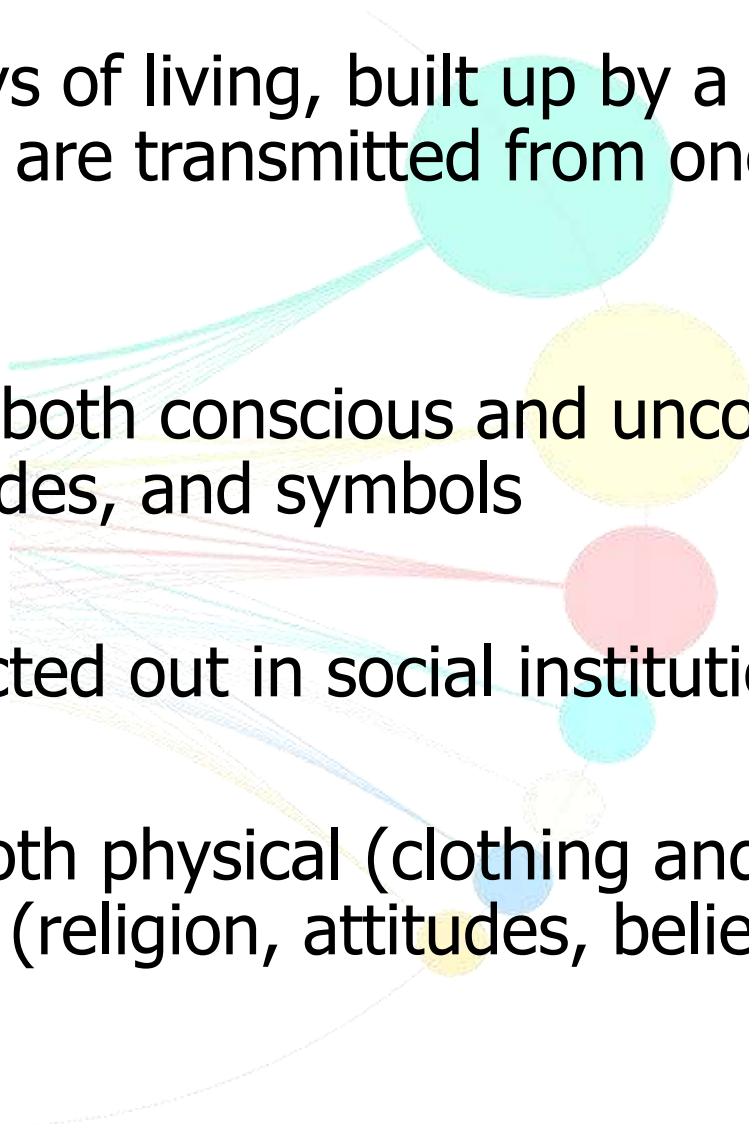


African Village

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
 - Culture is both physical (clothing and tools) and nonphysical (religion, attitudes, beliefs, and values)
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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

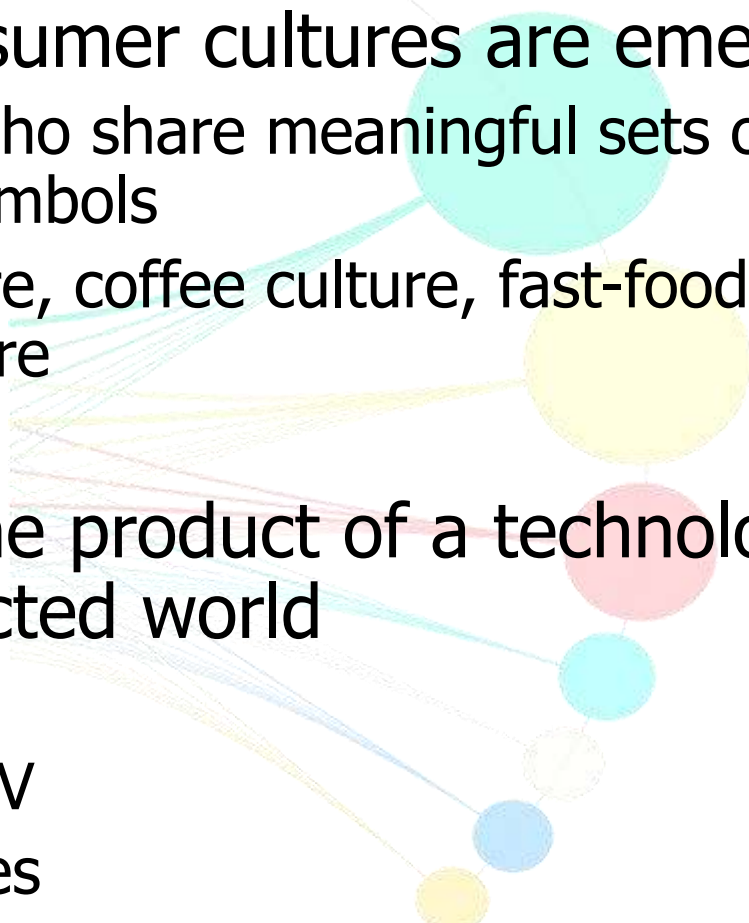
Society, Culture, and Global Consumer Culture

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

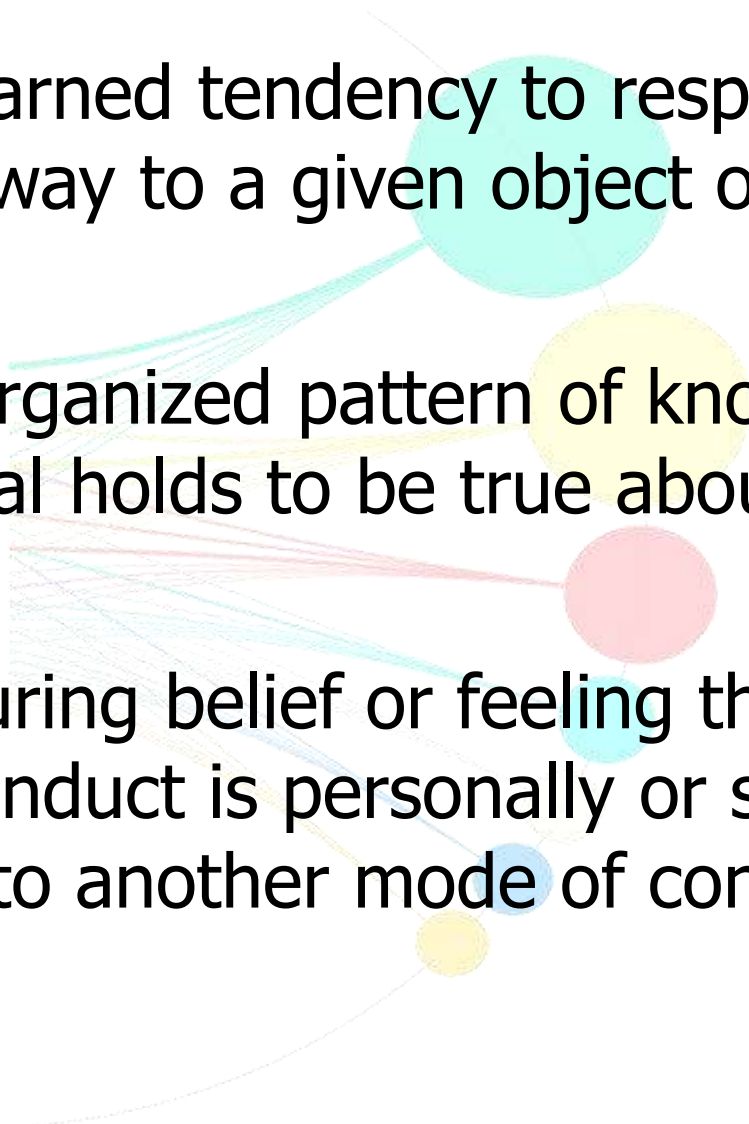
Geert Hofstede

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
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Attitudes, Beliefs, and Values

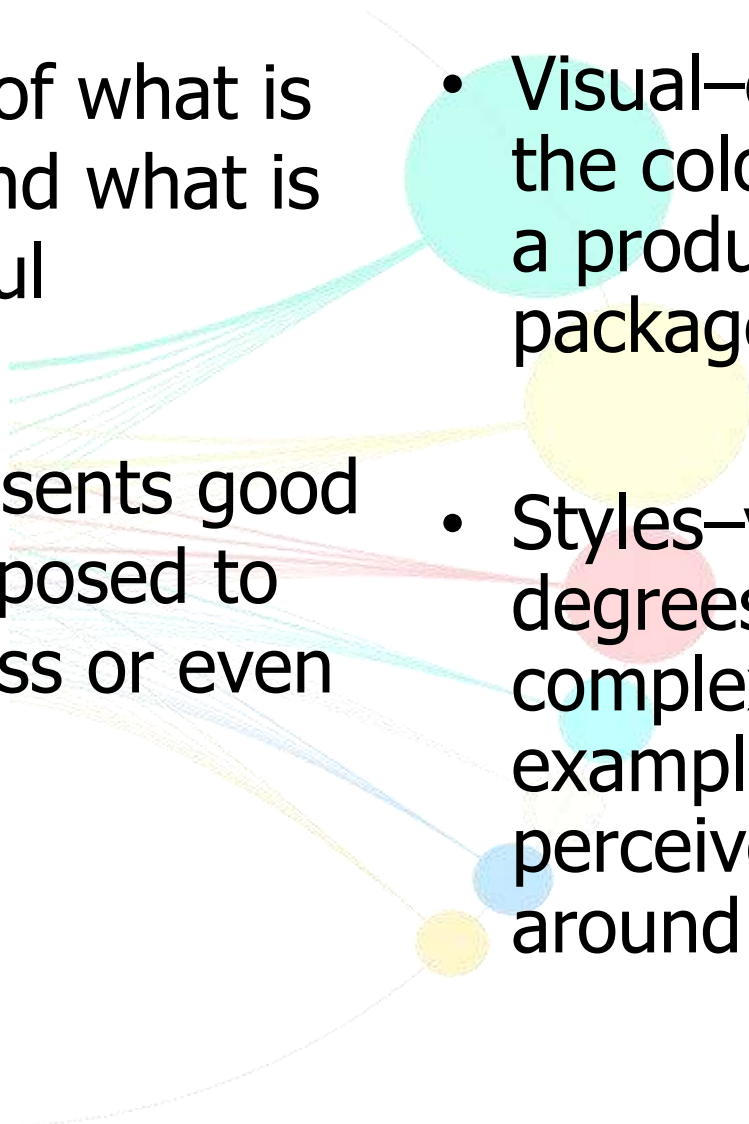
- Attitude—learned tendency to respond in a consistent way to a given object or entity
 - Belief—an organized pattern of knowledge that an individual holds to be true about the world
 - Value—enduring belief or feeling that a specific mode of conduct is personally or socially preferable to another mode of conduct
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Religion

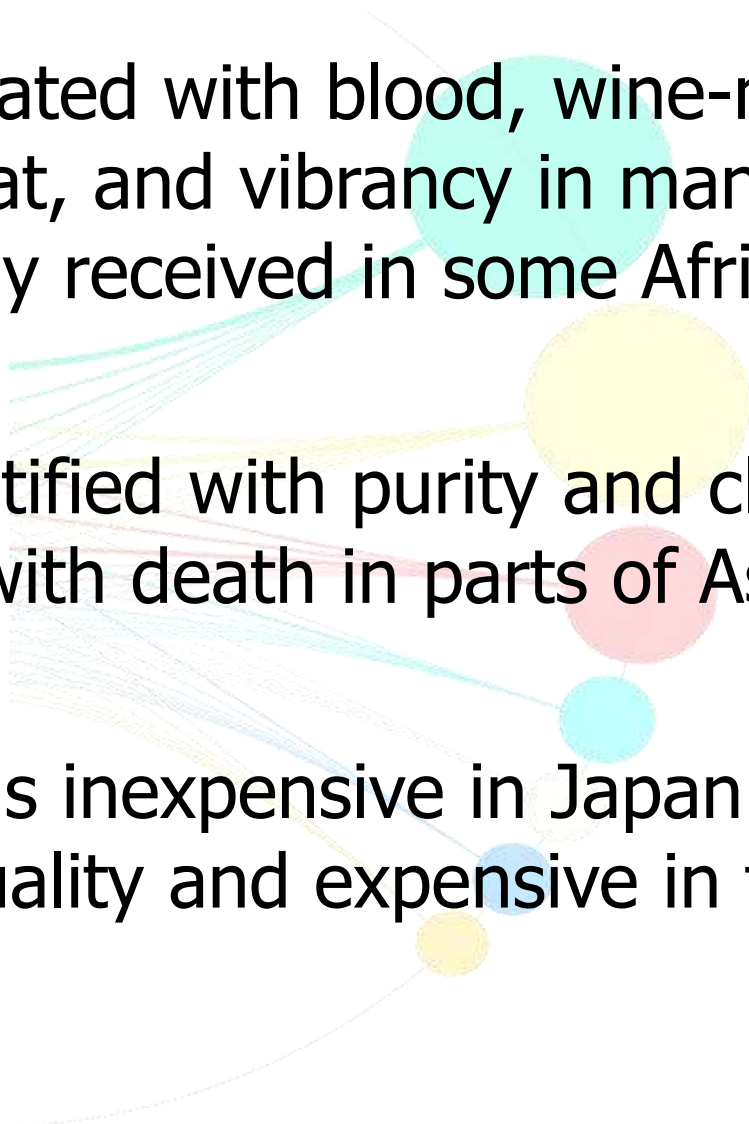


- The world's major religions include Buddhism, Christianity, Hinduism, Islam, and Judaism and are an important source of beliefs, attitudes, and values.
- Religious tenets, practices, holidays, and history impact global marketing activities.

Aesthetics

- The sense of what is beautiful and what is not beautiful
 - Visual—embodied in the color or shape of a product, label, or package
 - What represents good taste as opposed to tastelessness or even obscenity
 - 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.
 - 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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The Meaning of Color



Red signifies good luck and celebration in China

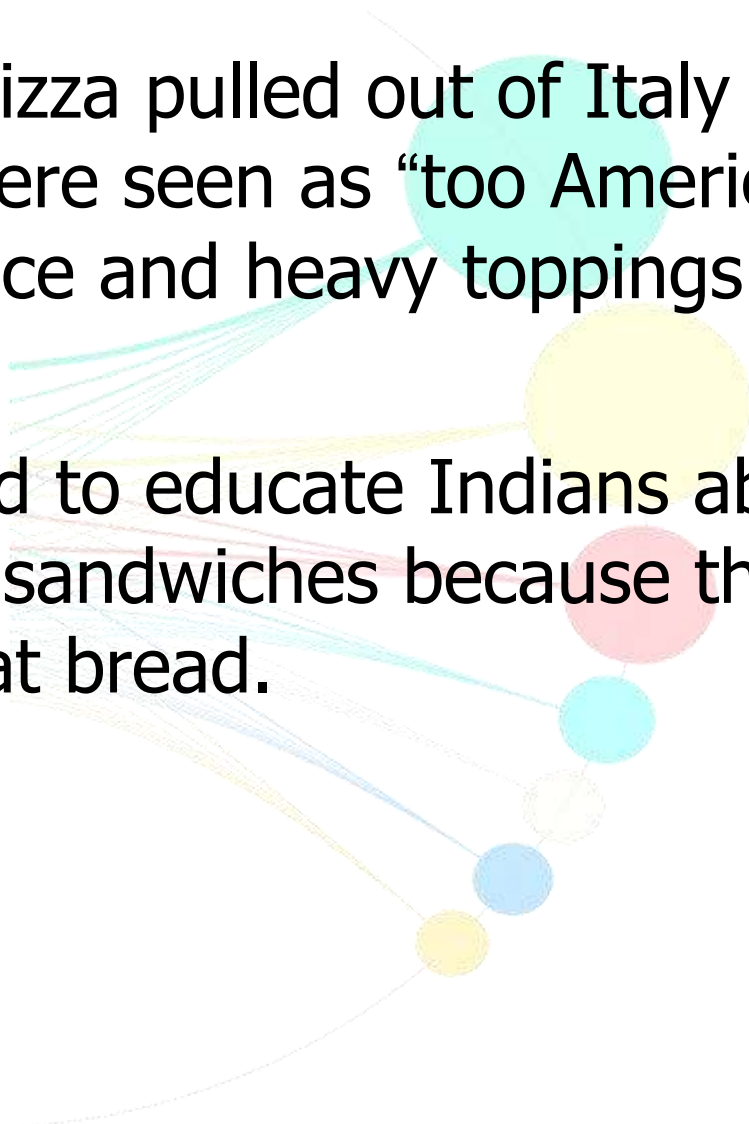


Yellow indicates a merchant in India



In England and the U.S., "Something Blue" on a bride's garter symbolizes fidelity

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.
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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



book

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



umbrella

Sounds like “break into pieces or fall apart”.

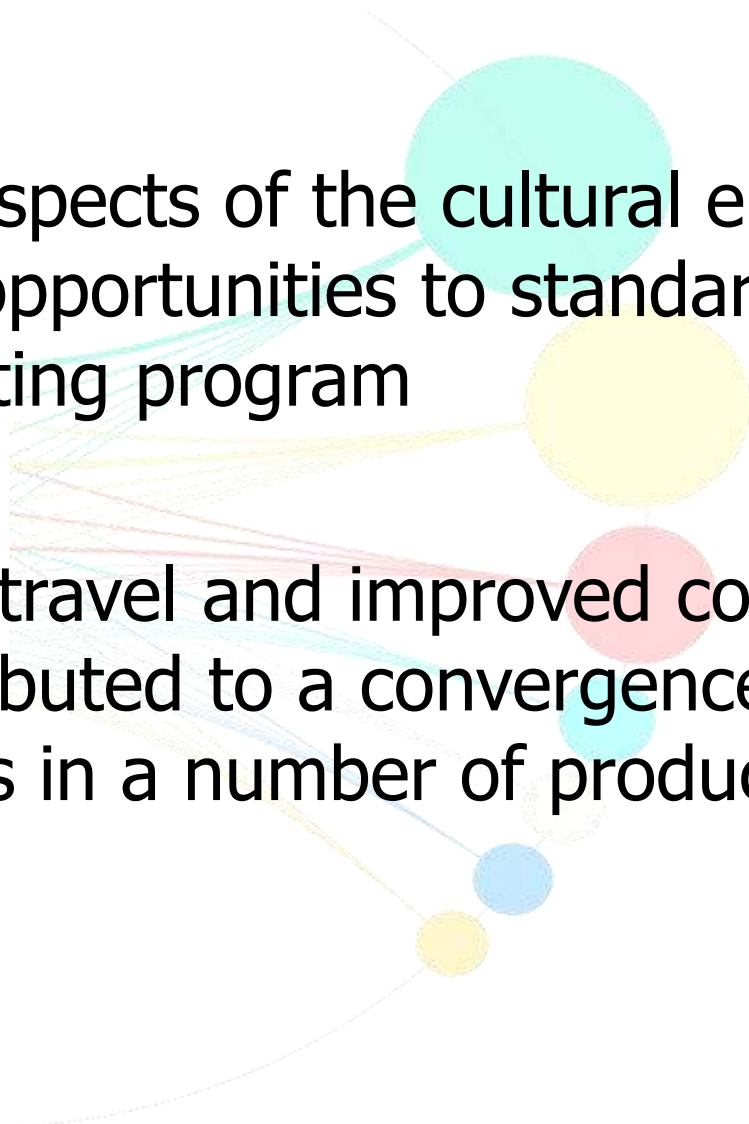


clock

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
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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

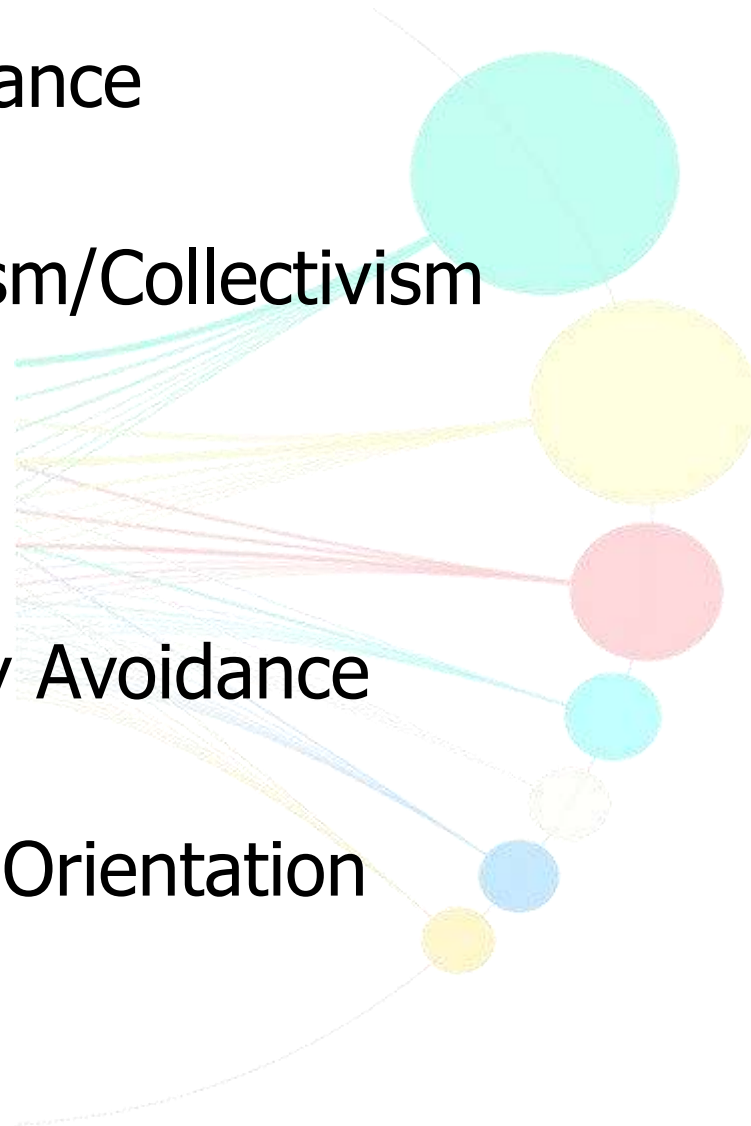
Switzerland, U.S., Germany

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



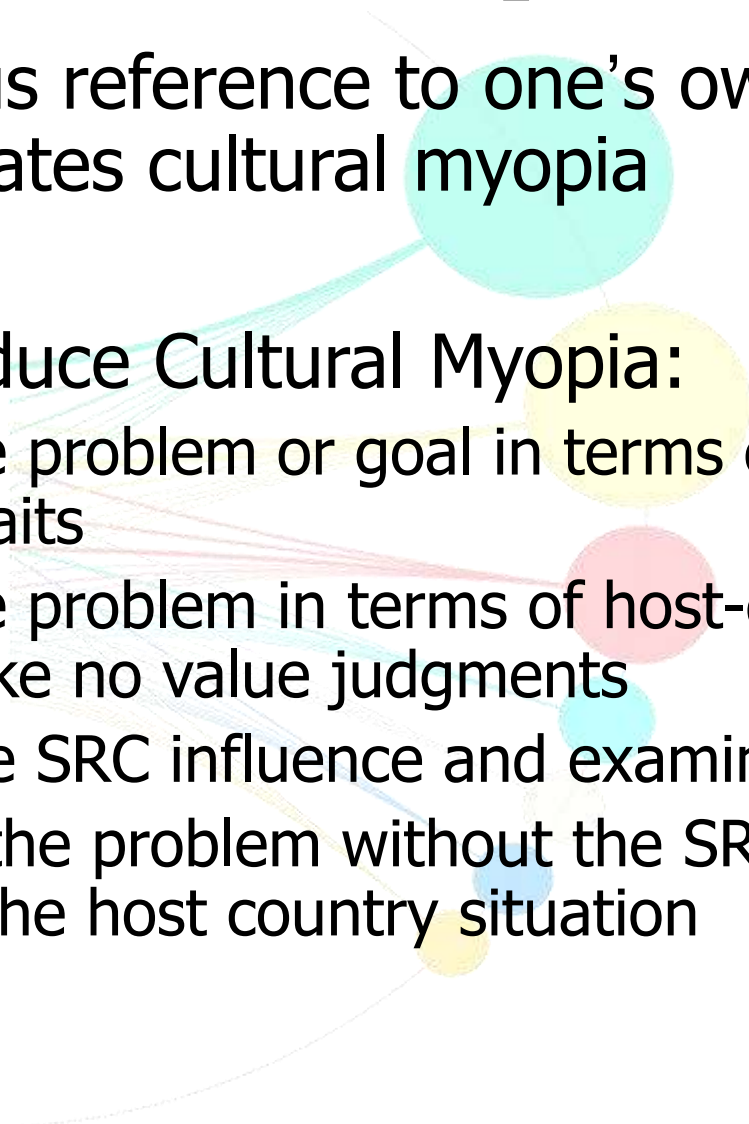
Hofstede's Cultural Typology

- Hofstede is well-known for research studies of social values suggesting that the cultures of different nations can be compared in terms of five dimensions. Hofstede notes that three of the dimensions refer to expected social behavior, the fourth dimension is concerned with “man’s search for truth,” and a fifth reflects the importance of time.
- The first dimension, **power distance**, is the extent to which the less powerful members of a society accept—even expect—power to be distributed unequally.
- The second dimension is a reflection of the degree to which individuals in a society are integrated into groups. In **individualist cultures**, each member of society is primarily concerned with his or her own interest and those of the immediate family. In **collectivist cultures**, all of society’s members are integrated into cohesive in-groups.

Hofstede's Cultural Typology

- **Masculinity**, the third dimension, describes a society in which men are expected to be assertive, competitive, and concerned with material success, and women fulfill the role of nurturer and are concerned with issues such as the welfare of children. **Femininity**, by contrast, describes a society in which the social roles of men and women overlap, with neither gender exhibiting overly ambitious or competitive behavior.
- **Uncertainty avoidance** is the extent to which the members of a society are uncomfortable with unclear, ambiguous, or unstructured situations.
- **Long-term orientation** (LTO) versus **short-term orientation** is interpreted as concerning “a society’s search for virtue,” rather than a search for truth. It assesses the sense of immediacy within a culture, whether gratification should be immediate or deferred.

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
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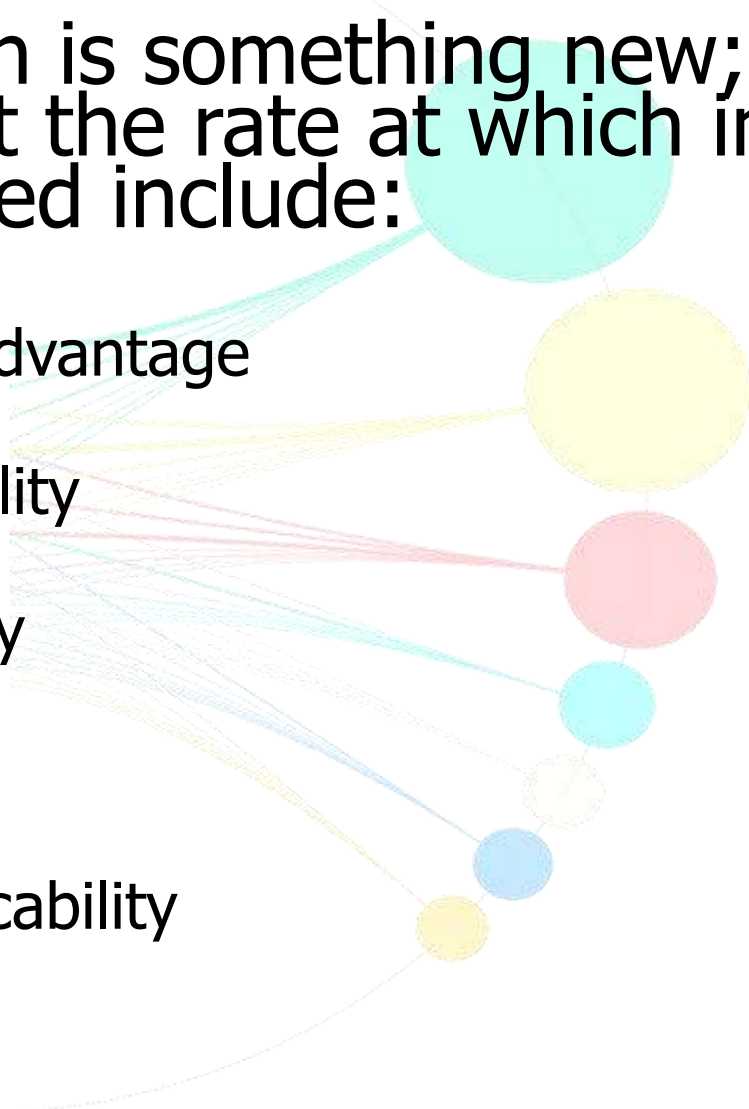
Diffusion Theory: The Adoption Process

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

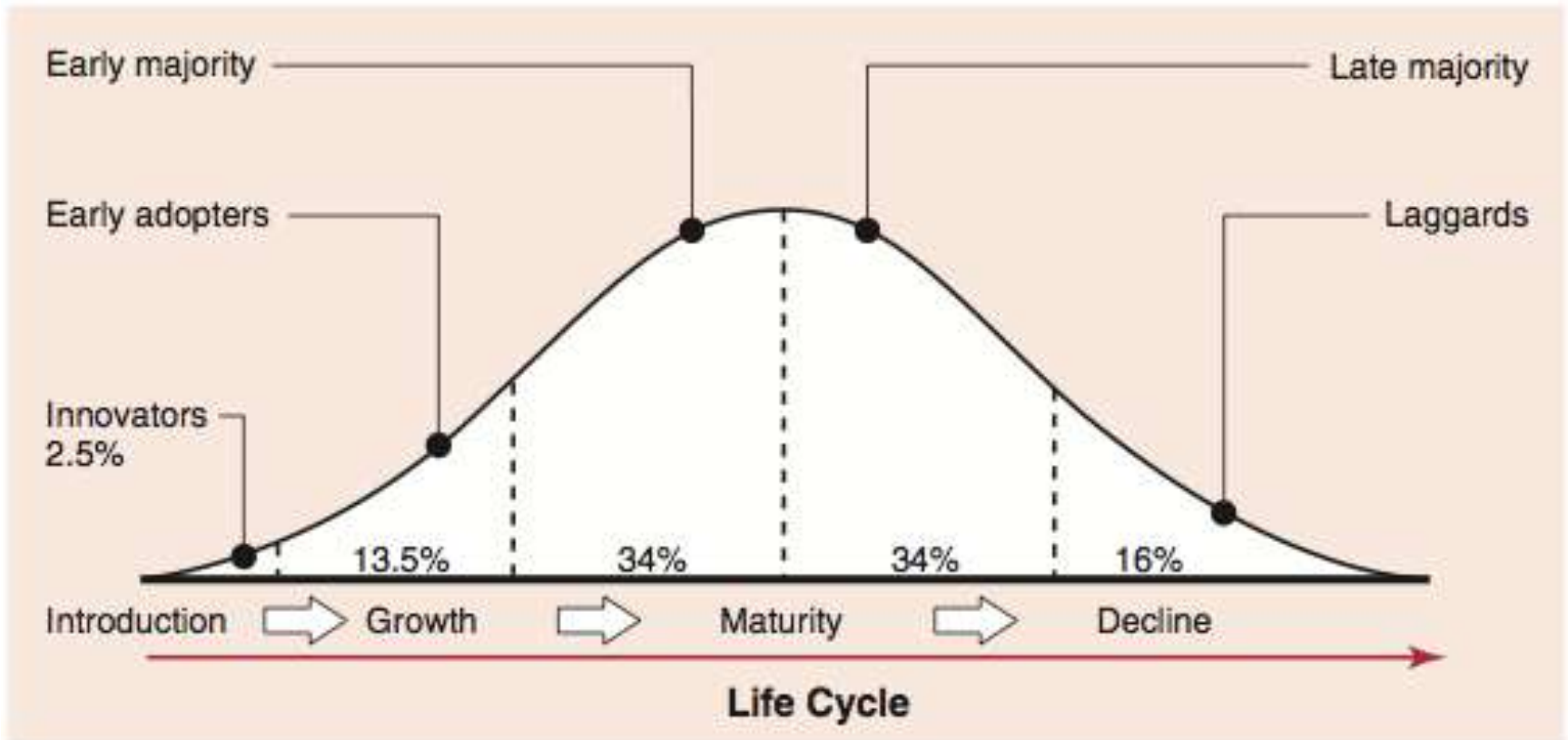
- Awareness
- Interest
- Evaluation
- Trial
- Adoption




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
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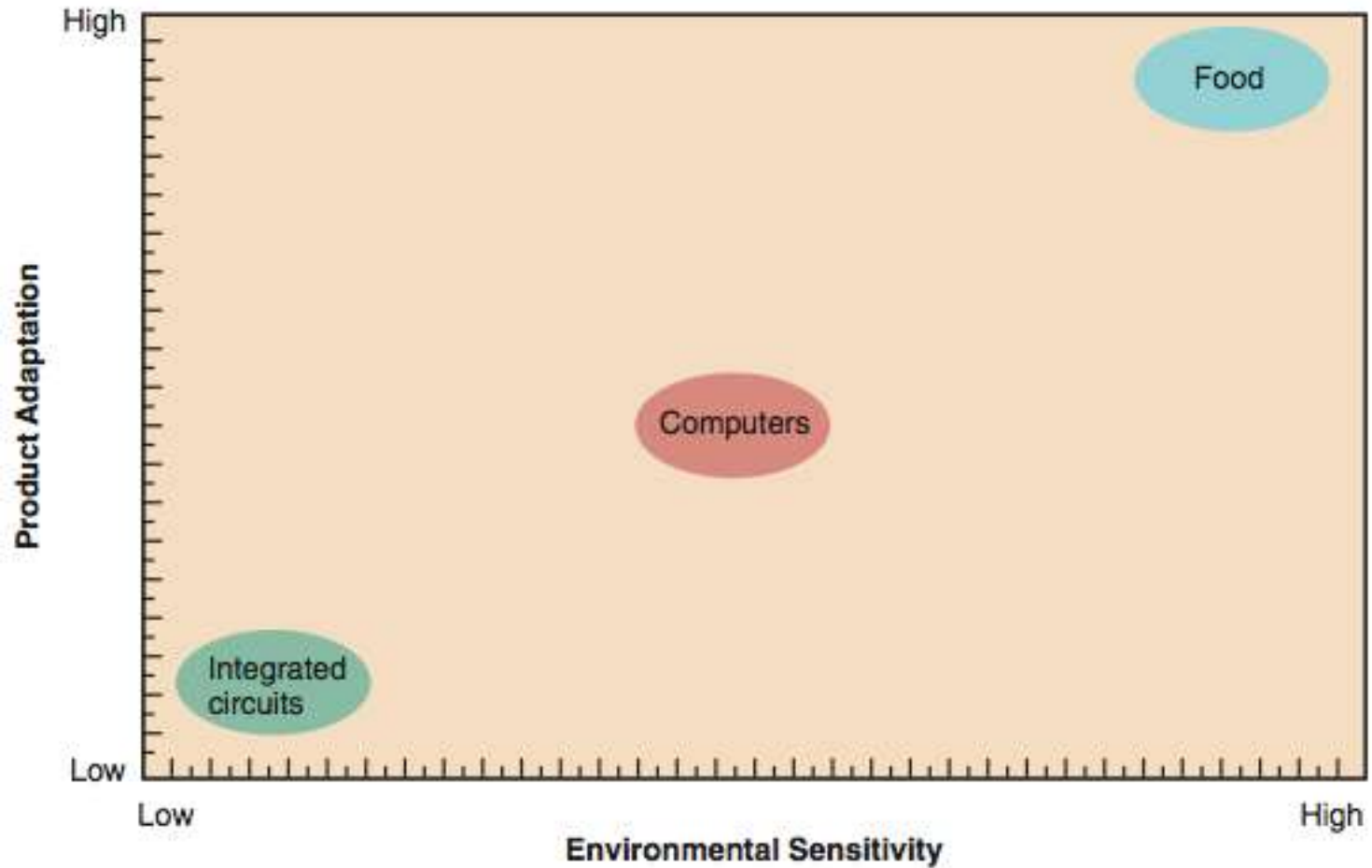
Diffusion Theory: Adopter Categories



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
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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

Looking Ahead to Chapter 5

The Political, Legal, and Regulatory Environments of Marketing

