

Chapter 4

Cultural Dynamics in Assessing Global Markets



CHAPTER OUTLINE

Global Perspective: Equities and eBay—Culture Gets in the Way

Culture's Pervasive Impact

Definitions and Origins of Culture

- Geography
- History
- The Political Economy
- Technology
- Social Institutions

Elements of Culture

- Cultural Values
- Rituals
- Symbols
- Beliefs
- Thought Processes
- Cultural Sensitivity and Tolerance

Cultural Change

- Cultural Borrowing
- Similarities: An Illusion
- Resistance to Change
- Planned and Unplanned Cultural Change

CHAPTER LEARNING OBJECTIVES

What you should learn from Chapter 4:

- LO1** The importance of culture to an international marketer
- LO2** The origins of culture
- LO3** The elements of culture
- LO4** The impact of cultural borrowing
- LO5** The strategy of planned change and its consequences

Global Perspective

EQUITIES AND eBAY—CULTURE GETS IN THE WAY

Two trillion dollars! That's about 200 trillion yen. Either way you count it, it's a lot of money. American brokerage houses such as Fidelity Investments, Goldman Sachs, and Merrill Lynch rushed new investment products and services to market in Japan to try to capture the huge capital outflow expected from 10-year time deposits, then held in the Japanese postal system. Liberalization of Japan's capital markets in recent years now gives Japanese consumers more freedom of choice in their investments. Post office time deposits still yield about a 2 percent return in Japan, and bank savings yields have been around 0. By American e-trading standards, that means an electronic flood of money moving out of the post offices and into the stock markets. Right?

However, Japan is not America. There is no American-style risk-taking culture among Japanese investors. The volume of stock trading in Japan is about one-sixth that of the United States. In Japan, only 12 percent of household financial assets are directly invested in stocks and a mere 2 percent in mutual funds. In contrast, about 55 percent of U.S. households own stock. Says one analyst, "Most of the population [in Japan] doesn't know what a mutual fund is." So will the flood be just a trickle? And what about online stock trading? Internet use in Japan has burgeoned—there are now some 88 million users in Japan. That's about the same percentage as in the United States. But the expected deluge into equities has been a dribble. Merrill Lynch and others are cutting back staff now as fast as they built it just a couple of years ago.

Making matters worse, for the Japanese, the transition into a more modern and trustworthy securities market has not been a smooth one. In 2005, an astounding transaction took place on the Tokyo Stock Exchange (TSE); instead of placing a small order of 1 share for 610,000 yen of J-Com, a trader with Mizuho Securities Co. mistakenly placed a sell order for 610,000 shares for 1 yen. Mizuho ended up losing 40 billion yen (\$344 million) due to a simple computer

glitch that ultimately led to the resignation of TSE president Takuo Tsurushima. Ouch!

A French firm is trying to break through a similar aversion to both e-trading and equities in France. That is, only about 32 million people use the Internet in France, and one-third of that number own stocks. The French have long shied away from stock market investments, seeing them as schemes to enrich insiders while fleecing novices. After the Enron (2001) and Lehman Bros. (2008) debacles in the United States, you could almost hear the chortling in the sidewalk cafés there. But even in France, investment preferences are beginning to change, especially since the real estate market has turned. At the same time, the liberalization of Europe's financial services sector is bringing down transaction costs for institutional and retail investors alike.

eBay, the personal online auction site so successful in the United States, is running into comparable difficulties in both Japan and France. The lower rate of Internet use in France is just part of the problem. For the Japanese, it is embarrassing to sell castoffs to anyone, much less buy them from strangers. Garage sales are unheard of. In France, eBay founder Pierre Omidyar's country of birth, the firm runs up against French laws that restrict operations to a few government-certified auctioneers.

Based on our knowledge of the differences in these cultural values between the United States and both Japan and France, we should expect a slower diffusion of these high-tech Internet services in the latter two countries. E-trading and e-auctions have both exploded on the American scene. However, compared with those in many other countries, U.S. investors are averse to neither the risk and uncertainties of equity investments nor the impersonal interactions of online transactions.

Sources: William D. Echikson, "Rough Crossing for eBay," *Business-Week E.Biz*, February 7, 2000, p. EB48; Sang Lee, "Japan and the Future of Electronic Trading," *Securities Industry News*, November 5, 2007; *World Development Indicators*, World Bank, 2010.

LO1

The importance of culture to an international marketer

Culture deals with a group's design for living. It is pertinent to the study of marketing, especially international marketing. If you consider the scope of the marketing concept—the satisfaction of consumer needs and wants at a profit—the successful marketer clearly must be a student of culture. For example, when a promotional message is written, symbols recognizable and meaningful to the market (the culture) must be used. When designing a product, the style, uses, and other related marketing activities must be made culturally acceptable (i.e., acceptable to the present society) if they are to be operative and meaningful. In fact, culture is pervasive in all marketing activities—in pricing, promotion, channels of distribution, product, packaging, and styling—and the marketer's efforts actually become a part of the fabric of culture. How such efforts interact with a culture determines the degree of success or failure of the marketing effort.

The manner in and amount which people consume, the priority of needs and wants they attempt to satisfy, and the manner in which they satisfy them are functions of their culture that temper, mold, and dictate their style of living. Culture is the human-made part of human environment—the sum total of knowledge, beliefs, art, morals, laws, customs, and any other capabilities and habits acquired by humans as members of society.¹

Markets constantly change; they are not static but evolve, expand, and contract in response to marketing effort, economic conditions, and other cultural influences. Markets and market behavior are part of a country's culture. One cannot truly understand how markets evolve or how they react to a marketer's effort without appreciating that markets are a result of culture. Markets are the result of the three-way interaction of a marketer's efforts, economic conditions, and all other elements of the culture. Marketers are constantly adjusting their efforts to cultural demands of the market, but they also are acting as *agents of change* whenever the product or idea being marketed is innovative. Whatever the degree of acceptance, the use of something new is the beginning of cultural change, and the marketer becomes a change agent.

This is the first of four chapters that focus on culture and international marketing. A discussion of the broad concept of culture as the foundation for international marketing is presented in this chapter. The next chapter, “Culture, Management Style, and Business Systems,” discusses culture and how it influences business practices and the behaviors and thinking of managers. Chapters 6 and 7 examine elements of culture essential to the study of international marketing: the political environment and the legal environment.

This chapter's purpose is to heighten the reader's sensitivity to the dynamics of culture. It is neither a treatise on cultural information about a particular country nor a thorough marketing science or epidemiological study of the various topics. Rather, it is designed to emphasize the importance of cultural differences to marketers and the need to study each country's culture(s) and all its origins and elements, as well as point out some relevant aspects on which to focus.

Culture's Pervasive Impact Culture affects every part of our lives, every day, from birth to death, and everything in between.² It affects how we spend money and how we consume in general. It even affects how we sleep. For example, we are told that Spaniards sleep less than other Europeans, and Japanese children often sleep with their parents. You can clearly see culture operating in the birthrate tables in Exhibit 4.1. When you look across the data from the three countries, the gradual declines beginning in the 1960s are evident. As countries move from agricultural to industrial to services economies, birthrates decline. Immediate causes may be government policies and birth control technologies, but a global change in values is also occurring. Almost everywhere, smaller families are becoming favored. This

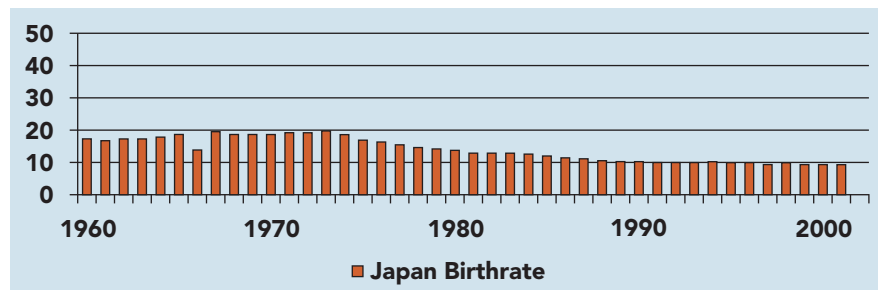
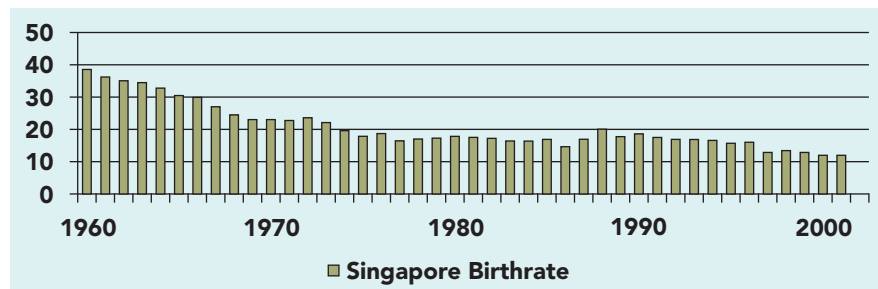
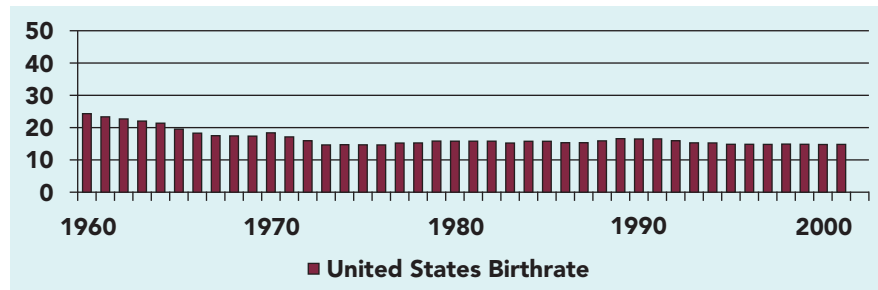
¹An interesting Web site that has information on various cultural traits, gestures, holidays, language, religions, and so forth is www.culturegrams.com.

²A most important summary of research in the area of culture's impact on consumption behavior is Eric J. Arnould and Craig J. Thompson, “Consumer Culture Theory (CCT): Twenty Years of Research,” *Journal of Consumer Research* 3, no. 2 (March 2005), pp. 868–82.

Exhibit 4.1

Birthrates (per 1,000 women)

Source: World Bank, *World Development Indicators*, 2010. Copyright © 2010 by World Bank. Reprinted with permission of World Bank via Copyright Clearance Center.



cultural change now leads experts to predict that the planet's population may actually begin to decline after 2040 unless major breakthroughs in longevity intervene, as some predict.

But a closer look at the tables reveals even more interesting consequences of culture. Please notice the little peaks in 1976 and 1988 in the Singapore data. The same pattern can be seen in birthrate data from Taiwan. Those “extra” births are not a matter of random fluctuation. In Chinese cultures, being born in the Year of the Dragon (12 animals—dogs, rats, rabbits, pigs, etc.—correspond to specific years in the calendar) is considered good luck. Such birthrate spikes have implications for sellers of diapers, toys, schools, colleges, and so forth in successive years in Singapore. However, culture-based superstitions³ have an even stronger influence on the birthrates in Japan, as shown in Exhibit 4.1. A one-year 20 percent drop in Japanese fertility rates in 1966 was caused by a belief that women born in the Year of the Fire Horse, which occurs every 60 years, will lead unhappy lives and perhaps murder their husbands. This sudden and substantial decline in fertility, which has occurred historically every 60 years since Japan started keeping birth records, reflects abstinence, abortions, and birth certificate fudging. This superstition has resulted in the stigmatization of women born in 1966 and had a large impact on market potential for a wide variety of consumer goods and services in Japan. It will be interesting to see how technological innovations and culture will interact in Japan in 2026, the next Year of the Fire Horse.⁴

³We know that superstitions can influence other kinds of consumers judgments as well. See Thomas Kramer and Lauren Block, “Conscious and Nonconscious Components of Superstitious Beliefs in Judgment and Decision Making,” *Journal of Consumer Research* 34, no. 2 (2008), pp. 783–93.

⁴Robert W. Hodge and Naohiro Ogawa, *Fertility Change in Contemporary Japan* (Chicago: University of Chicago Press, 1991).

Exhibit 4.2Patterns of Consumption
(annual per capita)Source: EuroMonitor International,
2010.

Country	Cut Flowers (stems)	Chocolate (kg)	Fish and Seafood (kg)	Dried Pasta (kg)	Wine (L)	Tobacco (sticks)
France	81	3.9	6.2	5.7	26.9	845 (–25%)*
Germany	120	7.8	4.6	5.9	21.5	1,019 (–34%)
Italy	87	2.6	8.8	18.5	26.2	1,532 (–11%)
Netherlands	125	4.8	25.0	2.7	20.7	837 (–11%)
Spain	33	2.0	20.2	3.9	10.3	2,133 (–8%)
United Kingdom	48	10.5	12.4	1.5	18.2	754 (–15%)
Japan	110	1.1	38.2	1.5	4.7	1,875 (–16%)
United States	75	5.0	5.2	3.1	6.9	1,106 (–12%)

*Five-year growth rate.

Culture's influence is also illustrated in the consumption data presented in Exhibit 4.2. The focus there is on the six European Union countries, but data from the two other major markets of affluence in the world—Japan and the United States—are also included. The products compared are those that might be included in a traditional (American) romantic dinner date.

First come the flowers and candy. The Dutch are the champion consumers of cut flowers, and this particular preference for petals will be explored further in the pages to come. The British love their chocolate. Perhaps the higher consumption rate there is caused by Cadbury's⁵ advertising, or perhaps the cooler temperatures have historically allowed for easier storage and better quality in the northern countries. At least among our six EU countries, per capita chocolate consumption appears to decline with latitude.

In Europe, the Dutch, then Spaniards, are the most likely to feast on fish. Both are still well behind the Japanese preference for seafood. From the data in the table, one might conclude that being surrounded by water in Japan explains the preference for seafood. However, what about the British? The flat geography in England and Scotland allows for the efficient production of beef, and a bit later in this section, we consider the consequences of their strong preference for red meat. The Italians eat more pasta—not a surprise. History is important. The product was actually invented in China, but in 1270, Marco Polo is reputed to have brought the innovation back to Italy, where it has flourished. Proximity to China also explains the high rate of Japanese noodle (but not dried pasta) consumption.

How about alcohol and tobacco? Grapes grow best in France and Italy, so a combination of climate and soil conditions explains at least part of the pattern of wine consumption seen in Exhibit 4.2. Culture also influences the laws, age limits, and such related to alcohol. The legal environment also has implications for the consumption of cigarettes. Indeed, the most striking patterns in the table are not the current consumption numbers; the interesting data are the five-year growth rates. Demand is shrinking remarkably fast almost everywhere. These dramatic declines in consumption represent a huge cultural shift that the world seldom sees.

Any discussion of tobacco consumption leads immediately to consideration of the consequences of consumption. One might expect that a high consumption of the romance products—flowers, candy, and wine—might lead to a high birthrate. Reference to Exhibit 4.3 doesn't yield any clear conclusions. The Germans have some of the highest consumption levels of the romantic three but the lowest birthrate among the eight countries.

Perhaps the Japanese diet's emphasis on fish yields them the longest life expectancy. But length of life among the eight affluent countries represented in the table shows little variation. How people die, however, does vary substantially across the countries. The influence

⁵See Cadbury's Web site for the history of chocolate, www.cadbury.co.uk. Chocolate is also an important product in Switzerland, where the consumption per capita is more than 12 kg. The mountain climate is cooler, and of course, Nestlé has corporate headquarters there.

Finding horse or donkey as your entrée would not be romantic or even appetizing in most places around the world. Even though horse consumption is generally declining in France, here in Paris you can still buy a steed steak at the local *bouchers chevaleries*. Escargot *oui*, Eeyore *oui*! And we note a recent article in *The Wall Street Journal* advocating the consumption of dog in the United States, including a recipe. Yikes!⁶



of fish versus red meat consumption on the incidence of heart problems is easy to see. The most interesting datum in the table is the extremely high incidence of stomach cancer in Japan. The latest studies suggest two culprits: (1) salty foods such as soy sauce and (2) the bacterium *Helicobacter pylori*. The latter is associated with the unsanitary conditions prevalent in Japan immediately after World War II, and it is still hurting health in Japan today. Finally, because stomach cancer in Japan is so prevalent, the Japanese have developed the most advanced treatment of the disease, that is, both procedures and instruments. Even though the death rate is highest, the treatment success rate is likewise the highest in Japan. Whether you are in Tacoma, Toronto, or Tehran, the best medicine for stomach cancer may be a ticket to Tokyo. Indeed, this last example well demonstrates that culture not only affects consumption; it also affects production (of medical services in this case)!

The point is that culture matters.⁷ It is imperative for foreign marketers to learn to appreciate the intricacies of cultures different from their own if they are to be effective in foreign markets.

⁶Jonathan Safran Foer, "Let Them Eat Dog," *The Wall Street Journal*, October 31, 2009, p. W10.

⁷Lawrence E. Harrison and Samuel P. Huntington (eds.), *Culture Matters* (New York: Basic Books, 2000).

Exhibit 4.3

Consequences of Consumption

Country	Birthrate (per 100,000)	Life Expectancy	Ischemic Heart Disease	Death Rate per 100,000		
				Diabetes Mellitus	Lung Cancer	Stomach Cancer
France	12.8	81.4	71.2	21.8	45.3	8.1
Germany	8.1	80.1	176.2	29.8	50.1	13.4
Italy	9.6	81.4	134.8	31.4	58.9	18.8
Netherlands	10.9	80.7	76.2	22.2	61.4	8.9
Spain	10.6	81.0	87.1	23.0	47.1	13.0
United Kingdom	13.0	79.6	162.6	10.8	54.7	9.2
Japan	8.4	82.7	55.8	10.3	46.5	38.1
United States	13.9	78.1	172.8	25.3	53.6	4.2

Source: EuroMonitor 2010.



The Floriad, the biggest exhibition of flowers on earth, happens once every decade. You can go to the next one in 2012.



Outside the Aalsmeer Flower Auction—notice the jet landing at nearby Schiphol Airport, which serves both Amsterdam and Aalsmeer.



The Pope in St. Peter's Square on Easter Sunday surrounded by Dutch flowers.

We all love flowers. But for the Dutch, flowers are more important than that. For them, it's more like a national fascination, fixation, or even a fetish for flowers. **Why?**

The answer is an instructive story about culture and international markets, the broader subjects of this chapter. The story starts with geography, goes through the origins and elements of culture, and ends with the Dutch being the masters of the exhibition, consumption, and production of flowers.

Geography. The rivers and the bays make the Netherlands a great trading country. But the miserable weather, rain, and snow more than 200 days per year make it a colorless place, gray nearly year-round. The Flying Dutchmen not only went to the Spice Islands for spice for the palate; they also went to the eastern Mediterranean for spice for the eyes. The vibrant colors of the tulip first came to Europe from the Ottoman Empire on a Dutch ship in 1561.

History. The Dutch enthusiasm for the new "visual drug" was great. Its most potent form was, ironically, the black tulip. Prices exploded, and speculators bought and sold promissory notes guaranteeing the future delivery of black tulip bulbs. This derivatives market yielded prices in today's dollars of \$1 million or more for a single bulb, enough to buy a 5-story house in central Amsterdam today. Not only did the tulip mania create futures markets, it also caused the first great market bust in recorded history. Prices plummeted when the government took control in 1637. Now at the Amsterdam flower market, you can buy a black tulip bulb for about a dollar!



The Amsterdam flower market—a busy place for local consumers and tourists.



A view of a Dutch harbor with trading ships circa 1600.



Four hundred years later, the one-dollar black tulip is available in the Amsterdam flower market.



Inside Aalsmeer, 150 football fields of cut flowers, 20 million per day, are readied for auction.



The bidders in four huge auction rooms pay attention to the “clock” as high starting prices tick down. The wholesale buyer that stops the clock pays the associated price in this the archetypical “Dutch auction.”

Technology and Economics.

The technology in the story comes in the name of Carolus Clusius, a botanist who developed methods for manipulating the colors of the tulips in the early 1600s. This manipulation added to their appeal and value, and the tulip trade became international for the Dutch.

Social Institutions. Every Easter Sunday, the Pope addresses the world at St. Peter’s Square in Rome reciting, “Bedankt voor bloemen.” Thus, he thanks the Dutch nation for providing the flowers for this key Catholic ritual. The Dutch government, once every tenth year, sponsors the largest floriculture exhibition in the world, the Floriad. You can go next in 2012. Finally, at the Aalsmeer Flower Auction near Amsterdam, the prices are set for all flowers in all markets around the world. The Dutch remain the largest exporters of flowers (60 percent global market share), shipping them across Europe by trucks and worldwide by air freight.

Cultural Values. The high value the Dutch place on flowers is reflected in many ways, not the least of which is their high consumption rate, as seen in Exhibit 4.2.

Aesthetics as Symbols. Rembrandt Van Rijn’s paintings, including his most famous *Night Watch* (1642, Rijksmuseum, Amsterdam), reflect a dark palette. Artists generally paint in the colors of their surroundings. A quarter century later, his compatriot Vincent Van Gogh used a similar bleak palette when he worked in Holland. Later, when Van Gogh went to the sunny and colorful south of France, the colors begin to explode on his canvases. And, of course, there he painted flowers!



Outside again at Aalsmeer, trucks are loaded for shipment by land across Europe and airfreight worldwide.



Rembrandt’s *Night Watch*.



Van Gogh’s *Vase with Fifteen Sunflowers*, painted in the south of France in 1889, and sold to a Japanese insurance executive for some \$40 million in 1987, at the time the highest price ever paid for a single work of art. The Japanese are also big flower consumers—see Exhibit 4.2.



Van Gogh’s *Potato Eaters*, painted in The Netherlands in 1885.

CROSSING BORDERS 4.1

Human Universals: The Myth of Diversity?

Yes, culture's influence is pervasive. But as anthropologist Donald E. Brown correctly points out, we are all human. And since we are all of the same species, we actually share a great deal. Here's a few of the hundreds of traits we share:

- Use metaphors
- Have a system of status and roles
- Are ethnocentric
- Create art
- Conceive of success and failure
- Create groups antagonistic to outsiders
- Imitate outside influences
- Resist outside influences

- Consider aspects of sexuality private
- Express emotions with face
- Reciprocate
- Use mood-altering drugs
- Overestimate objectivity of thought
- Have a fear of snakes
- Recognize economic obligations in exchanges of goods and services
- Trade and transport goods

Indeed, the last two suggest that we might be characterized as the "exchanging animal."

Source: Donald E. Brown, *Human Universals* (New York: McGraw-Hill, 1991).

Definitions and Origins of Culture

LO2

The origins of culture

There are many ways to think about culture. Dutch management professor Geert Hofstede refers to culture as the "software of the mind" and argues that it provides a guide for humans on how to think and behave; it is a problem-solving tool.⁸ Anthropologist and business consultant Edward Hall provides a definition even more relevant to international marketing managers: "The people we were advising kept bumping their heads against an invisible barrier. . . . We knew that what they were up against was a completely different way of organizing life, of thinking, and of conceiving the underlying assumptions about the family and the state, the economic system, and even Man himself."⁹ The salient points in Hall's comments are that cultural differences are often invisible and that marketers who ignore them often hurt both their companies and careers. Finally, James Day Hodgson, former U.S. ambassador to Japan, describes culture as a "thicket."¹⁰ This last metaphor holds hope for struggling international marketers. According to the ambassador, thickets are tough to get through, but effort and patience often lead to successes.

Most traditional definitions of **culture** center around the notion that culture is the sum of the *values, rituals, symbols, beliefs, and thought processes* that are *learned and shared* by a group of people,¹¹ then *transmitted* from generation to generation.¹² So culture resides in the individual's mind. But the expression "a culture" recognizes that large collectives of people can, to a great degree, be like-minded.

⁸Geert Hofstede, *Culture's Consequences*, 2nd ed. (Thousand Oaks, CA: Sage, 2001); Susan P. Douglas, "Exploring New Worlds: The Challenge of Global Marketing," *Journal of Marketing*, January 2001, pp. 103–9.

⁹Edward T. Hall, *The Silent Language* (New York: Doubleday, 1959), p. 26.

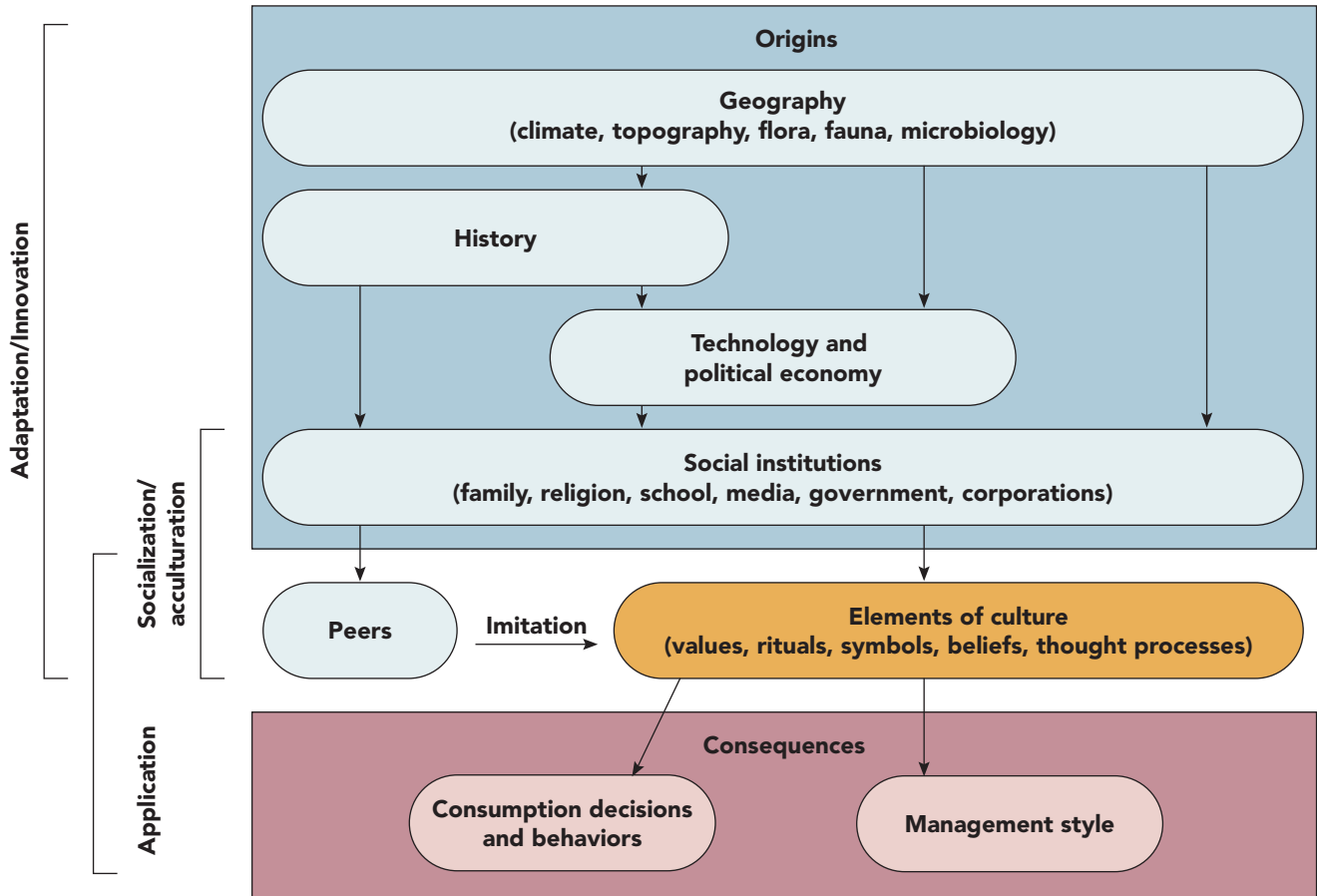
¹⁰James D. Hodgson, Yoshihiro Sano, and John L. Graham, *Doing Business in the New Japan, Succeeding in America's Richest Foreign Market* (Latham, MD: Rowman & Littlefield, 2008).

¹¹Please note that the group may be smaller than that defined by nation. See Rosalie Tung, "The Cross-Cultural Research Imperative: The Need to Balance Cross-Cultural and Intra-National Diversity," *Journal of International Business Studies* 39 (2008), pp. 41–46; Jean-Francois Ouellet, "Consumer Racism and Its Effects on Domestic Cross-Ethnic Product Purchase: An Empirical Test in the United States, Canada, and France," *Journal of Marketing* 71 (2007), pp. 113–28.

¹²Melvin Herskovitz, *Man and His Works* (New York: Alfred A. Knopf, 1952), p. 634. See also Chapter 10, "Culture," in Raymond Scupin and Christopher R. Decorse, *Anthropology: A Global Perspective*, 6th ed. (Englewood Cliffs, NJ: Prentice Hall, 2005).

Exhibit 4.4

Origins, Elements, and Consequences of Culture



The best international marketers will not only appreciate the cultural differences pertinent to their businesses, but they will also understand the origins of these differences. Possession of the latter, deeper knowledge will help marketers notice cultural differences in new markets and foresee changes in current markets of operation. Exhibit 4.4 depicts the several causal factors and social processes that determine and form cultures and cultural differences. Simply stated, humans make *adaptations* to changing environments through *innovation*. Individuals learn culture from social institutions through *socialization* (growing up) and *acculturation* (adjusting to a new culture). Individuals also absorb culture through role modeling, or imitation of their peers. Finally, people make decisions about consumption and production through *application* of their cultural-based knowledge. More details are provided below.

Geography

In the previous chapter, we described the immediate effects of geography on consumer choice. But geography exercises a more profound influence than just affecting the sort of jacket you buy. Indeed, geography (broadly defined here to include climate, topography, flora, fauna, and microbiology) has influenced history, technology, economics, our social institutions, perhaps even the boy-to-girl birth ratio,¹³ and, yes, our ways of thinking.¹⁴ Geographical influences manifest themselves in our deepest cultural values developed

¹³Nicholas Bakalar, "Why Does Latitude Affect Boy-Girl Ratios?" *International Herald Tribune*, April 23, 2009, p. 10.

¹⁴Richard E. Nisbett, *The Geography of Thought: How Asians and Westerners Think Differently . . . and Why* (New York: The Free Press, 2003).

through the millennia, and as geography changes, humans can adapt almost immediately. One sees the latter happening in the new interaction rituals evolving from the HIV/AIDS disaster or more recently the SARS outbreak in China. The ongoing cultural divides across the English Channel or the Taiwan Strait are also representative of geography's historical salience in human affairs.

The ideas of two researchers are particularly pertinent to any discussion of geography's influence on everything from history to present-day cultural values. First, Jared Diamond,¹⁵ a professor of physiology, tells us that historically, innovations spread faster east to west than north to south. Before the advent of transoceanic shipping, ideas flowed over the Silk Road but not across the Sahara or the Isthmus of Panama. He uses this geographical approach to explain the dominance of Euro-Asian cultures, with their superior technology and more virulent germs, over African and American cultures. Indeed, Diamond's most important contribution is his material on the influence of microbiology on world history.

Second, Philip Parker,¹⁶ a marketing professor, argues for geography's deep influence on history, economics, and consumer behavior. For example, he reports strong correlations between the latitude (climate) and the per capita GDP of countries. Empirical support can be found in others' reports of climate's apparent influence on workers' wages.¹⁷ Parker, like Diamond before him, explains social phenomena using principles of physiology. The management implications of his treatise have to do with using ambient temperature as a market segmentation variable. We return to this issue in Chapter 8.

History

The impact of specific events in history can be seen reflected in technology, social institutions, cultural values, and even consumer behavior. Diamond's book is filled with examples. For instance, much of American trade policy has depended on the happenstance of tobacco (i.e., the technology of a new cash crop) being the original source of the Virginia colony's economic survival in the 1600s. In a like manner, the Declaration of Independence, and thereby Americans' values and institutions, was fundamentally influenced by the coincident 1776 publication of Adam Smith's *The Wealth of Nations*. Notice too that the military conflicts in the Middle East in 2003 bred new cola brands as alternatives to Coca-Cola—Mecca Cola, Muslim Up, Arab Cola, and ColaTurka.¹⁸

The Political Economy

For most of the 20th century, four approaches to governance competed for world dominance: colonialism, fascism, communism, and democracy/free enterprise. Fascism fell in 1945. Colonialism was also a casualty of World War II, though its death throes lasted well into the second half of the century. Communism crumbled in the 1990s.¹⁹ One pundit even declared the “end of history.”²⁰ Unfortunately, we have September 11 and the conflicts in the Middle East to keep the list of bad things growing. Much more detail is included in Chapters 6 and 7 on the influences of politics and the legal environment on the culture of commerce and consumption, so we will leave this important topic until then. The main point here is for you to appreciate the influence of the political economy on social institutions and cultural values and ways of thinking.

¹⁵Jared Diamond's *Guns, Germs and Steel: The Fates of the Human Societies* (New York: Norton, 1999) is a Pulitzer Prize winner, recipient of the Phi Beta Kappa Award in Science, and a wonderful read for anyone interested in history and/or innovation. PBS also has produced a video version of *Guns, Germs and Steel*. Also see Diamond's more recent book, *Collapse* (New York: Viking, 2005).

¹⁶Philip Parker's *Physioeconomics* (Cambridge, MA: MIT Press, 2000) is a data-rich discussion of global economics well worth reading.

¹⁷Evert Van de Vliert, “Thermoclimate, Culture, and Poverty as Country-Level Roots of Workers' Wages,” *Journal of International Business Studies* 34, no. 1 (2003), pp. 40–52.

¹⁸See <http://www.colaturka.com.tr>.

¹⁹Some might argue that communism has survived in North Korea, Cuba, or the Peoples' Republic of China, but at least in the last case, free enterprise is on the ascendancy. The former look more like dictatorships to most.

²⁰Francis Fukuyama, *The End of History and the Last Man* (New York: The Free Press, 1992).

Technology Sit back for a moment and consider what technological innovation has had the greatest impact on institutions and cultural values in the past 50 years in the United States. Seriously, stop reading, look out your window, and for a moment consider the question.

There are many good answers, but only one best one. Certainly jet aircraft, air conditioning, televisions,²¹ computers, mobile phones, and the Internet all make the list. But the best answer is most likely the pill.²² That is, the birth control pill, or more broadly birth control techniques, have had a huge effect on everyday life for most Americans and people around the world.²³ Mainly, it has freed women to have careers and freed men to spend more time with kids. Before the advent of the pill, men's and women's roles were proscribed by reproductive responsibilities and roles. Now half the marketing majors in the United States are women, and 10 percent of the crews on U.S. Navy ships are women. Before the pill, these numbers were unimaginable.

Obviously, not everyone is happy with these new "freedoms." For example, in 1968, the Roman Catholic Church forbade use of the birth control pill. But the technology of birth control undeniably has deeply affected social institutions and cultural values. Families are smaller, and government and schools are forced to address issues such as abstinence and condom distribution.

Finally, the reader will notice that technology does not solve all problems. For example, few would argue with the idea that the United States leads the world in healthcare technology, yet this technological leadership doesn't deliver the best healthcare system.²⁴ Other aspects of culture make a difference. Thus, citizens in many countries around the world have greater longevity (the most objective measure of the quality of healthcare delivery in a country), as mentioned earlier in this chapter. Consumer lifestyle choices and the financial structure affect the U.S. healthcare system dramatically as well. Please see Exhibit 4.5 for a quick comparison of systems across countries.

Social Institutions **Social institutions** including *family, religion, school, the media, government, and corporations* all affect the ways in which people relate to one another, organize their activities to live in harmony with one another, teach acceptable behavior to succeeding generations, and govern themselves. The positions of men and women in society, the family, social classes,²⁵ group behavior, age groups, and how societies define decency and civility are interpreted differently within every culture. In cultures in which the social organizations result in close-knit family units, for example, a promotion campaign aimed at the family unit is usually more effective than one aimed at individual family members. Travel advertising in culturally divided Canada has pictured a wife alone for the English-speaking market segment but a man and wife together for the French-speaking segments of the population, because the latter are traditionally more closely bound by family ties.

The roles and status positions found within a society are influenced by the dictates of social institutions. The caste system in India is one such institution. The election of a low-caste person—once called an "untouchable"—as president made international news because it was such a departure from traditional Indian culture. Decades ago, brushing against an untouchable or even glancing at one was considered enough to defile a Hindu of high status. Even though the caste system has been outlawed, it remains a part of the culture.

²¹Sandra K. Smith Speck and Abhijit Roy, "The Interrelationships between Television Viewing, Values, and Perceived Well-Being: A Global Perspective," *Journal of International Business Studies* 39, no. 7 (2008), pp. 1197–219.

²²Bernard Asbell, *The Pill: A Biography of the Drug that Changed the World* (New York: Random House, 1995).

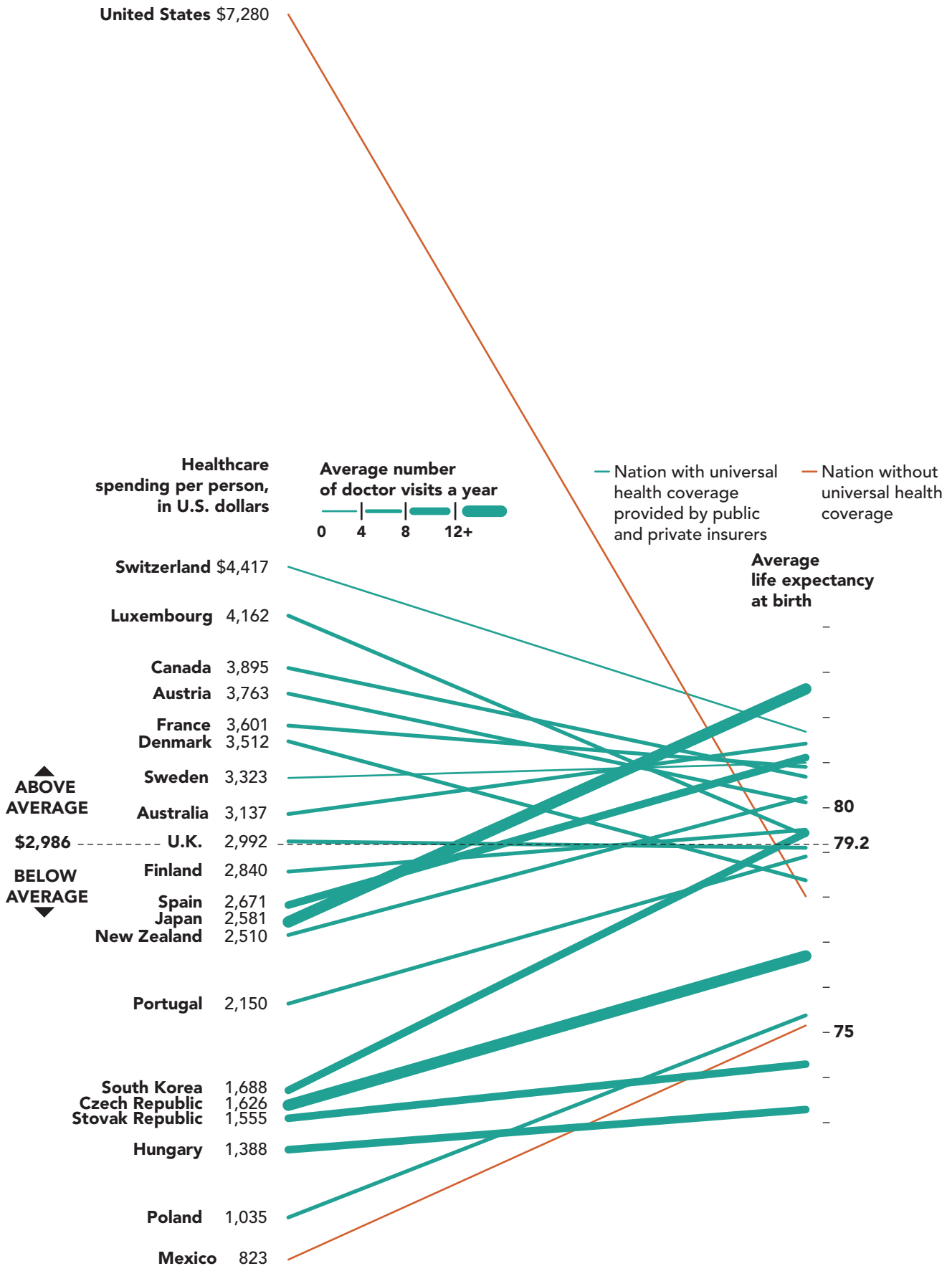
²³"Go Forth and Multiply a Lot Less," *The Economist*, October 31, 2009, pp. 29–30.

²⁴T. R. Reid, "No Country for Sick Men," *Newsweek*, September 21, 2009.

²⁵Tuba Ustuner and Douglas B. Holt, "Toward a Theory of Consumption in Less Industrialized Countries," *Journal of Consumer Research* (2010), online.

Exhibit 4.5

Comparison of Healthcare Systems



Source: Michelle Andrews, "Health, The Cost of Care," *National Geographic Magazine*, December 2009.

Family. Family forms and functions vary substantially around the world, even around the country.²⁶ For example, whereas nepotism is seen as a problem in American organizations, it is more often seen as an organizing principle in Chinese and Mexican²⁷ firms. Or consider the Dutch executive who lives with his mother, wife, and kids in a home in Maastricht that his family has owned for the last 300 years. Then there's the common practice of the high-income folks in Cairo buying an apartment house and filling it up with the extended family—grandparents, married siblings, cousins, and kids. Or how about the Japanese mother caring for her two children pretty much by herself, often sleeping with them at night, while her husband catches up on sleep during his four hours a day commuting via train. And there's the American family in California—both parents work to support their cars, closets, and kids in college, all the while worrying about aging grandparents halfway across the country.

Even the ratio of male to female children is affected by culture (as well as latitude). In most European countries the ratio is about fifty-fifty. However, the gender percentage of boys aged one to six years is 52 in India and of those aged one to four years is 55 in China. Obviously these ratios have long-term implications for families and societies. Moreover, the favoritism for boys is deep-seated in such cultures, as demonstrated by the Chinese *Book of Songs*, circa 800 BC:

When a son is born
Let him sleep on the bed,
Clothe him with fine clothes.
And give him jade to play with. . . .
When a daughter is born,
Let her sleep on the ground,
Wrap her in common wrappings,
And give her broken tiles for playthings.

All these differences lead directly to differences in how children think and behave. For example, individualism is being taught the first night the American infant is tucked into her own separate bassinet. Values for egalitarianism are learned the first time Dad washes the dishes in front of the kids or Mom heads off to work or the toddler learns that both Grandpa and little brother are properly called “you.” And there is some good news about gender equality to share: The education gap between men and women is narrowing in many places around the world—for example, the majority of university students in the United States are now women.

Religion. In most cultures, the first social institution infants are exposed to outside the home takes the form of a church, mosque, shrine, or synagogue. The impact of religion on the value systems of a society and the effect of value systems on marketing must not be underestimated. For example, Protestants believe that one's relationship with God is a personal one, and confessions are made directly through prayer. Alternatively, Roman Catholics confess to priests, setting up a hierarchy within the Church. Thus some scholars reason that Protestantism engenders egalitarian thinking. But no matter the details, religion clearly affects people's habits, their outlook on life, the products they buy, the way they buy them, and even the newspapers they read.

The influence of religion is often quite strong, so marketers with little or no understanding of a religion may readily offend deeply. One's own religion is often not a reliable guide to another's beliefs. Most people do not understand religions other than their own, and/or what is “known” about other religions is often incorrect. The Islamic religion is

²⁶Michael Finkel's description of a hunter-gather tribe's everyday life, as observed in Tanzania, is important as a representation of family life and structure in people's primordial state. See “The Hadza,” *National Geographic*, December 2009, pp. 94–118; also see John L. Graham, “Mother and Child Reunion,” *Orange Country Register*, January 11, 2009.

²⁷Anabella Davila and Marta M. Elvira, “Culture and Human Resource Management in Latin America.” In *Managing Human Resources in Latin America*, ed. Marta M. Elvira and Anabella Davila. (London: Routledge, 2005), pp. 3–24.

a good example of the need for a basic understanding of all major religions. More than one billion people in the world embrace Islam, yet major multinational companies often offend Muslims. The French fashion house of Chanel unwittingly desecrated the Koran by embroidering verses from the sacred book of Islam on several dresses shown in its summer collections. The designer said he had taken the design, which was aesthetically pleasing to him, from a book on India's Taj Mahal and that he was unaware of its meaning. To placate a Muslim group that felt the use of the verses desecrated the Koran, Chanel had to destroy the dresses with the offending designs, along with negatives of the photos taken of the garments. Chanel certainly had no intention of offending Muslims, since some of its most important customers embrace Islam. This example shows how easy it is to offend if the marketer, in this case the designer, has not familiarized him- or herself with other religions.

School. Education, one of the most important social institutions, affects all aspects of the culture, from economic development to consumer behavior. The literacy rate of a country is a potent force in economic development. Numerous studies indicate a direct link between the literacy rate of a country and its capability for rapid economic growth. According to the World Bank, no country has been successful economically with less than 50 percent literacy, but when countries have invested in education, the economic rewards have been substantial. Literacy has a profound effect on marketing. Communicating with a literate market is much easier than communicating with one in which the marketer must depend on symbols and pictures. Increasingly, schools are seen as leading to positive cultural changes and progress across the planet.



In the United States, kids attend school 180 days per year; in China, they attend 251 days—that's six days a week. There's a great thirst for the written word in China—here children read books rented from a street vendor.

The Media. The four social institutions that most strongly influence values and culture are schools, churches, families, and, most recently, the media. In the United States during the past 30 years, women have joined the workforce in growing numbers, substantially reducing the influence of family on American culture. Media time (TV and increasingly the Internet and mobile phones) has replaced family time—much to the detriment of American culture, some argue. At this time, it is hard to gauge the long-term effects of the hours spent with Bart Simpson or an EverQuest cleric-class character. Indeed, the British Prime Minister's cameo on *The Simpsons* reflects its prominence around the world.

American kids spend only 180 days per year in school. Contrast that with 251 days in China, 240 days in Japan, and 200 days in Germany. Indeed, Chinese officials are recognizing the national disadvantages of too much school—narrow minds. Likewise, Americans more and more complain about the detrimental effects of too much media. Many decry the declining American educational system as it produces a lower percentage of college graduates than twelve other countries, including Russia, Japan, and France.²⁸

Government. Compared with the early (during childhood) and direct influences of family, religion, school, and the media, governments hold relatively little sway. Cultural values and thought patterns are pretty much set before and during adolescence. Most often governments try to influence the thinking and behaviors of adult citizens for the citizens' "own good." For example, the French government has been urging citizens to procreate since the time of Napoleon. Now the government is

²⁸Michael E. Porter, "Why America Needs an Economic Strategy," *BusinessWeek*, November 10, 2008, pp. 39–42; "The Underworked American [child]," *The Economist*, June 13, 2009, p. 40.

offering a new “birth bonus” of \$800, given to women in their seventh month of pregnancy—despite France having one of the highest fertility rates in the European Union (see Exhibit 4.1). Likewise the Japanese government is spending \$225 million to expand day-care facilities toward increasing the falling birthrate and better employing women in the workforce.²⁹ Or notice the most recent French and British government-allowed bans of *hijabs* (head scarves worn by Muslim schoolgirls) or the Dutch government initiative to ban *burkas* in that country (full-body coverings worn by Muslim women)³⁰ or the Swiss government’s ban of the construction of minarets.³¹ Also, major changes in governments, such as the dissolution of the Soviet Union, can have noticeable impacts on personal beliefs and other aspects of culture.

Of course, in some countries, the government owns the media and regularly uses propaganda to form “favorable” public opinions. Other countries prefer no separation of church and state—Iran is currently ruled by religious clerics, for example. Governments also affect ways of thinking indirectly, through their support of religious organizations and schools. For example, both the Japanese and Chinese governments are currently trying to promote more creative thinking among students through mandated changes in classroom activities and hours. Finally, governments influence thinking and behavior through the passage, promulgation, promotion, and enforcement of a variety of laws affecting consumption and marketing behaviors. The Irish government is newly concerned about its citizens’ consumption of Guinness and other alcoholic products. Their studies suggest excessive drinking costs the country 2 percent of GDP, so to discourage underage drinking, the laws are being tightened (see the end of Chapter 16 for more details).

Corporations. Of course, corporations get a grip on us early through the media. But more important, most innovations are introduced to societies by companies, many times multinational companies. Indeed, merchants and traders have throughout history been the primary conduit for the diffusion of innovations, whether it be over the Silk Road or via today’s air freight and/or the Internet. Multinational firms have access to ideas from around the world. Through the efficient distribution of new products and services based on these new ideas, cultures are changed, and new ways of thinking are stimulated. The crucial role of companies as change agents is discussed in detail in the last section of this chapter.

Elements of Culture

LO3

The elements of culture

Previously culture was defined by listing its five elements: values, rituals, symbols, beliefs, and thought processes. International marketers must design products, distribution systems, and promotional programs with due consideration of each of the five.

Cultural Values

Underlying the cultural diversity that exists among countries are fundamental differences in **cultural values**, that is, the importance of things and ideas. The most useful information on how cultural values influence various types of business and market behavior comes from seminal work by Geert Hofstede.³² Studying more than 90,000 people in 66 countries, he found that the cultures of the nations studied differed along four primary dimensions. Subsequently, he and hundreds of other researchers have determined that a wide variety of business and consumer behavior patterns are associated with three of those four dimensions.³³ The four³⁴ dimensions are as follows: the Individualism/Collective Index (IDV), which focuses on self-orientation; the Power Distance Index (PDI), which focuses

²⁹Tomoko Yamazaki and Komaki Ito, “Japan: Boosting Growth with Day Care,” *Bloomberg BusinessWeek*, January 4, 2010, pp. 96–97.

³⁰“The War of French Dressing,” *The Economist*, January 16, 2010, pp. 49–50.

³¹Deborah Ball, “Muslim Leaders Condemn Swiss Minaret Ban,” *The Wall Street Journal*, November 30, 2009.

³²Hofstede, *Culture’s Consequences*.

³³Debanjan Mitra and Peter N. Golder, “Whose Culture Matters? Near-Market Knowledge and Its Impact on Foreign Market Entry Timing,” *Journal of Marketing Research* 39, no. 3 (August 2002), pp. 350–65; Boonghee Yoo and Naveen Donthu, “Culture’s Consequences, a Book Review,” *Journal of Marketing Research* 39, no. 3 (August 2002), pp. 388–89.

³⁴In a subsequent study, a fifth dimension, Long-Term Orientation (LTO), was identified as focusing on cultures’ temporal orientations. See Geert Hofstede and Michael Harris Bond, “The Confucius Connection,” *Organizational Dynamics* 16, no. 4 (Spring 1988), pp. 4–21; Hofstede, *Culture’s Consequences*.

Exhibit 4.6Hofstede's Indexes,
Language, and Linguistic
Distance

Source: Geert Hofstede, *Culture's Consequences* (Thousand Oaks, CA: Sage, 2001). Used by permission of Geert Hofstede.

Country	IDV Score	PDI Score	UAI Score	Primary Language	Distance from English
Arab countries	38	80	68	Arabic	5
Australia	90	36	51	English	0
Brazil	38	69	76	Portuguese	3
Canada	80	39	48	English (French)	0, 3
Colombia	13	67	80	Spanish	3
Finland	63	33	59	Finnish	4
France	71	68	86	French	3
Germany	67	35	65	German	1
Great Britain	89	35	35	English	0
Greece	35	60	112	Greek	3
Guatemala	6	95	101	Spanish	3
India	48	77	40	Dravidian	3
Indonesia	14	78	48	Bahasa	7
Iran	41	58	59	Farsi	3
Japan	46	54	92	Japanese	4
Mexico	30	81	82	Spanish	3
Netherlands	80	38	53	Dutch	1
New Zealand	79	22	49	English	0
Pakistan	14	55	70	Urdu	3
South Korea	18	60	85	Korean	4
Taiwan	17	58	69	Taiwanese	6
Turkey	37	66	85	Turkish	4
United States	91	40	46	English	0
Uruguay	36	61	100	Spanish	3
Venezuela	12	81	76	Spanish	3

on authority orientation; the Uncertainty Avoidance Index (UAI), which focuses on risk orientation; and the Masculinity/Femininity Index (MAS), which focuses on assertiveness and achievement. The Individualism/Collectivism dimension has proven the most useful of the four dimensions, justifying entire books on the subject.³⁵ Because the MAS has proven least useful, we will not consider it further here. Please see Exhibit 4.6 for details.

During the 1990s, Robert House³⁶ and his colleagues developed a comparable set of data, more focused on values related to leadership and organizations. Their data are by themselves quite valuable, and aspects of their study nicely coincide with Hofstede's data, collected some 25 years earlier. The importance of this work has yielded important criticisms and discussion.³⁷

Individualism/Collectivism Index. The Individualism/Collective Index refers to the preference for behavior that promotes one's self-interest. Cultures that score high in IDV reflect an "I" mentality and tend to reward and accept individual initiative, whereas those low in individualism reflect a "we" mentality and generally subjugate the individual

³⁵Harry C. Triandis, *Individualism and Collectivism* (Boulder, CO: Westview Press, 1995).

³⁶Robert J. House, Paul J. Hanges, Mansour Javidan, Peter W. Dorfman, and Vipin Gupta (eds.), *Culture, Leadership, and Organizations: The Globe Study of 62 Societies* (Thousand Oaks, CA: Sage, 2004).

³⁷Bradley L. Kirkman, Kevin B. Lowe, and Cristina Gibson, "A Quarter Century of Cultures' Consequences: A Review of Empirical Research Incorporating Hofstede's Cultural Values Framework," *Journal of International Business Studies* 37 (2006), pp. 285–320; Kwok Leung, "Editor's Introduction to the Exchange between Hofstede and GLOBE," *Journal of International Business Studies* 37 (2006), p. 881; Geert Hofstede, "What Did GLOBE Really Measure? Researchers' Minds versus Respondents' Minds," *Journal of International Business Studies* 37 (2006), pp. 882–96; Mansour Javidan, Robert J. House, Peter W. Dorfman, Paul J. Hanges, and Mary Sully de Luque, "Conceptualizing and Measuring Cultures and Their Consequences: A Comparative Review of GLOBE's and Hofstede's Approaches," *Journal of International Business Studies* 37 (2006), pp. 897–914; Peter B. Smith, "When Elephants Fight, the Grass Gets Trampled: The GLOBE and Hofstede Projects," *Journal of International Business Studies* 37 (2006), pp. 915–21; P. Christopher Earley, "Leading Cultural Research in the Future: A Matter of Paradigms and Taste," *Journal of International Business Studies* 37 (2006), pp. 922–31.

to the group. This distinction does not mean that individuals fail to identify with groups when a culture scores high on IDV but rather that personal initiative and independence are accepted and endorsed. Individualism pertains to societies in which the ties between individuals are loose; everyone is expected to look after him- or herself and his or her immediate family. Collectivism, as its opposite, pertains to societies in which people from birth onward are integrated into strong, cohesive groups, which throughout people's lifetimes continue to protect them in exchange for unquestioning loyalty.

Power Distance Index. The Power Distance Index measures the tolerance of social inequality, that is, power inequality between superiors and subordinates within a social system. Cultures with high PDI scores tend to be hierarchical, with members citing social roles, manipulation, and inheritance as sources of power and social status. Those with low scores, in contrast, tend to value equality and cite knowledge and respect as sources of power. Thus, people from cultures with high PDI scores are more likely to have a general distrust of others (not those in their groups) because power is seen to rest with individuals and is coercive rather than legitimate. High PDI scores tend to indicate a perception of differences between superior and subordinate and a belief that those who hold power are entitled to privileges. A low PDI score reflects more egalitarian views.

Uncertainty Avoidance Index. The Uncertainty Avoidance Index measures the tolerance of uncertainty and ambiguity among members of a society. Cultures with high UAI scores are highly intolerant of ambiguity and as a result tend to be distrustful of new ideas or behaviors. They tend to have a high level of anxiety and stress and a concern with security and rule following. Accordingly, they dogmatically stick to historically tested patterns of behavior, which in the extreme become inviolable rules. Those with very high UAI scores thus accord a high level of authority to rules as a means of avoiding risk. Cultures scoring low in uncertainty avoidance are associated with a low level of anxiety and stress, a tolerance of deviance and dissent, and a willingness to take risks. Thus, those cultures low in UAI take a more empirical approach to understanding and knowledge, whereas those high in UAI seek absolute truth.

Cultural Values and Consumer Behavior. A variety of studies have shown cultural values can predict such consumer behaviors as word-of-mouth communications,³⁸ impulsive buying,³⁹ responses of both surprise⁴⁰ and disgust,⁴¹ the propensity to complain,⁴² responses to service failures,⁴³ and even movie preferences.⁴⁴ Going back to the e-trading example that opened this chapter, we can see how Hofstede's notions of cultural values might help us predict the speed of diffusion of such new consumer services as equity investments and electronic auctions in Japan and France. As shown in Exhibit 4.6, the United States scores the highest of all countries on individualism, at 91, with Japan at 46 and France at 71. Indeed, in America, where individualism reigns supreme, we might predict that the "virtually social" activity of sitting alone at one's computer might be most acceptable. In both Japan and France, where values favor group activities, face-to-face conversations with stockbrokers and neighbors might be preferred to impersonal electronic communications.

³⁸Desmond Lam, Alvin Lee, and Richard Mizerski, "The Effects of Cultural Values in Word-of-Mouth Communication," *Journal of International Marketing* 17, no. 3 (2009), pp. 55–70.

³⁹Yinlong Zhang, Karen Page Winterich, and Vikas Mittal, "Power-Distance Belief and Impulsive Buying," *Journal of Marketing Research* 47 (2010).

⁴⁰Ana Valenzuela, Barbar Mellers, and Judi Strebel, "Pleasurable Surprises: A Cross-Cultural Study of Consumer Responses to Unexpected Incentives," *Journal of Consumer Research* 36 (2010).

⁴¹Daisann McLane, "Tackling the Yuck Factor," *National Geographic Traveler*, January 2010, pp. 26–28.

⁴²Piotr Chelminski and Robin A. Coulter, "The Effects of Cultural Individualism and Self-Confidence on Propensity to Voice: From Theory to Measurement to Practice," *Journal of International Marketing* 15 (2007), pp. 94–118.

⁴³Haksin Chan, Lisa C. Wan, and Leo Y. M. Sin, "The Contrasting Effects of Culture on Consumer Tolerance: Interpersonal Face and Impersonal Fate," *Journal of Consumer Research* 36, no. 2 (2009), pp. 292–304; Haksin Chan and Lisa C. Wan, "Consumer Responses to Service Failures: A Resource Preference Model of Cultural Influences," *Journal of International Marketing* 16, no. 1 (2008), pp. 72–97.

⁴⁴J. Samuel Craig, William H. Greene, and Susan P. Douglas, "Culture Matters: Consumer Acceptance of U.S. Films in Foreign Markets," *Journal of International Marketing* 13 (2006), pp. 80–103.

CROSSING BORDERS 4.2

It's Not the Gift That Counts, but How You Present It

Giving a gift in another country requires careful attention if it is to be done properly. Here are a few suggestions.

JAPAN

Do not open a gift in front of a Japanese counterpart unless asked, and do not expect the Japanese to open your gift.

Avoid ribbons and bows as part of the gift wrapping. Bows as we know them are considered unattractive, and ribbon colors can have different meanings.

Always offer the gift with both hands.

EUROPE

Avoid red roses and white flowers, even numbers, and the number 13. Do not wrap flowers in paper.

Do not risk the impression of bribery by spending too much on a gift.

ARAB WORLD

Do not give a gift when you first meet someone. It may be interpreted as a bribe.

Do not let it appear that you contrived to present the gift when the recipient is alone. It looks bad unless you know the person well. Give the gift in front of others in less personal relationships.

LATIN AMERICA

Do not give a gift until after a somewhat personal relationship has developed, unless it is given to express appreciation for hospitality.

Gifts should be given during social encounters, not in the course of business.

Avoid the colors black and purple; both are associated with the Roman Catholic Lenten season.

CHINA

Never make an issue of a gift presentation—publicly or privately. But always deliver gifts with two hands.

Gifts should be presented privately, with the exception of collective ceremonial gifts at banquets or after speeches.

RUSSIA

Generally speaking, Russians take pleasure in giving and receiving gifts—so take plenty. Something for the kids is a good idea.

When invited to a Russian home, bring chocolates or wine, but not vodka.

Bringing a bouquet of flowers is a good idea, but make it an odd number. Even numbers are for funerals.

UNITED STATES

Gifts that are too ostentatious can cause big problems.

Source: James Day Hodgson, Yoshiro Sano, and John L. Graham, *Doing Business in the New Japan* (Latham, MD: Rowman and Littlefield, 2008); www.executiveplanet.com, 2010.

Similarly, both Japan (92) and France (86) score quite high on Hofstede's Uncertainty Avoidance Index, and America scores low (46). Based on these scores, both Japanese and French investors might be expected to be less willing to take the risks of stock market investments—and indeed, the security of post office deposits or bank savings accounts is preferred. So in both instances, Hofstede's data on cultural values suggest that the diffusion of these innovations will be slower in Japan and France than in the United States. Such predictions are consistent with research findings that cultures scoring higher on individualism and lower on uncertainty avoidance tend to be more innovative.⁴⁵

Perhaps the most interesting application of cultural values and consumer behavior regards a pair of experiments done with American and Chinese students.⁴⁶ Both groups were shown print ads using other-focused emotional appeals (that is, a couple pictured having fun on the beach) versus self-focused emotional appeals (an individual having fun on the beach). The researchers predicted that the individualistic Americans would respond more favorably

⁴⁵Jan-Benedict E. M. Steenkamp, Frenkel ter Hofstede, and Michel Wedel, "A Cross-National Investigation into the Individual and National Cultural Antecedents of Consumer Innovativeness," *Journal of Marketing* 63 (April 1999), pp. 55–69.

⁴⁶Jennifer L. Aaker and Patti Williams, "Empathy vs. Pride: The Influence of Emotional Appeals across Cultures," *Journal of Consumer Research* 25 (December 1998), pp. 241–61.

Every Muslim is enjoined to make the hajj, or pilgrimage to Mecca, once in his or her lifetime if physically able. Here, some 2 million faithful come from all over the world annually to participate in what is one of the largest ritual meetings on Earth.⁴⁷



to the self-focused appeals and the collectivistic Chinese to the other-focused appeals. They found the opposite. Their second experiment helped explain these unexpected results. That is, in both cases, what the participants liked about the ads was their *novelty* vis-à-vis their own cultures. So, even in this circumstance, cultural values provide useful information for marketers. However, the complexity of human behavior, values, and culture is manifest.

Rituals

Dressed in the ritual color of saffron (orange), thousands of pilgrims of the Lord Shiva descend one of the over 100 *Ghats* in Varanasi, India, to perform *puja* (ritual cleansing of the soul). Varanasi (also known as Benares or Banaris) is one of the oldest and holiest cities in India. It is believed to be the home of Lord Shiva (Hindu god) and the location of the first sermon by Buddha, so followers of numerous religions flock to Varanasi on a daily basis. Each day at sunrise and sunset, pilgrims crowd the *Ghats* (steps to the holy river/Mother Ganga/ the River Ganges) to immerse themselves in the water and perform *puja*. On the busiest day of the ritual, some 5–10 million participate (according to Professor Rika Houston). Meanwhile, televised rituals such as the Academy Awards and World Cup soccer draw billions in the form of virtual crowds.

Life is filled with **rituals**, that is, patterns of behavior and interaction that are learned and repeated. The most obvious ones are associated with major events in life. Marriage ceremonies and funerals are good examples. Perhaps the one most important to most readers

⁴⁷Hassan M. Fattar, “The Price of Progress: Transforming Islam’s Holiest Sight,” *The New York Times International*, March 8, 2007, p. A4.



of this book is the hopefully proximate graduation ritual—*Pomp and Circumstance*, funny hats, long speeches, and all. Very often these rituals differ across cultures. Indeed, there is an entire *genre* of foreign films about weddings.⁴⁸ Perhaps the best is *Monsoon Wedding*. Grooms on white horses and edible flowers are apparently part of the ceremony for high-income folks in New Delhi.

Life is also filled with little rituals, such as dinner at a restaurant or a visit to a department store or even grooming before heading off to work or class in the morning. In a nice restaurant in Madrid, dessert may precede the entrée, but dinner often starts at about midnight, and the entire process can be a three-hour affair. Walking into a department store in the United States often yields a search for an employee to answer questions. Not so in Japan, where the help bows at the door as you walk in. Visit a doctor in the States and a 15-minute wait in a cold exam room with nothing on but a paper gown is typical. In Spain the exams are often done in the doctor's office. There's no waiting, because you find the doctor sitting at her desk.

Rituals are important. They coordinate everyday interactions and special occasions. They let people know what to expect. In the final chapter of the text, we discuss the ritual of business negotiations, and that ritual varies across cultures as well.

Symbols Anthropologist Edward T. Hall tells us that culture is communication. In his seminal article about cultural differences in business settings, he talks about the “languages” of time, space, things, friendships, and agreements.⁴⁹ Indeed, learning to interpret correctly the symbols that surround us is a key part of socialization. And this learning begins immediately after birth, as we begin to hear the language spoken and see the facial expressions and feel the touch and taste the milk of our mothers.⁵⁰ We begin our discussion of symbolic systems with language, the most obvious part and the part that most often involves conscious communication.

Language. We should mention that for some around the world, language is itself thought of as a social institution, often with political importance. Certainly the French go to extreme lengths and expense to preserve the purity of their *français*. In Canada, language has been the focus of political disputes including secession, though things seem to have calmed down there most recently. Unfortunately, as the number of spoken languages continues to decline worldwide, so does the interesting cultural diversity of the planet.

The importance of understanding the language of a country cannot be overestimated, particularly if you're selling your products in France! The successful international marketer must achieve expert communication, which requires a thorough understanding of the language as well as the ability to speak it. Advertising copywriters should be concerned less with obvious differences between languages and more with the idiomatic and symbolic⁵¹ meanings expressed. It is not sufficient to say you want to translate into Spanish, for instance, because across Spanish-speaking Latin America, the language vocabulary varies widely. *Tambo*, for example, means a roadside inn in Bolivia, Colombia, Ecuador, and Peru; a dairy farm in Argentina and Uruguay; and a brothel in Chile. If that gives you a problem, consider communicating with the people of Papua New Guinea. Some 750 languages, each distinct and mutually unintelligible, are spoken there. This crucial issue of accurate translations in marketing communications is discussed further in Chapters 8 and 16.

The relationship between language and international marketing is important in another way. Recent studies indicate that a new concept, **linguistic distance**, is proving useful to

⁴⁸Other excellent films in this genre include *Cousin, Cousine* (French), *Four Weddings and a Funeral* (U.K.), *Bend It Like Beckham* (U.K., Asian immigrants), *Wedding in Galilee* (Palestine/Israel), and *The Wedding Banquet* (Taiwan). Also see Cam Simpson, “For Jordanians, Shotgun Weddings Can Be a Problem,” *The Wall Street Journal*, June 5, 2007, pp. A1, A11.

⁴⁹Edward T. Hall, “The Silent Language in Overseas Business,” *Harvard Business Review*, May–June 1960, pp. 87–96. A discussion of the salience of Hall's work appears in John L. Graham, “Culture and Human Resources Management.” In *The Oxford Handbook of International Business*, ed. Alan M. Rugman and Thomas L. Brewer (Oxford: Oxford University Press, 2008), pp. 503–36.

⁵⁰The spices a nursing mother consumes actually affect the flavor of the milk she produces.

⁵¹Eric Yorkston and Gustavo E. De Mello, “Linguistic Gender Marking and Categorization,” *Journal of Consumer Research* 32 (2005), pp. 224–34.

marketing researchers in market segmentation and strategic entry decisions. Linguistic distance has been shown to be an important factor in determining differences in values across countries and the amount of trade between countries.⁵² The idea is that crossing “wider” language differences increases transaction costs.

Over the years, linguistics researchers have determined that languages around the world conform to family trees⁵³ based on the similarity of their forms and development. For example, Spanish, Italian, French, and Portuguese are all classified as Romance languages because of their common roots in Latin. Distances can be measured on these linguistic trees. If we assume English⁵⁴ to be the starting point, German is one branch away, Danish two, Spanish three, Japanese four, Hebrew five, Chinese six, and Thai seven. These “distance from English” scores are listed for a sampling of cultures in Exhibit 4.6.

Other work in the area is demonstrating a direct influence of language on cultural values, expectations, and even conceptions of time. For example, as linguistic distance from English increases, individualism decreases.⁵⁵ These studies are among the first in this genre, and much more work needs to be done. However, the notion of linguistic distance appears to hold promise for better understanding and predicting cultural differences in both consumer and management values, expectations, and behaviors. Another area of new research interest is the relationship between bilingualism/biculturalism and consumer behaviors and values. For example, bilingual consumers process advertisements differently if heard in their native versus second language,⁵⁶ and bicultural consumers, different from bilingual only consumers, can switch identities and perception frames.⁵⁷

Moreover, the relationship between language spoken and cultural values holds deeper implications. That is, as English spreads around the world via school systems and the Internet, cultural values of individualism and egalitarianism will spread with it. For example, both Chinese Mandarin speakers and Spanish speakers must learn two words for “you” (*ni* and *nin* and *tu* and *usted*, respectively). The proper use of the two depends completely on knowledge of the social context of the conversation. Respect for status is communicated by the use of *nin* and *usted*. In English there is only one form for “you.”⁵⁸ Speakers can ignore social context and status and still speak correctly. It’s easier, and social status becomes less important. *Français* beware!

Aesthetics as Symbols. Art communicates. Indeed, Confucius is reputed to have opined, “A picture is worth a thousand words.” But, of course, so can a dance or a song. As we acquire our culture, we learn the meaning of this wonderful symbolic system represented in its **aesthetics**, that is, its arts, folklore, music, drama, dance, dress, and cosmetics. Customers everywhere respond to images, myths, and metaphors that help them define their personal and national identities and relationships within a context of culture and product benefits. The uniqueness of a culture can be spotted quickly in symbols having distinct meanings. Think about the subtle earth tones of the typical Japanese restaurant compared with the bright reds and yellows in the decor of ethnic Chinese restaurants.

⁵²Jennifer D. Chandler and John L. Graham, “Relationship-Oriented Cultures, Corruption, and International Marketing Success,” *Journal of Business Ethics* 92(2) (2010), pp. 251–67.

⁵³For the most comprehensive representation of global linguistic trees, see Jiangtian Chen, Robert R. Sokal, and Merrit Ruhlen, “Worldwide Analysis of Genetic and Linguistic Relationships of Human Populations,” *Human Biology* 67, no. 4 (August 1995), pp. 595–612.

⁵⁴We appreciate the ethnocentricity in using English as the starting point. However, linguistic trees can be used to measure distance from any language. For example, analyses using French or Japanese as the starting point have proven useful as well.

⁵⁵Joel West and John L. Graham, “A Linguistics-Based Measure of Cultural Distance and Its Relationship to Managerial Values,” *Management International Review* 44, no. 3 (2004), pp. 239–60.

⁵⁶Stefano Puntoni, Bart de Langhe, and Stijn M.J. van Osselaer, “Bilingualism and the Emotional Intensity of Advertising Language,” *Journal of Consumer Research* 35 (2009), pp. 1012–25.

⁵⁷David Luna, Torsten Ringberg, and Laura A. Peracchio, “One Individual, Two Identities: Frame Switching Biculturals,” *Journal of Consumer Research* 35, no. 2 (2008), pp. 279–93.

⁵⁸In English, there was historically a second second-person form. That is, “thee” was the informal form up until the last century. Even in some Spanish-speaking countries, such as Costa Rica, the “tu” is being dropped in a similar manner.

Exhibit 4.7

Metaphorical Journeys through 23 Nations

Source: From Martin J. Gannon, *Understanding Global Cultures, Metaphorical Journeys through 23 Nations*, 2nd ed. Copyright © 2001. Reprinted by permission of Sage Publications.

The Thai Kingdom	The Traditional British House
The Japanese Garden	The Malaysian <i>Balik Kampung</i>
India: The Dance of Shiva	The Nigerian Marketplace
Bedouin Jewelry and Saudi Arabia	The Israeli Kibbutzim and Moshavim
The Turkish Coffeehouse	The Italian Opera
The Brazilian Samba	Belgian Lace
The Polish Village Church	The Mexican Fiesta
<i>Kimchi</i> and Korea	The Russian Ballet
The German Symphony	The Spanish Bullfight
The Swedish <i>Stuga</i>	The Portuguese Bullfight
Irish Conversations	The Chinese Family Altar
American Football	

Similarly, a long-standing rivalry between the Scottish Clan Lindsay and Clan Donald caused McDonald's Corporation some consternation when it chose the Lindsay tartan design for new uniforms for its workers. Godfrey Lord Macdonald, Chief of Clan Donald, was outraged and complained that McDonald's had a "complete lack of understanding of the name." Of course, the plaid in the uniforms is now the least of the firm's worries as British consumers are becoming more concerned about health-related matters.

Without culturally consistent interpretations and presentations⁵⁹ of countries' aesthetic values, a host of marketing problems can arise. Product styling must be aesthetically pleasing to be successful, as must advertisements and package designs. Insensitivity to aesthetic values can offend, create a negative impression, and, in general, render marketing efforts ineffective or even damaging. Strong symbolic meanings may be overlooked if one is not familiar with a culture's aesthetic values. The Japanese, for example, revere the crane as being very lucky because it is said to live a thousand years. However, the use of the number four should be avoided completely because the word for four, *shi*, is also the Japanese word for death. Thus teacups are sold in sets of five, not four, in Japan.

Finally, one author has suggested that understanding different cultures' metaphors is a key doorway to success. In Exhibit 4.7, we list the metaphors Martin Gannon⁶⁰ identified to represent cultures around the world. In the fascinating text, he compares "American Football" (with its individualism, competitive specialization, huddling, and ceremonial celebration of perfection) to the "Spanish Bullfight" (with its pompous entrance parade, audience participation, and the ritual of the fight) to the "Indian Dance of the Shiva" (with its cycles of life, family, and social interaction). Empirical evidence is beginning to accumulate supporting the notion that metaphors matter.⁶¹ Any good international marketer would see fine fodder for advertising campaigns in the insightful descriptions depicted.

Beliefs

Of course, much of what we learn to believe comes from religious training. But to consider matters of true faith and spirituality adequately here is certainly impossible. Moreover, the relationship between superstition and religion is not at all clear. For example, one explanation of the origin about the Western aversion to the number 13 has to do with Jesus sitting with his 12 disciples at the Last Supper.

However, many of our beliefs are secular in nature. What Westerners often call superstition may play quite a large role in a society's belief system in another part of the world. For example, in parts of Asia, ghosts, fortune telling, palmistry, blood types, head-bump reading, phases of the moon, faith healers, demons, and soothsayers can all be integral elements of society. Surveys of advertisements in Greater China show a preference for an "8" as the last digit in prices listed—the number connotes "prosperity" in Chinese culture. The

⁵⁹Michael W. Allen, Richa Gupta, and Arnaud Monnier, "The Interactive Effect of Cultural Symbols and Cultural Values on Taste Evaluations," *Journal of Consumer Research* 35, no. 2 (2008), pp. 294–308.

⁶⁰Martin J. Gannon, *Understanding Global Cultures, Metaphorical Journeys through 23 Nations*, 2nd ed. (Thousand Oaks, CA: Sage, 2001).

⁶¹Cristina B. Gibson and Mary E. Zeller-Bruhn, "Metaphors and Meaning: An Intercultural Analysis of the Concept of Work," *Administrative Science Quarterly* 46, no. 2 (2001), pp. 274–303.

Russian Orthodox priests prepare to bless an assembly line at a Niva sport-utility plant near Moscow, part of a joint venture between General Motors and AvtoVaz. The Niva is the best-selling SUV in Russia, making a profit for GM. Comrade Lenin would have had a tough time with this one!



Beijing Olympics started on 8–8–08 for a reason! And recall the Japanese concern about Year of the Fire Horse discussed earlier.

Called art, science, philosophy, or superstition—depending on who is talking—the Chinese practice of *feng shui* is an important ancient belief held by Chinese, among others. Feng shui is the process that links humans and the universe to *ch'i*, the energy that sustains life and flows through our bodies and surroundings, in and around our homes and workplaces. The idea is to harness this *ch'i* to enhance good luck, prosperity, good health, and honor for the owner of a premise and to minimize the negative force, *sha ch'i*, and its effect. Feng shui requires engaging the services of a feng shui master to determine the positive orientation of a building in relation to the owner's horoscope, the date of establishment of the business, or the shape of the land and building. It is not a look or a style, and it is more than aesthetics: Feng shui is a strong belief in establishing a harmonious environment through the design and placement of furnishings and the avoidance of buildings facing northwest, the “devil's entrance,” and southwest, the “devil's backdoor.” Indeed, Disney has even “feng-shuied” all its new rides in Hong Kong Disneyland.

Too often, one person's beliefs are another person's funny story. To discount the importance of myths, beliefs, superstitions, or other cultural beliefs, however strange they may appear, is a mistake because they are an important part of the cultural fabric of a society and influence all manner of behavior. For the marketer to make light of superstitions in other cultures when doing business there can be an expensive mistake. Making a fuss about being born in the right year under the right phase of the moon or relying heavily on handwriting and palm-reading experts, as in Japan, can be difficult to comprehend for a Westerner who refuses to walk under a ladder, worries about the next seven years after breaking a mirror, buys a one-dollar lottery ticket, and seldom sees a 13th floor in a building.

Thought Processes

We are now learning in much more detail the degree to which ways of thinking vary across cultures. For example, new studies are demonstrating cultural differences in consumer impatience⁶² and in how consumers make decisions about products—culture seems to matter more in snap judgments than in longer deliberations.⁶³ Richard Nisbett,

⁶²Haipen (Allan) Chen, Sharon Ng, and Akshay R. Rao, “Cultural Differences in Consumer Impatience,” *Journal of Marketing Research* 42 (2007), pp. 291–301.

⁶³Donnel A. Briley and Jennifer L. Aaker, “When Does Culture Matter? Effects of Personal Knowledge on the Correction of Culture-Based Judgments,” *Journal of Marketing Research* 43 (2008), pp. 395–408.

in his wonderful book *The Geography of Thought*,⁶⁴ broadly discusses differences in “Asian and Western” thinking. He starts with Confucius and Aristotle and develops his arguments through consideration of historical and philosophical writings and findings from more recent behavioral science research, including his own social-psychological experiments. Although he acknowledges the dangers surrounding generalizations about Japanese, Chinese, and Korean cultures, on the one hand, and European and American cultures, on the other, many of his conclusions are consistent with our own work related to international negotiations, cultural values, and linguistic distance.

A good metaphor for his views involves going back to Confucius’s worthy picture. Asians tend to see the whole picture and can report details about the background and foreground. Westerners alternatively focus on the foreground and can provide great detail about central figures but see relatively little in the background. This difference in perception—focus versus big picture—is associated with a wide variety of differences in values, preferences, and expectations about future events. Nisbett’s book is essential reading for anyone marketing products and services internationally. His insights are pertinent to Japanese selling in Jacksonville or Belgians selling in Beijing.

Each of the five cultural elements must be evaluated in light of how they might affect a proposed marketing program. Newer products and services and more extensive programs involving the entire cycle, from product development through promotion to final selling, require greater consideration of cultural factors. Moreover, the separate origins and elements of culture we have presented interact, often in synergistic ways. Therefore, the marketer must also take a step back and consider larger cultural consequences of marketing actions.

Cultural Sensitivity and Tolerance

Successful foreign marketing begins with **cultural sensitivity**—being attuned to the nuances of culture so that a new culture can be viewed objectively, evaluated, and appreciated. Cultural sensitivity, or cultural empathy, must be carefully cultivated. That is, for every amusing, annoying, peculiar, or repulsive cultural trait we find in a country, others see a similarly amusing, annoying, or repulsive trait in our culture. For example, we bathe, perfume, and deodorize our bodies in a daily ritual that is seen in many cultures as compulsive, while we often become annoyed with those cultures less concerned with natural body odor. Just because a culture is different does not make it wrong. Marketers must understand how their own cultures influence their assumptions about another culture. The more exotic the situation, the more sensitive, tolerant, and flexible one needs to be.⁶⁵ Being culturally sensitive will reduce conflict and improve communications and thereby increase success in collaborative relationships.

Besides knowledge of the origins and elements of cultures, the international marketer also should have an appreciation of how cultures change and accept or reject new ideas. Because the marketer usually is trying to introduce something completely new (such as e-trading) or to improve what is already in use, how cultures change and the manner in which resistance to change occurs should be thoroughly understood.

Cultural Change

Culture is dynamic in nature; it is a living process.⁶⁶ But the fact that cultural change is constant seems paradoxical, because another important attribute of culture is that it is conservative and resists change. The dynamic character of culture is significant in assessing new markets even though changes face resistance. Societies change in a variety of ways. Some have change thrust upon them by war (for example, the changes in Japan after World War II) or by natural disaster. More frequently, change is a result of a society seeking ways to solve the problems created by changes in its environment. One view is that culture is the accumulation of a series of the best solutions to problems faced in common by members of

⁶⁴Nisbett, *The Geography of Thought*.

⁶⁵Paul Vitello, “When a Kiss Is More Than a Kiss,” *The New York Times*, May 6, 2007, Section 4, p. 1.

⁶⁶Indeed, aspects of Hofstede’s values scores have been shown to vary over time. See Steve Jenner, Bren MacNab, Donnel Briley, Richard Brislin, and Reg Worthley, “Culture Change and Marketing,” *Journal of International Marketing* 21, no. 2 (2008), pp. 161–72.

CROSSING BORDERS 4.3

Thumbs that Rule

Ha Mok-min is feeling like a gunslinger these days. At the English-language cram school she attends during winter break, students jealous of her international bragging rights line up to duel with her. “They come with their cell phones boasting they can beat me,” the 16-year-old sighs, her deadpan manner lending her the air of a champion accustomed to—even weary of—fame. “I let them try.” With another young South Korean, Bae Yeong-ho, her Team Korea won an international competition held in New York to determine who could send text messages the fastest and most accurately. “When others watch me texting, they think I’m not that fast and they can do better,” said Bae, a 17-year-old high school dropout who dyes his hair a light chestnut color and is studying to be an opera singer. “So far, I’ve never lost a match.” In the New York competition, he typed six characters a second. “If I can think faster I can type faster,” he said.

The inaugural Mobile World Cup, hosted by the South Korean cell phone maker LG Electronics, brought together two-person teams from 13 countries who had clinched their national titles by beating a total of six million contestants. Marching behind their national flags, they gathered for an international clash of dexterous

digits. Behind Ha and Bae were an American team, followed by the Argentine team.

Since their return home, with \$50,000 prizes, Ha and Bae have become something like heroes to the “thumb tribe”—those youngsters who feel more comfortable texting than talking. Ha averages 150 to 200 messages a day—“average among my friends,” she said defensively. “Some send as many as 500 a day.” In 2009, Ha also won the South Korean national title, over 2.8 million competitors, by thumbing 7.25 characters a second. (The best score among participants in their 40s was 2.2 characters a second.) Bae, the previous national champion, has typed as many as 8 characters a second, but he did not compete last year.

It remains tough for even the most technologically savvy older person to keep up with this thumb tribe. On *The Daily Show* in January 2010, Bill Gates even admitted to host Jon Stewart that he had begun tweeting—for the first time just that month! Human communication systems are changing at the speed of “Mok-min.”

Sources: Choe Sang-Hun, “Rule of Thumbs: Koreans Reign in Texting World,” *The New York Times*, January 28, 2010, p. A12; “Le Snooze? We Lose,” *Los Angeles Times*, May 8, 2009, p. A38.

a given society. In other words, culture is the means used in adjusting to the environmental and historical components of human existence.

Accidents have provided solutions to some problems; invention has solved many others. Usually, however, societies have found answers by looking to other cultures from which they can borrow ideas. Cultural borrowing is common to all cultures. Although each society has a few unique situations facing it (such as stomach cancer in Japan), most problems confronting societies are similar in nature.

Cultural Borrowing

LO4

The impact of cultural borrowing

Cultural borrowing is a responsible effort to learn from others’ cultural ways in the quest for better solutions to a society’s particular problems.⁶⁷ Thus cultures unique in their own right are the result, in part, of imitating a diversity of others. Some cultures grow closer together and some further apart with contact.⁶⁸ Consider, for example, American (U.S.) culture and a typical U.S. citizen, who begins breakfast with an orange from the eastern Mediterranean, a cantaloupe from Persia, or perhaps a piece of African watermelon. After her fruit and first coffee, she goes on to waffles, cakes made by a Scandinavian technique from wheat domesticated in Asia Minor. Over these she pours maple syrup, invented by the Native Americans of the eastern U.S. woodlands. As a side dish, she may have the eggs of a species of bird domesticated in Indochina or thin strips of the flesh of an animal domesticated in eastern

⁶⁷Consider a discussion about Japanese teenagers as the leaders of cultural change on the planet: Amy Chozick, “Land of the Rising Karaoke Hot Tub,” *The Wall Street Journal*, March 9, 2007, p. W1.

⁶⁸Kwok Leung, Rabi S. Bhagat, Nancy B. Buchan, Miriam Erez, and Cristina Gibson, “Culture and International Business: Recent Advances and Their Implications for Future Research,” *Journal of International Business Studies* 36 (2006), pp. 357–78.

Asia that have been salted and smoked by a process developed in northern Europe. While eating, she reads the news of the day, imprinted in characters invented by the ancient Semites upon a material invented in China by a process also invented in China. As she absorbs the accounts of foreign troubles, she will, if she is a good conservative citizen, thank a Hebrew deity in an Indo-European language that she is 100 percent American.⁶⁹

Actually, this citizen is correct to assume that she is 100 percent American, because each of the borrowed cultural facets has been adapted to fit her needs, molded into uniquely American habits, foods, and customs. Americans behave as they do because of the dictates of their culture. Regardless of how or where solutions are found, once a particular pattern of action is judged acceptable by society, it becomes the approved way and is passed on and taught as part of the group's cultural heritage. Cultural heritage is one of the fundamental differences between humans and other animals. Culture is learned; societies pass on to succeeding generations solutions to problems, constantly building on and expanding the culture so that a wide range of behavior is possible. The point is, of course, that though many behaviors are borrowed from other cultures, they are combined in a unique manner that becomes typical for a particular society. To the foreign marketer, this similar-but-different feature of cultures has important meaning in gaining cultural empathy.

Similarities: An Illusion

For the inexperienced marketer, the similar-but-different aspect of culture creates illusions of similarity that usually do not exist. Several nationalities can speak the same language or have similar race and heritage, but it does not follow that similarities exist in other respects—that a product acceptable to one culture will be readily acceptable to the other, or that a promotional message that succeeds in one country will succeed in the other. Even though people start with a common idea or approach, as is the case among English-speaking Americans and the British, cultural borrowing and assimilation to meet individual needs translate over time into quite distinct cultures. A common language does not guarantee a similar interpretation of words or phrases. Both British and Americans speak English, but their cultures are sufficiently different that a single phrase has different meanings to each and can even be completely misunderstood. In England, one asks for a lift instead of an elevator, and an American, when speaking of a bathroom, generally refers to a toilet, whereas in England a bathroom is a place to take a tub bath. Also, the English “hoover” a carpet, whereas Americans vacuum. The movie title *The Spy Who Shagged Me* means nothing to most Americans but much to British consumers. Indeed, anthropologist Edward Hall warns that Americans and British have a harder time understanding each other because of their *apparent* and *assumed* cultural similarities.

The growing economic unification of Europe has fostered a tendency to speak of the “European consumer.” Many of the obstacles to doing business in Europe have been or will be eliminated as the European Union takes shape, but marketers, eager to enter the market, must not jump to the conclusion that an economically unified Europe means a common set of consumer wants and needs. Cultural differences among the members of the European Union are the product of centuries of history that will take centuries to ameliorate.⁷⁰ The United States itself has many subcultures that even today, with mass communications and rapid travel, defy complete homogenization. To suggest that the South is in all respects culturally the same as the northeastern or midwestern parts of the United States would be folly, just as it would be folly to assume that the unification of Germany has erased cultural differences that arose from over 40 years of political and social separation.

Marketers must assess each country thoroughly in terms of the proposed products or services and never rely on an often-used axiom that if it sells in one country, it will surely sell in another. As worldwide mass communications and increased economic and social interdependence of countries grow, similarities among countries will increase, and common

⁶⁹Ralph Linton, *The Study of Man* (New York: Appleton-Century-Crofts, 1936), p. 327.

⁷⁰Tuba Ustuner and Douglas B. Holt, “Dominated Consumer Acculturation: The Social Construction of Poor Migrant Women’s Consumer Identity Projects in a Turkish Squatter,” *Journal of Consumer Research* 34 (2007), pp. 41–56.

market behaviors, wants, and needs will continue to develop. As this process occurs, the tendency will be to rely more on apparent similarities when they may not exist. A marketer is wise to remember that a culture borrows and then adapts and customizes to its own needs and idiosyncrasies; thus, what may appear to be the same on the surface may be different in its cultural meaning.

Resistance to Change

A characteristic of human culture is that change occurs. That people's habits, tastes, styles, behavior, and values are not constant but are continually changing can be verified by reading 20-year-old magazines. However, this gradual cultural growth does not occur without some resistance; new methods, ideas, and products are held to be suspect before they are accepted, if ever. Moreover, research shows that consumers in different cultures display differing resistance.⁷¹

The degree of resistance to new patterns varies. In some situations, new elements are accepted completely and rapidly; in others, resistance is so strong that acceptance is never forthcoming. Studies show that the most important factors in determining what kind and how much of an innovation will be accepted is the degree of interest in the particular subject, as well as how drastically the new will change the old—that is, how disruptive the innovation will be to presently acceptable values and behavior patterns. Observations indicate that those innovations most readily accepted are those holding the greatest interest within the society and those least disruptive. For example, rapid industrialization in parts of Europe has changed many long-honored attitudes involving time and working women. Today, there is an interest in ways to save time and make life more productive; the leisurely continental life is rapidly disappearing. With this time consciousness has come the very rapid acceptance of many innovations that might have been resisted by most just a few years ago. Instant foods, labor-saving devices, and fast-food establishments, all supportive of a changing attitude toward work and time, are rapidly gaining acceptance.

An understanding of the process of acceptance of innovations is of crucial importance to the marketer. The marketer cannot wait centuries or even decades for acceptance but must gain acceptance within the limits of financial resources and projected profitability periods. Possible methods and insights are offered by social scientists who are concerned with the concepts of planned social change. Historically, most cultural borrowing and the resulting

⁷¹Mark Cleveland, Michel Laroche, and Nicolas Papadopoulos, "Cosmopolitanism, Consumer Ethnocentrism, and Materialism: An Eight-Country Study of Antecedents and Outcomes," *Journal of International Marketing* 17, no. 1 (2009), pp. 116–46; Gerald J. Tellis, Eden Yen, and Simon Bell, "Global Consumer Innovativeness: Cross-Country Differences and Commonalities," *Journal of International Marketing* 17, no. 2 (2009), pp. 1–22.

MTV meets Mom in Mumbai (formerly Bombay), India. Culture does change—dress and even names of major cities! Even so, a local resident tells us everyone still calls it Bombay despite the official alteration.



Planned and Unplanned Cultural Change

LO5

The strategy of planned change and its consequences

change has occurred without a deliberate plan, but increasingly, changes are occurring in societies as a result of purposeful attempts by some acceptable institution to bring about change, that is, planned change.

The first step in bringing about planned change in a society is to determine which cultural factors conflict with an innovation, thus creating resistance to its acceptance. The next step is an effort to change those factors from obstacles to acceptance into stimulants for change. The same deliberate approaches used by the social planner to gain acceptance for hybrid grains, better sanitation methods, improved farming techniques, or protein-rich diets among the peoples of underdeveloped societies can be adopted by marketers to achieve marketing goals.⁷²

Marketers have two options when introducing an innovation to a culture: They can wait for changes to occur, or they can spur change. The former requires hopeful waiting for eventual cultural changes that prove their innovations of value to the culture; the latter involves introducing an idea or product and deliberately setting about to overcome resistance and to cause change that accelerates the rate of acceptance. The folks at Fidelity Investments in Japan, for example, pitched a tent in front of Tokyo's Shinjuku train station and showered commuters investment brochures and demonstrations of Japanese-language WebXpress online stock trading services to encourage faster changes in Japanese investor behavior. However, as mentioned previously, the changes have not happened fast enough for most foreign firms targeting this business and similar financial services.

Obviously not all marketing efforts require change to be accepted. In fact, much successful and highly competitive marketing is accomplished by a strategy of **cultural congruence**. Essentially this strategy involves marketing products similar to ones already on the market in a manner as congruent as possible with existing cultural norms, thereby minimizing resistance. However, when marketing programs depend on cultural change to be successful, a company may decide to leave acceptance to a strategy of unplanned change—that is, introduce a product and hope for the best. Or a company may employ a strategy of **planned change**—that is, deliberately set out to change those aspects of the culture offering resistance to predetermined marketing goals.

As an example of unplanned cultural change, consider how the Japanese diet has changed since the introduction of milk and bread soon after World War II. Most Japanese, who were predominantly fish eaters, have increased their intake of animal fat and protein to the point that fat and protein now exceed vegetable intake. As many McDonald's hamburgers are likely to be eaten in Japan as the traditional rice ball wrapped in edible seaweed, and American hamburgers are replacing many traditional Japanese foods. Burger King purchased Japan's homegrown Morinaga Love restaurant chain, home of the salmon burger—a patty of salmon meat, a slice of cheese, and a layer of dried seaweed, spread with mayonnaise and stuck between two cakes of sticky Japanese rice pressed into the shape of a bun—an eggplant burger, and other treats. The chain was converted and now sells Whoppers instead of the salmon-rice burger.

The Westernized diet has caused many Japanese to become overweight. To counter this trend, the Japanese are buying low-calorie, low-fat foods to help shed excess weight and are flocking to health clubs. All this began when U.S. occupation forces introduced bread, milk, and steak to Japanese culture. The effect on the Japanese was unintentional, but nevertheless, change occurred. Had the intent been to introduce a new diet—that is, a strategy of planned change—specific steps could have been taken to identify resistance to dietary change and then to overcome these resistances, thus accelerating the process of change.

Marketing strategy is judged culturally in terms of acceptance, resistance, or rejection. How marketing efforts interact with a culture determines the degree of success or failure. All too often marketers are not aware of the scope of their impact on a host culture. If a strategy of planned change is implemented, the marketer has some responsibility to determine the consequences of such action.

⁷²Two very important books on this topic are Everett M. Rogers, *Diffusion of Innovations*, 4th ed. (New York: The Free Press, 1995), and Gerald Zaltman and Robert Duncan, *Strategies for Planned Change* (New York: John Wiley & Sons, 1979).

Summary

A complete and thorough appreciation of the origins (geography, history, political economy, technology, and social institutions) and elements (cultural values, rituals, symbols, beliefs, and ways of thinking) of culture may well be the single most important gain for a foreign marketer in the preparation of marketing plans and strategies. Marketers can control the product offered to a market—its promotion, price, and eventual distribution methods—but they have only limited control over the cultural environment within which these plans must be implemented. Because they cannot control all the influences on their marketing plans, they must attempt to anticipate the eventual effect of the uncontrollable elements and plan in such a way that these elements do not preclude the achievement of marketing objectives. They can also set about to effect changes that lead to quicker acceptance of their products or marketing programs.

Planning marketing strategy in terms of the uncontrollable elements of a market is necessary in a domestic market as well, but when a company is operating internationally, each new environment that is influenced by elements unfamiliar and sometimes unrecognizable to the marketer complicates the task. For these reasons, special effort and study are needed to absorb enough understanding of the foreign culture to cope with the uncontrollable features. Perhaps it is safe to generalize that of all the tools the foreign marketer must have, those that help generate empathy for another culture are the most valuable. Each of the cultural elements is explored in depth in subsequent chapters. Specific attention is given to business customs, political culture, and legal culture in the following chapters.

Key Terms

Culture
Social institutions
Cultural values

Rituals
Linguistic distance
Aesthetics

Cultural sensitivity
Cultural borrowing

Cultural congruence
Planned change

Questions

1. Define the key terms listed above.
2. What role does the marketer play as a change agent?
3. Discuss the three cultural change strategies a foreign marketer can pursue.
4. “Culture is pervasive in all marketing activities.” Discuss.
5. What is the importance of cultural empathy to foreign marketers? How do they acquire cultural empathy?
6. Why should a foreign marketer be concerned with the study of culture?
7. What is the popular definition of culture? Where does culture come from?
8. “Members of a society borrow from other cultures to solve problems that they face in common.” What does this mean? What is the significance to marketing?
9. “For the inexperienced marketer, the ‘similar-but-different’ aspect of culture creates an illusion of similarity that usually does not exist.” Discuss and give examples.
10. Outline the elements of culture as seen by an anthropologist. How can a marketer use this cultural scheme?
11. Social institutions affect culture and marketing in a variety of ways. Discuss, giving examples.
12. “Markets are the result of the three-way interaction of a marketer’s efforts, economic conditions, and all other elements of the culture.” Comment.
13. What are some particularly troublesome problems caused by language in foreign marketing? Discuss.
14. Suppose you were asked to prepare a cultural analysis for a potential market. What would you do? Outline the steps and comment briefly on each.
15. Cultures are dynamic. How do they change? Are there cases in which changes are not resisted but actually preferred? Explain. What is the relevance to marketing?
16. How can resistance to cultural change influence product introduction? Are there any similarities in domestic marketing? Explain, giving examples.
17. Innovations are described as either functional or dysfunctional. Explain and give examples of each.
18. Defend the proposition that a multinational corporation has no responsibility for the consequences of an innovation beyond the direct effects of the innovation, such as the product’s safety, performance, and so forth.
19. Find a product whose introduction into a foreign culture may cause dysfunctional consequences and describe how the consequences might be eliminated and the product still profitably introduced.