

Social and Cultural Political, Legal, and Regulatory Environments

Global Marketing

Chapter 4





Task of Global Marketers

- Study and understand the cultures of countries in which they will be doing business
- Understand how an unconscious reference to their own cultural values, or self-reference criterion, may influence their perception of the market
- Incorporate this understanding into the marketing planning process



Society, Culture, and Global Consumer Culture

- Culture—ways of living, built up by a group of human beings, that are transmitted from one generation to another
- Culture has both conscious and unconscious values, ideas, attitudes, and symbols
- Culture is acted out in social institutions
- Culture is both physical (clothing and tools) and nonphysical (religion, attitudes, beliefs, and values)



Social Institutions

- Family
- Education
- Religion
- Government
- Business
- These institutions function to reinforce cultural norms



Material and Nonmaterial Culture

- Physical component or physical culture
 - Clothing
 - Tools
 - Decorative art
 - Body adornment
 - Homes
- Subjective or abstract culture
 - Religion
 - Perceptions
 - Attitudes
 - Beliefs
 - Values



Society, Culture, and Global Consumer Culture

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

Geert Hofstede

- A nation, an ethnic group, a gender group, an organization, or a family may be considered as a category.



Society, Culture, and Global Consumer Culture

- Global consumer cultures are emerging
 - Persons who share meaningful sets of consumption-related symbols
 - Pub culture, coffee culture, fast-food culture, credit card culture
- Primarily the product of a technologically interconnected world
 - Internet
 - Satellite TV
 - Cell phones



Attitudes, Beliefs, and Values

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



Religion

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



Aesthetics

- The sense of what is beautiful and what is not beautiful
- What represents good taste as opposed to tastelessness or even obscenity
- Visual—embodied in the color or shape of a product, label, or package
- Styles—various degrees of complexity, for example, are perceived differently around the world



Aesthetics and Color

- Red—associated with blood, wine-making, activity, heat, and vibrancy in many countries but is poorly received in some African countries.
- White—identified with purity and cleanliness in the West, with death in parts of Asia.
- Gray—means inexpensive in Japan and China, but high quality and expensive in the U.S.



Dietary Preferences

- Domino's Pizza pulled out of Italy because its products were seen as "too American" with bold tomato sauce and heavy toppings.
- Subway had to educate Indians about the benefits of sandwiches because they do not normally eat bread.



Language and Communication

Linguistic Category	Language Example
Syntax-rules of sentence formation	English has relatively fixed word order; Russian has relatively free word order.
Semantics-system of meaning	Japanese words convey nuances of feeling for which other languages lack exact correlations; 'yes' and 'no' can be interpreted differently than in other languages.
Phonology-system of sound patterns	Japanese does not distinguish between the sounds 'l' and 'r'; English and Russian both have 'l' and 'r' sounds.
Morphology-word formation	Russian is a highly inflected language, with six different case endings for nouns and adjectives; English has fewer inflections.



Language and Communication

- Speaking English around the Globe
 - There are more people who speak English as a foreign language than native speakers
 - 85% of European teens study English
 - Sony, Nokia, Matsushita require managers to speak English
- Nonverbal Communication
 - Westerners tend to be verbal; Asians value nonverbal communication
 - In Japan, bowing has many nuances
 - In the Mideast, Westerners should not show the soles of shoes or pass documents with the left hand



Marketing's Impact on Culture

- Universal aspects of the cultural environment represent opportunities to standardize elements of a marketing program
- Increasing travel and improved communications have contributed to a convergence of tastes and preferences in a number of product categories



Controversy Surrounding Marketing's Impact on Culture

- “McDonaldization of culture”
“Eating is at the heart of most cultures and for many it is something on which much time, attention, and money are lavished. In attempting to alter the way people eat, McDonaldization poses a profound threat to the entire cultural complex of many societies.”
-George Ritzer
- Protest against the opening of McDonald's in Rome led to the establishment of the Slow Food movement



Hofstede's Cultural Typology

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



Diffusion Theory: The Adoption Process

- The mental stages through which an individual passes from the time of his or her first knowledge of an innovation to the time of product adoption or purchase
 - Awareness
 - Interest
 - Evaluation
 - Trial
 - Adoption

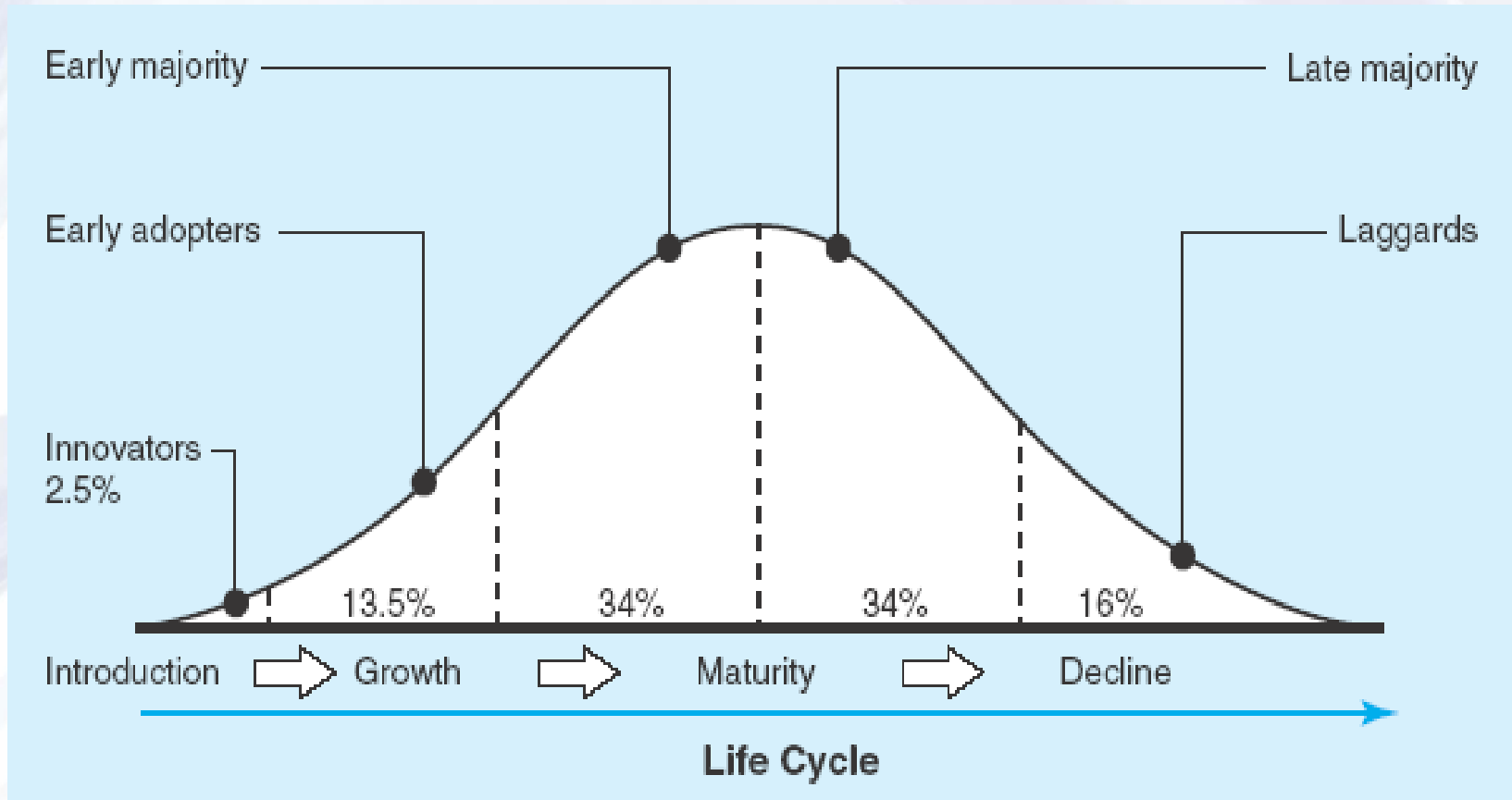


Diffusion Theory: Characteristics of Innovations

- Innovation is something new; five factors that affect the rate at which innovations are adopted include:
 - Relative advantage
 - Compatibility
 - Complexity
 - Divisibility
 - Communicability



Diffusion Theory: Adopter Categories





Marketing Implications

- Cultural factors must be considered when marketing consumer and industrial products
- Environmental sensitivity reflects the extent to which products must be adapted to the culture-specific needs of different national markets