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GLOBAL MARKETING

5th Edition

Chapter 7 The sociocultural environment

Learning objectives (1)

- Discuss how the sociocultural environment will affect the attractiveness of a potential market
- Define culture and name some of its elements
- Explain the '4+1' dimensions in Hofstede's model

Learning objectives (2)

- Discuss the strengths and weaknesses of Hofstede's model
- Discuss whether the world's cultures are converging or diverging

Culture

Culture is ‘the collective programming of the mind which distinguishes the members of one human group from another’ (Hofstede, 1980).

It is the learned ways in which a society understands, decides and communicates.

Characteristics of culture

- Culture is learned
- Culture is interrelated
- Culture is shared



Figure 7.1 The visible and invisible parts of culture

EXHIBIT 7.1 Scotch whisky crossing international borders



Scotch whisky is consumed globally but bought for many different reasons. The right image has to be communicated for each culture, without of course losing any of the product's core brand values. The key value for Scotch generally is status.

In the United Kingdom this tends to be underplayed, and is never brash or 'in-your-face'. In Italy the image is more tied to machismo and any Scotch ad would have to show a man with a woman on his arm, flaunting the status the drink confers. In Japan, however, the status value is all about going with the majority. It is not aspirational to be individualistic in Japan.

Thus the understated drinker image that might work in the United Kingdom is inappropriate in other countries.

Source: MacKenzie (1998).

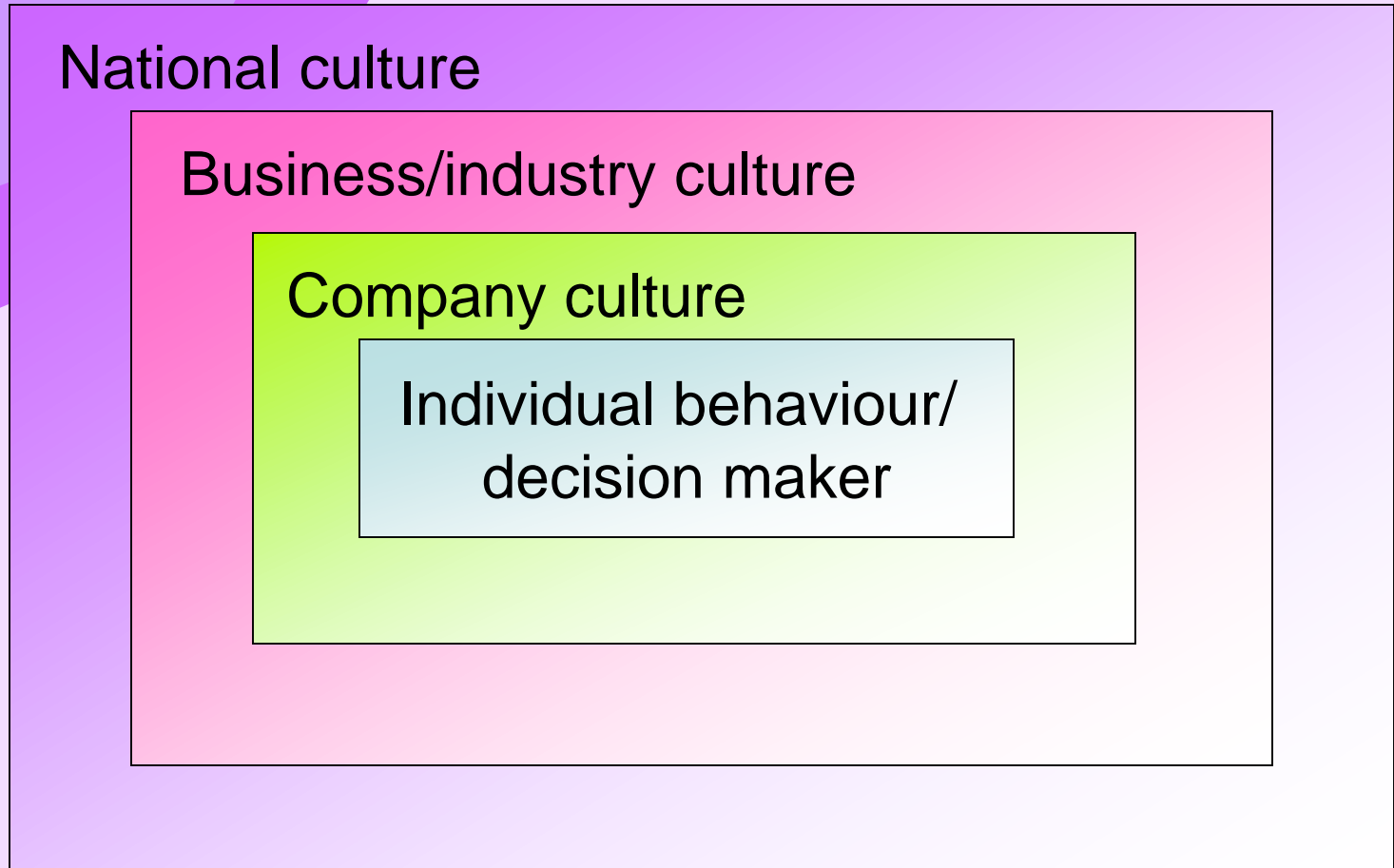


Figure 7.2 The different layers of culture

Hall's communication context



**Low-context
cultures**

**High-context
cultures**

Table 7.1

General comparative characteristics of cultures

Characteristic	Low-context/Individualistic (e.g. western Europe, US)	High-context/collectivistic (e.g. Japan, China, Saudi Arabia)
<i>Communication and language</i>	Explicit, direct	Implicit, indirect
<i>Sense of self and space</i>	Informal handshakes	Formal hugs, bows and handshakes
<i>Dress and appearance</i>	Dress for individual success, wide variety	Indication of position in society, religious rule
<i>Food and eating habits</i>	Eating is a necessity, fast food	Eating is a social event
<i>Time consciousness</i>	Linear, exact, promptness is valued, time = money	Elastic, relative, time spent on enjoyment, time = relationships
<i>Family and friends</i>	Nuclear family, self-oriented, value youth	Extended family, other-oriented, loyalty and responsibility, respect for old age
<i>Values and norms</i>	Independence, confrontation of conflict	Group conformity, harmony
<i>Beliefs and attitudes</i>	Egalitarian, challenge authority, individuals control destiny, gender equity	Hierarchical, respect for authority, individuals accept destiny, gender roles
<i>Mental process and learning</i>	Lateral, holistic, simultaneous, accepting life's difficulties	Linear, logical, sequential, problem-solving
<i>Business/work habits</i>	Deal oriented ('quickly getting down to business'), rewards based on achievement, work has value	Relationship oriented ('first you make a friend, then you make a deal'), rewards based on seniority, work is a necessity

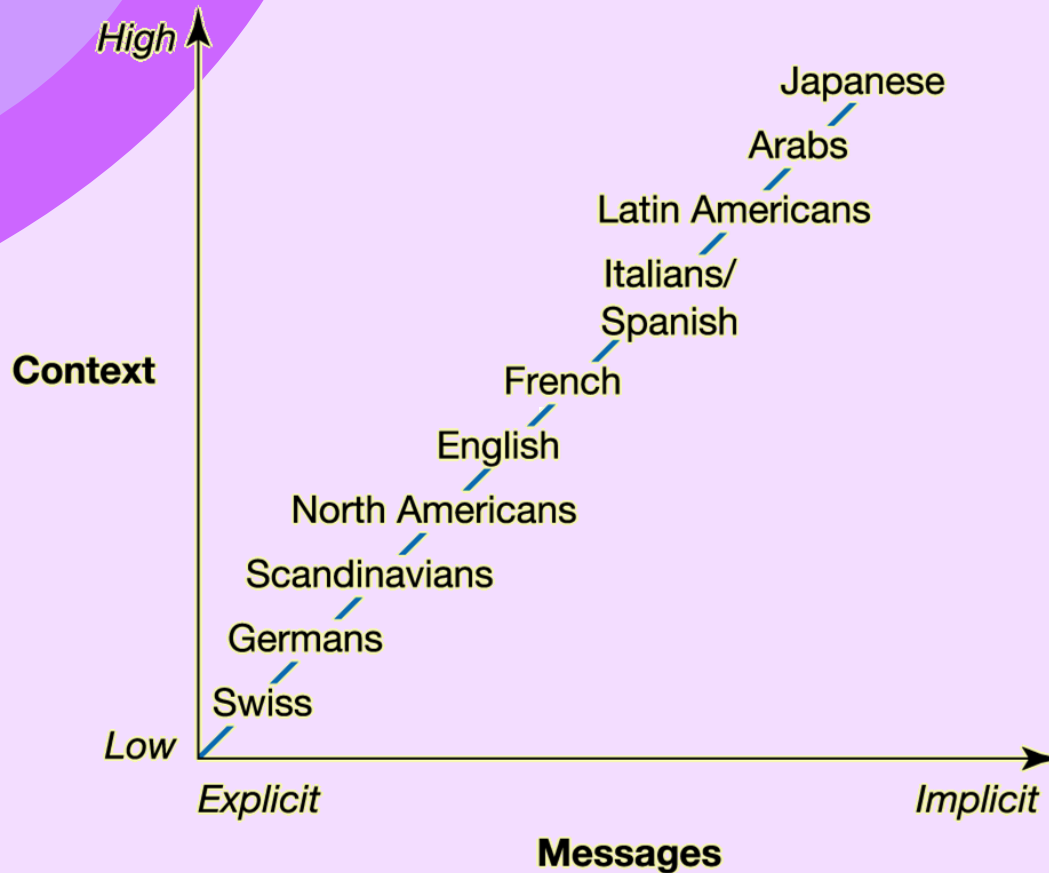


Figure 7.3 The contextual continuum of differing cultures

Source: Usunier, J.-C. (2000). *International Marketing*, Pearson Education Limited

Elements of culture

- Language
- Manners and customs
- Technology and material culture
- Social institutions
- Education
- Values and attitudes
- Aesthetics
- Religion

The role of language in global marketing

- Language is important in information-gathering and evaluation efforts
- Language provides access to local society
- Language capability is important to company communications
- Language enables the interpretation of context

Table 7.2

Official languages and spoken languages in the world

Mother tongue (first language)	No. of speakers (million)
Chinese	1,000
English	350
Spanish	250
Hindi	200
Arabic	150
Bengali	150
Russian	150
Portuguese	135
Japanese	120
German	100
French	70
Punjabi	70

Note: Chinese is composed of a number of dialects of which Mandarin is the largest.
Source: adapted from Phillips *et al.* (1994, p. 97).

What is this?

_____ includes time, space, material possessions, friendship patterns and business agreements. It is more important in high-context than low-context cultures.

Non-verbal language

Table 7.3

The main non-verbal languages in international business

Non-verbal language	Implications for global marketing and business
<i>Time</i>	The importance of being 'on time'. In the high-context cultures (Middle East, Latin America), time is flexible and not seen as a limited commodity.
<i>Space</i>	<p>Conversational distance between people.</p> <p>Example: individuals vary in the amount of space they want separating them from others. Arabs and Latin Americans like to stand close to people they are talking with. If an American, who may not be comfortable with such close range, backs away from an Arab, this might be taken incorrectly as a negative reaction.</p>
<i>Material possessions</i>	The relevance of material possessions and interest in the latest technology. This can have a certain importance in both low-context and high-context countries.
<i>Friendship patterns</i>	<p>The significance of trusted friends as a social insurance in times of stress and emergency.</p> <p>Example: in high-context countries extended social acquaintance and the establishment of appropriate personal relations are essential to conducting business. The feeling is that one should often know one's business partner on a personal level before transactions occur.</p>
<i>Business agreements</i>	<p>Rules of negotiations based on laws, moral practices or informal customs.</p> <p>Example: rushing straight to business will not be rewarded in high-context cultures because deals are made not only on the basis of the best product or price, but also on the entity or person deemed most trustworthy. Contracts may be bound by handshakes, not complex agreements – a fact that makes some, especially Western, business people uneasy.</p>

EXHIBIT 7.2 Sensuality and touch culture in Saudi Arabian versus European advertising



Drakkar Noir: Sensuality and touch culture in Europe and Saudi Arabia

Source: Field (1986)

What is this?

What term refers to attitudes towards beauty and good taste in the art, music, folklore and drama of a culture?

Aesthetics

Major religions

Christianity

Islam

Hinduism

Buddhism

Confucianism

EXHIBIT 7.3 Polaroid's success in Muslim markets

During the past 30 years Polaroid's instant photography (though the original camera cannot be bought today) has been largely responsible for breaking down taboos against picture-taking in the Arab world, especially those concerning women revealing their faces.

When Polaroid entered the market in the mid-1960s it discovered that instant photography had a special appeal. Because of religious constraints there were only a few photo-processing laboratories, but with Polaroid's instant cameras Arab men were able to photograph their wives and daughters without fear of a stranger in a film laboratory seeing the women unveiled and without the risk of someone making duplicates.

Source: Harper (1986).



ROBYN BECK/AFP/Getty Images.

Hofstede's model of national cultures

Power distance

Uncertainty avoidance

Individualism

Masculinity

Time perspective

EXHIBIT 7.4 Marriott International fights against 'high power distance' in Asia

Marriott International operates hotels in 60 countries, and the company is planning further expansion abroad, especially in Asia. Marriott emphasizes its 'care of associates' mindset in every hotel and region it enters. The focus of this can vary depending on the needs of the region. In Eastern Europe where employees are generally sceptical of management, Marriott aims to gain associates' trust and emotional attachment; whereas in Asia, where notions of employee empowerment are not widespread (i.e. a high 'power distance'), the company makes an effort to train and empower associates to make independent decisions and take initiative.

Source: based on Bellin and Pham (2007).



Thomas J. Peterson/Alamy.

EXHIBIT 7.5 Pocari Sweat – a Japanese soft drink expands sales in Asia



Pocari Sweat is a popular Japanese soft and sports drink, manufactured by Otsuka Pharmaceutical Co., Ltd. The brand started selling in Japan in 1980 and has secured a good foothold for international expansion. The drink is now distributed in 16 countries and regions such as China, South Korea, Taiwan, Thailand, Indonesia, Egypt and the United Arab Emirates. In addition it can be obtained in the Chinatown areas of many cities around the world.

Pocari Sweat's slogan is:

'Pocari Sweat – A drink that smoothly supplies the lost water and electrolytes during perspiration.' 'About 60 per cent of the human body is made up of body fluids and which contains a critical balance of sodium and other ions' is also included in advertising.

Contrary to the odd name and its translucent-grey colour, Pocari Sweat does not taste like sweat; it is a mild-tasting, relatively light, sweet drink.

- What do you think about the brand name (Pocari Sweat) and its slogan?

Sources: Otsuka Pharmaceutical Co., Ltd. www.pocarisweat.info (website of Pocari Sweat).



www.pocarisweat.info

What is this?

What term refers to one's unconscious reference to one's own cultural values when attempting to understand another culture?

Self-reference criterion (SRC)

Approaches to eliminate SRC

- Define the problem or goal in terms of home country culture, traits, habits and norms
- Define the problems or goals in terms of the foreign culture, traits, habits and norms
- Isolate the SRC influence in the problem and examine it carefully to see how it complicates the problem
- Redefine the problem without the SRC influence and solve for the foreign market situation

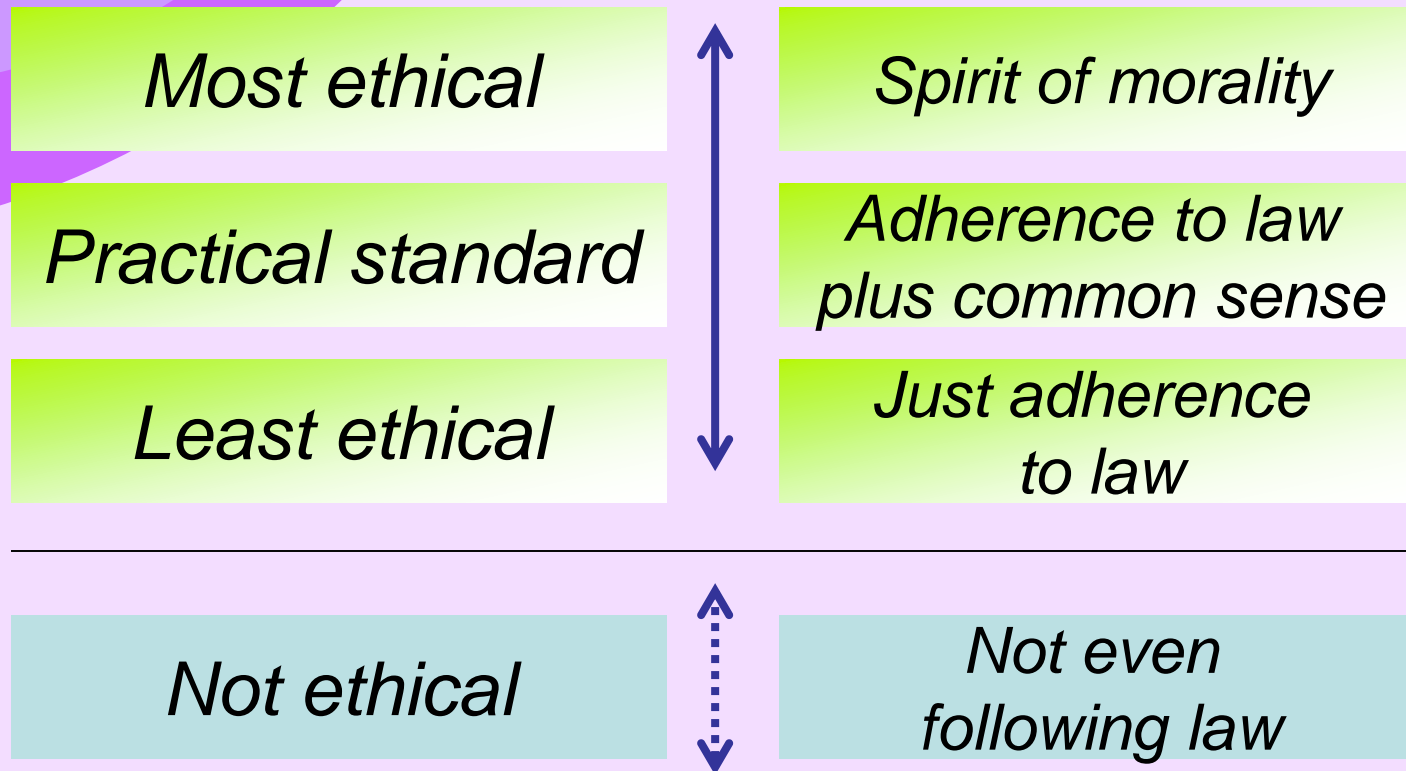


Figure 7.4 Ethical decision-making

The code of ethics for the 'most ethical' include

- Organizational relations
- Economic relations
- Employee relations
- Customer relations
- Industrial relations
- Political relations

EXHIBIT 7.6 Google decides to stop censoring of its Chinese website



China has the world's largest internet population. China has 384 million internet users, according to government data, more than the total population of the US. The number may grow to 840 million, or 61 per cent of the population, by 2013.

Google, Inc., the world's biggest search engine company, first entered the Chinese market in early 2000 by creating a Chinese language version of its home page. Google's approach was to maintain a Chinese-language version of Google.com that was housed in the United States but could handle search requests originating within China. In this way, the technology was not subject to Chinese censorship laws as the facilities were not within China's physical boundaries, and Google did not need a licence from the Chinese government to operate its business.

In 2004, Google realized that its approach in China was not sustainable. Google was losing market share to Baidu, and others (for example, Microsoft and Yahoo) were gaining ground through their local presence. In January 2006, Google announced the creation of Google.cn, which was located in China and subject to Chinese filtering. With Google.cn, the company did exclude material and links from sources the government deemed subversive or harmful in order to comply with local Chinese laws and regulations. The Chinese government in Beijing has tight control over online content in a vast system, removing information it considers harmful, such as pornography and violent content, but also politically sensitive material.

On 12 January 2010, Google announced that it was no longer willing to continue censoring results on Google.cn, citing a breach of the Gmail accounts of Chinese human rights activists. On the 22 March 2010 Google repeated this message, which points to a de facto withdrawal from China, putting the ball in the court of a Chinese regime that virtually everyone expects will begin censoring search results on the Google.cn site.

Google has only a third of the search-engine market in China, which is dominated by the Chinese giant Baidu. Although its revenues have continued to rise, many analysts believe that Google would have a hard time in China, and after leaving China, it would be even harder for Google to make a comeback there.

- Is it a wise decision for Google to withdraw from the Chinese market instead of abiding by the China's censorship laws?

Sources: various public media.

What is this?

What term refers to planning, execution and evaluation of programmes to influence the voluntary behaviour of target audiences in order to improve their personal welfare?

Social marketing

CASE STUDY 7.1

Lifan: a Chinese sub-supplier and brand manufacturer of motorcycles is aiming at the global market

LIFAN GROUP
CHONGQING LIFAN INDUSTRY (GROUP) CO., LTD.

Chinese version | Lifan club

Home | About Lifan | Products | International Market | Sales & Service | Rotam Job | Contact Us

Lifan, you light up my hope...

INNOVATION LIFAN TECHNOLOGY LIFAN

CHONGQING LIFAN INDUSTRY(GROUP)CO.,LTD The series of LIFAN products

The banner also features a row of six circular icons representing different Lifan products: a motorcycle, a scooter, a generator, a power tool, a water pump, and a battery.

QUESTIONS

1. Based on the information in the case, how is the international marketing management philosophy in Lifan different from a typical company in western Europe?
2. How can the difference in marketing management philosophy be explained by the differences in culture between western Europe and China?
3. How should Lifan overcome the cultural differences if they decide to enter the western European market?

CASE STUDY 7.2

IKEA catalogue: are there any cultural differences?

IKEA PS SPORTIG legetæppe
299.-

Kom og leg med! Med de mange legemøbler hos Børnerens IKEA får familiens yngste masser af sjove muligheder for at hoppe, balancere, klatre, gemme sig, sløppe af og lære. Forældrene ved, at al den aktivitet er en vigtig del af børnenes udvikling. Og børnene? De vil bare lege!

IKEA PS HÅNGIG ribbe/fejertiv 225,- Incl. 5 kroge, isoleret stål 8 7/8, H 132 cm, 200.801.75 2kg **IKEA PS SVINGA legetæppe** 489,- Plast/uld 8 7/8, H 107 cm, belægnings 2 m, 009.634.87. Ved indendørs brug suppleres med **BOBBI kroge** 20,-/2 stk. 800.410.4P **IKEA PS SPORTIG legetæppe** 309,- Pulveriseret, 1175x895 cm, 900.547.19 **IKEA PS SVINGO belægningsdy** 299,-/stk. Polyuretan/plast, Ø 72, H 24 cm, 800.013.32

280

IKEA PS HÅNGIG 哈吉 攀爬架/挂式架
¥159

快来玩吧! 宜家很多儿童产品专为开发儿童的潜能设计, 让他们在游戏的同时, 发展他们的跳跃, 平衡, 攀爬, 躲藏, 休息, 学习等能力和知识。孩子们将会玩得非常高兴。而爸爸妈妈们知道这是在开发孩子们最重要的运动神经和思维技巧。

IKEA PS SPORTIG 攀爬架 ¥399 净长130cm, 宽173x高93cm
IKEA PS SVINGO 挂式架 攀爬架 ¥299 个装/塑料制成, 直径72cm
IKEA PS SVINGO 垫圈 攀爬架 ¥499 塑料/布料, 厚度100x直径100x高107cm, 重量3.2kg
IKEA PS SVINGO 艾草圈 攀爬架 ¥352 个装
IKEA PS HÅNGIG 挂式架/挂式架 ¥159 (比去拿¥148) 由5个挂架, 由塑料制成, 高76, 宽105cm

想看看它们的设计灵感? 快来宜家卖场吧。 209

Illustration of the same product in the IKEA Catalogue in Denmark and Shanghai
Inter IKEA Systems BV.

QUESTIONS

1. Discuss the advantages and disadvantages of having the same product range shown in all IKEA catalogues around the world?
2. The catalogue is the most important element in IKEA's global marketing planning. Discuss if there could be some cultural differences in the effectiveness of the catalogue as a marketing tool.
3. Explain some cultural differences which are illustrated by the two different illustrations of the same product (from the Danish and Chinese IKEA catalogues).

VIDEO CASE STUDY 7.3 Communicating in the global world

Download from www.pearsoned.co.uk/hollensen

Questions

1. Language can be a barrier to effective communication. What steps can a company take to minimize language barriers across borders?
2. Cultural differences need to be considered when communicating across borders. What characteristics of a country's culture need to be researched to ensure business success across borders?
3. This video mentions that some companies have trusted contacts in a country they wish to do business with, while other companies rely on a significant amount of research to learn more about cultural characteristics, etc. What method do you feel is most effective for gathering useful, accurate and up-to-date information regarding cultural issues?

Questions for discussion (1)

- As English is the world language of business, is it necessary for UK managers to learn a foreign language?
- According to Hofstede and Hall, Asians are (a) more group oriented, (b) more family oriented and (c) more concerned with social status. How might such orientations affect the way you market your product to Asian consumers?

Questions for discussion (2)

- Do you think that cultural differences between nations are more or less important than cultural variations within nations? Under what circumstances is each important?
- Identify some constraints in marketing to a traditional Muslim society. Use some of the examples in the chapter.

Questions for discussion (3)

- What layers of culture have the strongest influence on business people's behavior?
- The focus of this chapter has mainly been the influence of culture on international marketing strategies. Try also to discuss the potential influences of marketing on cultures.
- What role does the self-reference criterion play in international business ethics?
- Compare the role of women in your country to their role in other cultures.
- How do the different roles affect women's behaviour as consumers and as business people?