

MK 333/326
International Marketing
Chapter 4

By Ajarn Suwalya K.

Chapter 4

Cultural Dynamics in Assessing Global Markets

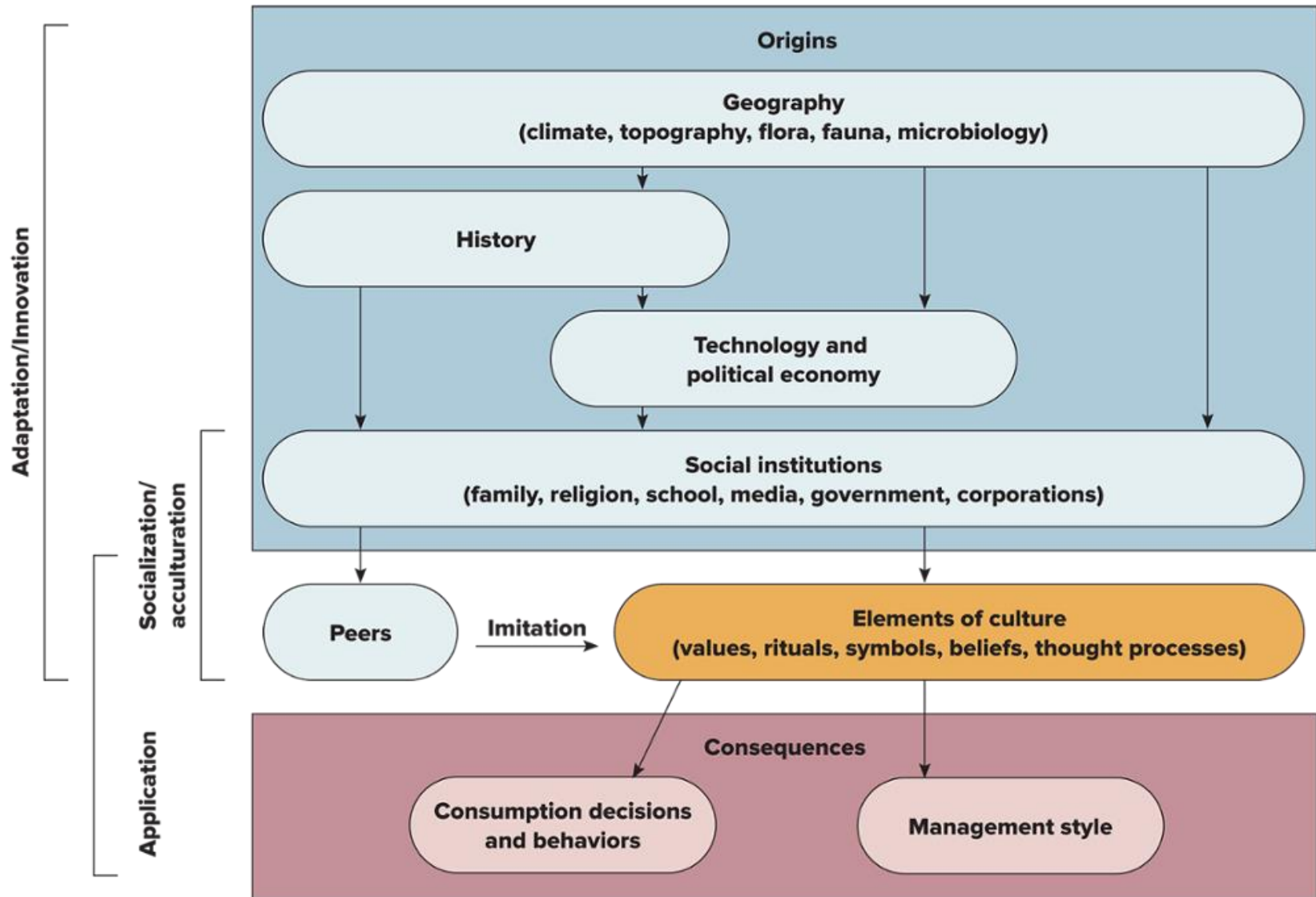
International Marketing

18th Edition



Philip R. Cateora • R. Bruce Money
Mary C. Gilly • John L. Graham

Exhibit 4.4 Origins, Elements, and Consequences of Culture



[Jump to long description.](#)

Learning Objectives

- 4-1 The importance of culture to an international marketer
- 4-2 The origins of culture
- 4-3 The elements of culture
- 4-4 The impact of cultural borrowing
- 4-5 The strategy of planned change and its consequences

The Importance of Culture

Culture is

- Behaviors and values, the seen and unseen, that are learned, shared, and transmitted by a group of people
- Relevant to the study of international marketing
- The human-made part of human environment
 - Knowledge, beliefs, art, morals, laws, customs, and any other capabilities and habits





CLARENDON
LEARNING



Cultures of the World

9:28



Cultures of the World | A fun overview of the world cultures for kids

Clarendon Learning · 368K views · 1 year ago



Culture's Pervasive Impact 1 of 3

Culture and Birthrates

- Gradual decline beginning in 1960s for many countries
 - Shift from agricultural to industrial to services economies
 - Government policies or use of birth control technology
 - Global change in values about family size

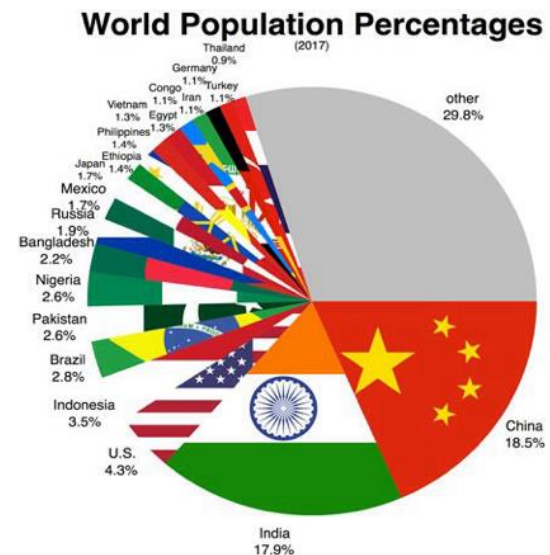
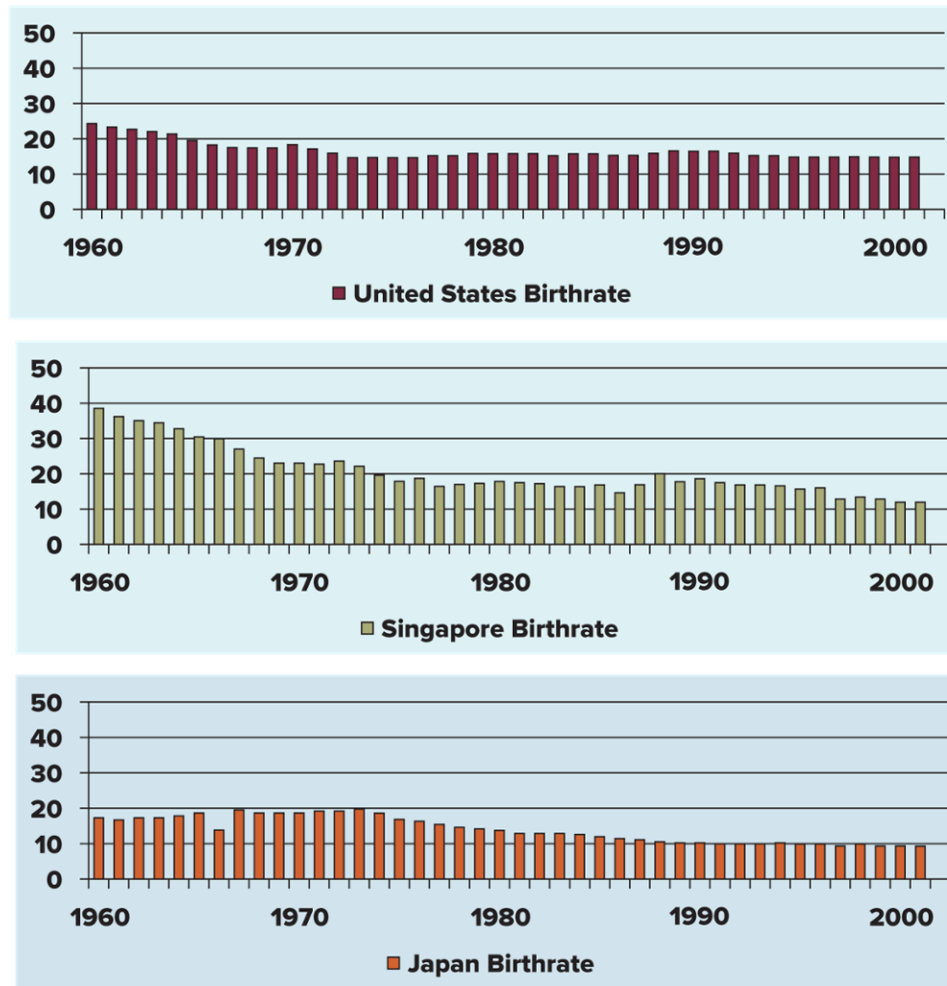


Exhibit 4.1 Birthrates (per 1,000 women)



Culture's Pervasive Impact 2 of 3

Culture and Consumption

- The Dutch are champion consumers of cut flowers
 - Flowers of cultural and economic value through history
- The Germans, British, and Japanese love chocolates
 - Cooler temperatures allow for easier storage
- The Japanese and Spaniards love seafood
 - Being surrounded by water explains preference for seafood
- French and Italians consume the most wine
 - Grapes grow best there; alcohol laws more relaxed

Culture's Pervasive Impact cont

Culture and Consumption

- The Dutch are champion consumers of cut flowers
 - Flowers of cultural and economic value through history



Culture's Pervasive Impact cont

Culture and Consumption

- The Germans, British, and Japanese love chocolates
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Culture's Pervasive Impact cont

Culture and Consumption

- The Japanese and Spaniards love seafood
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Culture's Pervasive Impact cont

Culture and Consumption

- French and Italians consume the most wine
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Culture's Pervasive Impact 3 of 3



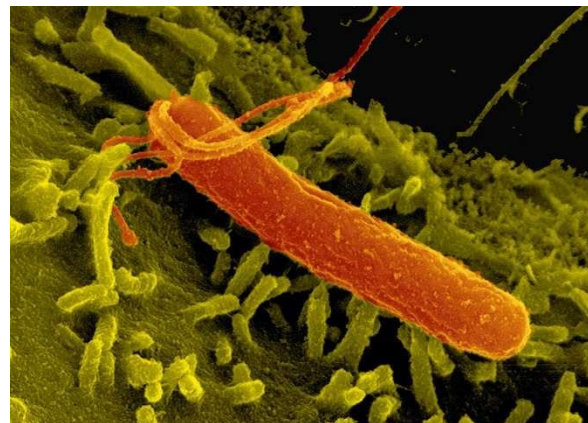
Consequences of Consumption

- Some think consumption of romantic products would lead to higher birthrates
 - Germans consume great amount of flowers, candy, and wine
 - But, have lowest birthrate among the six European countries

Culture's Pervasive Impact cont

Consequences of Consumption

- Cardiac issues in countries that consume higher levels of red meat
- Diabetes in countries that consume higher levels of sugar and chocolate
- Japan shows high incidence of stomach cancer
 - Perhaps due to salty foods, soy sauce, and *Helicobacter pylori*
 - But, longest life expectancy, maybe because of fish-based diet



Definitions and Origins of Culture 1 of 10

Geert Hofstede: culture is “software of the mind”

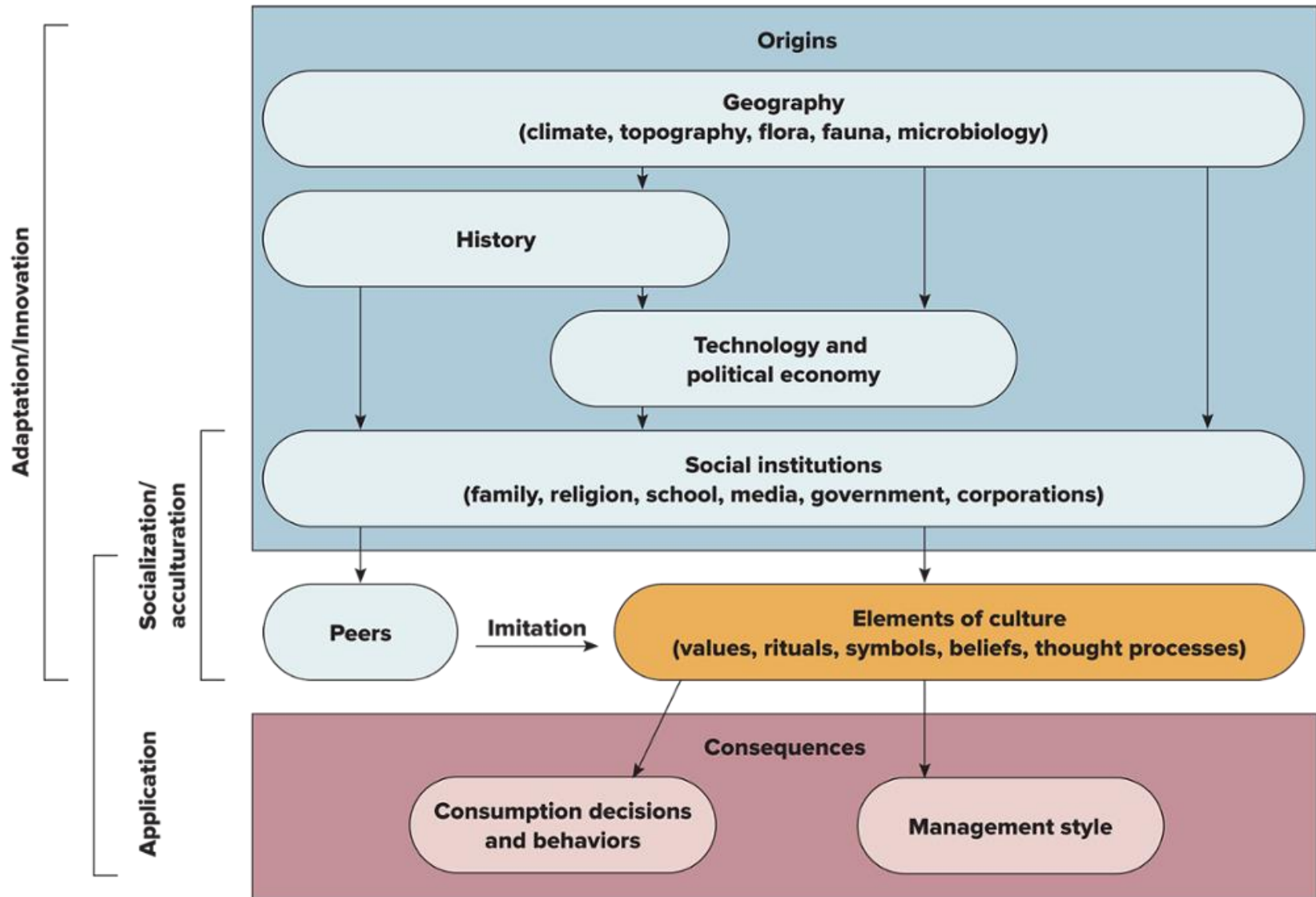
Edward Hall

- Cultural differences are often invisible
- Marketers who ignore them hurt companies and career

Culture

- Sum of values, rituals, symbols, beliefs, and thought processes that are learned and shared by a group of people, then transmitted from generation to generation
- Resides in the individual's mind
- Large collective of people can be like-minded

Exhibit 4.4 Origins, Elements, and Consequences of Culture



[Jump to long description.](#)

Definitions and Origins of Culture 2 of 10

Geography

- Includes climate, topography, flora, fauna, microbiology
- Impacts history, technology, economics, society
 - Professor of Physiology Jared Diamond
 - Innovations spread fastest East to West than North to South
 - Professor of Marketing Philip Parker
 - Geography has a strong influence on history, economics, and consumer behavior





Flora and Fauna - New Caledonia



New Caledonia · 1.3K views · 1 year ago





What If Earth's Topography Was Inverted?



What If · 404K views · 1 year ago



Definitions and Origins of Culture 3 of 10

History

- Specific historical events have great impact
- *The Wealth of Nations*, Adam Smith (1776)
 - Impacted the Declaration of Independence, and thereby American's values and institutions
- Ripple effects of World War II
 - Germany's mistrust of propaganda; unusual limitations on marketing practices
 - Post-war baby boom; affects consumption patterns around the world today

Definitions and Origins of Culture 4 of 10

The Political Economy

- Four approaches to governance competed for world dominance for most of 20th century
 - Colonialism—casualty of WWII
 - Fascism—fell in 1945
 - Communism—crumbled in the 1990s
 - Democracy or Free enterprise

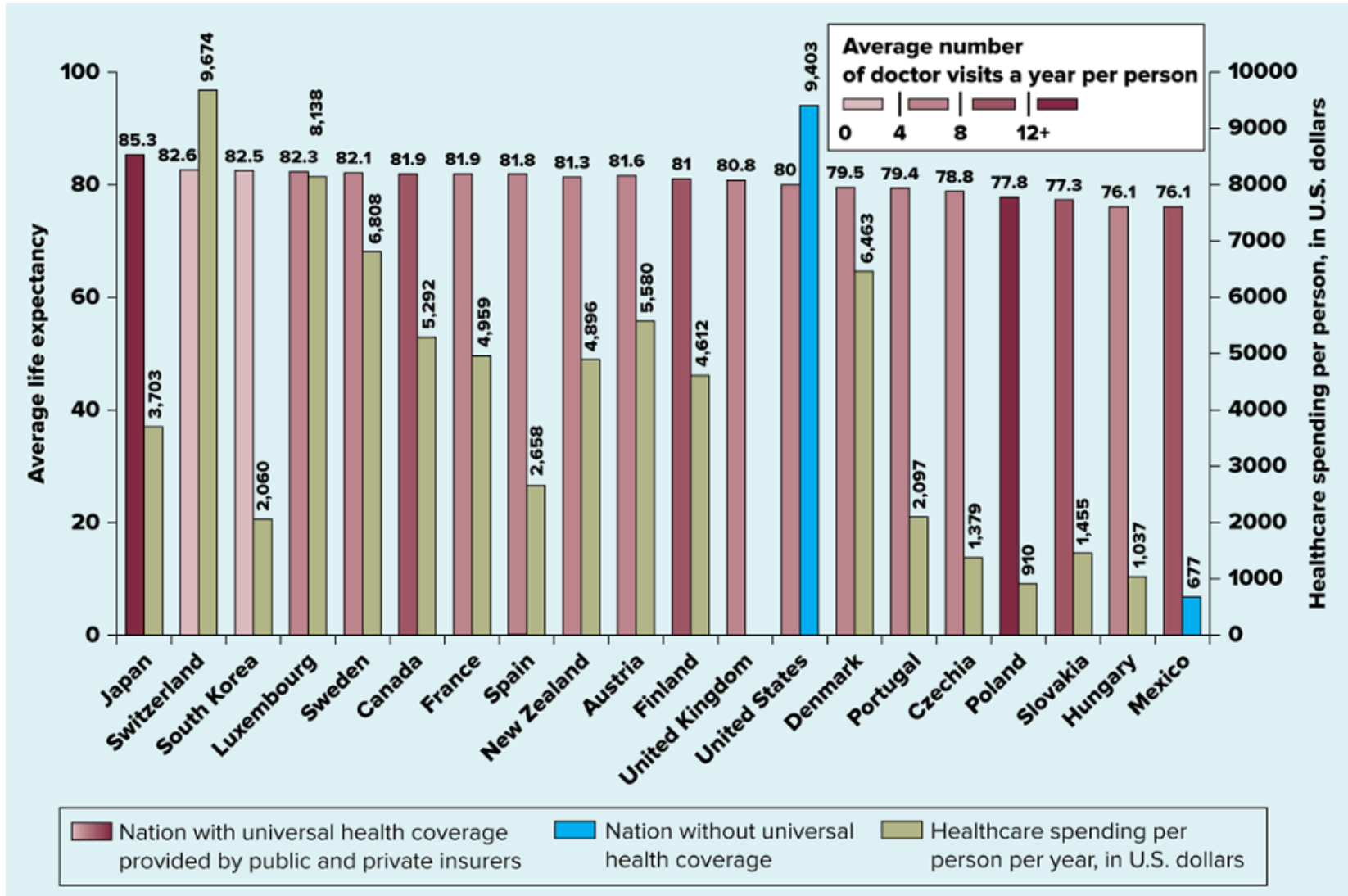


Definitions and Origins of Culture 5 of 10

Technology

- Innovation impacts institutions and cultural values
- The birth control pill perhaps most impactful
 - Changed traditional gender roles; more women in careers
 - Smaller families around world
 - Government and schools must address abstinence, condoms
- Technology does not always solve all problems
 - U.S. has best healthcare technology but the highest cost and mixed outcomes

Exhibit 4.5 Comparison of Healthcare Systems



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

[Jump to long description.](#)

Definitions and Origins of Culture 6 of 10

Social Institutions

- Family, religion, school, the media, government, corporations
- Impacts cultural interpretations
 - The positions of men and women in society
 - The role of family
 - Social classes
 - Group behavior
 - Age groups
 - Societal definitions of decency and civility

Definitions and Origins of Culture 7 of 10

Family

- The impact of birth control
- Putting off marriage
- Single parenthood
- What constitutes a family is changing
 - Same-sex marriage
 - Divorce
- Changing ratios of males to females



Definitions and Origins of Culture 8 of 10

Religion

- First social institution infants are exposed to outside the home
- Affects value systems, habits, outlook on life, products bought



Definitions and Origins of Culture 9 of 10

School

- Affects all aspects of culture
 - Literacy rates
 - Performance of education systems is a leading indicator of economic competitiveness



The Media

- Media time has replaced family time



Schools



© Ingram Publishing

In the United States, kids attend school 180 days per year; in China, they attend over 220 days—that's six days a week. There's a great thirst for the written word in China.



Why Finland's schools outperform most others across the developed world | 7.30

ABC News (Australia) · 2.4M views · 1 year ago



Definitions and Origins of Culture 10 of 10

Government

- Less influential
- Governments try to influence the thinking and behavior of adults
- Use of propaganda, laws to influence

Corporations

- Diffusion of innovation

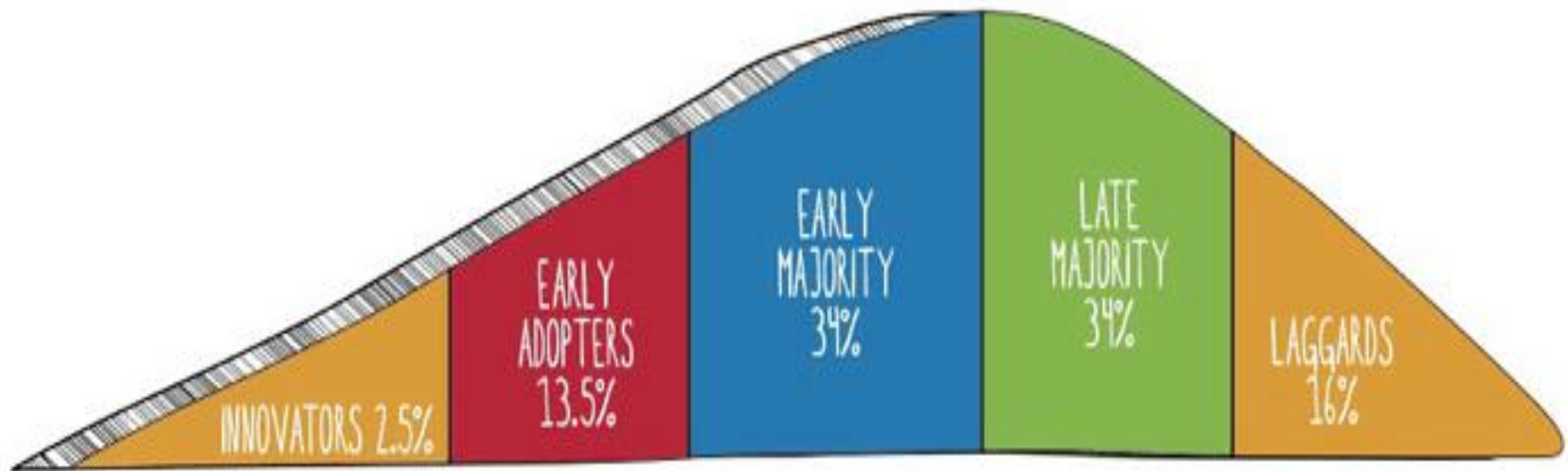


Definitions and Origins of Culture



Diffusion of Innovation

DIFFUSION OF INNOVATION MODEL



ESSENTIAL MARKETING MODELS [HTTP://BIT.LY/SMARTMODELS](http://bit.ly/smartmodels)

Elements of Culture 1 of 8

Five elements

- Values
- Rituals
- Symbols
- Beliefs
- Thought processes

Impact product design, distribution, and promotion in international markets

Elements of Culture 2 of 8

Cultural Values

- Hofstede's four dimensions
 - Individualism/Collective Index (IDV); focus on self-orientation
 - Power Distance Index (PDI); focus on authority orientation
 - Uncertainty Avoidance Index (UAI); focus on risk orientation
 - Masculinity/Femininity Index (MAS); focus on assertiveness and achievement

Hofstede's Cultural Dimensions



6

Power Distance Index (PDI)

High: Acceptance of a hierarchical order in which everybody has a place and which needs no further justification.

Low: People strive to equalize the distribution of power and demand justification for inequalities of power.

PDI

Individualism versus Collectivism (IDV)

Individualism: As a preference for a loosely-knit social framework

Collectivism: Tightly-knit framework in society.

IDV

Masculinity versus Femininity (MAS)

Masculinity: Preference in society for achievement, heroism, assertiveness and material rewards for success.

Femininity: Stands for a preference for cooperation, modesty, caring for the weak and quality of life.

MAS

Uncertainty Avoidance Index (UAI)

High: Maintains rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas.

Low: Societies maintain a more relaxed attitude in which practice counts more than principles.

UAI

Long Term Orientation versus Short Term Normative Orientation (LTO)

High: Pragmatic approach, they encourage thrift and efforts in modern education as a way to prepare for the future.

Low: Societies prefer to maintain time-honored traditions and norms while viewing societal change with suspicion.

LTO

Indulgence versus Restraint (IND)

Indulgence: Societies that allow relatively free gratification of basic and natural human drives related to enjoying life and having fun.

Restraint: Societies that suppress gratification of needs and regulates it by means of strict social norms.

IND



Hofstede - Cultural Dimensions



Giulia Belloni · 55K views · 4 years ago



Figure 3.1 Power Distance Versus Individualism

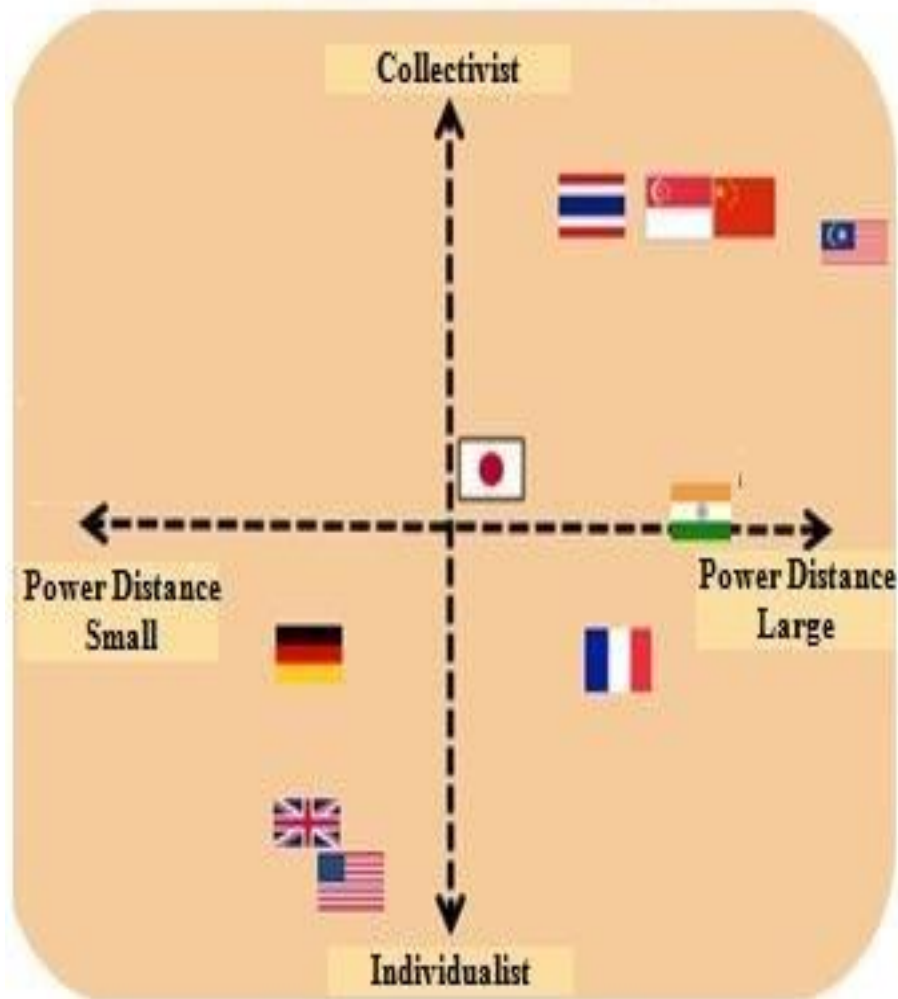
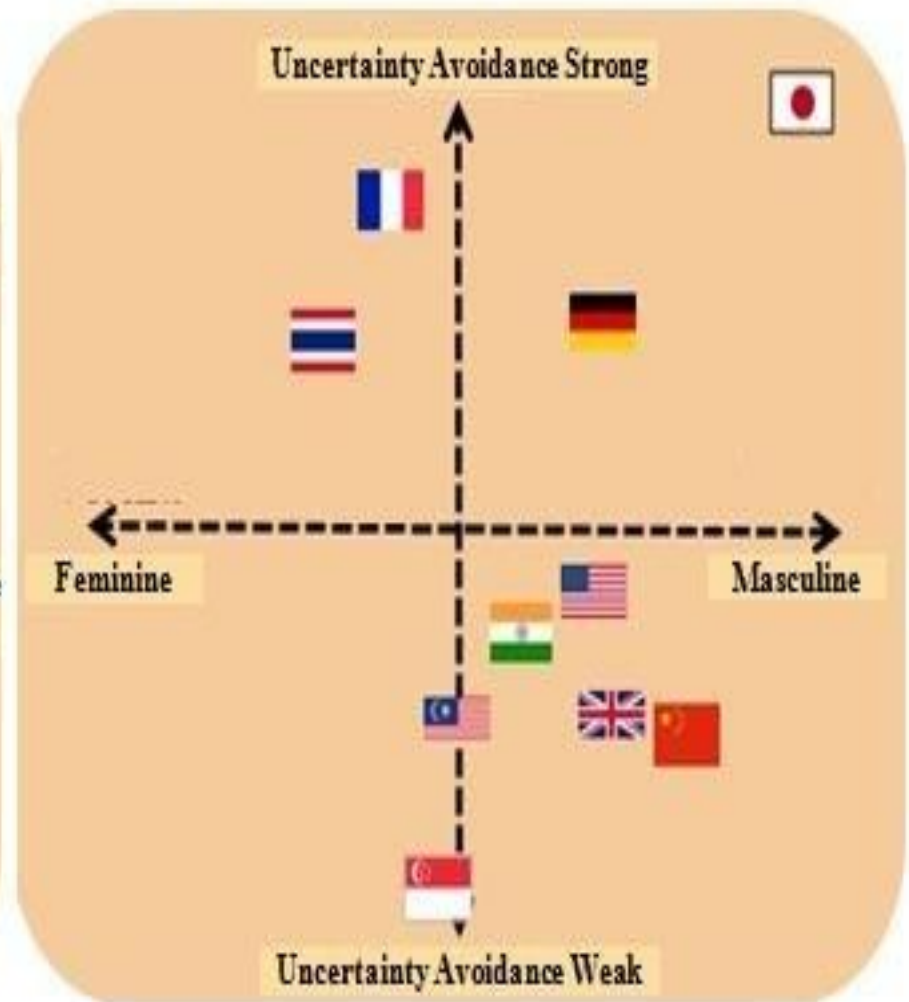


Figure 5.1 Masculinity Versus Uncertainty Avoidance



Cultures and Organizations, Software of the Mind (Geert Hofstede 2004)

Review Hofstede's country ranking for Masculinity / Femininity.

Traits of Masculinity / Femininity

	High Masculine	Low Masculine (Feminine)
social norms	ego oriented	relationship oriented
	money and things are important	quality of life and people are important
	live in order to work	work in order to live
politics and economics	economic growth high priority	environment protection high priority
	conflict solved through force	conflict solved through negotiation
religion	most important in life	less important in life
	only men can be priests	both men and women as priests
work	larger gender wage gap	smaller gender wage gap
	fewer women in management	more women in management
	preference for higher pay	preference for fewer working hours
family and school	traditional family structure	flexible family structure
	girls cry, boys don't; boys fight, girls don't	both boys and girls cry; neither fight
	failing is a disaster	failing a minor accident

Elements of Culture 3 of 8

Cultural Values and Consumer Behavior

- Can help predict consumer behavior patterns
 - Consumption of luxury goods
 - Consuming with immediate versus long-term goals in mind
 - Word-of-mouth communications
 - Impulsive buying
 - The propensity to complain
 - Influence of perceptions of product creativity



Elements of Culture 4 of 8

Rituals

- Patterns of behavior and interaction that are learned and repeated
 - Associated with major life events: marriage, funerals, graduation
 - Also smaller rituals: dinner at restaurant, grooming, visit to store
- Important function of culture
 - Coordinate everyday interactions and special occasions
 - Let people know what to expect



Religious Rituals



© AHMAD FAIZAL YAHYA/Shutterstock

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.

Elements of Culture 5 of 8

Symbols

- Anthropologist Edward T. Hall: culture is communication
 - Includes ability to accurately interpret symbols
- Language itself thought of as important social institution
 - **Linguistic distance, bilingualism, biculturalism**
- Aesthetics considered symbols
 - Art, folklore, music, drama, dance, dress, cosmetics



Elements of Culture 6 of 8

Beliefs

- Mainly stem from religious training, varies by culture
- Relationship between superstition and religion unclear
 - Western aversion to the number 13
 - Japanese concern about the Year of the Fire Horse
 - The Chinese practice of Feng Shui
- Important part of cultural fabric of a society
- Influence all manners of behavior





Where do superstitions come from? - Stuart Vyse



TED-Ed · 3.1M views · 3 years ago



Religion and Business



© Maxim Marmur/AP Images

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.

Elements of Culture 7 of 8

Thought Processes

- Ways of thinking vary across cultures
 - Impact snap judgments more than long deliberations
 - Deeply impact sensory perceptions, particularly aromas
 - *The Geography of Thought*, Richard Nisbett
 - Compares Eastern and Western ways of thinking
 - Confucius's worthy picture indicative of perception differences



Elements of Culture 8 of 8

Cultural Sensitivity and Tolerance

- Starting point for successful foreign marketing
 - Being attuned to nuances of a culture
 - Viewing it objectively, evaluating and appreciating it
 - Reduces conflict, improves communication, makes collaborative relationships successful
- Must be carefully cultivated
 - Understand how own culture impacts view of other cultures
 - Just because a culture is different doesn't mean it's wrong

Cultural Change 1 of 5

The Paradox of Cultural Change

- Culture is dynamic in nature
- Culture is conservative and resists change

Why do societies change?

- Change can be thrust upon cultures
 - War, natural disasters
- Result of society seeking ways to solve problems
- Adjusting to environmental and historical changes

Cultural Change 2 of 5

Cultural Borrowing

- Learn from other cultures to solve society's problems
 - Once found, society judges whether it is acceptable solution
 - If approved, it is passed on and taught as groups' cultural heritage
 - Although many elements may be borrowed, culture is still unique
 - Elements combined to become typical for society



Cultural Borrowing cont.

The definition of cultural borrowing is taking ideas and practices from another culture, ethnic group or religion. *An example of cultural borrowing is a Christian practicing some Buddhist concepts."*



Cultural Change 3 of 5

Similarities: An Illusion

- Cultures can be distinct even with some commonalities
 - Common language, race, heritage do not guarantee similarities
- Growing economic unification in Europe
 - The “European consumer”
 - Consider each country’s consumer behavior independently



Cultural Change 4 of 5

Resistance to Change

- Consumers in different cultures display differing resistance
- Qualities of innovations that are most readily accepted:
 - Hold greatest interest within the society
 - Are least disruptive to current values and behavior patterns
- Important for international marketers to understand
 - Can't wait a long time for acceptance of innovation
 - Must gain acceptance within limits of financial resources and projected profitability periods

Changing Culture – Clothing



© Joe McNally/Getty Images

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.

Cultural Change 5 of 5

Planned and Unplanned Cultural Change

- Change becoming increasingly more planned
- Strategies to bring about planned change
 - **Cultural congruence**
 - Determine which cultural factors conflict with innovation
 - Which factors contribute to resistance of its acceptance
 - Change the factors from obstacles to stimulants for change
- Change spurred by marketers impacts host culture

Cultural Congruence

"Cultural congruence is a teacher's respect for their students' cultural backgrounds. Teachers who respect the backgrounds of their students show culturally relevant teacher traits."

Cultural Change

Cultural Congruence

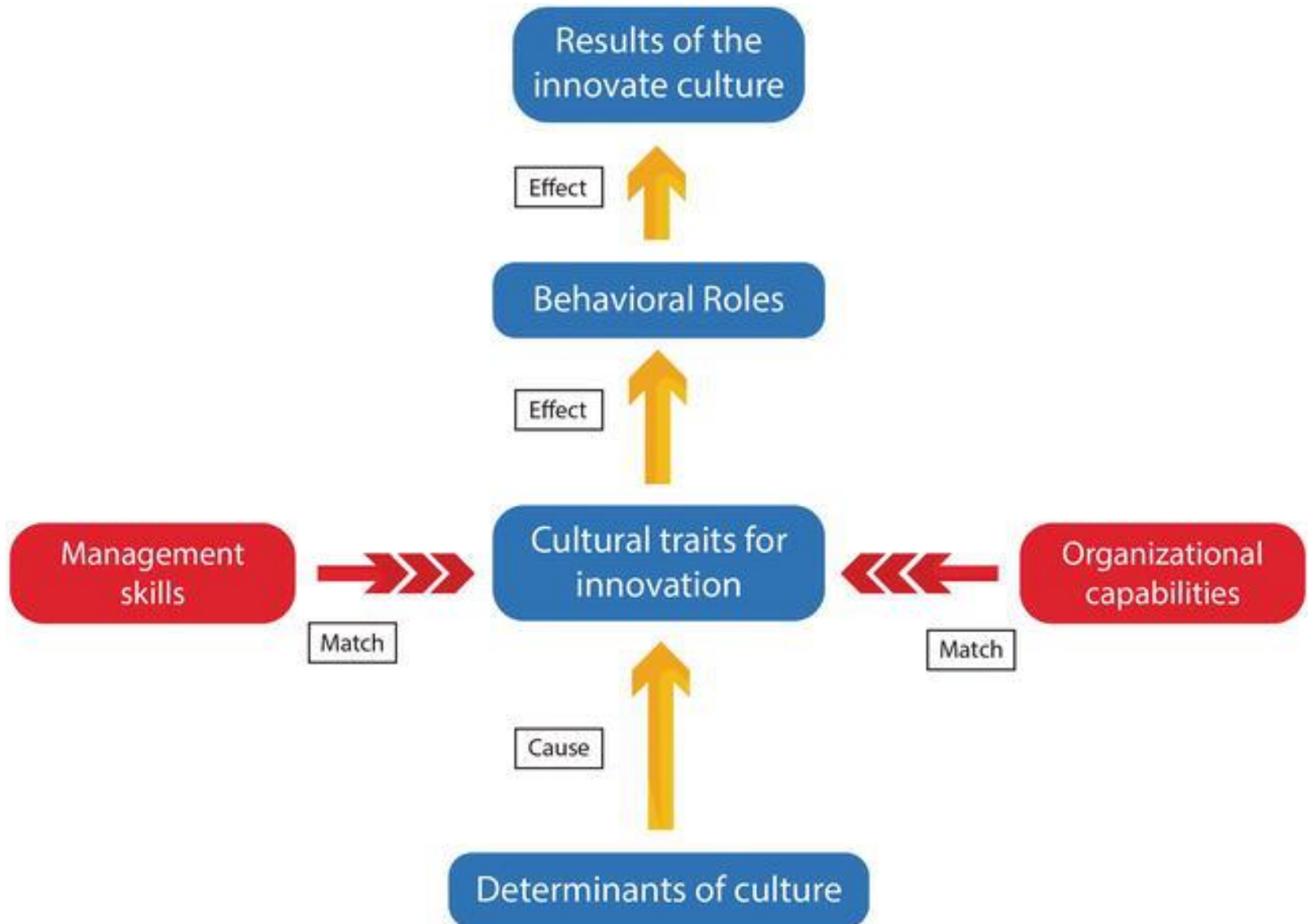
"Mrs. Harris couldn't be more excited about today. Her students will be performing a traditional Mexican dance called Ballet Folklórico for the entire school. She encouraged a few of her students to help her put an event together to help students celebrate and learn about Mexican culture. This is not the first time Mrs. Harris has done something like this. For Korean Thanksgiving, her students had a traditional Korean meal complete with rice cakes. Her students realize that she shows **cultural congruence** or a respect for their cultural backgrounds. She is constantly learning about the traditions of the different cultures that make up her student demographic. Also, she makes an effort to learn words in their native language."



Cultural Congruence

- Not all marketing efforts require change to be accepted.
- **Cultural congruence** involves marketing products similar to ones already on the market in a manner as congruent as possible with existing cultural norms, thereby minimizing resistance.

Cultural Congruence



 **EXPLAINS**

The rise of the Korean wave

8:13

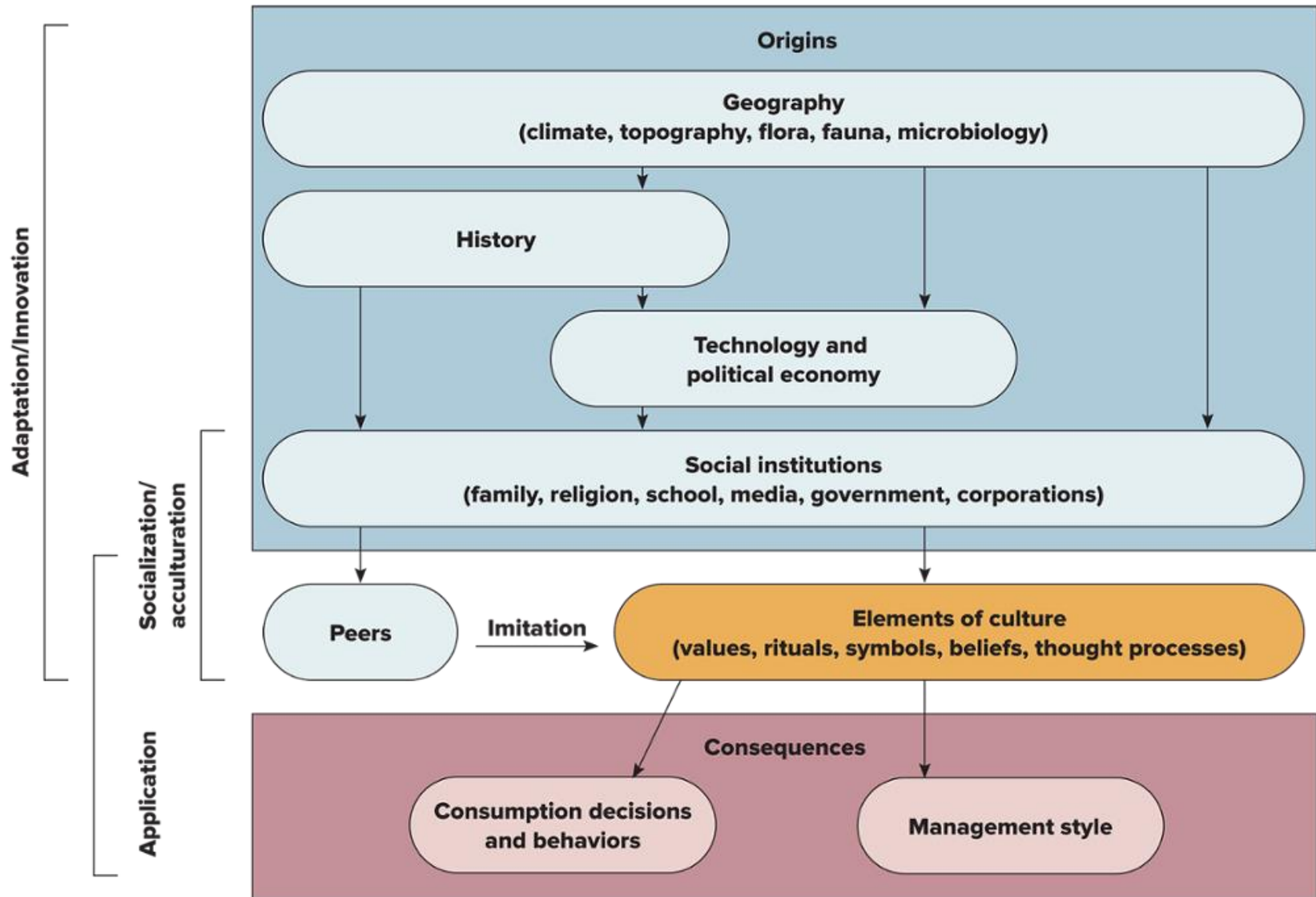


Why the Korean wave is more than BTS or Blackpink | CNBC Explains

CNBC International · 110K views · 2 months ago



Exhibit 4.4 Origins, Elements, and Consequences of Culture



[Jump to long description.](#)

Appendix of Image Long Descriptions

Appendix 1 Exhibit 4.4 Origins, Elements, and Consequences of Culture

The chart includes the origins of culture, including: geography (climate, topography, flora, fauna, and microbiology), history, technology and political economy, and social institutions (family, religion, school, media, government, and corporations). Geography, history, technology, and the political economy all impact social institutions.

Through the innovation process, humans make adaptations to the changing environment.

Through the processes of socialization and acculturation, people imitate their peers and learn about the elements of culture: values, rituals, beliefs, and thought processes.

Through applying their cultural-based knowledge, people make decisions about consumption and production behaviors and management style.

Appendix 2 Exhibit 4.5 Comparison of Healthcare Systems

The chart distinguishes between countries with universal health care coverage provided by public and private insurers, countries without universal health coverage, and healthcare spending per person per year in U.S. dollars.

Of nations with universal healthcare, Japan has the highest average life expectancy at 85.3, and it spends on average \$3,703 per person. The United States is the only country listed without universal healthcare other than Mexico; its average life expectancy is 80 and it spends on average \$9,403 per person. The only country that spends more per person on healthcare is Switzerland, at \$9,764 per person with universal healthcare.