



International Marketing



BMA6100-20

The Sociocultural Environment



From the last lecture

- We discussed about market research methods, and how to estimate the potential of the market.
- Some techniques, such as chain ration, lead lag, estimation by analogy etc.



What is in this lecture?

- By the end of this lecture you should be able to:
- Define culture and name some of its elements.
- Discuss how the sociocultural environment will affect the attractiveness of a potential market.
- Explain how Hofstede's cultural framework would provide implications for marketers.



The visible daily behaviour

- e.g. – body language
– clothing
– lifestyle
– drinking and eating habits

Values and social morals

- e.g. – family values
– sex roles
– friendship patterns

Basic cultural assumptions

- e.g. – national identity
– ethnic culture
– religion

The Oldest Definition of Culture

'Culture is a complex whole which includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquire by man as a member of a society.' (Tylor, 1881)

Characteristics of culture

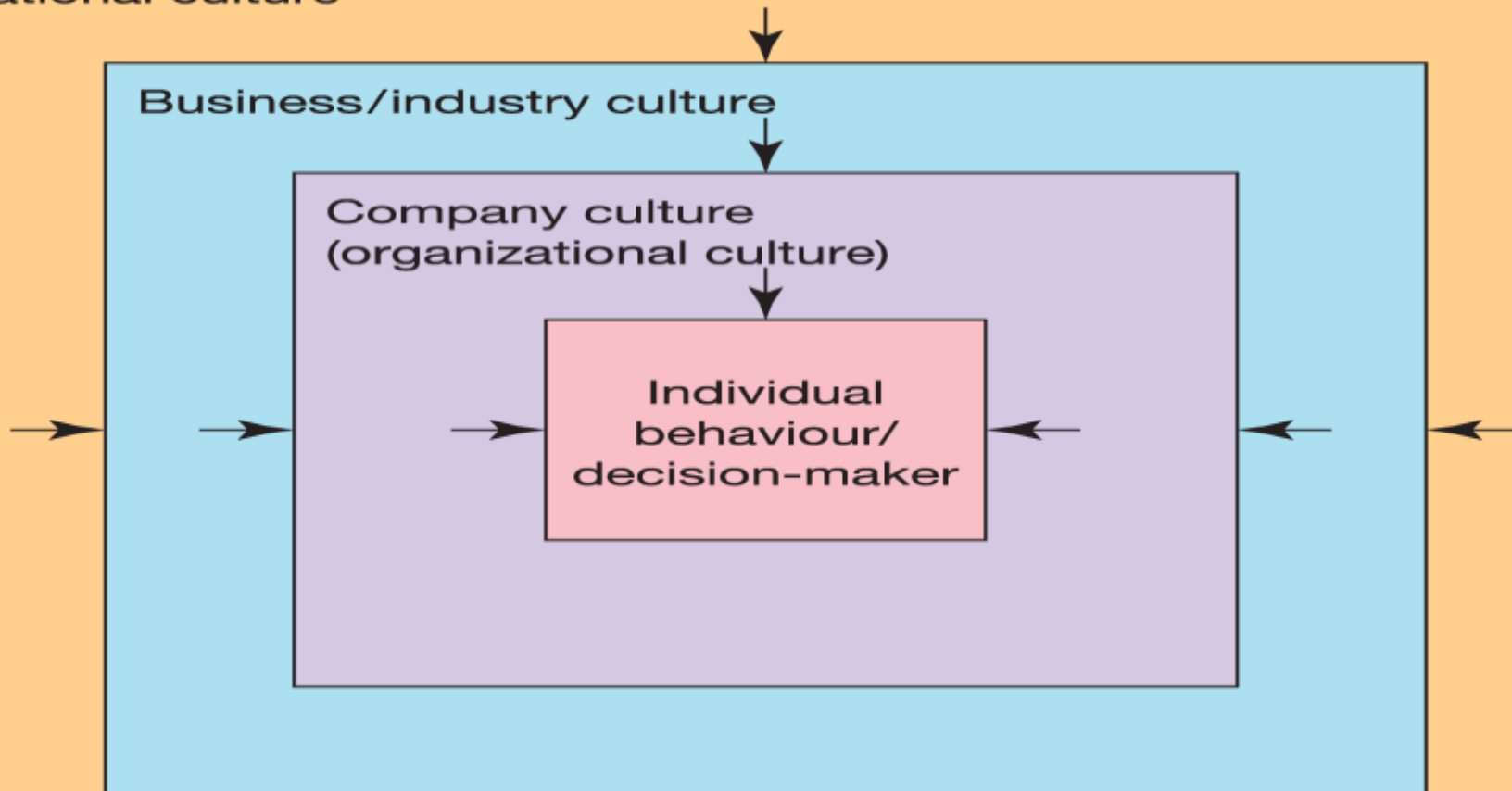
- **It is learnt:** Culture transmits from generation to generation.
- **It is interrelated:** One part of culture is related with another part.(e.g. marriage and religion)
- **It is shared:** The cultural values are passed on to an individual by other members of the culture group- parents, family, institutions, friends.

National culture

Business/industry culture

Company culture
(organizational culture)

Individual
behaviour/
decision-maker



Is it possible to define a global culture?

- Marketers have been heralding arrival of global customers for years.
- An individual that would think and purchase alike the world or region over.
- Example: Latin Americans think and purchase the same so there is not much need to customise products or marketing.
- Is this really possible?

HOME

PRODUCT

SUGGESTION OF LIVING

INNOVATION

SUPPORT



Thinking of you
Electrolux

Is hoovering the same across countries?

Powerful silent clean.
For best performance of all three.

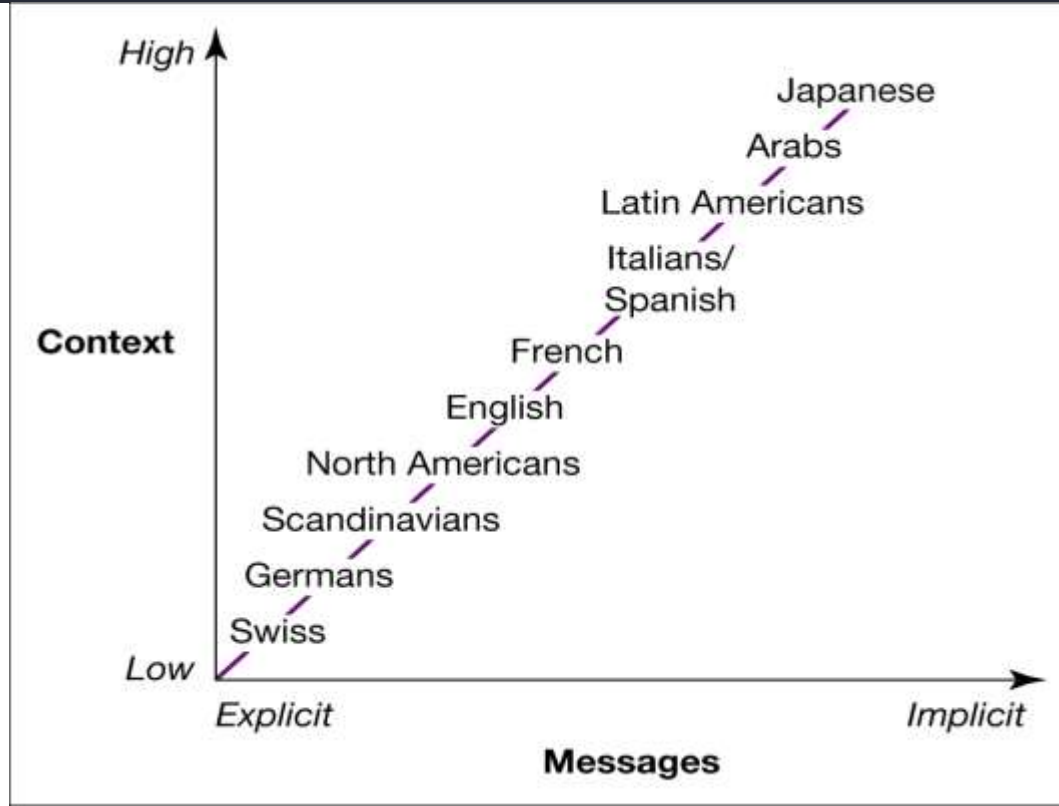
ergothree

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High Context vs Low Context Culture

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

The contextual continuum of differing cultures



The main non-verbal languages in International Business

Non-verbal language	Implications for global marketing and business
Time	<p>The importance of being 'on time'. In high-context cultures (e.g. Middle East, Latin America), time is flexible and not seen as a limited commodity.</p>
Space	<p>Conversational distance between people.</p> <p><i>Example:</i> Individuals vary in the amount of space they want between themselves and others. Arabs and Latin Americans like to stand close to people they are talking to. If an American, who may not be comfortable with such proximity, backs away from an Arab, this might be mistaken as a negative reaction.</p>
Material possessions	<p>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.</p>
Friendship patterns	<p>The significance of trusted friends as a social insurance in times of stress and emergency.</p> <p><i>Example:</i> 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>
Business agreements	<p>Rules of negotiations based on laws, moral practices or informal customs.</p> <p><i>Example:</i> 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>

Dimensions of National Culture

- Geert Hofstede's dimensions of national culture:
 - Power Distance
 - Individualism/Collectivism
 - Masculinity/Femininity
 - Uncertainty Avoidance
 - Indulgence vs. Restraint
 - Long/Short Term Orientation

<https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/>

Dimensions of National Culture

- **Power distance (PDI)** : The extent to which less powerful members of a society accept and expect that powers is distributed unequally. Hierarchy , social distance between individuals, social status and proper respect are emphasised.
- **Example** : Countries characterised by high PDI have higher consumption rate of Scotch whiskey.
- **Example** : Women in high PDI countries use more cosmetic products.

■ ■ ■ ■ Source: De Mooij, M. (2021). *Global marketing and advertising: Understanding cultural paradoxes*. Sage.

Dimensions of National Culture

- **Individualism/collectivism (IDV):** In individualistic societies, people are looking after themselves and their immediate family only.
- In collectivist societies people expect their relatives or members of a particular group to look after them in exchange for loyalty.

Dimensions of National Culture

- **Masculinity/femininity (MAS):** The masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness and material reward for success.
- Femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life.

Masculine Society	Feminine Society
Live to work	Work to live
Money and status are valued.	Free time and flexibility are valued
Status to show success is very important.	Status is not really important.
Testimonial by rich and famous people is very effective.	Testimonial is not really important.

Dimensions of National Culture

- **Uncertainty avoidance (UAI):** The extent to which people feel threatened by uncertainty and ambiguity and try to avoid this situation. In high UAI societies there is a need for clarity, rules and prescribing behaviour.

	Belgium	Germany	Spain	UK	Sweden
PDI	65	35	57	35	31
MAS	54	66	42	66	5
UAI	94	65	86	35	29
IDV	75	67	51	89	71



Countries with high UA tend to have higher consumption of bottled water!

<https://www.nationmaster.com/country-info/stats/lifestyle/Food-and-drink/Bottled-water/Consumption>

Dimensions of National Culture

- **Long/short term orientation (LTO):** the extent to which a society exhibits a pragmatic future oriented perspective rather than a conventional historic or short term point of view.

Long term orientation	Short term orientation
Perseverance in achieving results	Focus on achieving quick results
Strong propensity to save and invest	Small propensity to save and invest
Ability to adapt traditions easily to changed conditions	Great respect for tradition
Leisure time not important	Leisure time important

Dimensions of National Culture

- **Indulgence vs Restraint:**
 - Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun.
 - **Restraint stands for a society that suppresses gratification of needs** and regulates it by means of strict social norms

<https://hi.hofstede-insights.com/national-culture>

Culture-based segmentation

EXHIBIT 3.8

Culture-based segmentation

	<i>Cultural Characteristics</i>					<i>Illustrative Marketing Implications</i>
	<i>Size (Million)</i>	<i>Power Distance</i>	<i>Uncertainty Avoidance</i>	<i>Individualism</i>	<i>Masculinity</i>	
Cluster 1 Austria, Germany, Switzerland, Italy, Great Britain, Ireland	203	Small	Medium	Medium-High	High	Preference for "high-performance" products, use "successful-achiever" theme in advertising, desire for novelty, variety and pleasure, fairly risk-averse market.
Cluster 2 Belgium, France, Greece, Portugal, Spain, Turkey	182	Medium	Strong	Varied	Low-Medium	Appeal to consumer's status and power position, reduce perceived risk in product purchase and use, emphasize product functionality.
Cluster 3 Denmark, Sweden, Finland, Netherlands, Norway	37	Small	Low	High	Low	Relatively weak resistance to new products, strong consumer desire for novelty and variety, high consumer regard for "environmentally friendly" marketers and socially conscious firms.

Source: Sudhir H. Kals, "Grouping Euroconsumers: A Culture-Based Clustering Approach," *Journal of International Marketing* 3 (no. 3, 1995): 42. Reprinted by permission.

Web Designing based on National Culture

- How Fortune 500 companies adapted their websites in China, based on National Culture :
- Check this article:
- https://www.researchgate.net/publication/227623341_Cultural_Dimensions_of_Website_Design_and_Content



Examples to check after this lecture

Marketing and the Rise of Individualism

1 Comment



For 75 years, marketers have been accustomed to generational cohesion. The Greatest Generation was glued together by their common fight against world tyranny in WWII. Baby boomers were joined by peace, love and rock 'n' roll. For a while, it looked like there might again be certain transcendent values that would cleave to the next generation of consumers, millennials who are 82 million strong.

Some say that these are consumers who are distinguished by their confidence in themselves and in their peers, and, conversely, their mistrust of politicians, experts, authority figures and mass media. Conventional wisdom also asserts that millennials expect to do business with companies that are purpose-driven enterprises, good corporate citizens, and transparent about their social values. Then came the rest of the story.



Whiskey as a masculine product in Italy

- In 1980: <https://www.youtube.com/watch?v=bAFjwDPSNoA>
- In 2018:
 - <https://scotchwhisky.com/magazine/around-the-world/from-our-correspondent/19413/italy-s-whisky-revolution/>
- In the UK:
 - <https://www.youtube.com/watch?v=cHWCfGQqUlc>