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GLOBAL MARKETING & ADVERTISING

Understanding Cultural Paradoxes

6th
EDITION

Marieke de Mooij

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SAGE Publications India Pvt Ltd
B 1/I 1 Mohan Cooperative Industrial Area
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3 Church Street
#10-04 Samsung Hub
Singapore 049483

Editor: Matthew Waters
Assistant editor: Jasleen Kaur
Assistant editor, digital: Sunita Patel
Production editor: Sarah Cooke
Copyeditor: William Baginsky
Proofreader: Audrey Scriven
Indexer: Judith Lavender
Marketing manager: Lucia Sweet
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Foreword

In 2017, for the first time, the Nobel Prize in Economic Sciences was awarded for an analysis of economic decision making that was not based on pure rationality, building a bridge between the economic and psychological analysis of individual decision making. In that same year it was also the twentieth anniversary of the first edition of this book appearing, demonstrating the importance of understanding human values in consumer decision making across cultures.

What is rational or irrational to a person depends on that person's value system, which in turn is part of the culture this person has acquired early in her or his lifetime. What people around the world value varies enormously: it includes poverty next to maximizing income, togetherness next to individuality, cooperation next to competition, modesty next to assertiveness, saving next to spending, chastity next to sexual fulfillment, self-effacement next to self-actualization. Downsizing personnel in order to maximize a company's profits may be rational in one society—say, the United States—but not in another—say, Japan—in which employees' commitment is the company's main capital.

Marketing and advertising are basically about consumers, not about producers. Marketing and advertising theories based on producers' rational logic but missing consumers' logic are useless. Market research agencies try to bridge the gap between the two kinds of logic, and their excellence depends on their ability to make the producer think in consumers' terms. Even within one country, this is not easy; it becomes extremely difficult if consumers are the children of other countries' cultures.

In the broader area of management, ethnocentric approaches over the past thirty years have gradually lost support, if only because they proved ineffective, even fatal. International or comparative management has become a recognized subdiscipline of management education; no current management textbook or handbook can do without it, even if the treatment of the subject often betrays hidden ethnocentrism. Although in academic communication studies much attention is paid to the influence of culture, studies of international marketing are still very much based on rational analyses of how to enter new markets or the feasibility of advertising that is standardized for the world.

It is a paradox that in the areas of marketing and advertising theories, ethnocentrism has survived longer than in (general) management. A paradox, because if there is one aspect of the business that is culture dependent, it is consumer behavior. As Marieke de Mooij argues, there may be global products, but there are no global people. The success of a business in the

end depends on how well its products reach customers whose behavior is affected by values that may vary in unexpected ways from those of the business managers.

Marieke de Mooij is a world pioneer in the field of culture and marketing. She brought along a thorough experience base in advertising, extensive teaching, and consulting experience in different parts of the world, and the ability to empathize with people in other countries. The evolution of this book—five editions since 1998, with each new version thoroughly reworked—reflects her leadership in the field. The book is now adopted at universities worldwide, equally in the various world regions.

In the first edition, she linked her insights into marketing and advertising practice in different parts of the world to state-of-the-art outcomes of culture research. The second edition (2005) integrated new information about differences in consumer behavior and their development over time. The third edition (2010) kept up with the dynamics of electronic media, including the cultural role of websites and product and packaging design. The fourth edition (2014) showed how the usage of modern media reflects basic differences in human communication. Age-old philosophies like Buddhism and Hinduism are still at the root of Eastern communication, just like Western communication has built its theories on Aristotle's *Rhetoric*.

The last editions, produced in a time of worldwide prosperity as well as threats, demonstrate more than ever before how enduring cultural values are and how strongly they influence human behavior. Even more than before, success in cross-cultural marketing asks for a style of marketing leadership that is not oriented towards quick judgment and action according to trusted principles. The successful cross-cultural marketing manager is reflective, open to alternatives, with a broad interest in other societies and what makes the people in them tick. This book is for those aspiring to be or become that kind of person.

Geert Hofstede

Ede, the Netherlands, November 2017

Preface to the Sixth Edition

It has been over twenty years since the first edition of this book was published, at a time when marketing and advertising professionals still strongly believed in the universality of human needs and wants worldwide. Only a few scholars were involved in studies of international marketing and advertising and from the 1980s onwards the main focus was on standardization of international advertising rather than on adjusting to cultural differences. In those years I worked for the Education Committee of the International Advertising Association and exchanged ideas about education with scholars of many universities and schools all over the world. For international marketing and advertising most worked with North American handbooks including North American theories of consumer behavior that didn't apply to consumers in most other countries. I realized that literature was needed that explains cross-cultural differences in human needs, wants, motivation, perception related to marketing and advertising in a practical way. When I met Geert Hofstede and learned more about his work I found what I needed. Although his model was basically applied to people's behavior in organizations, it focused on various aspects of choice behavior, just like consumers'. I started doing correlations between his country scores and large numbers of data on buying, using, owning in various product categories, from motivation, consumer and advertising and media research, and found there were similar patterns, which also appeared to be very stable over time, as this book shows. Every time I see the results of a new study comparing data over time I am amazed to see so much stability in the differences between the wants and needs of human beings across the world. The results of another, large-scale study based on content analysis of advertising confirmed the usefulness of cultural dimensions. Effective advertising generally reflects consumer motives and behavior. I am still grateful to the many students and teachers who have helped me with that study.

Between 1997 and today I have incorporated the Hofstede model in various theories of communication, consumer behavior, media usage, design, and how advertising works. Later large-scale models that are described in this book work in similar ways, but for consistency's sake I have kept using his model. There have been some disputes about methodology between scholars of other disciplines but these have not reached the marketing and advertising world. Geert Hofstede shared my interest in people that was often lacking in marketing and business studies.

In February 2020 Geert passed away. He is greatly missed. From the start he had written the Foreword for new editions of this book, and Sage, the publisher, suggested continuing

with his last one, written for the fifth edition. Gert Jan Hofstede, Geert's eldest son and co-author to his book *Cultures and Organizations* agreed and fully endorses this new edition. Information based on Geert's work will continue to be provided by Gert Jan at: www.geerthofstede.com

For this book a growing body of research from the world of marketing, advertising, and cross-cultural psychology has provided many more examples of how culture explains differences in consumer behavior that in turn influence marketing and advertising strategies.

This sixth edition includes many updates and results of recent studies all through the book. Several changes are a result of comments from users and questions from students. These include new developments in media but are in particular related to understanding the functioning of cultural dimensions. For this edition, Sage will have an updated companion website available for those who—according to the publisher—are eligible to receive additional information to aid teaching; this will include the films and print ads that are in black and white in the book (which are also available for students); new exercise material for students to apply cultural dimensions to marketing and advertising strategy; and discussion points and material to illustrate the cultural dimensions, questions, and discussion points.

I am pleased that Sage UK has taken over production, in particular as interest in Europe and Asia is growing faster than in the United States. I have encountered the same pleasantness and conscientiousness in editing this book as I did with Sage USA. For all editions Geert Hofstede was always my standby. I am very grateful for having known him for so many years. Increased use of this book led to research in many areas covered in the book, resulting in a host of academic publications. I feel honored to use, and have used, many to update this book. Thanks go to all who contributed. Special thanks go to Carolus Praet, Professor of Global Marketing at Otaru University of Commerce, Japan, who helped with the literature and explaining real life in other countries. This book's value is based on facts and data, so in particular I thank the people who have provided data to me, in particular Wouter Terlien of Statista. Real understanding of the world comes from data and the knack of interpreting them.

Marieke de Mooij

www.mariekedemooij.com

About the Author

Marieke de Mooij (1943, the Netherlands) studied English literature at the University of Amsterdam and textile management at the school of Engineering Management in Enschede, the Netherlands where she graduated in 1966. She was PR and advertising manager for an international textile company, account executive at an advertising agency, was a director at the Dutch institute for professional advertising education, director of education of the International Advertising Association, and managed BBDO College, the educational program for BBDO Europe. She has worked on the application of the Hofstede model to cross-cultural consumer behavior and international advertising since 1990, doing research, conducting seminars, and teaching at various universities worldwide as visiting professor. As a consultant in cross-cultural communications she advised both companies and advertising agencies on international branding and advertising. As a *profesora asociada* she has been teaching international advertising at the University of Navarra, Spain. In 2001 she received her PhD at that university, in the Department of Communication. The subject of her doctoral research was convergence and divergence in consumer behavior across countries. She is the author of several publications on the influence of culture on marketing, advertising, and consumer behavior. She is also the author of *Consumer Behavior and Culture* (third edition), also published by SAGE Publications, as well as a book on communication theory and culture titled *Human and Mediated Communication around the World: A Comprehensive Review and Analysis*, published by Springer International. Her books are used in universities worldwide. Her website is: www.mariekedemooy.com

Summary of the Book

This book describes the various problems and opportunities of culture in global marketing and advertising. It argues that the main dispute in global marketing and advertising should not be about the efficiency of standardization but about the effectiveness of cultural segmentation. Knowledge of cultural specifics or the value paradoxes is the basis of effective global marketing communication strategies.

Chapter 1 introduces the concept of the value paradox and the paradoxes in globalization and in global marketing theory. It discusses the global–local dilemma and a few of the myths of global marketing: the assumed existence of global communities and convergence of consumer behavior. It also summarizes the standardization–adaptation debate in global marketing.

Chapter 2 describes the brand concept, branding models, and various aspects of global branding: what makes a successful global brand, how global brands are perceived by consumers, and the role of global brand communication. It defines the brand as an association network in the minds of consumers.

Chapter 3 introduces the value concept, sets it apart from social norms, and elaborates on the problems encountered when measuring values. It defines culture and describes various aspects of culture, such as language, signs and symbols, imagery and music, and global culture.

Chapter 4 describes various classifications of culture, such as concepts of time and high and low context. The three major dimensional models of national culture—by Hofstede, Schwartz, and GLOBE—are described and compared for application to marketing and advertising.

Chapter 5 provides an overview of the influence of culture on various consumer behavior theories. Four aspects of consumer behavior are covered: consumer attributes (the self and personality), social processes (needs, motivation, emotion, and group processes), mental processes (perception, information processing, and decision making), and consumer behavior domains (product ownership and usage, brand loyalty, and diffusion of innovations).

Chapter 6 deals with the various problems of value research across cultures. Examples of country-specific values are given. It explains the influence of research design and types of questions on the functioning of dimensional models, how to compare different dimensional models, and specifics for applying the Hofstede model to advertising. It also provides some information about commercial value and lifestyle studies.

Chapter 7 deals with communication and culture. How we communicate is related to culture, which is reflected in interpersonal communication and in how we use the new electronic means of communication that are hybrid forms of personal and mass communication. It demonstrates how the age-old philosophies of the major world regions explain current communication behavior. Culture explains differences in advertising styles, and these differences are also reflected in website design. The creation of advertising follows assumptions of how advertising works that are based on US studies of how consumers process information.

Chapter 8 describes how media usage is influenced by culture: usage of both the traditional media, television, radio, and press, and the digital media. It also points at other media that may be effective in reaching consumers in emerging markets. The differences of various activities on the Internet—such as e-commerce, social networks, and blogging—are described. Next to advances in research, advertising practice is confronted with a host of different channels to carry their advertising messages, so next to information on culture's influence on the traditional media and the ubiquitous digital media, in particular the Internet and mobile phone, it is important to understand how people use social media and why the design of those media varies.

Chapter 9 describes the value paradoxes in advertising appeals and explains how appeals in advertising reflect culture. It also shows examples of advertising ideas and concepts that can or cannot travel.

Chapter 10 describes seven basic advertising forms and the degree to which they are culture related, with many examples.

Chapter 11 deals with aspects of strategy. At a corporate level, entry modes of international markets are summarized, and the mission statement, corporate identity, and international public relations are discussed. At a marketing level, the global marketing mix is discussed including product/market development across cultures, product and packaging design, and retail. An important part is brand positioning across cultures or the matching of identity and image, which across cultures is even more difficult than within cultures. Finally, several marketing communication strategies are reviewed and the different strategies to be used at different stages of market development.

Appendix A provides a list of countries with scores for the Hofstede dimensions and income per capita of 2016. The data can be used by students for cultural analysis of consumption data or for making culture maps for products or brands.

Appendix B reviews the various databases used for the cross-cultural analysis presented in this book.

Online Resources



This sixth edition of *Global Marketing and Advertising* is supported by online resources to support instructors in their teaching and assessment while media material referenced in the book is also available for students to access. Discover more at: study.sagepub.com/gma6e

For Instructors:

- A selection of **discussion questions** and **activities** to encourage engagement in seminars and improve understanding of topics.
- **Sample exam questions** to test students' knowledge or use in assessments.
- **Exercises: charts, films and instructions** to develop value structure maps and two-dimensional maps for positioning brands and applying learning.

For Students:

- **Illustrations from the book** (print ads, films and photographs) are provided in color for students to access examples in the book.

The Paradoxes in Global Marketing Communications

1

In a meeting between the Duke of Wellington and Napoleon after the battle of Waterloo, Wellington is said to have reproached Napoleon with the words, “You fight for power, we fight for honor,” and Napoleon is said to have answered, “Yes, one always fights for what one does not have.”

The two had fought with different approaches to the battlefield. Wellington was a military leader and saw himself as an agent of the British government. Napoleon’s perspective was that of a head of state in pursuit of glory.¹ To some, honor comes with the function, and one doesn’t have to fight for it, and true honor is public esteem or glory. For others, honor is faithful performance of duty. Again, for others, honor is inner integrity. There are as many different kinds of honor as there are social groups.²

What seems paradoxical is that in some nations, one has to fight for something that in other nations is inherent in the function or the person. Skills that come automatically in one part of the world have to be learned in another part of the world. Leadership is a concept that comes automatically to the French: either you have it or you don’t. There is no proper word for leadership in either the French or the Spanish languages. In the United States, leadership is an integral part of primary education; children in elementary schools take turns being class leader for the day and may be publicly honored for their efforts. US leaders are the heroes of capitalism; they are admired, whether they succeed or fail. Japanese leaders are faceless.

Advertising often appeals to what is lacking in society. The happy family is more often depicted in advertising in nations where family coherence is viewed as lacking. In countries where family is part of one’s identity, advertising focuses less on family values. Family is like air—you don’t have to pay attention to it.

In global marketing, “think global, act local” is a paradox. Thinking and behavior are equally influenced by culture. Someone who thinks globally is still a product of their own culture. Watching young people worldwide drinking Coca-Cola or wearing jeans may lead some to conclude that they are becoming the same, but there is ample evidence that for consumers the local is more meaningful than the global. Global marketers suggest a global

youth segment with homogeneous desires. However, when global youth cultural styles are readily available, a localized version of youth culture emerges.³

The Internet is the ultimate example of global communication. In particular, the Internet is assumed to cross cultural barriers.⁴ Yet, in the short time of its existence, it has become very local as people in different countries use it in different ways and in different languages. The technology needed for computers to communicate with other computers was invented by the American defense research agency. The World Wide Web as we use it now was invented by a British computer scientist and developed in the English-language world, but in 2008 most weblogs were not in English but in the Japanese language.⁵ Already in 2005, a relatively high level of localization of websites for global brands of US origin was reported.⁶

Globalization has not produced globally uniform consumers. Although there is a worldwide convergence of technology, media, and financial systems, consumer desires and behaviors are not converging.

These are examples of paradoxical aspects that marketing and advertising managers have to understand when they enter the global marketplace.

This chapter introduces the concept of the value paradox, discusses a few global marketing paradoxes, and summarizes the assumed effects of globalization, such as a convergence of consumer behavior. Finally, a summary of the continuing debate on standardizing or adapting global marketing, branding, and advertising strategy is provided.

The Value Paradox

Skills that come automatically in one part of the world have to be learned in another part of the world. Although teamwork training is big business in the United States, there is hardly a market for it in Japan. Individualistic behavior comes spontaneously to Americans, but the Japanese have to learn it. The Japanese, for whom group values are so important, have to learn to be self-reliant and to take greater responsibility for their own actions.

Chaos is said to be a key ingredient of Silicon Valley's success. But chaos management has not been accepted as a management style in all of corporate America because it conflicts with the desire for control. It is paradoxical to suggest that the Germans would benefit from a bit more chaos instead of rules. The Germans cannot thrive on chaos. On the contrary, German life is highly structured.

Tradition and modernity are seen as contradictions in the West; in Japan, they go side by side. The Japanese can be conservative and at the same time attracted by new ways. Whereas in the West, the old must be discarded, and the new must be embraced, in much of Asia, the traditional is exploited, recycled into modern ways of life.

Paradoxical values are found within cultures and between cultures. Every culture has its opposing values. Equality is an American core value, yet in the United States, there is a wide gap between rich and poor. What is confusing in the global marketplace is that certain opposing values of one culture also exist in other cultures but in reverse. An example is the freedom-belonging paradox.

In two important lists of values developed in the United States—by Rokeach and LOV, and by Kahle and Goff Timmer⁷—are two seemingly opposing values: *freedom* and *a sense of belonging*. It seems paradoxical that both freedom and belonging are strong values of a single culture. The explanation is that in an individualistic society like that of the United States, where personal freedom is highly valued and people want to “do things their own way” and “go it alone,” people tend to become lonely if they don’t make an effort to belong. The reverse is found in Japan, where belonging is an integral part of individuals and society, and it takes an effort to behave in an individualistic way. According to the American Society of Association Executives in Washington, DC, in 1995 there were some 100,000 associations and clubs in the United States. Seven of every ten Americans belong to at least one club.⁸ There is no such phenomenon in Japan.

It is said that social media like Facebook facilitate people making friends. However, according to Dr John Cacioppo, in the United States, Facebook increases feelings of loneliness. In other parts of the world, for example in Asia and Africa, social media reinforce community feelings.⁹

These are examples of what I call the *value paradox*. Paradoxes are statements that seem contradictory but are actually true. The phenomenon has also been termed *perceived deprivation hypothesis*. The *deprivation hypothesis* says that in societies that are perceived to lack a desired characteristic their inhabitants are the most likely to want more of it. In many cases values can be determined not by what is actually lacking, but by what is perceived to be lacking.¹⁰ In Chapter 6 these phenomena will be discussed with examples. Understanding these paradoxes is basic to understanding the consequences of culture for global communications, branding, and advertising. More about the value paradox can also be found in Chapter 3.

The Global–Local Paradox

The way people think and perceive is guided by the framework of their own culture. They are inclined to see similarities from the framework of their own culture. These similarities are often pseudo-similarities. They are based on what people want to see, not on what is

actually there. Perception of the phenomenon of Japanese individuality as a sign of Westernization of the Japanese is an example of such a misperception.

The global–local paradox is that the more people know about other countries and cultures, the more they become aware of their own cultural or national identity. Increasing immigration leads to stronger nationalistic feelings and rhetoric. Along with unification of the different European nations, when citizens of the various nations learned more about each other, symbols and appeals in advertising became more nationally oriented.¹¹

Along with globalization, people increasingly prefer local music. In 2008, most young people said their favorite singers were local.¹² At the beginning of the 21st century in the United States, 93% of music sold was by local artists. In Japan it was 74%, and across Europe more than 50%.¹³ New music styles have been created by merging the music styles of different cultures and spread around fast with the help of media like YouTube.

Marketing knowledge has traveled across the world, but its use has supported a localization of products and services rather than their standardization.¹⁴

The Technology Paradox

Technological development is increasingly global, but the argument that technological development makes us global and leads toward similar needs for similar products is not correct. Germany is known for its production of many technologically well-designed and produced products. Yet for the past decades its people have been lagging in their acceptance of new ICT products. Across countries there is great variety in the adoption of technological innovations and use of technological products.

Across economically developed countries, one would expect a similar penetration of personal computers and Internet usage, but in 2011 the percentages of people who had a PC at home varied considerably, including across equally wealthy countries. The 2011 examples for Asia were 65% in Japan versus 92% in South Korea, and in Europe 74% for the United Kingdom versus 55% for Germany.¹⁵ If we look at a more recent innovation, the 2016 percentages of people who had an active account on the top social network of their country show that this was 42% in Japan versus 76% for South Korea, and in Europe 59% for the United Kingdom and 36% for Germany.¹⁶

The Netherlands and Belgium are neighboring countries and economically similar. Yet it took the Belgians a much longer time than the Dutch to embrace the Internet. Although in developed countries most people now have access to the Internet, the way people use it still

varies considerably, and those differences are not related to national wealth. For example, the frequency of use, what people do on the Internet, and how and where they access it vary across nations. With converging economic development, only cultural values can explain such differences. That is what this book is all about.

Statistical analysis of ownership and use of technological products confirms that a convergence of technology is not the same as a convergence of people's values and habits. Instead, technology reinforces the differences and together with increased wealth leads to divergent behavior instead of convergence. People will embrace new technology to do the things they are used to doing, but in a nicer or more efficient way. In particular, communication technology or how people use it is not converging.

The Media Paradox

The growing number of satellites and global TV channels was supposed to create a global village in which anybody can receive any TV channel. This is the theory. In reality, there is no viewer freedom. Increasingly, media companies decide what viewers in a country can access—usually only national or local channels and a limited number of mostly non-commercial channels from other countries. A variety of techniques and coding systems across countries makes it virtually impossible to receive everything that is available on satellite or even via the Internet. In some ways, in the less technologically advanced, non-commercialized Europe of the past when the airwaves were government controlled, there was more freedom to receive television programs from other countries than there is with the new technology. Inhabitants of the Netherlands, for example, do not have access to commercial TV channels in their neighboring country, Belgium. The Internet, still viewed as the ultimate global medium, already has become local as it instantly recognizes a computer's local IP address and adapts its content accordingly.

Paradoxes in Global Marketing Theory

The concept of marketing, and many of the theories of consumer behavior with respect to consumption, buying, and communication, originated in the United States, and have been copied and used by teachers in many other countries. There is little evidence of meaningful adaptations of these theories to other cultures. As a result, numerous students of marketing and advertising have learned marketing and consumer behavior theory that is relevant for marketing to US consumers, but may not always fit consumer behavior in their own countries. This has led to paradoxical concepts.

Local Markets Are People, Global Markets Are Products

A much-discussed topic in global marketing and advertising is the choice between global and local, reaping the economic benefits of standardized production or accommodating local consumer needs and habits for greater effectiveness. The paradoxical aspect is that all marketers have learned that markets are people, which should translate into a local approach, but when companies go global, they are production driven. They talk about products, brands, and markets, not about people. There may be global products, but there are no global people. There may be global brands, but there are no global motivations for buying those brands.

The Sony Walkman, one of the first mobile gadgets, was often used as an example of a global product, developed for global consumers with global needs, who would use it with similar motives. That was not true: there were two distinctly different motives for using that product. In the Western world, the motive was to enjoy music without being disturbed by others. This was not the motive for Masaru Ibuka—co-founder with Akio Morita of the Sony Corporation—for inventing the Walkman. He wanted to listen to music without disturbing others.^{17a} Similarly, in a country like Japan, for ages people used to wear face masks when they had a cold, in order not to infect other people. In several countries in the individualistic Western world people will not wear them at all or mostly to protect themselves. At the start of the Covid-19 epidemic, the differences could be recognized, as in individualistic cultures people didn't see the urgency for themselves, and even less to protect others. More than one year later, in May 2021 a large global study was published that confirmed this influence of culture on the willingness to wear face masks during the COVID-19 pandemic.^{17b}

Advertisers take great pains to try to understand certain subcultures in their own country, such as youth culture, knowing that they can appeal to the young only if they address them in the right way. When it comes to addressing adult women or men of different national cultures with very different value systems, many advertisers suddenly think one standard message is sufficient. This is paradoxical behavior.

The decision to standardize has more to do with corporate culture than with the culture of markets and nations. Many global advertisers are not market oriented; they are product oriented. They search for that one universal great idea to sell their one standard product to assumed universal, global consumers. This is demonstrated by the fact that cost saving is most often mentioned as an argument for standardization. In reality, the cost of developing one standard idea that truly crosses borders is very high.

To achieve consensus about a “great idea,” product managers, marketing managers, country managers, advertising managers, account supervisors, account directors, and creative directors of advertising agencies and the like in various countries have

to get together, organizing meetings and travel. Then, in the end, it appears that many adaptations are needed. Voice-overs or subtitles have to be made, pack shots must be changed, and texts have to be translated, adapted, or rewritten. Slogans developed for global use also have to be translated, and thereafter some of those translations appear to include subtle changes of meaning influenced by the culture.

People in different countries speak different languages, and those languages represent different worldviews. Translations do not uncover the different worldviews, different ways of thinking, and different intellectual styles. International advertising consultant Simon Anholt¹⁸ says, “Translating advertising copy is like painting the tip of an iceberg and hoping the whole thing will turn red.” Advertising is more than words; it is made of culture.

Focus on a Unique Individual

Theories of buying behavior, decision making, and communication behavior generally describe the individuals of Western societies, who are defined as unique personalities. When the influence of groups on individual buying behavior is considered from the sociological perspective, the individual is implicitly unique, as in Western societies. The group dynamics of Eastern societies are ignored.

The concepts of self and personality, which are the basis of Western consumer behavior theories, are drawn from British and North American psychological research, and include the hypothesis that people will buy products that are compatible with their self-concept or will enhance their ideal self-image. Culture plays an important role in the construal of self and in the perception of ideal images. An example is the ideal woman's figure. The fashion industry tends to present the ideal woman's figure as slim: a Barbie doll's figure has become a white adolescent ideal. But even within the United States, the degree to which this is perceived as ideal varies: contrary to white teens, black teens connect a full figure, rather than a slim one, with health and fertility.¹⁹ More about this is included in Chapter 5.

Modern branding theory was developed in the United States and the United Kingdom and uses concepts from Western psychology. Metaphors such as brand identity and brand personality are used and exported to countries in which words for *identity* or *personality* do not exist in the local language. Asking people about “brand personality” in Asia will result in irrelevant answers. Yet many global marketers, because of their need for consistency, wish to communicate one uniform global brand personality.

Globalization

A frequently cited definition of globalization in the broadest sense is by Robertson: “the concrete structuration of the world as a whole.”²⁰ A later definition by Unesco²¹ is more detailed:

Globalization is a process in which the people and the countries of the world are being brought closer together, economically and culturally, through trade, information technology, travel, cultural exchanges, the mass media and mass entertainment. Globalization can be subdivided into three major areas: economic globalization, cultural globalization, and political globalization.

In marketing and advertising the term *globalization* usually covers the first two areas, and also covers the global flow of capital, technology, and media, as well as changes in human behavior that are expected to result from globalization forces. The level of world trade has become much higher than ever before and involves a much wider range of goods and services than it used to in the past. Yet, this may change due to political and economic factors such as increased nationalism in several parts of the world, trade wars between large nations such as the USA and China, overall displeasure with free movement of trade and previous trade agreements, a decline in the free movement of people, mistrust of global flows of information, as well as use of the Internet by governments and frightening infectious diseases that originate in one country and travel around the world with tourism and trade. All of this has been casting doubts on the advantages of globalization. Such developments may cause industries to move to places for production and distribution closer to their own markets, which will be reinforced by the need to control climate change.

The Covid-19 pandemic has been a wake-up call for global companies with respect to the effects of globalization on production and trade. Predictions are that many operational changes caused by the pandemic may become permanent. Practices like global supply chains and just-in-time management are vulnerable to the effects of pandemics and other global threats such as blocked shipping routes for large container ships. As a result, dependence on faraway suppliers may be replaced by outsourcing in countries that are close by. Long-distance trips will be kept to a minimum and home offices may make large office buildings obsolete. In May 2020 French automobile manufacturers Renault and PSA (Citroën and Peugeot) said they would concentrate production in France and discontinue production in Morocco, Romania, Turkey, South Korea and Russia. In August 2020 11% of US companies operating in China moved or planned to move operations out of China.²² This may lead to fewer cross-border meetings and opportunities to personally meet and get to know people from other cultures.

During the first year of Covid-19 it was thought that the restrictions on long-distance flights and frequent homeworking would help protect the climate, but in 2021 people very much wished to get back to their previous lives, and as soon as government restrictions were lifted they would hop on the first long-distance flight possible. In view of the stability of people's behavior, as discussed in this book, the idea that after Covid-19 people will permanently change their behavior for a better world may not be realistic.

This book is mostly concerned with *cultural globalization*, in particular human motivation and behavior, and *global communication* that refers to the flow of information, communication, communication products, media, and technology worldwide. Globalization theorists have focused on communication as drivers of globalization in their own right and considered the nation-state as too small for the big problems in life.²³ In communication and media studies the globalisation discussion has focused on the creation of global connectivity caused by global communications technology, media and information as well as large-scale movements of people. It took some time to learn that there are limits to the “borderless” nature of the Internet and the assumption that exposure to content from other parts of the world will bring people to adopt the ideas and values of those other places. Nation-states remain important for trade and the flow of communication.²⁴ So, although the term *global* may be correct when referring to operating worldwide, the term *international* should be used when referring to communication between nations and between members of nations.

There are many assumptions and theories about the effects of global communication that have rarely been substantiated. Global media and advertising are expected to mold consumers into one *global consumer culture*. Several factors shape this so-called global consumer culture—among others, English language use, travel, and global mass media exposure.²⁵ This book will provide many examples that argue against this homogenization tendency.

The globalization discourse in marketing has been dominated by authors from the United States and United Kingdom as it is in these countries that academia has been most advanced in developing marketing theory. As a result, many of the most visible expressions mentioned as examples are Coca-Cola, McDonald's, or Starbucks. According to Harvard professor John Quelch,²⁶ in the 1980s especially, when the globalization discussion started, the US penetration of global markets was particularly aggressive and visible. As a result, some view globalization as Americanization.

The success of global brands has led some writers to predict an inevitable colonization of world cultures by international corporate brands that would lead to the demise of local cultures. However, there is also evidence that social relationships and values in local cultures

are relatively resistant to the assumed erosive effects of globalization. Ethnographic studies of mobile phone use in South Korea and of MTV in East Asia found that the proliferation of global products and services in East Asia, instead of destroying local cultures, reinforced and reinvented moral values in local communities.²⁷ This is the paradoxical aspect of globalization at which Giddens²⁸ points, when he defines it as “a complex set of processes that operate in a contradictory or oppositional fashion.” On the one hand, globalization is expected to destroy local cultures; on the other hand, it is the reason for the revival of local cultural identities in different parts of the world.

Convergence and Divergence of Consumer Behavior

For some time industrialization, modernization, wealth, and technology were supposed to bring a universal civilization, including universal values and consumption patterns. This is a distinctive product of Western thinking.²⁹ As US advertising professor John Philip Jones³⁰ stated in 2000, “Logic points to similar patterns emerging in other countries when their per capita income levels approach that of the United States.” The concept of a rational consumer plays an important role in convergence theory. Economic convergence is assumed to lead to better educated consumers, resulting in rational choice behavior.

The consumption symbols of the assumed universal civilization are mainly Western or American. As a result, global cultural homogeneity is also called “Westernization,” “Americanization,” or “cultural imperialism,” suggesting that Western companies with their global brands force Western lifestyles on consumers in other parts of the world. The idea is not new, and not specifically American. As early as 1958 the Italian Stefano Bakonyi³¹ wrote about divergence and convergence in culture and communication, and stated that the vigorous expansion on the part of Western culture had carried Western emotional values and concepts to the far corners of the globe, and had also made them a common treasury of non-Western cultural communities. But he also warned that the process would not go on without inducing a counter-expansion of non-Western values and concepts, in particular those of the potent sleeping cultures of India and China. This is indeed happening in the 21st century, now that China and India have become important players in world markets. For some time, Asian markets were inundated by Western brands and advertising, but that changed rapidly to national branding and advertising.

In the developed world, countries have economically converged to the extent that the majority of people have enough to eat and have additional income to invest in new technology and other durable goods. Countries may be similar with respect to penetration of such goods, but not with respect to what people do with them or the motives for buying them. Technology has not brought a global village in which global consumers behave in the same way.

When the Canadian media philosopher Marshall McLuhan³² coined the concept of the global village, he was referring to Plato's definition of the proper size for a city—the number of people who could hear the voice of the public speaker. By the global village, McLuhan meant that the new electric media of his time, such as the telephone and television, abolished the spatial dimension. By means of electricity, people everywhere could resume person-to-person relations, as if on the smallest village scale. Thus, McLuhan viewed the electronic media as extensions of human beings. They enhance people's activities; they do not change people. If you assume people are the same everywhere, global media extend homogeneity. If you realize that people are different, extensions reinforce the differences. McLuhan did not include cultural convergence in the concept of the global village. In fact, he said the opposite—that uniqueness and diversity could be fostered under electronic conditions as never before.

This is exactly what new technology has accomplished. People have embraced that new technology to enhance current activities. In cold climates where people used to preserve food in snow, they have passionately embraced deep-freeze technology. The colder the climate, the more deep freezers there are. Initially, the mobile phone penetrated fastest in countries that already had advanced fixed telecommunications infrastructures, but after that stage, it penetrated most intensely in cultures where interpersonal communication is more important than written communication. The World Bank publishes data from the International Telecommunication Union (ITU)³³ which show that in 2010 in developed countries the numbers of mobile subscribers per 100 population varied from 91 in the United States to 196 in Hong Kong China. Five years later, in 2015, this was 118 in the United States and 229 in Hong Kong China.³⁴ In Japan, schoolchildren on long commutes to school would read *manga* (Japanese cartoons) books to pass the time. Now they play video games on their mobile phones.³⁵ Use of social media and the numbers of so-called friends or other contacts also vary across countries. Contrary to expectations, people have embraced the Internet and other new technology mostly to enhance their current activities; it has mainly reinforced existing habits. Where people like to talk, the mobile phone allows them to talk more; where people like to write, the Internet has facilitated writing. The Internet has not changed people. It has reinforced existing habits, which instead of converging tend to diverge.

Whatever convergence takes place is at a *macro level*, such as the convergence of demographic phenomena like national wealth or graying populations. If consumption converges it is also mainly at the macro level, and it follows economic development (i.e., household penetration of products, such as dishwashers or color television sets). Empirical evidence of convergence tends to be based on macro data, such as the numbers of telephones, television sets, or passenger cars per 1,000 population.

There is increasing evidence that at a *micro level*, there is little convergence. US sociologist Alex Inkeles³⁶ finds that macro-level data often mask diversity at a micro level. Convergence

at a macro level—e.g., of gross national income (GNI) per capita—does not necessarily imply convergence of consumer choice. Countries that are similar economically are not necessarily similar in their consumption behavior, media usage, and availability patterns. There is no support for the argument that increased global mobility for business and vacations will cause people to homogenize. People do not travel to the extent that they are frequently confronted with other cultures. Even if all people were to have enough money to travel abroad, they would not all travel to the same extent.

In 2007, only 27% of the inhabitants of 25 European countries said they had traveled abroad three times in the previous three years.³⁷ Only 9% had a job that involved contact with organizations or people in other countries. Annually, only 0.4% of Europeans (1.5 million) worked in another European Union member state; 2.4% of Americans worked in a state other than the one where they grew up. In 2004, the percentage of people who lived and worked in another country in Europe than the one where they grew up was even lower: 0.1%, or 225,000 people.³⁸ In 2011 in Europe, 44% of young people aged 15 to 35 years old were not willing to work in another country. These percentages varied between 20% in Sweden, 41% in the United Kingdom, and 55% in Italy.³⁹ In 2016 the total percentage of young people not willing to study or work in another EU country was 61%; this was 33% in Sweden, 67% in the United Kingdom, and 52% in Italy.⁴⁰

The proportion of people around the world who watch international television programs regularly is small. Global television channels, such as CNN and MTV, were envisaged as global standard channels but have localized content and language. For some time, it was assumed that watching North American television soaps would lead to cultural homogenization, or that watching television programs from other cultures would change basic values, but this was based on the assumption of a homogeneous media audience, consisting of members who would process programs in similar ways. In their study of *Dallas* across cultures, when Liebes and Katz⁴¹ asked for the meaning derived from this soap opera, respondents from other cultures derived all sorts of different meanings from the soap than those intended by the producers, and the meanings were related to their own culture (see also Chapter 8). Whatever effects were found were very weak, mainly that respondents' exposure to foreign TV might increase their purchase of foreign products.⁴²

Also, young people do not travel to such an extent that this induces them to adopt different habits and values. Of the young Europeans who visit other European countries, the majority do so while on vacation.⁴³ White⁴⁴ adds that people on vacation are not in a mood that has much to do with their domestic purchasing behavior, so the relevance of any advertising they see is limited.

Differences in consumer behavior across countries are persistent. As people around the globe become well educated and more affluent, their tastes actually diverge. At a certain level of economic development, in what I have called “postscarcity”⁴⁵ societies—when people’s stomachs are filled, when most of them can afford proper housing and durable products, such as cars and television sets—they reach a higher level of unsatisfied needs. That is the moment when cultural values become manifest, and these are reflected in the different choices of products and brands. At that level, countries tend to diverge. What people do with their incremental income, the extra money they have after they have bought the necessary durables to live a comfortable life, varies increasingly. If, for example, we look at ownership of digital cameras in 2011,⁴⁶ national wealth explained the differences across 44 countries worldwide, but the influence was weaker when we compared 28 countries worldwide with GNI per capita over US\$19,000. Then the main explaining variable was cultural. The phenomenon is strongest in Europe, where countries have converged most in terms of GNI per capita. Between 1990 and 2015, 26 EU countries had consistently been converging with respect to GNI/capita at PPP.⁴⁷ However, with respect to cultural values that influence consumer behavior, Europe is not a homogeneous area at all.

Here are a few specific examples of macro convergence and micro divergence: Countries in Europe have converged for the total number of passenger cars per 1,000 population, but the distribution across populations, numbers owned per household, or type of car owned have diverged. Ownership of television sets converged until 1997 and diverged after that year. With respect to daily TV viewing minutes, countries converged between 1991 and 1993 and diverged after 1993. Since then, the differences have remained stable. Newspaper readership in Europe has diverged.

Nowak and Kochkova,⁴⁸ using more recent data, found examples of divergence across 25 European countries, for example spending on communications. The suggested economic and political convergence of European countries also does not apply to the standardization–adaptation discussion in international marketing. Neither economic nor political convergence appear to facilitate the standardization of advertising or support the use of similar messages across European countries.⁴⁹ In regions other than Europe, the trend is also toward divergence. Calculations for 130 countries worldwide show divergence with respect to GNI/capita at PPP between 2000 and 2015.

For some time, with increased wealth, standards of living appear to converge, but a closer look makes it clear that there are large differences. In Latin America, because of the large differences between rich and poor, the rich in each country have more in common with the rich across borders than with their poorer compatriots, but middle-income people differ

from one country to another in the use of their discretionary income. All Latin Americans use toothpaste and shampoo each day, but there are varying brand preferences. Although 25% of Latin Americans eat cold cereal for breakfast, the national figures vary from 48% in Central America to 11% in the Southern Cone.⁵⁰ Japan was the country that developed earliest and fastest of all Asian countries, and it was expected that the development patterns of other countries in Asia would follow the pattern it adopted. This has not happened. The economies of Malaysia and Indonesia are developing in different ways. The values gap of American and European elites has widened, according to studies conducted in 2002.⁵¹

Next to convergence or divergence, in many cases, differences between countries are stable in time. The Belgians drink six times as much mineral water as the Dutch, their neighbors. Although the quality of tap water has improved all over Europe, consumption of mineral water has increased in some areas and remained the same in others, and these differences have remained similar since 1970 or have become larger. They cannot be explained by differences in national wealth, only by culture. Figure 1.1 illustrates the differences in mineral water consumption across Europe between 1970 and 2015. The data for 1970 and 1991 represent the percentages of people who answered “agree” to the question “I drink

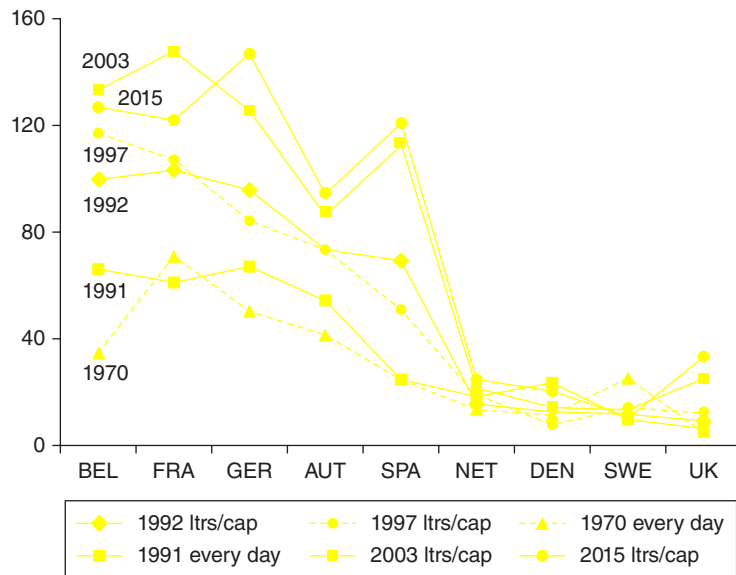


Figure 1.1 Mineral Water Consumption 1970–2015

SOURCES: *Reader's Digest Surveys* (1970 and 1991); Food for Thought/Unilever (1992 and 1997); Beverage Marketing Corporation (2003, www.beveragemarketing.com); European Federation of Bottled Waters (2016).

mineral water every day.” The data for 1992, 1997, and 2003 show liters per capita consumed, of which the 2003 and 2015 data are for bottled water.

The wealthier countries become, the more manifest is the influence of culture on consumption and consumer behavior. This phenomenon is reflected in the many changes of past decades, such as increased interest in local music and TV programs, which in turn resulted in localization of most of the international media, such as MTV and CNN. More discretionary income gives people more freedom to express themselves, and that expression will be based in part on their national value system. Wealth brings choice. It enables people to choose leisure time or buy status products or devote their free time to charitable work or self-education.⁵²

Often, the economic similarity of the member countries of the European Union is confused with cultural similarity, although differences in consumer behavior are recognized across Europe.⁵³ The member countries of the European Union are culturally very different, and these cultural differences cause differences in consumer needs. Understanding culture is the first step for global companies to take when deciding on the type of strategy for their global brands.

The Global–Local Dilemma in Global Marketing

The core dilemma in global marketing is whether to sell an identical product (a global brand) throughout the company’s sales area or to make whatever modifications are needed to account for local differences. A global brand can be a mass brand looking to satisfy a common product need in all countries, or it can be a niche brand targeted at common niche segments in every country. Conversely, a global product, via its advertising, can be loaded with local values to add local significance. In both global branding and global advertising, the choice has to be made between standardization and adaptation or some variation in between, called the contingency approach.

The ultimate form of standardization means offering identical products worldwide at identical prices via identical distribution channels supported by identical sales and promotion programs. Assumed homogenization of needs across borders is the most frequently mentioned reason for standardization.

Harvard Professor Ted Levitt,⁵⁴ in his 1983 article “The Globalization of Markets,” mentioned successful examples of fully standardized brands like McDonald’s, Coca-Cola, Revlon cosmetics, Sony television, and Levi’s jeans—products that Levitt said could be bought in an identical design throughout the whole world. By standardization, companies could reap the benefits of economies of scale in procurement, logistics, production, and marketing, and also in the transfer of management expertise, all of which was eventually supposed to lead to lower prices.

Standardization is also said to offer the possibility of building a uniform worldwide corporate image, a world brand or global brand with a global image. With a smaller portfolio of strong global brands, companies might expect to achieve greater marketing effectiveness. Proponents of the Levitt theory speak of developing powerful advertising that crosses international boundaries, cutting across all lines of culture, nationality, race, religion, mores, values, and customs.

More than four decades later, many companies have learned that the standardized approach is not effective. Needs may be universal, but attitudes, motivations, and expressions of needs vary. To find Japanese people drinking Coca-Cola or eating at McDonald's in the Tokyo Ginza does not mean that Japanese core values have changed. The argument for global standardization has been based on two assumptions: (a) the convergence of consumer behavior, and (b) the existence of globally uniform segments, or global communities with similar lifestyles across borders, including similar attitudes and motives for specific products and brands. In the previous section, it was shown that there is no evidence of converging consumer behavior. The existence of groups of people across borders with homogeneous values, wants, and needs is also increasingly in doubt.

Global Communities

One of the preconditions of standardization is the existence of homogeneous global segments across borders with similar values. A focus on similarities or marketing universals rather than differences has led international marketers to search across countries for market segments of people with similar lifestyles and values, which they call "global communities" or "global tribes." The assumption is that an 18-year-old in Denmark has more in common with an 18-year-old in France than he has with his elders, or that a young Japanese woman shopping in the Ginza has more in common with a young American woman strolling along a Manhattan street than she has with her own parents. Business travelers and teenagers are most often cited as examples of such homogeneous groups. In the eyes of many US marketing managers, the European youth market is considered to be homogeneous because these youngsters are reared on the same movies and global brands, such as Coca-Cola and Levi's,⁵⁵ and watch MTV, all of which has supposedly encouraged the development of a global teenager with common norms and values. Assumed uniform consumption habits of young people worldwide, their clothing styles, music tastes, and media habits, are viewed as evidence of a homogenized group of consumers.

Increasingly, this has been found to be a myth created by the marketing industry. It is a direct product of marketers' own ideologically framed cultural constructions via advertising, practitioner-oriented literature, and various other forms of cultural production.⁵⁶

Several value studies show that across countries, young people vary as much as adults. General evidence for this is the fact that cross-cultural psychologists who study value differences across cultures tend to use students as subjects. Also, studies among parents and students in the United States, Japan, New Zealand, France, Germany, and Denmark demonstrate the strong influence of culture on the values of both parents and students. The values of parents and students *within* a culture are relatively similar, with the greatest similarity between Japanese students and parents.⁵⁷

Youths from Stockholm to Seville may use the same type of mobile phone or computer, but they may have bought it for different reasons. A survey by the advertising agency Euro RSCG showed that attitudes toward technology vary enormously among youth in large European cities. For example, 16% of respondents in Amsterdam said entertainment was their primary reason for using technology, compared with 9% in Helsinki and London and only 4% in Milan.⁵⁸ Across European countries, young people's leisure time activities vary, with 45% of Portuguese youngsters watching TV as a leisure activity as compared with 8% of German youngsters.⁵⁹ Whereas 40% of Danes visit the cinema more than six times a year, 25% of the Portuguese do so. Of the Irish 22% attend more than 12 live sports events a year, whereas only 4% of the Hungarians do so.⁶⁰

Some Western marketing magazines suggest that Asian teens, in the way they behave and dress and express themselves, increasingly resemble American and European teens. Such conclusions are a reflection of the ethnocentric thinking of journalists. This behavior is not driven by Western values. Moreover, there is no single teenage culture in Asia; there is enormous diversity among Asian teenage lifestyles.⁶¹ Young Japanese or Chinese may be typically Western on the surface, but they retain traditional values like hard work in addition to aspiring to make and spend money and display success via branded goods.⁶² Typical Indian teenagers in Bombay, Delhi, or Calcutta may be wearing a Lacoste shirt or Nike shoes, but they are very much Indian in their values. They respect their parents, live together in a family, and remove their Nike shoes before entering a place of religion.

A common misperception is that everywhere there exists the young rebel set against their elders as a universal aspect of adolescence. However, the way the young develop their identity, the way they relate to their elders, and the way they behave in school vary enormously across cultures because of the values with which they are raised. Indian adolescents show much less conflict than US adolescents, who are involved in self-creation and integrating an identity. In traditional Indian society, adolescence is not the separate psychological state that it is in US culture.⁶³ A study by ACNielsen found that Indonesian youth increasingly like to use traditional Indonesian products, prefer advertisements that use Indonesian

models, and when sick would rather use Indonesian medicine than Western medicine.⁶⁴ Among Hong Kong Chinese, although the younger generation values autonomy more than the older generation does, teenagers give lower priority to early autonomy than do their Western counterparts.⁶⁵ Westerners make a mistake when they think Japanese values are changing because students between 18 and 25 years old act in an extreme and revolutionary way. They have to realize that these years are the only free years a Japanese person has in his or her entire life. With the advent of work comes conformance to typical Japanese behavior. Also, Chinese punk cannot be equated with a carefree spirit.⁶⁶ Often when new age groups are defined the question is asked if such groups are similar across borders.

During the first decade of the new millennium researchers defined a new age group consisting of those born after 1980, the first generation to come of age in the new millennium. These were thought to have similar values across countries. A study comparing three countries, i.e., the United States, New Zealand and Sweden, found similar values for the United States and New Zealand millennials, as could be expected because of the similarity of American and New Zealand general values. Swedish millennials were considerably different, representing values similar to the general Swedish population. American millennials score highest on patriotism, achievement and self-reliance, which is partly shared by New Zealand millennials. Swedish millennials score high on gender equality and a stronger role for government.⁶⁷

Global homogeneous markets, such as businesspeople, youth, or rich people, exist mainly in the minds of Western marketing managers and advertising people. Even people with similar lifestyles do not behave as a consistent group of purchasers. Yes, across countries, there are young people and yuppies (young urban professionals), rich people, and graying populations that have economic and demographic aspects in common, but marketing communications cannot use similar motives and arguments because these groups do not have the same values across cultures. This is demonstrated by ownership of luxury products as measured by the European Media and Marketing Survey (EMS). The high-income European target, consisting of people who read international media, is not one homogeneous, cross-border target group for high-touch and high-tech luxury articles. Expenditures on expensive luxury articles by this high-income group in Europe vary enormously. In 2007, although GNI/capita in Portugal was considerably lower than was the case in Finland, 39.1% of Portuguese respondents said they had bought expensive fragrances in the past year as compared with 16.5% of the Finns. In 2012, 31.3% of the Portuguese did so and 13.6% of the Finns. These differences appear to be very stable.

Businesspeople are generally considered to be a “culture-free group” because of assumed rational decision making as compared with consumer decision making, but decision making by businesspeople is also culture bound as are many business habits. In 1999, a sample

of businesspeople were asked where, outside of the office, they would most like to discuss business with their most valuable customer; 49% of Spaniards opted for lunch at a restaurant or hotel, something favored by only 8% of Italians, who preferred a breakfast or dinner meeting. Germans preferred a meeting at an airport or conference center. Asked about the use of new technology, 94% of British managers said they used e-mail, whereas only 53% of French managers did so.⁶⁸

Global or Local? The Standardization–Adaptation Debate

During the past five decades, academics have studied the behavior of firms in foreign markets to understand the factors that influence the choice between standardizing operations and adapting to local environments. The focus of these studies has varied from individual elements of the marketing mix (mostly product or advertising) to the entire marketing mix or a firm's entire business strategy.⁶⁹ The majority of these studies were conducted by US academics, studying the global strategies of US firms. The debate is ongoing. On the one hand, standardizing processes and products across markets can yield economies of scale in marketing, production, and research and development (R&D). On the other hand, firms need to appreciate the differences among foreign markets and adapt their practices and offerings to suit consumers' needs and wants.

Review of a 50-Year Debate

The wish to standardize marketing and advertising lies in export practice. In 1966, one of the early US advertising professors, Watson Dunn,⁷⁰ stated:

One of the first questions that an international marketing executive has to answer when he enters a foreign market is “How much of our advertising can we use in this particular country?” On one hand, he will be told that everything from American hair spray to tourism can be sold throughout the world with the same illustrations, copy and advertising approach. On the other hand, he will be told that every foreign market is different and he will run into a variety of problems including cultural taboos if he tries to use the American approach abroad.

This quotation covers the dilemmas of US companies when selling their products outside the United States: standardize for greater efficiency or adapt for greater effectiveness. Most papers published since Dunn's article have focused on the opinions, attitudes, and

practices of the manufacturer with respect to this choice. Many of these were conceptual and based on assumptions without empirical evidence.⁷¹ The standardization discussion is basically a sales discussion, and not grounded in marketing philosophy as the wants and needs of consumers are not considered. Proponents of standardization rely on a strong belief in the universality of fundamental human needs, as well as the assumption that advertising purposes are universal; thus, advertising can be the same everywhere. The idea was that a strong concept or buying proposal crosses borders; only the execution must be adapted.

Frequently quoted authors proposing a standardization strategy are Erik Elinder⁷² and Theodore Levitt.⁷³ Elinder, then chairman of the board of the Swedish Sales Institute, believed that a convergence of standards of living and improving technical means, facilitating a standardization of advertising, would justify identical advertising messages for all European countries. He believed in the emergence of one-language (English) television, in all-European media, and in increased travel that would lead to European consumers with similar habits. His criteria for convergence were mainly economical.

According to Levitt, the driving forces for a convergence of needs and desires are technology and modernity:

A powerful force drives the world toward a converging commonality, and that force is technology. It has proletarianized communication, transport, and travel. It has made isolated places and impoverished peoples eager for modernity's allurements ... Even people who adhere to ancient religions and attitudes are in favor of modernity: the Ibos in Biafra are seen drinking Coca-Cola and in isolated Siberia people want digital watches ... The world's needs and desires have irrevocably homogenized.

Levitt's argument was that standardization enables a company to compete on the basis of appropriate value—the best combinations of price, quality, reliability, and delivery for products that are globally identical with respect to design, function, and even fashion. Many of the US products and brands Levitt mentioned as examples were unique at the time. To foreign consumers, they had an American flavor and status value; they were the type of products and/or brands preferred by a large part of the developing world. Close to four decades later there is much more competition, the appeal of American flavour has diminished and most of the examples have adapted to different environments, tastes, and habits. Levi's saw its sales plummet as consumers turned to homegrown brands, such as Italy's Diesel and Spain's Zara. Coca-Cola changed its strategy to "think local, act local." With their centralized decision making and standardized marketing, they had lost touch with the new global marketplace.⁷⁴

Increasingly, Levitt's statements from 1983 have been challenged. Later authors point to the lack of empirical evidence behind the arguments for standardization:

Although anecdotal support for convergence and standardization was plentiful, empirical evidence was in short supply ... What Levitt may have witnessed was an increase in global branding rather than a big increase in global products. But even this may not be as extensive as it seems. The point has been made often; the same names, such as Coca-Cola and McDonald's, that were originally cited are still cited today. Very few new ones have been added to the list ... Levitt may have taken the extensive diffusion of a few brands as representative of the wide diffusion of many.⁷⁵

In the 1990s, the statements on universality became more modified. Standardization would only apply to some specific segments or marketing mix elements, such as packaging and advertising.⁷⁶ The conditions under which standardization is appropriate were specified: it was possible for some types of consumers, similar segments; for some product attributes, such as novelty, international image, stage of life cycle; for industrial goods and for some consumer products.⁷⁷

Agrawal⁷⁸ reviewed the debate in international advertising from the perspective of the (US) practitioner and academician. He distinguished three schools of thought regarding international advertising: *standardization*, *adaptation*, and the *contingency perspective*. The latter approach is based on the idea that the most effective advertising strategy varies, depending on the situation. Fastoso and Whitelock⁷⁹ suggest several approaches to standardization, among which is grouping countries according to some commonalities, also called clustering. This works best in culturally homogeneous areas.

Over time, a variety of studies were conducted. An analysis of five decades of advertising standardization research including 56 studies has shown that the focus has shifted from an international to a regional level. The regions most covered are Western Europe, (Chinese) Asia, and the Middle East or Arab world. The study showed that in Europe, full standardization of advertising is rare. The study also analyzed the different measurement approaches of advertising standardization. There are four types of studies that can be distinguished: conceptual papers, complex studies including environmental variables, surveys among managers, and content analysis of advertising. Of the 56 studies, 27 were based on surveys among managers and 21 on content analysis of advertising.⁸⁰ The problem with surveys among managers is that their answers about what they do often tend to be different from actual practice. There may be directives to far away subsidiaries where locals keep doing things their way without managers being aware of it. In particular, executives at US headquarters believe that there is more standardization than actually exists. So-called multinational campaigns are never quite as standardized as many executives think.⁸¹ In contrast, content analysis measures the manifestations of actual practice, but criticism of content analysis tends to be that it doesn't provide guidelines. Proper content analysis based on a comparison of advertising across a number of countries is difficult as well as time-consuming to organize and execute, and so these studies are scarce.

Variables Influencing the Standardization–Adaptation Decision

Numerous variables influence the decision to standardize or adapt. Various strategic aspects can be analyzed, of which we will mention the most used:

- The product, including product category and product life cycle
- The company, its organizational culture, the culture of the country of origin of the company, and its export dependence
- The business environment: the competition, economic development of markets, marketing infrastructure, environmental factors such as laws and government regulations, and media infrastructure
- The consumer: spending power, and cultural and social variables including local tastes, habits, and conditions of use (often included in the catchall of environmental variables)

The Product Category and Product Life Cycle

A few product categories seem to be successful if they follow a more or less standardized marketing approach. Examples are whisky and perfume, for which a standardized country-of-origin concept can be used. French perfume comes from France, Scotch whisky from Scotland. In global media, such as the magazine *Cosmopolitan*, beauty products are more likely to use standardized approaches than other products such as cars, food, and household goods.⁸² Logic points at technology products for having the greatest chance of successful standardization. Annual surveys by *Reader's Digest* on the degree of trust consumers have in global brands show that a number of more or less standard global brands that are equally highly trusted in a large number of countries are in the technology area. These brands have remained strong by consistently offering high quality. Advertising for luxury fashion brands is also standardized to a large extent. However, across markets, a certain extent of adaptation has become necessary. In China this is not only with regard to a retail strategy, but also the need for higher levels of innovation for sophisticated consumers in large cities.⁸³ Although retailing firms have been internationalizing in the past decades by mostly localizing their strategies, there are some clear differences by sectors—in particular, different strategies can be distinguished between the food sector and the non-food sector.⁸⁴

The phase of the product in the product life cycle defines the possibility of standardization. New products or brands and marketing communications for these products are easier to standardize than mature products (see Chapter 11). Yet by selling one single product worldwide, and not adapting to usage and attitude differences that become apparent some time after introduction, manufacturers run the risk of finding a mass market in one country

and a niche market in another. In different phases of a product's life cycle, different advertising approaches are needed. Established brands in different markets may have different brand images, making it difficult to move the product to a global approach.

A Company's Organization, Type of Company, International Experience, and Corporate Culture

The culture of a company's country of origin strongly influences the vision of its managers, and the vision of a company's management influences the degree of standardization. Across countries, managers have different worldviews. In particular, US companies have universalistic philosophies about people's values and focus more on laws and regulation than on culture. Next to universalism, a degree of ethnocentrism on the part of marketing managers can influence strategy decisions. In particular, those who have had little experience living in other countries with different values may easily be convinced that their values are best and should be shared by others.

Most successful global brands rely on abstract brand concepts that are developed to be consistent across borders, but that also have to resonate with consumers in different cultures. There are many mismatches between abstract brand concepts and consumers' values in different countries. As a result, in many cases adaptation is necessary. An example was the launch of a new Pampers' line called Baby Stages of Development in the United States. In the United States the company originally focused on the high absorbency of the diapers and added the abstract accomplishments and emotions that child and mother experience throughout the different stages of child development. In Japan this approach failed because frequent change of diapers was perceived as fundamental to keeping the baby clean. This was in contrast with the high absorbency message.⁸⁵

With the European Union, US firms expected Europe to become one cohesive market. Similarly, US companies used to expect similarities across the ex-communist countries of central Europe, but there are marked differences in responses to advertising across these countries.⁸⁶

Whereas European and Japanese managers think marketing and advertising should be adapted to local customs, North American managers believe in the strategic advantages of standardization. A 2001 survey among 680 US corporate executives showed that the majority of firms do not seem to incorporate cultural factors when deciding whether to standardize their brand names or adapt them to the environmental conditions of the host countries.⁸⁷ A 2006 survey among US and Japanese managers about standardization across

Europe showed that managers of US firms were more inclined to standardize advertising and to create a uniform brand image and appeal than Japanese managers. Japanese headquarters allowed a greater degree of localization than US headquarters.⁸⁸

In Europe there are differences between northern and southern countries. For example, German and British brand managers claim more frequently to be aiming at a standardization of their brand's marketing mix than French and Italian managers.⁸⁹ In the United Kingdom, 43% of executives working for international advertising agencies had positive attitudes toward standardized advertising.⁹⁰

The degree of export dependence of a firm influences the degree of standardization adaptation. Firms with high export dependence tend to have a more aggressive product adaptation strategy than firms with lower export dependence, where export delivers only some additional revenue. So, companies with a high dependence on sales in foreign markets know that adaptation leads to better performance. The costs to adapt products are recouped through improved export performance.⁹¹ This may explain why so many US firms standardize. Exporting has been less critical for them because of a large domestic market. When companies export, they tend to select easy-to-satisfy foreign markets where significant product adaptation is not necessary, so export dependence may be an important antecedent of product adaptation strategy. So-called born-global firms, those which at their founding intend to sell a substantial share of their products in international markets, appear to focus on their foreign customers and thus adapt.⁹²

The Business Environment

The business environment includes differences in infrastructure, level of competition, laws and regulations, and media infrastructure. An often-heard argument for standardization is the existence of international media. The availability and growing penetration of international media have led to high expectations, but increased availability of cross-border television has not resulted in more cross-border campaigns. Different cultures demand different television programming, reflecting national tastes, so the scope of pan-regional television programming is limited to a few types of programs, such as sports.⁹³ Even these programs tend to be in the local language. There are very few truly international consumer magazines: magazines such as *Elle* and *Cosmopolitan*, which used to be “exported” to other countries in the original format, have turned to local editions in most countries where they are sold. Also, the various types and usages of digital media are not universal, as we will see in Chapter 8.

The Consumer

Consumer factors tend to include customer similarity (lifestyles, preferences, tastes) and differences (cultural values, climate, language), along with spending power.

In global marketing theory scholarly authors tend to refer to a so-called *global consumer culture* (GCC), with the term culture referring to a “family of theoretical perspectives that address the dynamic relationships between consumer actions, the marketplace and cultural meanings.”⁹⁴ This consumer culture concept is quite complex, as it encompasses not only symbols and values but also consumption domains like lifestyle, entertainment and food. It is a theoretical concept and difficult to measure. Steenkamp⁹⁵ questions the universality of the global signifiers:

If a person says that he or she prefers to have a lifestyle that they think is similar to the lifestyle of consumers in many countries around the world rather than the traditional lifestyle in their own country, what kind of lifestyle do they have in mind?

The core question is how much insight consumers actually have about the lifestyles of consumers in other countries, within different parts of their own country, or even in ethnic communities that might make them want to adopt such lifestyles.

The principal drivers of GCC are said to be the global media and multinational marketing activities that position brands by using symbols that are supposed to appeal to groups of similar people worldwide. Often-used examples are age groups like the young and millennials. Age groups like the millennials also tend to be viewed as global cosmopolitans and a prime target for luxury goods, often considered culture-free goods. Yet a recent study among millennials from Germany, Poland, Portugal, Saudi Arabia and Turkey⁹⁶ found that millennials were not a monolithic cohort of global consumers. For example, perceptions of and motives to own luxury goods varied from functional to hedonic to snob effect and social status.

About the global media, in particular the Internet, it is said that billions of consumers can instantaneously transmit and receive information from the other side of the world. The possibility to do so is indeed enormous, but there is plenty of research which demonstrates that people do not do so. Ghemawat⁹⁷ calls it “globaloney,” stating “International interactions are dampened by distance along cultural, administrative, geographic, and, often economic dimensions.”

Although traditional thinking in international marketing has primarily focused on the similarities of market segments, increasingly it is being recognized that the critical factor is differences. That is what this book is about. The more marketers understand the differences in consumer behavior across countries, the more effective international marketing and advertising will be.⁹⁸ As Japanese management consultant Kenichie Ohmae already stated in 1989:

When it comes to product strategy, managing in a borderless world doesn’t mean managing by averages. The lure of a universal product is a false allure ... When it comes to questions of taste and, especially, aesthetic preference, consumers do not like averages.⁹⁹

Effect on Performance

The most important question to ask with respect to standardization is whether it is effective and improves company performance, but few studies have tested the effect on performance. Statements on effectiveness tend to be based on beliefs that a uniform brand image can make strong brands. Zou and Cavusgil¹⁰⁰ state that the lack of empirical evidence for the effect of standardization on performance is a serious issue, because if the effect cannot be substantiated, much of the knowledge in global marketing could be called into question.

Increasingly, studies have included performance, and the results vary. The relationship of standardization and performance varies across target markets.¹⁰¹ A study among US and Japanese multinationals in five countries in Europe reported that standardized advertising is effective across the European Union.¹⁰² Several other studies have found that adaptation leads to better performance. One study discovered that managers were under-adapting their offerings in foreign markets and that more adaptation might make them more profitable.¹⁰³ Brand repositioning, or the adaptation of the total representation of a domestic brand to one that is relevant to the minds of its foreign customers, contributes to greater performance.¹⁰⁴ A three-nation study of the international marketing practices of manufacturing firms in the United States, Japan, and South Korea found that product adaptation strategy is positively associated with export performance in all three countries.¹⁰⁵

Those who find a positive relationship between adaptation and performance note that scholars underscore the need to understand the factors that transform market-oriented behavior into superior performance. Superior performance means marketing competence in handling product adaptation, the marketing planning process, control of marketing activities, and insight into how to differentiate the product, as well as conducting highly effective pricing, advertising, and distribution strategies.¹⁰⁶ These positive relationships between performance and adaptation seem to indicate that standardization is not good business practice.

The well-known advertising research company Millward Brown has studied the effects of advertising for a long time and concluded that few advertisements can transcend cultural boundaries. While using the same advertising campaign across borders may offer cost efficiencies, the savings may not outweigh the benefit of local engagement.¹⁰⁷

Although there is much evidence of the ineffectiveness of standardized global marketing and advertising, academics keep offering theoretical arguments for standardization, supported by theories like *global consumer culture theory* and *global consumer culture positioning* (GCCT and GCCP). The different meanings of the word culture in this respect will be discussed in Chapters 3 and 4.

Summary

The theoretical foundations of global marketing theory center on the perception of consumer homogeneity and/or the movement toward homogeneity as a result of various globalization forces. There is little empirical evidence to support this. On the contrary, evidence shows that the future doesn't hold one global culture consisting of consumers with similar values. Several aspects of global marketing theory are paradoxical.

The global–local paradigm is a paradox: one cannot think globally—every human being thinks according to their own culturally defined thinking pattern. One can act globally, and that is what global companies do. When they globalize, they produce and distribute globally, which demands many strategic decisions. An important decision is whether to standardize global operations or adapt to local requirements. The academic debate about this decision has been ongoing for the past fifty years, without clear-cut solutions. Studies of the relationship between adaptation and performance seem to show that adaptation leads to better results. Studies described in this chapter have focused on various marketing mix instruments. The following chapters of this book will focus on branding and advertising.

In global marketing communications, companies use the systems of one culture to develop advertising for other cultures. There is no adequate global language for reaching global consumers. Some find pseudo-similarities and think they are real and universal. Many companies use one culture's motives to try to move people from other cultures. What is needed is a new language to understand what moves people of different cultures, and systems that understand the differences and find the real similarities, which are few and far between. As a start, marketers have to learn to see the value paradoxes in the global marketplace and understand them. This chapter has presented only a few examples. The rest of the book will focus on the value paradoxes used in marketing, branding, and communications, and tools will be presented for understanding the paradoxes for developing effective global brands and advertising.

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