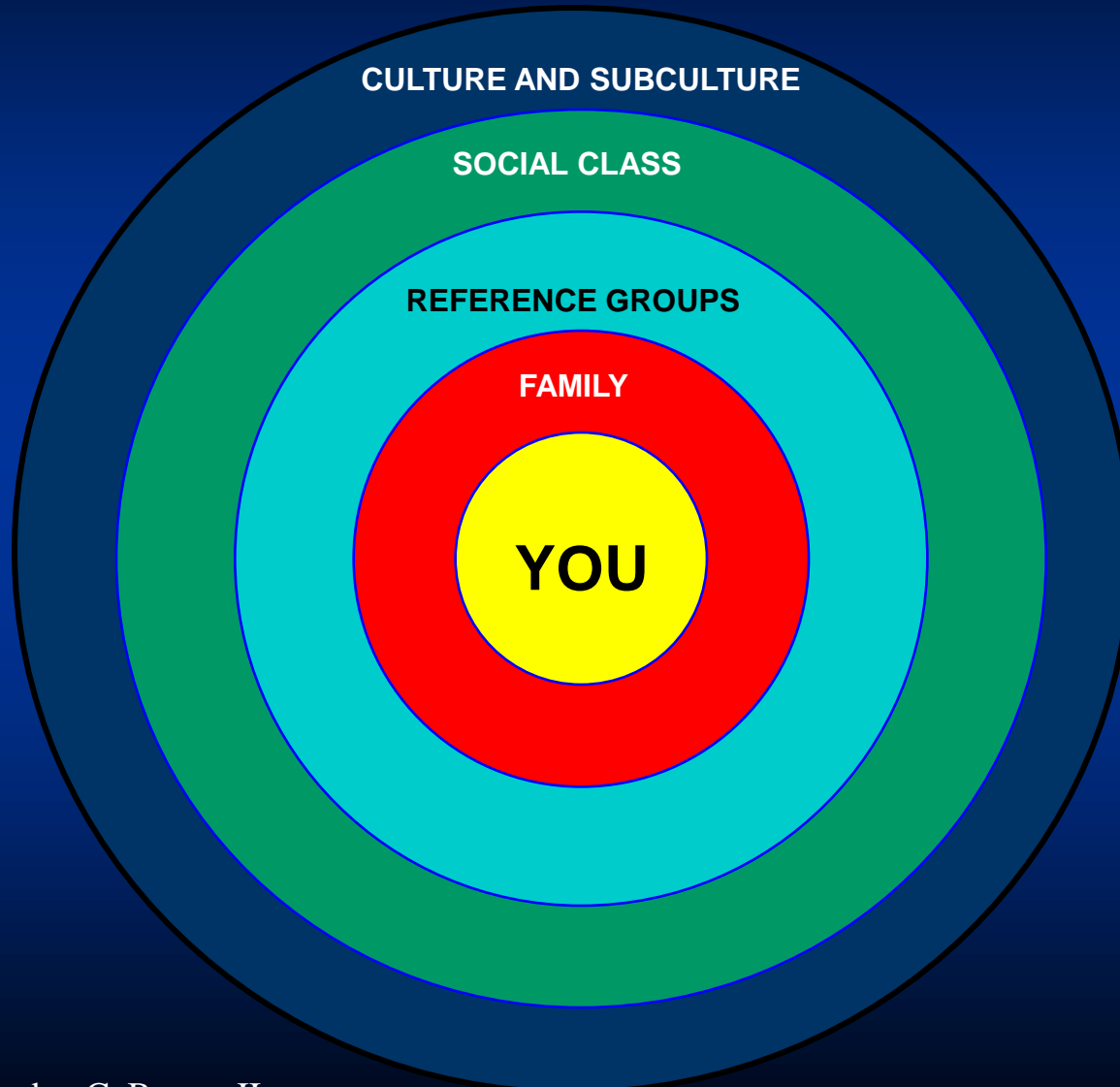


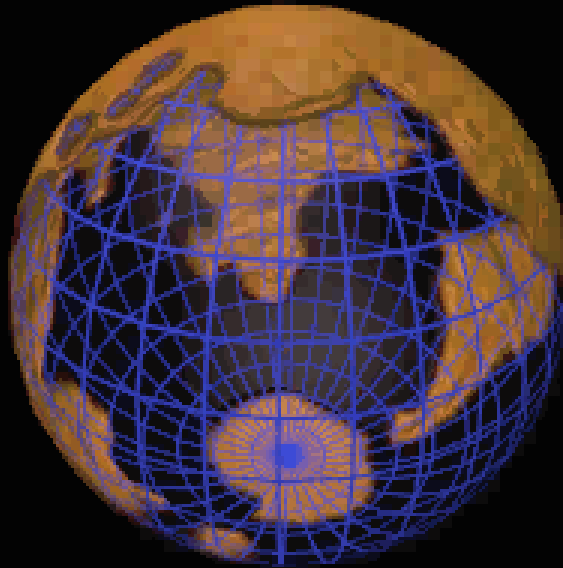
External Influences on Consumer Behavior



THE PYRAMID OF BEHAVIOR



CULTURE



What is culture?

- ‡ Definition: *Culture refers to the complex group of symbols created by society to shape behavior that is passed on from one generation to the next.*
- ‡ There's a difference between culture & society

Basic Characteristics of any Culture

‡ Culture is Learned (socialization)

→ Enculturation

→ Acculturation

‡ Culture is Inculcated

‡ Culture is a Social Phenomenon

‡ Culture is Gratifying

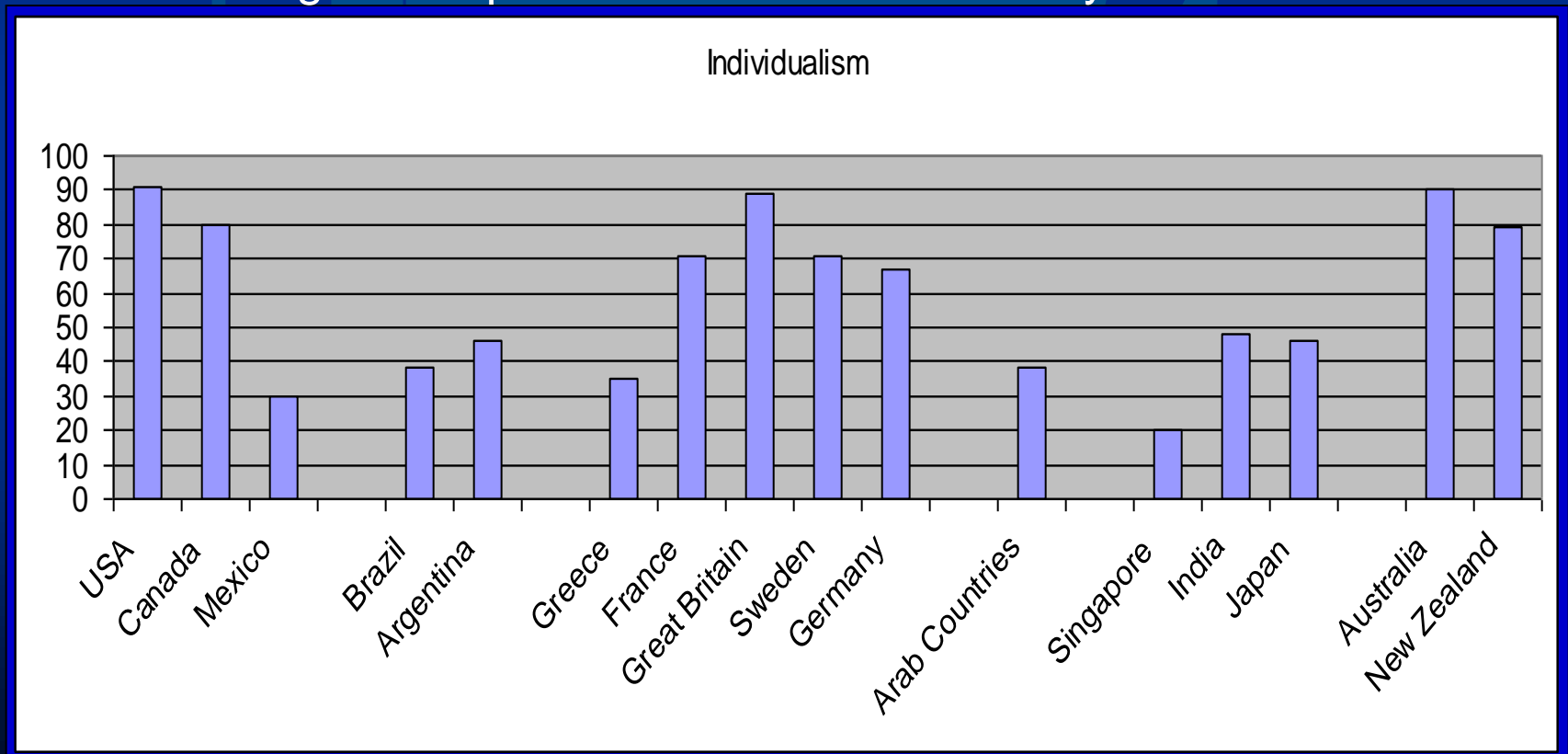
‡ Culture is Adaptive

Cultural Values

- ‡ Values are *beliefs that guide culturally appropriate behavior, are widely accepted, enduring, and not tied to specific objects.*
- ‡ Core values are those which are very strong in the culture and greatly affect the behavior of people.
- ‡ Dimensions of Core Values

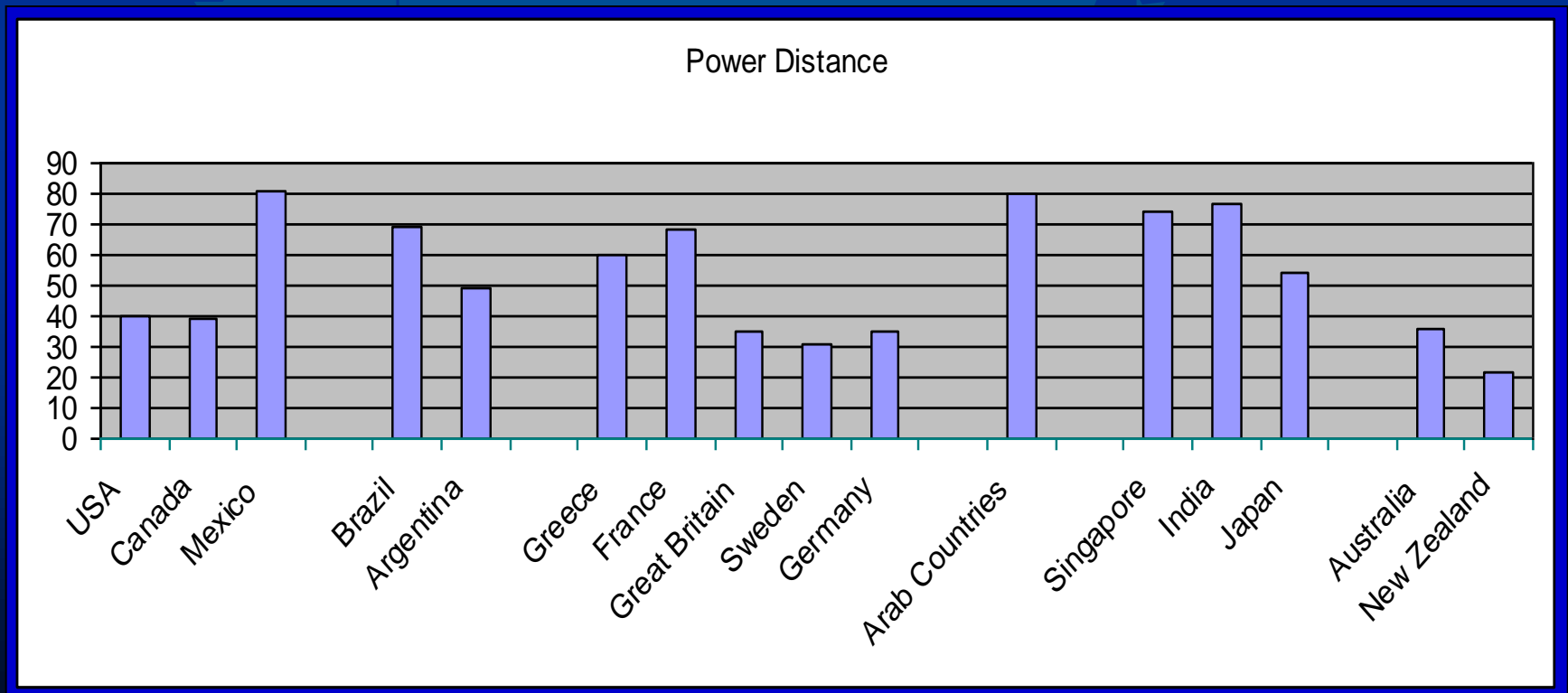
Dimensions of Cultural Values

Individualism focuses on the degree the society reinforces individual or collective achievement and interpersonal relationships. A High Individualism ranking indicates that individuality and individual rights are paramount within the society.



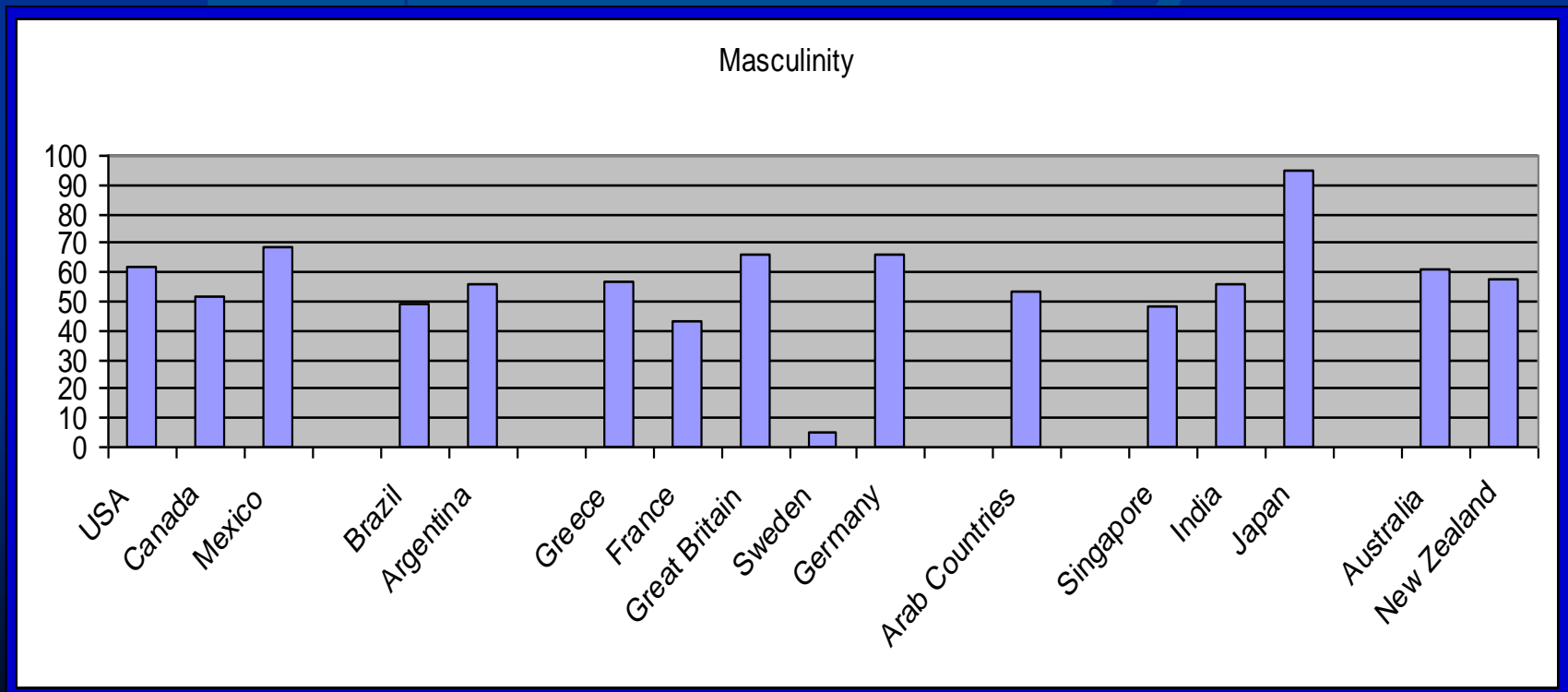
Dimensions of Cultural Values

Power distance focuses on the degree of equality, or inequality, between people in the country's society. A High Power Distance ranking indicates that inequalities of power and wealth have been allowed to grow within the society and are accepted by the people.



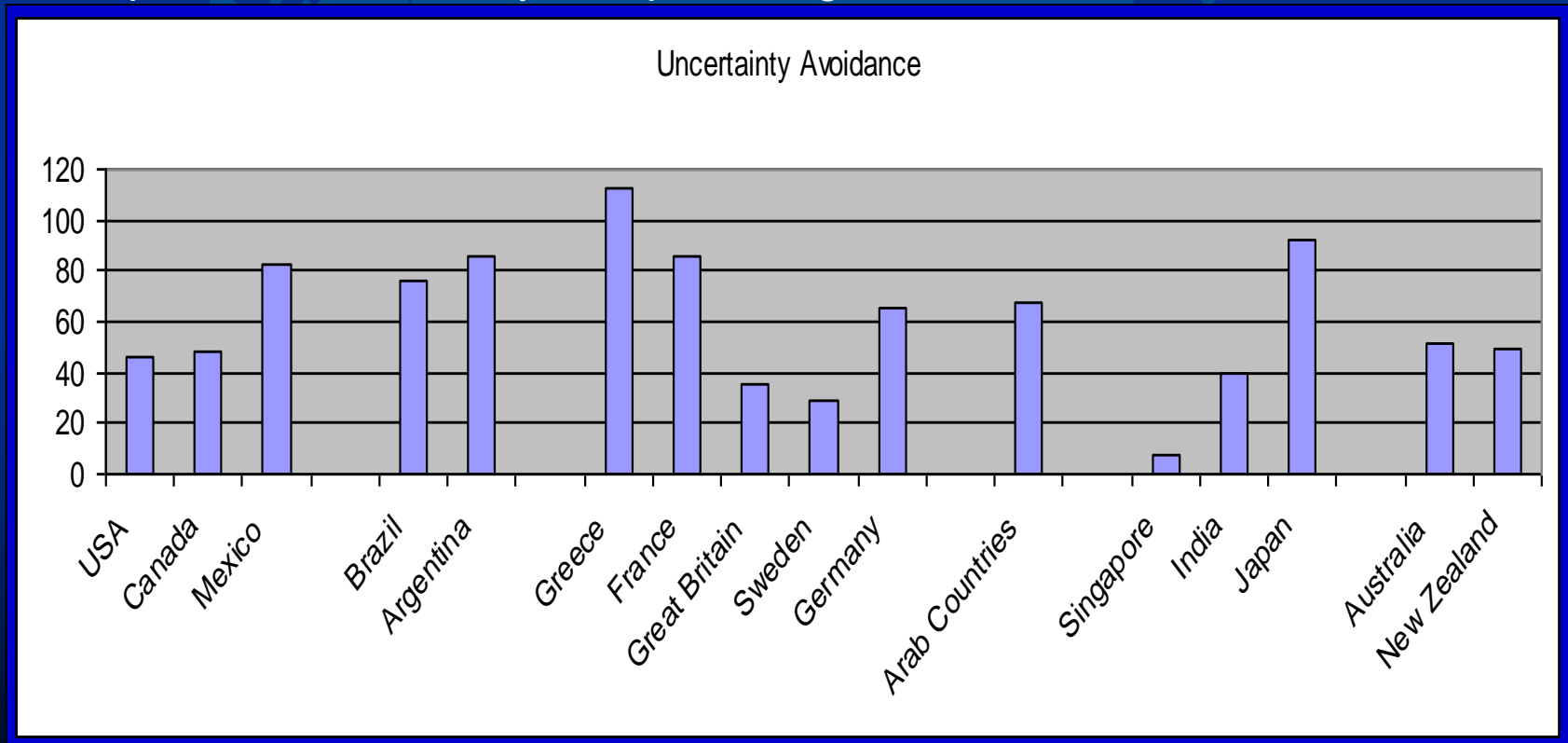
Dimensions of Cultural Values

Masculinity focuses on the degree the society reinforces, or does not reinforce, the traditional role model of male achievement, control, and power. A High Masculinity ranking indicates the country experiences a high degree of gender differentiation.



Dimensions of Cultural Values

Uncertainty Avoidance focuses on the level of ambiguity tolerated in the society. High Uncertainty Avoidance creates a rule-oriented society that institutes laws and controls to reduce the amount of uncertainty. Low Uncertainty Avoidance indicates the country has more tolerance for a variety of opinions, more readily accepts change, and takes more risks.



Traditional Core Values

- 👤 Cleanliness
- 👤 Openness to change, take risks
- 👤 Problem solving
- 👤 Active, achievement oriented
- 👤 Materialistic
- 👤 Humor Loving
- 👤 Freedom loving
- 👤 Others (e.g., individualism, competitive)

Changing Core Values

- ‡ Attitudes about Sex
- ‡ Sensitivity towards nature
- ‡ Importance of leisure
- ‡ Emphasis on youthfulness
- ‡ Immediate gratification ⇒ impatience



Cross-Cultural Marketing

Globalization

- 👤 One standardized marketing mix for the entire world.
- 👤 There is a trend towards this.
- 👤 It is based upon the similarities in needs among humans.
- 👤 It is thought that this approach results in substantial cost savings.

Localization

- 👤 Marketing mixes customized for each culture in which the organization does business.
- 👤 Built on a sensitivity to cultural differences.
- 👤 It isn't a matter of if marketing should be different in each culture but how different it should be.
- 👤 Marketing strategy may be more expensive but it's also likely to be more successful.

Key Considerations in Developing Cross-Cultural Marketing Strategy

- ‡ Is the geographic area homogeneous with respect to culture?
 - Do the cultural boundaries coincide with the political boundaries?
 - Are there distinct subcultures?
 - Are any of the subcultures large enough and distinct enough in their needs that they deserve a separate marketing mix?

Key Considerations in Developing Cross-Cultural Marketing Strategy

- ‡ What needs can the product satisfy?
 - Does use of the product go against cultural values?
 - Do the people want the latest fashion/technology?
 - Will the product be used or wanted as it is in the United States?

Key Considerations in Developing Cross-Cultural Marketing Strategy

- † Can enough of those wanting the product afford to buy it?
 - How many want it?
 - How many of them can afford it?
 - What kind of credit is available?
 - Can trade-ins or subsidies reduce the price?

Key Considerations in Developing Cross-Cultural Marketing Strategy

- ‡ What forms of distribution are available?
 - Where/how would consumers like to get the product?
 - Is it possible/efficient to get the products there?

Key Considerations in Developing Cross-Cultural Marketing Strategy

👤 What is the legal environment?

➔ Is it legal to sell the product?

➔ What laws affect promotion?

- ◆ Can the product be promoted?
- ◆ Can American ads be used?
- ◆ Can English be used?

Key Considerations in Developing Cross-Cultural Marketing Strategy


- ‡ What are the major issues related to promotion?
 - How should consumers learn about the product?
 - Is ethnocentrism an issue?
 - ◆ It's the appropriateness of purchasing products from one's own country vs. from other countries.
 - What appeals and verbal/nonverbal symbols are appropriate?

Overcoming Language Problems

- 👤 Use back-translation rather than literal translations.
- 👤 Take care in using the same brand name around the world.
- 👤 Consider developing a world-wide brand name.

To standardize or not standardize ... how do you decide?

- ‡ Most important thing is to perform an initial analysis of each culture before deciding whether to standardize or not.
- ‡ Estimate which approach will produce the better ROI.
- ‡ The more two cultures are alike the more likely much of the marketing mix can be standardized.
- ‡ Some components might be standardized and others may not.
- ‡ The firm may decide not to enter a culture.



Subcultural Influences

Subcultures

- ✿ Subcultures are smaller groups that exist within a larger culture.
- ✿ The values and behaviors of subculture members may be influenced a lot or just a little.
- ✿ To justify a separate marketing mix being developed for them, a subculture's members must share behaviors significantly different from the main culture & be relatively large in size.
- ✿ So, again, the marketer must decide whether to standardize or customize.

Major Types of Subcultures

- 👤 Nationality Groups
- 👤 Religious groups
- 👤 Geographic groups
- 👤 Racial groups

Summary & Conclusions

- ‡ Culture has a great impact on consumer behavior.
- ‡ Understanding the core values of a culture can provide some insight into what types of products could be desirable and which products would not.
- ‡ In international business, we can choose between globalization and localization.
- ‡ Somewhat the same decision must be made with respect to subcultures: to treat them the same or differently.