Globalization & Cultural Issues
for Public Relations

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Appreciation: Parts of this slides originally developed by Don E. Schultz of Northwestern University and Shekar Swamy of BBDO India.
I. Public Relations
II. Globalization
III. Ethnic Culture
IV. Marketing Communication
I. Public Relations

This slides goes along with the PR text (ROPE) reading
Let’s start with a small joke!
Recently, a survey was conducted by the U.N. worldwide. The only question asked was:

"Would you please give your most honest opinion about solutions to the food shortage in the rest of the world?"
Recently, a survey was conducted by the U.N. worldwide. The only question asked was:

"Would you please give your most honest opinion about solutions to the food shortage in the rest of the world?"

The survey was a HUGE failure.
In Africa they did not know what "food" meant.
In Africa they did not know what "food" meant.

In Western Europe they did not know what "shortage" meant.
In Africa they did not know what "food" meant.
In Western Europe they did not know what "shortage" meant.
In Eastern Europe they did not know what "opinion" meant.
- In Africa they did not know what "food" meant.
- In Western Europe they did not know what "shortage" meant.
- In Eastern Europe they did not know what "opinion" meant.
- In the Middle East they did not know what "solution" meant.
In South America they did not know what "please" meant.
In South America they did not know what "please" meant.

In Asia they did not know what "honest" meant.
In South America they did not know what "please" meant.

In Asia they did not know what "honest" meant.

In Japan they did not know what "you and your" meant.
- In South America they did not know what "please" meant.
- In Asia they did not know what "honest" meant.
- In Japan they did not know what "you and your" meant.
- In Singapore they did not know what "give" meant.
And in the USA they did not know what "the rest of the world" meant!
Topics

- Globalization
- Ethnic Culture
- Marketing Communications
- Public Relations
Discussion

- What does this joke mean?
- How they know you— China?
- And what do you think of others?
Discussion

- What does this joke meant to you?
- Why are we different each other?
- Then, how we can communicate meaning or share the value?
Who’s the Instructor?

- Ph.D. in marketing communications at Hanyang University in Seoul, Korea
- Professor – Dongeui University, Busan, Korea
- Korea Air Force – Communication Officer (1st. Lieutenant)
- LG Electronics Co. – Overseas Ad. Manager
- Tupperware Korea – MKTG Manager
- Rexall Korea – President & CEO
- Chair person – Korea IMC Academy
- President – Busan Ad & PR Academy
- Visiting Professor – Northwestern (US), Beijing (China) University
And who you are.

- Please let us know who you are and what you want to be after graduation with 2 slides in 1 minute presentation
Syllabus

- Course Objectives
- Student Learning Objectives
- Texts & Readings
- Assignments
- Grades
- Exams
- Class Calendar
- Miscellaneous: TA, RA, Grouping
Texts

Readings

- I. Kim, ”What is left in marketing where the market has left?” (2004), Journal of Korea Management
- I. Kim, “PR 2.0: From Relationship Management to Hidden Order Discovery” (2008), Busan International Advertising Conference
Definition of PR

Form of communication management that seeks to make use of publicity and other nonpaid forms of promotion and information to influence the feelings, opinions, or beliefs about the company, its products or services, or about the value of the product or service or the activities of the organization to buyers, prospects, or other stakeholders.

—www.ama.org—
PR vs. propaganda

Self-determination

propaganda

persuasion

Information openness

manipulation

impel
Management & Communication

Management
- Human Resource
- Finance & Accounting
- Production
- Sales & Marketing

Marketing
- Product
- Price
- Place
- Promotion

Marketing Communications
- Advertising
- Public Relation
- Sales Promotion
- Direct Marketing
- Online Media
- Personal Selling
# Marketing Mix

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# Message Change

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<td>Outside – In</td>
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<td><strong>Change</strong></td>
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<td><strong>Philosophy</strong></td>
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## Core Competency Change

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<th>Industrial Society</th>
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<td>Method</td>
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<td>Communication</td>
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<td>Object</td>
<td>Quality</td>
<td>Consensus</td>
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</table>
Unrelated Functional Structures

CEO

Marketing
Finance
Human Resources
Information Technology
Operations

Customers

Source: Adrian Payne
Key Goal of Management: Aligning Identity and Image

Management

IDENTITY

Internal View

IMAGE

External View

Execution

Brand Elements

Brand Attributes

Brand Communication
The Consensus Triangle

- Consistency
- Say
- BRAND INTEGRITY
- Confirm
- Do

Source: Duncan
Traditional PR

Organization

public

public

public

public

public

public
High Tech : High Touch

• High Tech—primary Information
  by Mass Media, Internet

• High Touch—Decisive Information
  by Word-of-Mouth, Personal Networking
1. **Relevance**

   - *How can organization be more relevant to customers and prospects (public)?*

Source: Schultz
1. Relevance

2. Receptivity

- How can organization reach customers where they will be most receptive to our communication efforts
1. Relevance
2. Receptivity
3. Response
   - How can organization make it easy for customers and prospects to respond to our offers?
   - How can organization respond quickly to customer’s changing needs?
1. Relevance
2. Receptivity
3. Response
4. Recognition

- How can organization make sure customers recognize and select our brand?
- How can organization recognize a returning customer at the point of contact?
1. Relevance
2. Receptivity
3. Response
4. Recognition
5. Relationship

- How can organization use its knowledge of the customer to build a strong and on-going relationship with them?
Integration of Planning Processes

Source: Adrian Payne
Internal Marketing

Consensus & Sharing

주택

환경

문화관광

교통

복지건강

행정자치
II. GLOBALIZATION
What is globalization?

- Two views of the world:

  A world that is a collection of economic islands connected, if at all, by highly unreliable and expensive bridges or ferries.

  OR a world that is an integrated system where the fortunes of the various peoples inhabiting it are highly intertwined.
Globalization refers to growing economic interdependence among countries as reflected in increasing cross-border flows of three types of entities: goods and services, capital, and know-how.
What is globalization?

- Globalization is the *freer movement of goods, services, ideas and people around the world.*
What is globalization?

Two points to note:

- Globalization is about more than just business; it is about culture and people.
- Globalization is a process rather than a fact or structure.
Is globalization new?

- N O
Origin of Globalization
Origins

- In its recent developments, globalization can be traced back to 1200s, when Britain enjoyed a huge boom in commerce thanks to the era’s great technological innovation – passable roads.
- Passable roads created a peculiar problem
Origins (...contd.)

- It became easy to skip debts simply by moving from town to town.
- In 1283, Parliament took the radical step of trying to set common rules – the Statuta de Mercatoribus, or Statute of Merchants, was among the first attempts to set rules for burgeoning cross-border commerce.
The 1950s

- US per capita income was four times that of Germany and fifteen times that of Japan.
- Each country had their own strengths and needs.
- Imports and exports did not really threaten one another’s economy.
The 2000s

- There are the three traditional contenders – European Community, Japan and the US – and others emerging
- Per capita income is comparable.
- Industry leadership is found in all three countries.

Example – Autos and Consumer Electronics
# Top 100 industrial organizations

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<td>Japan</td>
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Myths of Globalization
Myths of globalization

Myth 1: That size triumphs all

- Proportion of output from big companies in the USA – around a third of GDP – has remained unchanged over the past three decades
- Newer technologies enable small companies to challenge big corporations with ease
- Size is no guarantee of success
Myths of globalization (...contd.)

Myth 2: The triumph of universal products

- There are umpteen examples of the need to localize products
  - Budweiser’s super strength lager in Japan
  - The local content of television all over the world
  - Localization of toys – in Japan even the Barbie doll has smaller breasts!
  - Marketing continues to be about customer segmentation and not about homogenization
Myths of globalization (…contd.)

Myth 3: Globalization is a zero sum game

- Economic integration is not a zero sum game
- On the contrary, globalization helps the whole pie get bigger
  - The more people specialize in what they do best, the more productivity is improved
  - The bigger the market, the more refined the division of labor can become
Myths of globalization (...contd.)

Myth 4: The disappearance of geography

- Most of life continues to be local
- Even in a global economy, business clusters are important
  - Silicon valley, Hollywood, Toy town in southern California, Furniture makers in South Carolina
- Certain products simply cannot be made in centralized pockets, and need to be close to their areas of consumption
  - Example: light bulbs, polyurethane foam
Conclusion

“If there’s a lesson as we move into the 21st century, it’s that no economy is an island into itself. If nations are to prosper together, they’re going to have to pull together.”
III. ETHNIC CULTURE
Have you heard of, seen or used a product called the SONY Walkman?
The SONY Walkman

- The SONY Walkman was created to enable you to listen to Music without being disturbed by others in the same area.

Correct or incorrect?
The SONY Walkman (...contd.)

- The SONY Walkman was actually created to enable you to listen to Music without disturbing others in the same area!

There are two perspectives about life:

“I” vs. “Them”

Both are valid!
A small exercise
What goes with this?
What goes with this? A or
What goes with this? A or B
Categories vs. Relationships

- Study conducted among American and Chinese children, as well as among students from America and China/Taiwan.
Categories vs. Relationships (...contd.)

- Participants were given various sets of three words e.g., panda, monkey, banana.

They were asked to indicate which two were most closely related.
Categories vs. Relationships (...contd.)

- Americans preferred to group objects because they belonged to the same category.

The cow and chicken are both animals. Panda and monkey both fit into the animal category as well.
Categories vs. Relationships (...contd.)

- Chinese preferred to group objects on the basis of relationships.

The cow eats the grass. Monkeys eat bananas.
Discussion

- How you can explain this?
- Is there any other cases?
Let us look at some more examples
Beating Spouses in Italy
A true story
A true story

- In 1996, Anna Mannino, a housewife, found herself in the Prime Court in Italy
- Her husband stood accused of beating her so hard that she had to be hospitalized
- The evidence was pretty clear cut. The husband did not deny that he had beaten his wife

What should be the verdict of the court?
A true story (…contd.)

- The Italian judge did find compelling evidence.
- Yet, the Judge condoned the husband and let him off.
- The verdict suggested that husbands are allowed to beat their spouses...
  ... if they are in a passionate mood...
  ... and as long as it is done infrequently.
The victim Anna Mannino was pleased with the final verdict since she found her partner to be a “model husband”

She had never accused him. The hospital had!

How does one explain this?
A true story (…contd.)

- The explanation lies in the cultural moorings of the society
- Cultures are either “affective” or “neutral”
- The Italian culture is a high “affective” culture
In highly affective cultures, people show their feelings immediately and transparently by smiling, grimacing, scowling, gesturing... and yes, even occasionally beating their spouses.

Such expressive behavior is not only accepted, it is also expected.
Discussion

- How do you can understand this?
- Is there any other cases?
A dilemma
A dilemma

A close friend, while driving, has hit a pedestrian who is badly hurt. You are the only witness.

If you testify that he was not speeding, your friend will avoid serious consequences.

To what extent does your friend have the right to expect you to lie under oath on his behalf – no right at all, some right, or every right?
The social scientist

- There was a distinguished and well-placed social scientist (a Scottish American Presbyterian) whose son was also a social scientist.
- The son was struggling to sustain his career since jobs were scarce.
The father would proudly state that although it would have been easy for him to do so, he had never intervened to help his son.

How justifiable was this stance?
On being rational

How many of us believe that we are rational in our approach to issues, and to life in general?
Assumptions on being rational

- People are rational in trying to maximize their income, but irrational in spending it.
- Producers are supposed to be rational; consumers irrational.
- Managers are supposed to be rational; subordinates irrational.
Assumptions on being rational (...contd.)

- There is no such thing as universal rationality
- Being rational or irrational depends upon a person’s value system, which is part of the culture that person has acquired
Values vary

What people value around the world varies enormously:

- Contentment next to maximizing income
- Togetherness next to individuality
- Cooperation next to competition
- Modesty next to assertiveness
- Saving next to spending
- Chastity next to sexual fulfilment
Defining culture

“The values, attitudes, beliefs, artifacts and other meaningful symbols represented in the pattern of life adopted by people that help them interpret, evaluate and communicate as members of a society.”

C. RICE
“Culture is best seen not as complexes of concrete behavior patterns – customs, usages, traditions, habit clusters – but as a set of control mechanisms – plans, recipes, rules, instructions – for the governing of behavior.”

C. GEERTZ
“Culture is the collective mental programming of the people in an environment. Culture is not a characteristic of individuals; it encompasses a number of people who are conditioned by the same education and life experience.”

G. HOFSTEDE
Defining culture (...contd.)

- The essence of Culture is **not** what is visible on the surface.

  It is the **shared ways** groups of people understand and interpret the world.
Defining culture (...contd.)

- Culture is the way a group of people solves problems and reconciles dilemmas
Characteristics of culture

- Culture is learned, not inherited
- Culture derives from one’s social environment, not from one’s genes
- Culture is different from personality (which is an individual’s unique set of personal programs)
- Culture is what the individual members of a group have in common
Culture governs behavior

“Our ideas, our values, our acts, and our emotions are cultural products. We are individuals under the guidance of cultural patterns, historically created systems of meaning.”

MARIEKE De MOOIJ
Culture determines perception

- We expect and see things from our own cultural frame of mind
Culture is relative

- It is important to bear in mind that we make assessments from the viewpoint of our own culture.
Culture is relative (...contd.)

Example: The French

- The Germans think the French are resourceful
- The British think the French are humorless and short-tempered
- The Dutch think the French are cold and distant
- The Finns think the French are romantic, yet superficial
- The Americans think the French are pleasant and intelligent, yet pretentious
- The Asians think the French are indiscreet
Culture is relative (...contd.)

Example: The French

- The French themselves think they are intelligent, charming, cultured and sexy ... indeed, the greatest group of people in the world
What “global culture” means

- “Global culture” refers to the expressions of culture
  - Symbols (like Nike and Coca Cola)
  - Heroes (like Michael Jordan)
This thing called culture

Situation 1

- Your boss asks you to help him/her paint his/her house. Your boss is not really a great friend; nor is the boss someone you hate. Your relationship is cordial, but not special.

Would you help paint the house or would you ignore the request?
This thing called culture (…contd.)

Situation 2

- Respect a person gets is highly dependent on his/her family background.

How many of you agree with this statement?
Dimensions of culture

- Power Distance
- Individualism vs. Collectivism
- Masculinity vs. Femininity
- Uncertainty avoidance
- Long-term orientation

Source book: Cultures and Organizations—Software of the mind, Geert Hofstede (author from The Netherlands)
Dimensions of culture

Geert Hofstede’s study about the values of people:

- Conducted in 1989
- Large body of survey data of people in over 50 countries
- All respondents worked for subsidiaries of IBM – representing almost perfectly matched samples except for nationality
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

1) Power Distance

- The extent to which less powerful members of a society accept and expect that power is distributed unequally
- Shows up in the intensity of hierarchy or the idea of “rightful place”, degree of dependency
Dimensions of culture

Power Distance – Characteristics

- Inequalities among people are both accepted and desired
- Less powerful should depend on the more powerful
- Parents teach children obedience
- Respect for elders
- Hierarchy in organizations reflects existential inequality
- Privileges for the powerful
- Whoever holds power is right and good
- Large income differentials
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<td>Norway/Sweden</td>
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</table>
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

1) Power Distance – Implications for Communications
   - Use of status symbols in communications
   - Elder advising the younger or vice versa
   - Depicting respect for old age
   - Generally, portrayal of relationships
   - Use of authority figures in communication
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

2) Individualism/Collectivism

- People looking after themselves and their immediate family only, versus people belonging to in–groups that look after them in exchange for loyalty
- Shows up in “I” vs “We”, identity in the person vs in the social group, priority to the task vs priority to the relationship
Dimensions of culture

Individualist – Characteristics

- Identity is based on the individual
- Task prevails over relationship
- **Low context communication**
- Education increases self–respect (as opposed to status)
- Individual interests prevail over collective interests
- Everyone has a right to privacy
- Individual freedom prevails over equality
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</table>
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

2) Individualism/Collectivism – Implications for Communications

- Individualistic cultures: Direct and explicit communication, emphasis on data and facts, product pluses, portrayal of individuals
- Collectivist cultures: Use of symbols and entertainment, indirect approach, portrayal of groups
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

3) Masculinity/Femininity

- The dominant values in a masculine society are achievement and success; the dominant values in a feminine society are caring for others and quality of life.

- Masculine societies: Status to show success, important to be a “winner”, large role differentiation.

- Feminine societies: People and service oriented, modesty is a virtue, small role differentiation.
Dimensions of culture

Masculinity – Characteristics

- Dominant values are material success and progress (versus caring for others and preservation)
- Money and things are important (versus relationships)
- Men are supposed to be assertive, tough and ambitious and women tender and relationship-oriented (versus both genders being caring)
- Sympathy for the strong (versus the weak)
- Performance society ideal (versus welfare society)
## Masculinity Index (MAS)

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Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

3) Masculinity/Femininity – Implications for Communications

- Masculine cultures: Portrayal of winning, hyperbole, persuasiveness, comparative communications, aggressive tone of voice, status, “getting the most out of life”

- Feminine cultures: Portrayal of caring, softness, use of celebrities for association and not endorsement, understatement
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

4) Uncertainty Avoidance

- The extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations
- Strong uncertainty avoidance cultures: Exemplified by rules and structure, high belief in experts, more formal communication
- Weak uncertainty avoidance cultures: Feel there should be as few rules as possible, believe more in generalists and common sense
Dimensions of culture

Uncertainty Avoidance – Characteristics

- Uncertainty felt in life must be fought (versus accepting each day as it comes)
- High stress; subjective feeling of anxiety
- Tight rules for children
- Structured situations in most aspects of life
- Precision and punctuality come naturally
- Belief in experts and specialization
- Many and precise laws and rules
## Uncertainty Avoidance Index (UAI)

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Geert Hofstede’s five dimensions (..contd.)

4) Uncertainty Avoidance – Implications for Communications

- Strong uncertainty avoidance: Need for explanations, long copy, testimonials by experts, high regard for technology
- Offer of evidence in communication
5) Long–Term Orientation

- Extent to which a society exhibits a pragmatic future-oriented perspective rather than a conventional historic or short-term point of view
- Long term: Thrift, perseverance towards slow results, willingness to subordinate oneself for a purpose
- Short term: “Keep up with the Joneses”, quick results expected, desire for “closure”
Dimensions of culture

Geert Hofstede’s five dimensions (..contd.)

5) Long Term Orientation – Implications for Communications

- Reflected in the sense of urgency, immediate closure versus “building trust instead of direct selling”
- Showing respect for tradition
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<th>Other Extreme</th>
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<td>Virtue</td>
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Basis for Cultural differences

Trompenaars’s approach
- Relationships with people
- Universalism vs Particularism
- Individualism vs communitarianism
- Neutral vs Emotional
- Specific vs diffuse
- Achievement vs ascription
- Attitudes to time
- Attitudes to the environment

Source: Riding the waves of culture, Fons Trompenaars & Charles Hampden-Turner
Basis for Cultural differences (...contd.)

Universalism vs. Particularism

- Degree to which people live by “rules”, or are guided by particular obligations to or relationships with people
Basis for Cultural differences (...contd.)

Universalism vs. Particularism

- Universalism
  - Tends to be abstract
  - Adherence to standards which are universally agreed to

- Particularism
  - Focus on the exceptional nature of present circumstances or relationship, no matter what the rules say
Holism vs. Analysis

- Westerners have an analytic view focusing on salient objects and their attributes.
- Easterners have a holistic view focusing on continuities in substances and relationships in the environment.
Holism vs. Analysis (...contd.)

- Impact on the world with the Western way of thinking:
  - Homes that can be assembled like a jigsaw puzzle.
  - The assembly line, with ‘atomised parts’.
  - The world became modular – in manufacturing, retail and other services.
  - Even time became modular (Eg. Frederick Winslow Taylor and his famous time and motion studies).
Holism vs. Analysis (...contd.)

- Impact on the world with the Eastern way of thinking:
  - Toyota’s just-in-time manufacturing, which holistically viewed the entire process, including the activities at the vendors.
Wide angle vs. primary focus

- An experiment:

American and Japanese students were shown underwater video clips. Each clip had one or more “focal” fish, which were larger, brighter, faster moving.

Each clip also had other elements – slower moving fish, plants, rocks, bubbles etc. Participants were asked what they saw.
Wide angle vs. primary focus (...contd.)

- Americans and Japanese made about equal reference to the focal fish, and to movement involving the active animals.
- However, the Japanese made 60% more references to background elements like rocks, bubbles, plants etc.

The Japanese also made twice as many references to relationships involving inert, background objects.
Wide angle vs. primary focus (...contd.)

- Japanese description: “It looked like a pond.”

- American description: “There was a big fish, maybe a trout, moving off to the left.”
Wide angle vs. primary focus (...contd.)

- Continuing the experiment:

  Participants were shown pictures, half of which they had seen before, and half with backgrounds changed.
Fish with original background  

Fish with novel background
Wide angle vs. primary focus (...contd.)

- Continuing the experiment:

  The Japanese ability to recognize the objects was substantially better with the original background, than when the background was changed. The object and the background were “bound” together.

  For the Americans, it made no difference at all.
Organizing knowledge
Categories vs. Relationships

- The natural way of organizing the world for Westerners is to do so in terms of categories and the rules that define them.
- Given Easterners' convictions about the potential relevance of every fact to every other fact, they tend to organize the world more in terms of perceived relationships.
Categories vs. Relationships (...contd.)

- Experiment with Koreans and Americans.
Is this target object similar to
Group 1

Is this target object similar to Group 1?
Is this target object similar to Group 1 or Group 2?
Categories vs. Relationships (...contd.)

- 60% of Koreans thought the object was more similar to the group on the left. There is a family resemblance.

- 67% of Americans thought the object was more similar to the group on the right. They share the same rule of having “a straight (as opposed to curved) stem.”
Categories vs. Relationships (…contd.)

- Westerners perceptions of similarity between objects is influenced by the degree to which the objects can be categorized by applying a set of rules.
- Easterners perceptions of similarity is based more on the family resemblance among objects.
How we manage time?

- Attitudes to time
Question 1

- How do you value past, present, and future?
Past, Present & Future

past  present  future
## Figure 9.1 *Past, present and future*

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<td>Korea</td>
<td>Venezuela</td>
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Question-2

My past started ___ ago, and ended ___ ago
My present started ___ ago, and ended ___ from now
My future will start ___ from now, and end___ from now

years=7   Months=6    Weeks=5    Days=4
Hours=3   Minutes=2    Seconds=1
Figure 9.2 Long- versus short-termism: time horizon
How we relate to nature?

- Attitudes to the environment
- Controlling nature, or letting it take its course
Question-1

A) It is worthwhile trying to control important natural forces, like the weather

B) Nature should take its courses and we just have to accept it the way it comes and do the best we can
Question-2

A) What happens to me is my own doing

B) Sometimes I feel that I do not have enough control over the directions my life is taking
Figure 10.2 The captains of their fate

Percentage of respondents who believe what happens to them is their own doing.
Gender, Ethnicity and Diversity
Figure 15.9  **Past, present and future**

- Male
- Female
- Hispanic
- White/Caucasian
- Asian/Pacific Islander
- Black/African
Conclusion

Westerners and Easterners differ in fundamental assumptions

- About the nature of the world
- In the focus of attention
- In the skills necessary to perceive relationships and discern objects in a complex environment
Conclusion (...contd.)

Westerners and Easterners differ in fundamental assumptions
- In the character of causal attribution
- In the tendency to organize the world categorically or relationally
- In the inclination to use rules, including the rules of formal logic
IV. MARKETING COMMUNICATIONS
Management & Communication

Management
- Human Resource
- Finance & Accounting
- Production

Marketing
- Product
- Price
- Place
- Promotion

Marketing Communications
- Advertising
- Public Relation
- Sales Promotion
- Direct Marketing
- Online Media
- Personal Selling
Marketing communications works as a method of meaning transfer by bringing the product/brand and a representation of the culturally constituted world together within the framework of a particular communication.

i.e. Product/brand + Representation of culture
Marketing communications (...contd.)

- Marketing communications is impacted by two cultures:

  Culture of the consumer
  and
  Culture of the company
Marketing communications and culture

- Marketing communications reflects culture, or these wider systems of meaning.
- Marketing communications reflects the way people think, what moves them, how they relate to each other, how they live, eat, relax and enjoy themselves.
- All manifestations of culture are reflected in marketing communications.
Core problem in global communications

- Ensuring a cultural match between the message and the target group
Effective marketing communications

Communications to be effective must:

- Create meaningful associations
- Be relevant
- Be linked with people’s values
- Reflect the role of the product/brand in people’s lives
- Reflect people’s feelings and emotions
- Be instantaneously recognized and understood
Standardize or Adapt? The big question
Earlier wisdom

“The prospects for American car manufacturers in Europe would appear to be good if they will meet the conditions and requirements of these various countries but to attempt to do so on the lines on which business is done in America would make it a fruitless task.”

– Ford Motor official, 1907
Earlier wisdom (...contd.)

- Marketing & communications were very much local problems, best left to local management
- Marketing & communications must be responsive to consumer and market requirements, and therefore cannot be standardized
Current thinking

Exemplified by Prof. Theodore Levitt:

“The world is becoming a common marketplace in which people – no matter where they live – desire the same products and lifestyles. Global companies must forget the idiosyncratic differences between countries and cultures and instead concentrate on satisfying universal drives.”
Dilemma for global managers

Corporate efficiency

vs.

Market responsiveness
Corporate efficiency
Corporate efficiency

- Standardization will result in corporate efficiencies.
- Standardization means easier to create, manage and implement
- Standardization means lower cost
Benefits of standardization

- CONSISTENCY WITH CUSTOMERS

With media spillovers and customer travel across markets, common communication builds consistent brand images & reinforces brand identity

Example – Nescafe, the world’s favorite coffee
Benefits of standardization (...contd.)

- CUSTOMER PREFERENCES

  Universal customer preferences and behavior justifies standardized communication

  Example – Investment banks, IT companies
Benefits of standardization (...contd.)

- EXPLOITING GOOD IDEAS

Since good ideas are difficult to find, they should be transferred wholesale

Example – J & J Baby Care products
Benefits of standardization (…contd.)

- COST SAVINGS

Standardization will save production and media costs

Example – Coke, Nike
Benefits of standardization (…contd.)

- IMPROVED COORDINATION & CONTROL

Can efficiently coordinate activities, agency relationships and program implementation
Obstacles to standardization

- MARKET FACTORS

State of development of the market, per capita income etc may not permit standardization
Obstacles to standardization (…contd.)

- STAGE OF PRODUCT LIFE CYCLE

For example, new markets may be in an introductory stage while other markets may be mature
Obstacles to standardization (…contd.)

- REGULATORY ENVIRONMENT

For example, Malaysia does not permit use of overseas TVCs
Obstacles to standardization (…contd.)

- INFRASTRUCTURE CONSTRAINTS

For example, Media availability varies. Austria & Italy regulate advertising to children, Saudi Arabia has restrictions on showing women on TV, Vietnam has poor Media availability.
Obstacles to standardization (...contd.)

- ORGANIZATION ENVIRONMENT

In companies with substantial local autonomy, standardization is difficult
Obstacles to standardization (...contd.)

- CULTURAL FACTORS

This is by far the most serious of challenges. There are three broad cultural issues that global managers must beware of.
Cultural factors

1) Cultural norms are mostly learned from childhood. Managers use their own norms as a basis for comparison in dealing with other cultures causing errors of judgement.
Cultural factors (…contd.)

2) Culture is relative. Cultures are not inherently better or worse than one another. They are just different. It is vital to recognize this fact in the assessment of communications for different markets.
Cultural factors (…contd.)

3) Cultures are multilevel, multidimensional and dynamic. It has a variety of focal points: family, social groups, organizational, regional, national.
Market responsiveness
Market responsiveness

- Adaptation of communication will mean greater consumer and market focus
- Adaptation means greater effectiveness
Two key questions

Two key questions in determining whether to change for the local market or not

■ How important is the market?

■ How relevant is the message?
Market importance

- More important the market, greater the validity for local messages
Market importance (…contd.)

Usually determined by two factors:

- **Level of potential contribution** – Higher the potential contribution, higher the importance of the market and vice versa.
- **Level of competition in the market** – Higher the level of competition, higher the importance of the market and vice versa.
Why int’l creativity is important

- Not because it’s simpler
- Not because it’s cheaper
- Not because of a desire for control or neatness
Why int’l creativity is important

- Not because it’s simpler
- Not because it’s cheaper
- Not because of a desire for control or neatness

But because international communication, when done properly, can be most efficient and effective
Checklist for determining global vs. local creative
Checklist for determining global vs. local

- What is the brand position? Is it the same or different?
- What stage of the life cycle is the brand in?
- How homogenous is the target audience?
- Is the consumer frame of reference similar between markets?
- Is media availability fairly good?
Checklist for determining global vs. local (...contd.)

- What is the scale of competition in the market? High, moderate or low?
- How important is the market strategically and from a business standpoint?
- What are the economies of scale in advertising production?
- Can the market’s budget support production of local creative?
Checklist for determining global vs. local (...contd.)

- What is the degree of control required over the brand image/identity?
The Five-level Model of brand management

**Fields of Influence**
- Transmitter
- Transmitter/receiver
- Transmitter/receiver in interpretive role
- Transmitter and receiver as “prosumers”
- Transmitter of a value-bestowing legend

**Progress of the brand**
- Proprietary goods
- Branded product
- Positioned brand
- Identity-building brand
- Mythological brand

**Status**
- Functional status
- Market status
- Psychographic status
- Identity status
- Legendary status

**Examples**
- Proprietary goods: Botox, Viagra
- Market status: Chevrolet, McDonald’s
- Psychographic status: Ariel, Persil, Aspirin
- Identity status: Nike, Marlboro, Rolex
- Legendary status: Harley-Davidson, Ferrari
Checklist for determining global vs. local (…contd.)

- Is the campaign capable of being localized?
- Does the market provide an opportunity to transfer learning?
A general guideline

- Globalize campaign elements that make or save substantial sums of money, and localize those that competitive positioning and success require
Thank you!

- “Life is relationships, the rest is just details”
  -Gary Smalley, 2004-

- Integrity is the etymology of Integration

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