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Cultural Behaviour Determinants of the Global Consumer

Summary

The aim of the paper is to analyse the cultural behaviour determinants of the global consumer. Transnational corporations make use of their knowledge of cultural issues in their activity adapting their products or communication to specific nationalities. Such knowledge seems to be underestimated in Poland. Apart from that, matters of standardisation are brought up in this article as well as the impact of culture(s) on consumer behaviour. Practical implications are also discussed. The research thesis is that consciousness and making use of consumers' cultural determinants is the key factor of success in the global market.

Literature study and deductive reasoning are used to prove the thesis. It is shown that well-known brands or products are made with reference to the problem of cultural differences and this move makes them so successful. Practical implications allow achieving such success with the proper market segmentation, positioning and marketing. Social implications underline the meaning of cultural differences in a society. This research article is of cognitive nature.

Key words: cultures, consumer, globalisation.

JEL codes: D11, E21, M31, M37

Introduction

The ongoing process of globalization carries with it many consequences. One of them is the increasing prevalence of trade and services in culturally different countries. It is both a challenge and an opportunity at the same time for entrepreneurs. A penetrating analysis of foreign markets, also in terms of cultural differences, should be made when taking right decisions and avoiding mistakes in such markets. It turns out that the overwhelming majority of 100 best brands in terms of their value is present in over 100 countries (InterBrand, 2015). In view of this fact, transnational corporations have to be aware of cultural differences, although not in every business this knowledge is equally important (e.g. in selling and producing aircrafts, weapons, pharmaceutical drugs). In the face of ongoing trade liberalization within the World Trade Organization, European Union and other organizations, the problem of the global consumer is becoming more and more crucial.

Such issues result in getting to know the cultural context of consumer behaviour. Processes of development of products and corporations in the whole world make effective communication to new consumers necessary. Growing merging of cultures and markets has already been seen for a long time. Creation of opposing trends or currents is unavoidable to the extent like in globalization. In this case we can distinguish coexisting effects of cultural

homogenisation and heterogenisation. On the one hand, there are vanishing borders and unification of various content (e.g. marketing messages). On the other hand, there are pushing forces of globalization. These both phenomena meet often a counter-reaction of various local societies which start to preserve their traditional achievements such as regional products, the Kashubian or French language, etc. It is a dichotomous process of opposites which exist next to each other. It is permanent and this is why proper attention should be brought to the local as well as to the global context of consumer behaviours with reference to their cultural determinants.

Cultural awareness of consumer determinants and making use of this knowledge are the main factors needed to achieve global market success. This is the thesis of this paper which may be useful for entrepreneurs doing business on a larger scale. It should be noted however, that utilizing given tools without proper perspective is burdened with great risk. It is obvious that most of them e.g. communication strategies, marketing theories, etc. have their roots in specific countries, mainly in the United States of America. They also come from specific cultures. They are based on certain assumptions and do not need to have a universal character in the whole world. Maheswaran and Shavitt (2000) underline that it is not clear to what extent the consumers from the United States are similar to consumers in other countries. Besides, they claim the effectiveness of these tools or strategies has not been researched well enough in other cultural contexts. Such issues seem to be relatively new especially in the Polish literature. Although new important papers in this field have appeared, there is a great potential for discovering new problems of the global consumer.

Is there a local or global consumer?

Such a question would deliver at least three answers in a scholarly discourse. Very often opposing sides are present in discussions and there may also be a third party trying to integrate both positions. The phrase “Think global, act local” is a simplified summary of this view.

The problem of a local or global consumer as a matter of fact comes down to local consumer culture and global consumer culture or to differentiation and standardisation. Standardisation was and still is economically justified. At the very beginning it was exporters who were its biggest proponents as they intended to standardise their marketing practices (Dunn 1966). Their and also their supporters' reason for it was the assumption of the universality of fundamental human needs. They also take the view that equally universal are the advertising aims so advertisements can be the same everywhere. The very concept and buying proposal are to be the same everywhere but execution should be subject to adaptation (de Mooij 2010).

Some other trends supporting this point also exist. The ongoing integration of world economies, capital and labour force mobility, tourism development, export of culture-producing television programmes and movies as a result of technology development (mainly the Internet) - they all are to lead to standardisation of consumer needs. These phenomena are therefore to represent a valuable contribution to homogenisation in world demand. This is a position supported by a frequently cited Levitt (1983) along with Jain (1989). Levitt men-

tions no differences in national and regional preferences and gives successful examples of brands like McDonald's, Coca-Cola, Pepsi-Cola, Sony. He also notices rock music, a Greek salad and Hollywood movies which are well-known and present all around the world. It turns out, however, that his examples were appropriate at the time of writing his article. Quelch (2003) discovers that the market situation changed two decades later and most brands had to be customised to other tastes and consumer customs. Consumers have started to appreciate home brands more such as Spanish Zara or Italian Diesel. They have also started looking at the healthful properties of their favourite products and this fact has been taken into consideration by producers in their offers. Furthermore, it was found that Levitt's conclusions had not been empirically researched (Whitelock, Pimblett 1997).

Quite the contrary point of view is held by the proponents of the concept of a local consumer. They state globalization has not as negative impact on consumer preferences and sometimes it may even enrich some places but not destroy them (Watts 1996). Cultural consumption determinants are to be resistant to this phenomenon (Jackson 2004). Kotler (1986) agrees to this point and notes that the success of popular brands such as Coca-Cola, Pepsi-Cola, McDonald's is based on diversity which means that not everywhere is offered exactly the same product.

It is worth looking at these two opposing positions from a conciliatory point of view. They do not have to exclude each other but they can complement each other and therefore none of them should be neglected. It is not only my opinion that the consumer should be looked at globally but with respect to his or her local characteristics. It seems that, given the conciliatory literature, it is the approach that is gaining more and more popularity. Alden et al. (1999) write about global consumer culture coming into being in which some consumer groups (e.g. those who want to belong to the elite, teenagers) will crave consumer goods and experiences. These in turn are to be treated as a means of conveying their behavioural scripts. Such scripts are a derivative of their notions about their lives or about lives of other people living in other places. In such a way consumers may take part in real or imaginary and cosmopolitan global consumer culture which is present in the media. Those who wear jeans trousers (adult men from the upper-middle class) may be considered to belong to it. The aim of the brand managers is to induce the consumers to identify a brand as a sign of membership in a cosmopolitan and global segment.

The idea of a global consumer culture is complex and has been in a state of permanent evolution, binding both cultural differences and similarities as well as global and local meanings (Akaka, Alden 2010; Wilk 1995). We are facing a constant transfer of cultural patterns here through various means and in view of Akaka and Alden (2010) what is meant are the media, especially international advertisements.

Culture and consumer

There is no one, universal and undisputed definition of culture in science. One of the reasons for this state of affairs is the very essence of this notion which is outstandingly

interdisciplinary. Many proposals could be offered by representatives of various areas of science. One of the best known was suggested by Hofstede and Hofstede (2007, p. 17) and it states that culture is “*the collective programming of the mind that distinguishes the members of one group or category of people from others*”. Cultures contain some dimensions or components which may be accessible to senses or not (Hofstede, Hofstede 2007; Hannerz 1992). Regardless of their character they affect humans through their systems of common values and institutions.

In the context of this paper cultures affect humans from the angle of consumer behaviour, which may be defined as the study of processes associated with selecting, purchasing, using or disposing of products, services, ideas, experiences in order to satisfy needs and desires of individuals or groups (Solomon et al. 1999, p. 6). In case of such behaviour it is “*the collective programming of the mind*” that is one of the crucial elements affecting the individual. Cleveland and Laroche (2007) mention even that culture is the main determinant of consumer attitudes, behaviours and lifestyles.

Among numerous cultural dimensions individualism and collectivism seem to have the greatest potential to influence consumer behaviour. Hofstede and Hofstede (2007, p. 88) describe them as follows: “*Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after him- or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty*”. Most psychological concepts which are the theoretical basis for buying behaviour analysis were created in the United States and in Western Europe. These are highly individualistic areas. However, there appear papers which take also collectivism into consideration (e.g. Oyserman 2006).

One can take a look at these two dimensions through the prism of attributes which determine them and which are specific to particular culture. Triandis (1995) suggests: self-perception, attributions, identity and emotions, cognitions, motivation, attitudes, norms, values, social behaviour, attitudes toward privacy, communication, conflict resolution, moralism, responsibility, personality, professional behaviour. These attributes are responsible for the fact that societies of individualistic countries take their decisions (consumer ones but not only) in a different way from those in collectivistic countries. For example, a car advertisement in the USA may emphasise pleasure from driving and freedom of choice where to go for the driver, whereas in China benefits of convenience for all family members and positive perception among others would be highlighted.

Another point of view on collectivism and individualism could be from a perspective suggested by Manrai and Manrai (1996). According to them, consumer behaviour (e.g. response to advertisements, making use of products, brand loyalty) is influenced by:

- 1) consumer income;
- 2) consumer values and culture;
- 3) individual attributes – personality, identity, attitude, lifestyle, self-perception;

- 4) various processes – social processes (group processes, motivation, emotions) and individual's mental processes (cognitive, learning, languages, perception, information processing, communication, decision taking).

Essentially, all those elements are associated with culture. Taking the classic work of Max Weber from 1905, *The Protestant Ethic and the Spirit of Capitalism*, into consideration we can conclude that even income has its cultural roots.

Although consumer behaviour may seem universal in its nature, it however has its cultural trait. Apart from values, especially in individualistic and collectivistic dimensions, it is culturally nonuniversal Maslow's hierarchy of needs that determines demand as well as institutions rooted in social norms and customs.

Practical implications

The foregoing deliberations may be of substantial importance for practitioners in the field of economics present on more than one market. They are even necessary to international corporations which have been using this information for years. To a large extent it has been gained by way of their experience and it makes such organizations' know-how. Researchers' effort may only support and develop knowledge accumulated by trial and error because such knowledge is most often closely guarded. Competitive advantage on the global market is usually determined by it.

It is worth understanding consumer behavior first in order to be able to draw inferences regarding segmentation, positioning, marketing and branding.

De Mooij (2010) analyses consumer behaviour in the light of a few aspects:

- 1) Product Acquisition, Ownership, Usage
 - Many differences between countries could be explained by cultural factors. Values of people have their direct and indirect effect because each product has its attributes that have functional or psychosocial benefits or consequences. Each thing may be something more than it could appear from just its characteristic, e.g. a car is not just a means of transportation but having it tells something about his owner. Similarly, a watch is not only a device for measuring time but also it is a symbol of prestige;
 - Food consumption differs with latitude, economic, historical but also cultural factors. Food actually carries cultural meaning. Its symbolic function is much stronger in collectivistic societies than in individualistic ones and food variety is important there. It should be available in the household for any unexpected guest;
 - Expenditures on clothing and footwear (understood as a percentage of household expenditures) are bigger in collectivistic and high uncertainty avoidance cultures (it is another culture dimension by Hofstede and Hofstede). People want to wear good clothes when going out. They do not want to lose their face or feel shame or embarrassment;
 - Consumer electronics is especially popular in individualistic cultures while it meets the individual need of variety and stimulation. Television ownership across the world is associated with individualism. So is also the frequency of watching TV programmes and

- the role of television in social life is different. The state-of-the-art TV set may be a sign of wealth but it serves a social need in Asia, Africa and South America;
- PC ownership is a sign of wealth but another factor explaining the differences in ownership is uncertainty avoidance which defines 50% of variance in wealthy countries. Similar correlation exists in Internet penetration;
 - Leisure expenditures can be explained by cultural factors in the developed countries. They are highest in Europe in individualistic cultures of low power distance (another dimension by Hofstede) and low uncertainty avoidance. Large spending is characteristic of Sweden and United Kingdom because more time is spent on organized and paid leisure activities. Low spending refers to Spain and Portugal where people spend usually time with family and relatives;
 - Financial products across cultures differ too. More life insurance policies are sold in individualistic societies than in collectivistic societies. In the former case one can not count on family members to take care of one's dependents after death.
- 2) Complaining Behaviour - it can be classified in three categories: voice response to the person directly involved in the complaint, negative voice response or brand switching, legal action. Collectivistic consumers are relatively loyal and they more rarely engage in voice complaints when faced post-purchase problems. They, however, tell other in-group members about their negative experiences. The Chinese are less likely than Australians to lodge a formal complaint for something faulty. On the other hand, Americans take legal action most often in the world. Individualism and masculinity (another dimension by Hofstede) make them want to get most out of life.
 - 3) Brand Loyalty - need for harmony and conformance makes collectivistic people relatively loyal to brands. Often, popular brands of companies having high reputation are chosen or those which are thought to have such. This is reinforced by uncertainty avoidance. Individualists are characterized by variety and stimulation mostly.

Market segmentation meant as the process of identifying segments (subsets of consumers or countries) that exhibit some shared characteristics may be enriched by cultural perspective. Looking at common economic, legal and political situation is still relevant but an integrated and hybridized approach is even more realistic in the era of globalization. Considering particular countries as completely homogenous markets is not realistic at all (Jain 1993). Examples of world brands which were subject to market segmentation are: Kodak, Heineken, Hertz, Heinz, Coca-Cola, Marlboro, Nokia, Toyota, Sony, Honda, British Airways, Mercedes, Canon, Black & Decker. Quelch and Hoff (1986) notice that popularity of these brands is to a large extent, but not completely, independent from their country of origin with a few exceptions like CNN, BBC, McDonald's. They also underline that the key factor conditioning success of global, hybridized market segmentation through proper economy of scale is to find global products of intercultural and analogous utility function. Global, careful and automatically optimised marketing is thought to be better than a large-scale standardisation.

Alden et al. (1999) make a point that brand positioning strategies between various cultures equal global market development. Companies position often their brands as global,

foreign, or local and by the same token they please their consumers. One of them, Heinz, offers e.g. Pudliszki and Heinz ketchup in the Polish market. Alden et al. propose the most effective strategy of global brands communication is when they carry a message that people across the world consume the advertised brand (e.g. Benetton) and when they refer to universal human values or show segments of consumers of similar attitudes, lifestyles and aspiration internationally (e.g. Sony).

Some trends may influence perception of brand positioning over time (Ettenson, 1993). It may take place in the new emerging markets, especially during political transformation. Consumers may start favouring local brands at the cost of global brands when the quality of local products improves and when the novelty and scarcity effects wear off.

With respect to advertising, knowledge of cultural consumer determinants enables to conduct marketing campaigns that are economically viable and effective at the same time. Advertisements in culturally different places may be subject to standardisation or be adequately adjusted. It is worth noting human needs and values which are the core of intercultural differences. Some parts of advertisements which are based on emotions (joy, fear) and humour are universal by nature and some of them may carry a different meaning in various cultures. Alden et al. (1993) showed that culture influences production of humorous advertisements. While researching into television advertisements in four countries (Germany, South Korea, Thailand and the USA) they discovered that such advertisements have something in common that is some universal cognitive structures behind the words.

Brand creation is not and should not be the same activity across the world. Cayla and Arnould (2008) state that it is a matter of a culturally diversified world. Such an approach makes working with brands even more complicated because the brands themselves are complicated cultural forms set in the social and historical context. Companies want homogeneous brand images often but they may be construed in a different way internationally. Communication seems to be the vital factor here. Although brands and products are usually accepted in many cultures it is communication that needs to be adjusted to them especially in the age of modern technology and Internet. It means doing something more than just employing translators and interpreters. Some concepts can not be conveyed to other people because they may be culturally unfamiliar. Even the language of some societies means categorising the reality e.g. when it lacks the future tense. Values conveyed in advertisements should suit potential consumers. This is why comparative advertising is effective in the USA but is not accepted in Japan and it is not only a matter of legal limitations. On the other hand, the English make good use of humour in their advertisements.

Conclusions

The existence of a global consumer is a fact. The existence of intercultural differences also does not raise doubts. What may be problematic is to evaluate how much these differences influence consumer behaviour across the world, but not only this. There exist countries which are culturally heterogenous (e.g. India, the United States, France, Belgium).

Moreover, one can observe rise in this heterogeneousness within specific countries. The author of this article takes the view that in the world of economic, demographic, social and other changes, cultural determinants of consumer behaviour have become a very important factor of market decisions of many enterprises. Not only of transnational corporations because in the era of globalisation and large migrations even domestic enterprises will meet cultural issues sooner or later.

It was shown in the paper and examples were given that taking cultural determinants of a global consumer behaviour into consideration leads to better effectiveness of companies and to market success of particular brands. Well-known brands are created with respect to this know-how along with proper market segmentation, positioning and marketing. Further research should be focused on constant empirical confirmation of cultural consumer behaviours in certain parts of the world. Cultural values change slowly but the dynamics of these changes seem to be gaining momentum.

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Kulturowe uwarunkowania zachowań globalnego konsumenta

Streszczenie

Celem rozważań jest analiza wpływu kulturowych czynników na zachowania globalnego konsumenta. Korporacje transnarodowe wykorzystują wiedzę na temat problematyki kulturowej w swojej działalności, adaptując swoje produkty lub komunikaty na ich temat do konkretnych społeczeństw. W warunkach polskich wiedza ta jest niedoceniana. W artykule poruszono też kwestie standaryzacji i wpływu kultur(y) na zachowania konsumenckie oraz zawarto praktyczne implikacje. Hipoteza badawcza głosi, że świadomość i wykorzystanie kulturowych uwarunkowań konsumentów jest istotnym czynnikiem, warunkującym globalny sukces rynkowy.

Podejście badawcze zostało oparte na studiach literatury i rozumowaniu dedukcyjnym. Wykazano, że szeroko znane marki/produkty są tworzone z uwzględnieniem problematyki różnic kulturowych i to działanie bardzo przyczynia się do ich sukcesu rynkowego. Implikacje praktyczne pozwalają na odniesienie tego sukcesu z wykorzystaniem odpowiedniej segmentacji rynkowej, pozycjonowania i marketingu. Implikacje społeczne podkreślają znaczenie różnic kulturowych w społeczeństwie. Tekst jest artykułem badawczym o charakterze poznawczym.

Słowa kluczowe: kultury, konsument, globalizacja.

Kody JEL: D11, E21, M31, M37

Культурные детерминанты поведения глобального потребителя

Резюме

Цель рассуждений – анализ влияния культурных факторов на поведение глобального потребителя. Транснациональные корпорации используют знания насчет культурной проблематики в своей деятельности, приспособлявая свои продукты или сообщения о них к конкретным обществам. В польских условиях эти знания недооцениваются. В статье затронули также вопросы стандартизации и влияния культур(ы) на потребительское поведение, а также включили практические импликации. Исследовательская гипотеза гласит, что сознательность и использование культурных детерминантов потребителей – существенный фактор, обуславливающий глобальный рыночный успех.

Исследовательский подход основан на изучении литературы и дедуктивном умозаключении. Доказали, что широко известные марки/продукты создаются с учетом проблематики культурных отличий, и это действие во многом способствует их успеху на рынке. Практические импликации позволяют добиться этого успеха с использованием соответствующей сегментации рынка, позиционирования и маркетинга. Социальные импликации подчеркивают значение культурных отличий в обществе. Текст – исследовательская статья познавательного характера.

Ключевые слова: культуры, потребитель, глобализация.

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