

Consumer Behavior Across Cultures

Cross cultural analysis determines the extent to which the consumers of two or more nations are similar or different.

Marketers while expanding the business have exposure of domestic market. They experience the local customers. Social, economic, cultural and religious factors vary internationally and marketers must observe it and keep an eye on changes occur in the preference of consumers.

An exposure to the country's customs, beliefs, and values influences consumers' perception of their goods and services; whether that exposure is negative, positive, or neutral, that experience influences consumer behavior towards the product.

Marketer need to understand the similarities and difference between the countries where he/she wish to do business. The culture of countries needs to be assessed in light of strength of culture. Hofstede's identified five national cultures.

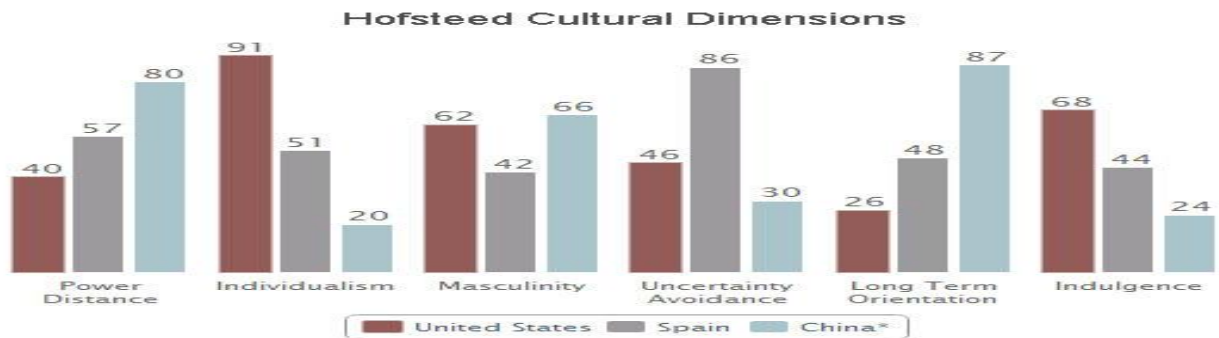
Marketer needs to identify own country and the foreign county's level of power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long/short-term orientation. Labeling the two countries based on the 5 dimensions allows marketer to make broad assumptions of their society and ultimately to better understand the target audience he/she wish to reach. Psychology, sociology, and cultural anthropology of the prospective consumers need to observed for effective results. Marketers should understand their foreign country's concept of the self, personality, identity and image. They need to identify the consumers' socialization, motivation and emotional dimensions according to countries' cultures and countries their reactions according to different cues. There may be several similarities between two countries but the marketer needs to understand how these similarities are helpful for his/ her products and services. Differences to be assessed for safe business.

TABLE 13.2 Cross-Cultural Analysis

FACTORS	EXAMPLES
Differences in language and meaning	Words or concepts (e.g., "personal checking account") may not mean the same in two different countries.
Differences in market segmentation opportunities	The income, social class, age, and sex of target customers may differ dramatically between two different countries.
Differences in consumption patterns	Two countries may differ substantially in the level of consumption or use of products or services (e.g., mail-order catalogs).
Differences in the perceived benefits of products and services	Two nations may use or consume the same product (e.g., yogurt) in very different ways.
Differences in the criteria for evaluating products and services	The benefits sought from a service (e.g., bank cards) may differ from country to country.
Differences in economic and social conditions and family structure	The "style" of family decision making may vary significantly from country to country.
Differences in marketing research and conditions	The types and quality of retail outlets and direct-mail lists may vary greatly among countries.
Differences in marketing research possibilities	The availability of professional consumer researchers may vary considerably from country to country.



Cultural dimension	Definition	Examples
Power distance	<i>Power distance</i> is the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.	Low: U.S. and Canada High: Japan and Singapore
Individualism and collectivism	<i>Individualism</i> describes cultures in which the ties between individuals are loose. <i>Collectivism</i> describes cultures in which people are integrated into strong, cohesive groups that protect individuals in exchange for unquestioning loyalty.	Individualistic: U.S., Australia, and Great Britain Collectivistic: Singapore, Hong Kong, and Mexico
Masculinity-femininity	<i>Masculinity</i> pertains to cultures in which social gender roles are clearly distinct. <i>Femininity</i> describes cultures in which social gender roles overlap.	Masculinity: Japan, Austria, and Italy Femininity: Sweden, Norway, and Netherlands
Uncertainty avoidance (UAI)	<i>Uncertainty avoidance</i> is the extent to which the members of a culture feel threatened by uncertain or unknown situations.	Low: Singapore, Jamaica, and Denmark High: Greece, Portugal, and Japan
Confucian dynamism	<i>Confucian dynamism</i> denotes the time orientation of a culture, defined as a continuum with long-term and short-term orientations as its two poles.	Long-term: China and Japan Short-term: U.S. and Canada



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Marketer should also collect and review quantitative data to quantify the market. The consumer needs, desire and satisfaction level assessment boost the efforts of markers.

- McDonald's launched their first restaurants in India in 1996 as a joint venture. They changed the type of fast-food according to taste and preference of Indian consumers.

The Maharaja Mac with chicken replaced the beefy Big Mac, while the McAlloo burger and Vegetarian Salad Sandwich were specially created for India. Special Indian sauces

like McMasala and McImli were created to adapt to Indian tastes. Garlic free and eggless sauces were formulated to cater to the vegetarians. From the original McDonald's menu, only Chicken Nuggets, Fillet-O- Fish, fries, sodas and shakes were introduced in the initial phase.

- The first KFC outlet in India was opened in Bangalore in June 1995 and from these outlets, the number has grown to 296 today. Fast food restaurants have gained popularity in India because of their customized menus that suits the taste-buds of the citizens. When KFC first entered the Indian market, there were a lot of protests, and the Bangalore outlet was repeatedly ran-sacked. Many Indians were worried that the western culture would seep into the Indian roots, leading to the dilution of indigenous traditions. Another KFC outlet was opened in Delhi in the same year but the combined revenue of both the outlets was not sufficient to continue the KFC business in India. The reason why KFC didn't gained the popularity is because anti-KFC movements that accused KFC of using illegally high amount of mono-sodium glutamate, which are harmful to health. Also, the anti-KFC movements claimed that KFC sold food that was cooked and fried in pork fat. Because of these KFC had to abandon Indian market. Once the Indian market cooled down, KFC returned to the country in 1999, and set up an outlet in Bangalore.
- One of the world's largest car makers, General Motors (GM), re-entreated India in 1994 (after leaving in 1954) as well. After 21 long years in the country, the company decided to stop selling vehicles in India in 2017. Reason? No profits, of course. During all these years, General Motors' market share never went up to double digits in India
- Kellogg's entered in Indian market in 1994. Cereal-eating was a new concept for India. For light breakfast, the subcontinent relied mostly on a bowl of hot vegetables, of which there were many brands in the country. Moreover, Kellogg's was expensive. Other, widely accepted alternatives were available in almost one third the price of this foreign breakfast habit. Without bowing down on the prices and with little to no research on the market, more products like Wheat Flakes, Honey Crunch, All Bran, etc. were introduced. As a result, the sales continued to go from decent to poor and Kellogg's became a one-off novelty purchase for many, with limited returning customers. Even the attempt to 'Indianize' the products with Masala variants didn't work out too well, and now Kellogg's is trying to venture into the biscuits space. All in all, in over 20 years, the ride is still going tough for this huge brand in India, nowhere close to as good as they expected. Yet, optimism is high and Kellogg's is still willing to explore future prospects in the subcontinent.

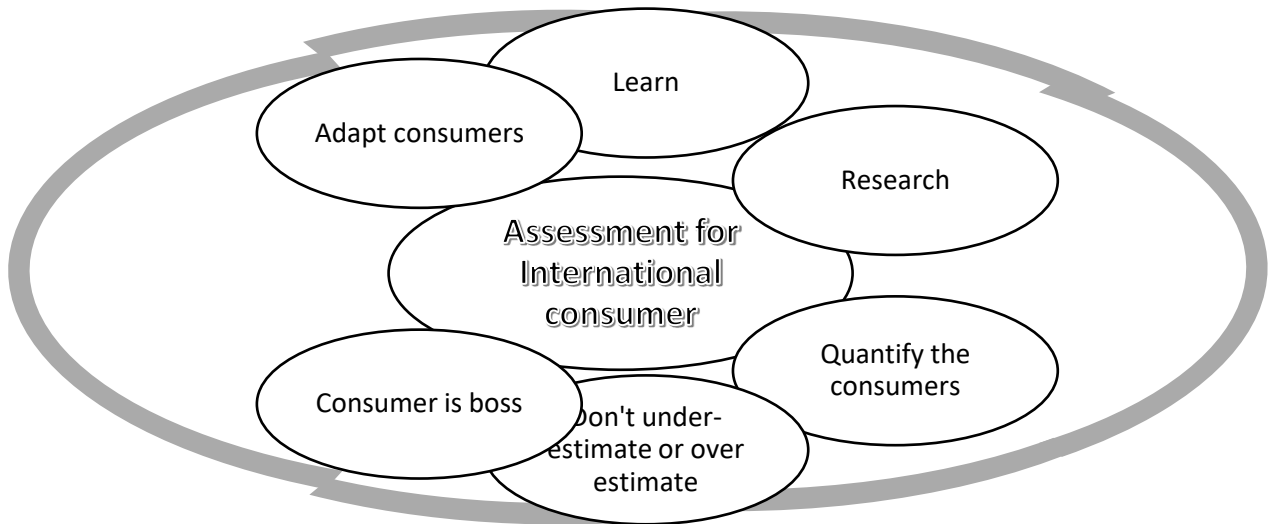
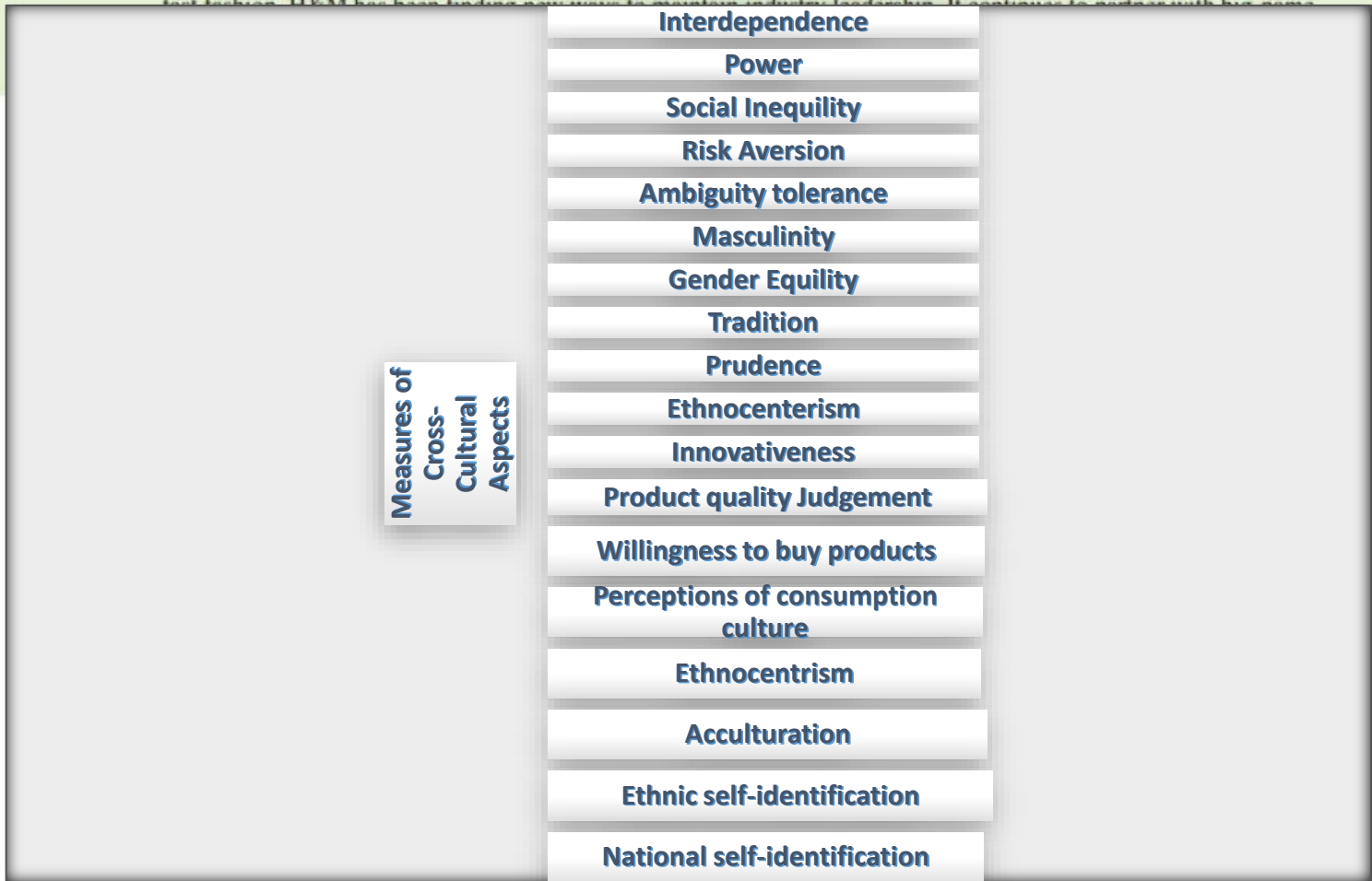
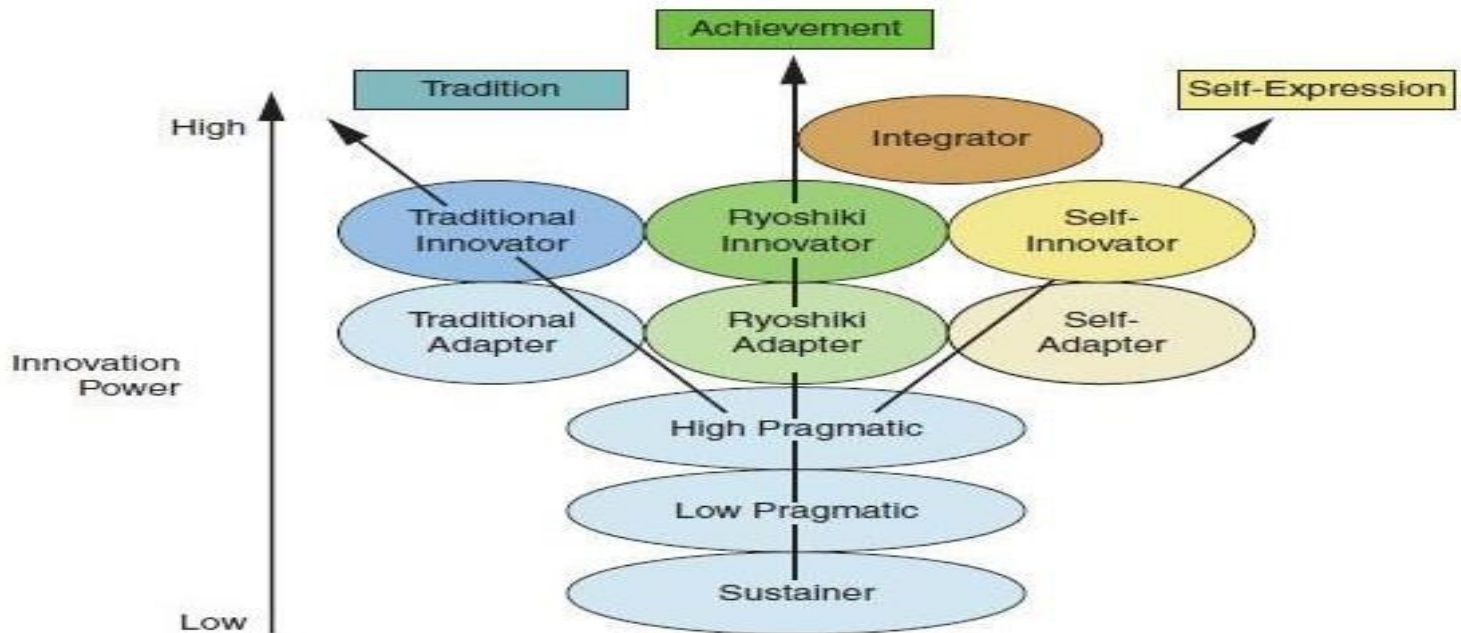


TABLE 13.7 Profiles of Several Global Brands

BRAND	PROFILE AND GLOBAL APPEAL
Coca-Cola	Universally recognized more than any other in the world because it makes people experience fun, freedom, and refreshment. The brand maintains a powerful sense of nostalgia that unites generations of Coke lovers and reinforces consumers' deep connections to the brand. Its edgy campaigns continue to push boundaries, and Coca-Cola reinforced its values through celebratory promotions relating to its 125th-year anniversary ("Sharing Happiness") and the London Olympics ("Move to the beat").
McDonald's	McDonald's stands out because of its exceptional brand management, significant global presence, and delivery of consistent quality and affordability. The company is also working to respond to critics by increasing the number of healthful menu options and effectively communicating its sustainability efforts to both customers and employees, building energy saving and waste reduction into staff incentives.
Louis Vuitton	Louis Vuitton's continued success can be attributed to consistently upholding its core values and remaining loyal to its travel-centric heritage. Louis Vuitton has also improved its digital presence—from charting its history on Facebook to launching an app that enables customers to share travel experiences. The brand expanded to new markets and became a top gift brand in China.
Amazon	Amazon aims to be a place where consumers can find anything they want to buy—online. It delivers on this aim by regularly expanding its products and services and, in doing so, has remained a leader in customer service. Amazon sustained the success of its Kindle brand, stretching it beyond its e-reader origins into a legitimate iPad alternative, introducing both the Kindle Touch and Kindle Fire in 175 countries.
H&M	With an ever-increasing number of competitors gaining traction globally and more big retailers stepping into low-cost fast fashion, H&M has been finding new ways to maintain industry leadership. It continues to partner with big names



Psychographic Segmentation- VALS



The VALS Types:

- Innovators.
- Thinkers.
- Believers.
- Achievers.
- Strivers.
- Experiencers.
- Makers.
- Survivors.

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