CHAPTER 1

The Paradoxes in Global Marketing Communications

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. 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 social groups.

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: 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. U.S. 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 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 his or her 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 to 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 Internet 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 U.S. origin was reported.6

Globalization has not produced globally uniform consumers. Although there is a worldwide convergence of technology, media, and financial systems, desires and behaviors of consumers 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 assumed effects of globalization, such as convergence of consumer behavior. Finally, because of the continuing debate on standardizing or adapting global marketing, branding, and advertising strategy, a short history of that dialogue is provided discussing the various aspects of standardization-adaptation decisions.

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 by 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
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 individual freedom-belonging paradox. Individualism is a strong element of American society, and so is the need to belong. It seems paradoxical that both freedom and belonging are strong values of a single culture. The explanation is that in an individualistic society where 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 society, and it takes an effort to behave in an individualistic way. According to the American Society of Association Executives in Washington, D.C., in 1995, there were some 100,000 associations and clubs in the United States. Seven of every 10 Americans belong to at least one club. There is no such phenomenon in Japan. It is said that social media like Facebook facilitate 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.

These are examples of what I call the value paradox. Paradoxes are statements that seem contradictory but are actually true. Understanding these paradoxes is basic to understanding the consequences of culture for global communications, branding, and advertising. More about the value paradox can be found in Chapter 3.

The Global-Local Paradox

The way people think and perceive is guided by the framework of their own culture. People 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. 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.

Along with globalization, people increasingly prefer local music. 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%. In 2008, most young people said their favorite singers were local. In China, the most popular singer was Jay Chou; in India, it was Himesh Reshammiya; in Australia, it was Fall Out Boy; and in Taiwan,
it was Jolin Tsai. Marketing knowledge has spread across the world, but its use has supported localization of products and services rather than standardization.

**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. There is great variety in the adoption of technological innovations and usage of technological products. In economically developed countries, one would expect a similar penetration of personal computers and Internet usage, but the percentages of people who have a PC at home still vary considerably, also across equally wealthy countries. Examples in Asia are 65% in Japan versus 92% in South Korea, and in Europe 98% for Finland versus 56% in Italy. The Netherlands and Belgium are neighboring countries and economically similar. Yet it took the Belgians a much longer time to accept the Internet than the Dutch. Although in the developed countries most people now have access to the Internet, the way people use the Internet still varies considerably, and these differences are not related to national wealth. For example, the frequency of usage, what people do on the Internet, and the place where people access the internet 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 usage of technological products confirms that convergence of technology is not the same as 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.

**The Media Paradox**

The growing number of satellites and global TV channels is supposed to create a global village in which anybody can receive any TV channel. This is 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. 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 U.S. consumers and that 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 is often used as an example of a global product, developed for global consumers with global needs, who would use it with similar motives. That is not true: There are two distinctly different motives for using that product. In the Western world, the motive is to enjoy music without being disturbed by others. This was not the motive for Masaru Ibuka—cofounder with Akio Morita of the Sony Corporation—for inventing the Walkman. He wanted to listen to music without disturbing others.14

Advertisers take great pains to try to understand certain subcultures, 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 argument for standardization. In reality, the cost of developing one standard idea that truly crosses borders is very high. To get 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 have to be translated, and in the end, some translations appear to include subtle changes of meaning influenced by culture.

People of 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 Anholt\textsuperscript{15} 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 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 that are the basis of Western consumer behavior theories are drawn from Anglo-Saxon psychological research and include the hypothesis that people will buy products that are compatible with their self-concept or that 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: The figure of the Barbie doll 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.\textsuperscript{16} 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**

*Globalization* in the broadest sense is defined by Robertson as “the concrete structuration of the world as a whole.”\textsuperscript{17} The term *globalization* is used to cover 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 is much higher than ever before and involves a much wider range
Global communication refers to the flow of information, communication, communication products, media, and technology worldwide. Next to the term global, the term international is used that strictly taken refers to communication between nations and between members of nations. There are many assumptions about the effects of global communications that rarely have been substantiated. Global media and advertising are expected to mould consumers into one global consumer culture. The Internet is viewed as the ultimate globalization tool, but defining the Internet as global in its usage is dangerous. Increasingly, all sorts of software are localized. Some social networks may be global services, but they are mostly used to connect to people already known in local communities.

The globalization discourse in marketing is dominated by Anglo-Saxon authors. As a result, many of the most visible expressions mentioned as examples are Coca-Cola, McDonald’s, or Starbucks. Especially in the 1980s when the globalization discussion started, the U.S. penetration of global markets was particularly aggressive and visible, writes Harvard professor John Quelch. 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 also is 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 proliferation of global products and services in East Asia, instead of destroying local cultures, reinforced and reinvented moral values in local communities. This is the paradoxical aspect of globalization at which Giddens points, when he defines globalization 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

Industrialization, modernization, wealth, and technology are supposed to bring a universal civilization, including universal values and consumption patterns. This is a distinctive product of Western thinking. U.S. advertising professor John Philip Jones states, “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. Already in 1958, the Italian Stefano Bakonyi 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.

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 McLuhan 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 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 it to enhance current activities. In the cold climates where people used to preserve food in the snow, they have embraced deep-freeze technology most intensely. The colder the climate, the more deep freezers. Initially, the mobile phone penetrated fastest in countries that already had advanced fixed telecommunications infrastructures, but after that initial 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) that show that the numbers of mobile subscribers per 100 population vary strongly, from 93 in the United States to 215 in Hong Kong. In Japan, school children on long commutes to school would read manga (Japanese cartoons) books to pass the time. Now they play video games on Nintendo’s Game Boy or on their mobile phones. Contrary to expectations, people have embraced the Internet and other new technology mostly to enhance their current activities; it mainly has 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 convergence of demographic phenomena like national wealth or graying populations. If consumption converges, it also is 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 *micro level*, there is little convergence. U.S. sociologist Alex Inkeles finds that macro-level data often mask diversity at micro level. Convergence at a macro level—for example, convergence of Gross National Income (GNI) per capita (the new term for Gross National Product [GNP] per capita)—does not necessarily imply convergence of consumer choice. Countries 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 an 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 3 years. 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 work 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 is even lower: 0.1%, or 225,000 people. 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.

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 will process programs in similar ways. When in their study of *Dallas* across cultures Liebes and Katz asked for the meaning derived from this soap opera, respondents from other cultures derived all sorts of different meanings from the soap than intended by the producers, and these meanings were related to their own culture (see also Chapter 11). Whatever effects were found were very weak, mainly that exposure to foreign TV might increase purchase of foreign products.

Also, young people do not travel to an extent that induces them to adopt different habits and values. Of the young Europeans who visit other European countries,
the majority do so while on vacation. White 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. With increased wealth, people accord greater relevance to their civilizational identity. At a certain level of economic development, in what I have called “postscarcity” societies—when people’s stomachs are filled, when most people can afford proper housing and durable products, such as cars and television sets—people 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, national wealth explained differences across 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. With respect to cultural values, 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. Also, Nowak and Kochkova found examples of divergence across 25 European countries, such as spending on communications.

In regions other than Europe, the trend is also toward divergence. Initially, with increased wealth, standards of living appear to converge, but a closer look makes 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. Japan was the country that developed earliest and fastest of all Asian countries, and it was expected that development patterns of other countries in Asia would follow the pattern of Japan. 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.
Next to convergence or divergence, in many cases, differences between countries are stable in time. The Belgians drink 10 times as much mineral water as the British and 6 times as much 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 differences have remained similar since 1970 or have become larger. These differences 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 2003. Data of 1970 and 1991 represent the percentages of people who answered “agree” to the question “I drink mineral water every day.” Data of 1992, 1997, and 2003 are liters per capita consumed, of which 2003 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 many changes of the 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 free time to charitable work or to self-education.

![Figure 1.1 Mineral Water Consumption 1970–2003](image-url)

**Figure 1.1** Mineral Water Consumption 1970–2003

Often, economic similarity of the member countries of the European Union is confused with cultural similarity, although differences in consumer behavior are recognized across Europe. 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 to take by global companies 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, 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 spoke of developing powerful advertising that crosses international boundaries, cutting across all lines of culture, nationality, race, religion, mores, values, and customs.

More than two 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 are changing. At this point in time, the argument for global standardization is based on two assumptions: (a) convergence of consumer behavior and (b) the existence of globally uniform segments, or global communities with similar lifestyles across borders. 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. 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 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 U.S. marketing managers, the European youth market is considered to be homogeneous because these youngsters were reared on the same movies and global brands, such as Coca-Cola and Levi’s, and watched 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. Several value studies show that across countries, young people vary as much as adults. General evidence 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.

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. 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.

Western magazines suggest that Asian teens, in the way they behave and dress and express themselves, increasingly resemble American and European teens, but 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. 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. 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. Bond and King found that most Hong Kong Chinese believed that modernization involved technology, behavior, or material progress, whereas Westernization involved values, thinking, or Western cultural traditions. Almost two thirds of respondents believed that modernization could proceed in Hong Kong without cultural implications. About half of them claimed that they managed to preserve their Chineseness by holding onto basic Chinese moral values, such as filial piety and respect for teachers. Wang states, “One should not analyze what is emerging in China by taking a European model as a starting point. . . . ‘Cool’ music and ‘alternative’ youth in China hardly signal the same thing as their counterparts in Euro-America.”

A common misperception is that everywhere exist the young rebel 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 U.S. 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 U.S. culture. 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. 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. 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 the typical Japanese behavior. Also, Chinese punk cannot be equated with a carefree spirit.

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, 17.2% of Portuguese respondents said they had bought an expensive watch in the past year as compared with 8.5% of the Finns. Expensive fragrances were bought by 43.4% of the French respondents and only 12.8% of Swedish respondents.
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. The favorite of Germans was 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.59

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.60 The majority of these studies were conducted by U.S. academics, studying global strategies of U.S. 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. The question is where along this continuum lies the level of adaptation that delivers the maximum economic payoff.

Review of a 50-Year Debate

The wish to standardize marketing and advertising lies in export practice. In 1966, one of the early U.S. advertising professors, Watson Dunn,61 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 U.S. 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 opinions, attitudes, and practices of the manufacturer with respect to this choice. Many of these were conceptual and based on assumptions without empirical evidence. The standardization discussion basically is 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 Elinder and Theodore Levitt. Elinder, then chairman of the board of the Swedish Sales Institute, believed that convergence of standards of living and improving technical means were facilitating 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 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 U.S. products and brands Levitt mentioned as examples were unique at the time. To foreign consumers, they had American flavor and status value; they were the type of products and/or brands preferred by a large part of the developing world. Twenty years later, there is much more competition, 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.

Increasingly, Levitt’s statements of 1983 have been challenged. Later authors point at 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.66

In the 1990s, the statements on universality became more modified. Standardization would only apply to some specific segments or to some marketing mix elements, such as packaging and advertising.67 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.68

Agrawal69 reviewed the debate in international advertising from the perspective of the (U.S.) 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.

Over time, a variety of studies were conducted. An analysis of five decades of advertising standardization research including 56 studies has shown that focus has shifted from international to regional level. 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. Of the 56 studies, 27 were based on surveys among managers and 21 on analysis of advertising.70 There are four types of studies that can be distinguished.

1. Conceptual papers that present models or conceptual frameworks. Such papers tend to review the assumptions and/or research findings of the past or add to that by categorizing them into new frameworks to be used as tools for marketing managers. An example is a paper by Merz et al. who apply Western categorization theory to the global consumer culture debate.71

2. Surveys among managers. Such papers do not always present reality. In particular, those who believe in convergence are more likely to standardize their strategies.72 Several authors point at the phenomenon that when marketing and advertising practices are investigated in surveys among practitioners, what managers say about what they do often tends to be different from actual practice. In particular, executives at U.S. headquarters believe that there is more standardization than actually exists. What people say does not always reflect reality. So-called multinational campaigns are never quite as standardized as many executives think.73

3. Complex studies that include environmental variables, measures of adaptation standardization, and performance measures. These studies try to find the degree of adaptation that optimizes the export performance of the firm.74
4. Content analysis of advertising. Such papers present research findings based on the manifestations of actual practice and not on perceptions of managers. An example is a content analysis study of advertising for luxury brands in the categories of cosmetics, perfumes, and fashion, which found various forms of standardization across regions (Europe and the Middle East). As the product category is an important adaptation variable, such studies have to be conducted for various product categories to get a representative impression of standardization-adaptation practices.

Increasingly studies are focusing on the effects of standardization-adaptation on profitability and analysis of the variables that influence this effect.

Variables Influencing the Standardization-Adaptation Decision

Numerous variables influence the decision to standardize or adapt. Various strategic aspects can be analyzed, of which we 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 standardized marketing approach. Examples are whiskey and perfume, for which a standardized country-of-origin concept can be used (perfume from Paris). French perfume comes from France, Scotch whiskey 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. Logic points at technology products for having the greatest chance of successful standardization. Annual surveys by Reader’s Digest 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 (Sony, Nokia, Canon, IBM). These brands have remained strong by offering consistently high quality.

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 also 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 culture 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, U.S. companies have universalistic philosophies about people’s values and focus more on laws and regulation than on culture. With the European Union, U.S. firms expected Europe to become one cohesive market. Similarly, U.S. 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.78

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 U.S. 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.79 A 2006 survey among U.S and Japanese managers about standardization across Europe showed that managers of U.S. firms are more inclined to standardize advertising and to create a uniform brand image and appeal than Japanese managers. Japanese headquarters allow a greater degree of localization than U.S. headquarters.80

There is a dividing line between the Latin and Anglo-Saxon countries. German and British brand managers claim more frequently to be aiming at standardization of their brand’s marketing mix than French and Italian managers.81 In 1992, 43% of executives working for international advertising agencies in the United Kingdom had positive attitudes toward standardized advertising.82

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 that highly depend on sales in foreign markets know that adaptation leads to better performance. The costs to adapt products are recouped through improved export performance.83 This may explain why so many U.S. 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 product offerings in international markets, appear to focus on their foreign customers and thus adapt.  

*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. 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.

*The Consumer*

Consumer factors (also called environmental factors) include customer similarity (lifestyles, preferences, tastes) and differences (culture, climate, language), along with spending power.

Although traditional thinking in international marketing has primarily focused on the similarities of market segments, increasingly, it is recognized that the critical factor is differences. The more marketers understand the differences in consumer behavior across countries, the more effective international marketing and advertising will be. As 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.

*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 Cavusgil 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. A study among U.S. and Japanese multinationals in five countries in Europe reported that standardized advertising is effective across the European Union. Several other studies have found that adaptation leads to better performance. One study discovered that managers were underadapting their offerings in foreign markets and that more adaptation might make them more profitable. 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. 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.

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 about how to differentiate the product, as well as conducting highly effective pricing, advertising, and distribution strategies. 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.

**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. 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 his or her 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 50 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 of 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 to understand them. This chapter has presented only a few examples. The rest of this 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.

Notes


59. There was a German, a Belgian, and a Spaniard. (1999, January 23). *Economist*, p. 68.


64. Levitt, 1983.


74. Dow, 2005.


82. Cheon et al., 2007.


89. Cheon et al., 2007.

93. Calantone et al., 2006.
94. Knight et al., 2004.