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INTERNATIONAL ADVERTISING:

HOW DO CULTURE AND GLOBALISATION AFFECT MANAGEMENT DECISION-MAKING?

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submitted for the degree of Ph.D.

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Carla Millar

DECLARATION

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Carla C. J. M. Millar

ABSTRACT

International Advertising:
How do Culture and Globalisation affect Management Decision-Making?

At first sight the effects of 'culture' appear to obstruct standardisation of international advertising whereas 'globalisation' policies seem to endorse it.

In answering the question in its title, this thesis analyses the problem as faced in marketing management, and breaks new ground by:

ORIGINAL WORK:

- De-mystifying the concept of globalisation: distinguishing between business policy and marketing/advertising implications and separating doctrines of globalisation from those of economies of scale and standardisation.
- Identifying elements of culture which necessitate different strategic approaches in marketing/advertising.
- Developing a theory for dealing with culture and globalisation in international advertising.
- Delineating the effects of culture on British and Dutch marketing and advertising management, confirming the validity of Hofstede's clustering, revising Dunn's priorities for creative strategy transfer, and rejecting Lee's Self-Reference-Criterion (for this population).

MAIN FINDINGS:

The thesis demonstrates that culture and globalisation are phenomena of different orders: globalisation only being relevant indirectly. Culture has a pervasive relevance, both for the consumer and for the manager, whose decision-making style is influenced; managers nonetheless agree in their professional judgements.

International advertising requires target orientation, concept alignment, top management endorsement, and the optimal use of scarce talent and ideas; cultural differences remain and two important tools to overcome them are identified:

1. The Cultural Brand-Target Universal: developing the brand/corporate identity as a cultural universal, exclusive to the company
2. The Competence and Empathy Factor: requiring professional management, at HQ and locally to have competence and empathy.

The thesis also shows the significance of both cultural differences and unifying factors, when capitalising on the opportunities of the Single European Market of 1992.

METHODOLOGY:

The 'Millar Methodology' implies a process of grounded theory development through four rounds of evidence: evaluation of literature, experience, exploratory interviews (Part 1) and fieldwork, which repeats previous research and examines original issues (Part 2).

Implications for theory, research and practice are drawn (Part 3) and model development parallels the process throughout.

The work concentrates on fmcg in W.Europe and includes a comprehensive bibliography.

EXTENDED ABSTRACT

STARTING POINT

At first sight standardisation of international advertising appears to be obstructed by the effects of different cultures, whereas global marketing policies seem to require such standardisation.

The thesis examines the role that 'culture' and 'globalisation' play in how marketing management takes decisions on international advertising and analyses and answers the problems encountered.

FOCUS OF ORIGINAL WORK

The work breaks new ground and adds to current knowledge in the following ways:

- The concept of 'Globalisation' is carefully analysed with the result that:

    - a distinction is made between business policy and its implications for marketing and advertising
    - the various doctrines of globalisation are separated from those of economies of scale and of standardisation.

- The concept of 'Culture' is analysed and broken down into

    - **cultural universals** (concepts and behaviour rooted in values shared by all cultures)
    - **cultural identifiers** (concepts and behaviour identifying a specific culture);

    Some of the cultural identifiers, but not all, are found to be **normative**; this means that they are not merely widespread, but positively required of members of the culture concerned. Hence, when considering cultural questions international marketing/advertising management needs to distinguish amongst these types of factor, and may require different strategies to deal with the different factors and the obstacles they create.

- Such conceptual analyses, coupled with the results of empirical investigations, lead to the formulation of a theory to deal with culture and globalisation in international advertising.

In addition the empirical findings indicate how culture affects decision-taking by British and Dutch marketing and advertising management regarding (standardisation of) international advertising. This work also extends the testing of previously reported results:

- The validity of Hofstede's cultural clustering is confirmed
- A revision is proposed to Dunn's conclusions on the priorities among factors influencing whether creative strategy can be transferred internationally
- The "Self Reference Criterion" introduced by Lee is rejected.

METHODOLOGY

The thesis employs a process of grounded theory development, evolved from the methodology of Glaser and Strauss. A model of relationships amongst factors is developed

in parallel with the progressive elaboration and refinement of the theory.

The first Part presents an analysis of an initial series of exploratory interviews, the researcher's own experience and observations, and a comprehensive review of the relevant literature. Part 2 covers a limited fieldwork study, comprising both the examination of new issues and the replication and testing of previous research. In Part 3 the conclusions and implications for theory, for further research and for practice are set out systematically. The work also includes a comprehensive bibliography.

For the fieldwork study over 40 top managers in charge of decision-making about international advertising in multinationals and advertising agencies in the UK and the Netherlands gave their cooperation. While the work concentrates on fmcg in W. Europe, the range of interviewees and the clarity of the findings suggest that the conclusions may be more widely applicable and this argues for further research.

MAIN FINDINGS

The thesis demonstrates that 'culture' and 'globalisation' are phenomena of different orders, with globalisation being only indirectly relevant to decision-taking on international advertising.

Globalisation is a specific orientation or stage in (an organisation's) development, not an enduring parameter like culture. It is seen by most as a business policy driven by economies of scale, rather than as a marketing-led phenomenon; however, parallel with, but not as a necessary consequence of, globalisation, a policy of standardising advertising is often pursued.

Culture is a pervasive factor, relevant both to the consumer and to marketing and advertising management. Culture influences both the consumer's understanding of communication and his/her purchasing behaviour. Culture influences management, particularly in the way it takes decisions. Culture is a holistic concept which refers to complexes of behaviour which are shared and learned. Value systems form the core of 'culture' and within the concept of 'culture' both 'cultural universals' and 'cultural identifiers' can be distinguished. It is some of the latter, the normative cultural identifiers, which give rise to the 'cultural barriers' encountered by standardised international advertising.

Cultural differences based on the normative cultural identifiers remain unmistakably a major influence on the strategy and execution of international advertising. Through the use of supra-cultural facilitators some culture-based conflicts can be avoided or possibly overcome. The simplest such facilitator is the use of cultural universals. These however do not give any one company or brand a unique competitive advantage.

Competitive advantage for international advertising:

To achieve a competitive advantage, two important culture-related tools are identified:

1. The 'Cultural Brand-Target Universal': Developing the brand or corporate identity so that it acquires the status of cultural universal, anchored into the normative value system of the sub/cross cultural target group(s), should give its owner an exclusive benefit

2. The 'Competence and Empathy Factor': Developing management, e.g. through training programmes, to be both professionally competent, knowledgeable, and innovative, and have cultural empathy, at HQ and particularly at local level, should lead to better decisions on international advertising.

Standardisation of international advertising admits of many interpretations, and the most widely advocated views range over 'complete standardisation of all execution', 'standardised

execution with the local touch' and 'local execution of an internationally agreed concept'. Despite these differences, there seems a close agreement on what is needed in practice for effective international advertising: target group orientation, concept alignment, endorsement by top management, local consultation, and making optimal use of talent and ideas - which are often said to be very scarce.

Managerial culture:

Differences between British and Dutch top managers in charge of international marketing and advertising are confirmed as consistent with Hofstede's differentiation between the UK and Dutch employee cultures. These cultural differences have consequences in professional life; they affect the way in which managers operate, their behaviour and the process of decision-taking. And although British and Dutch managers find it possible to agree on an 'Ideal Decision Taking Process' and 'Common Rules of Good Practice' for developing international advertising, compromises must be reached on some aspects of the procedure.

Despite their cultural divergence, however, Dutch and British managers are in close agreement in their professional judgements about marketing and advertising. This finding indicates that the **Self Reference Criterion** as formulated by Lee et al. is not valid for this population.

When capitalizing on the opportunities of the **Single European Market** of 1992 cultural differences as well as the 'Not Invented Here' syndrome will remain significant barriers, but many unifying factors have been identified as well. A resurgence of national identity is however also expected.

Finally, care needs to be taken in assuming that **U.S. research** in this area is valid for Europe: for instance, in the cases of both the SRC and Kanter's predications on how managers see their consumers, the U.S. results did not apply to this European group.

IMPLICATIONS

1. Implications for Marketing/Advertising Management

* Management: **Exploitation of Professional and Cultural Competence creates a Competitive Edge**

  The findings indicate that good management is scarce and that at all levels managers are found who lack cultural empathy, i.e. are unable to distinguish between cultural identifiers. They often obstruct globalisation and 'Europisation' by needlessly worrying about differences in cultural identifiers which are not normative, or overlook real normative aspects; yet managers - while cultural differences are proven to persist in their behaviour and the procedures they follow - can, by becoming ever more professional, extend the validity of their managerial judgement to other cultural environments:

  - there is a need to train knowledgeable, innovative professional management
  - there is a need to increase the numbers of such professional managers
  - there is a need for managers with empathy: being able to distinguish normative cultural identifiers from other identifiers which do not present barriers
  - there is a need for 'management of change' awareness.

* Policy: **Globalisation does not necessarily imply Advertising Standardisation**

  As the policies of globalisation and advertising standardisation are partly responses to scarcity of good management and good ideas, and not necessarily based on a market-led strategy,

- there is a need to emphasise a strategic market(ing) orientation, realising that this may lead away from overall standardisation but may reveal opportunities for cross-cultural or subcultural target orientations/standardisation.

* Good Practice: **Common Rules found to exist inspite of Cultural Differences**

The rules of good practice on which Dutch and UK managers largely agree, despite their cultural differences, merit adoption, refinement and, probably, extension to other cultures.

2. Implications for International Advertising

* To standardise or not to standardise:

Conquering Cultural Barriers in Different Situations

Often, managers must choose between standardising or adapting advertising concepts for execution; in cases where cultural barriers form obstacles to standardisation the thesis suggests that a number of relationships can be exploited, and that these should work cumulatively when more than one applies:

- When standardisation is called for
  - guard against dependence on, or conflict with, normative cultural identifiers for countries/target groups covered
  - use a positive mix of top management direction and local consultation
- When the market is unknown
  - follow traditional country clusters for grouping countries
  - use market research to guard against otherwise unexpected reactions/ consequences
- When the market is (better) known
  - improve on the traditional clusters, using experience, degree of similarity and market research
- When no market segmentation can be applied
  - use supra cultural facilitators, in particular cultural universals
- When market segmentation can be applied and targets can be identified
  - anchor into the sub/cross cultural value systems of the target groups and try and create a unique 'cultural brand-target universal'.

* Uniqueness:

The Cultural Brand-Target Universal creates a Competitive Edge

A unique company / brand universal can be created, anchoring the brand, company identity, image and/or message into the value system of the (sub/cross) cultural target group(s). The brand value thus becomes part of the target group's normative cultural environment. The brand identity package may be complex, but the country-of-origin factor is one which can make a significant contribution.

* Europe 1992:

Opportunities to exploit both Europisation and Segmentation

The **Single European Market** does not invite all-out changes. Niche markets will grow in number and size and new company/brand-created universals will be developed to support Europisation.

INTRODUCTION

BACKGROUND TO THE FIELD OF WORK

The standardisation of international advertising has become increasingly topical as a subject of literature and debate. This is due partly to the complex nature of the subject, requiring a continuous balancing act between competing interests, partly to the sharp contrast in views put forward by e.g. advertising agencies, and partly to the greater prominence of international marketing itself in business and academic circles.

The debate falls within the arena of international marketing. This subject is complex, relatively new, and academically-speaking not yet fully developed. International marketing is related to many other disciplines, and in turn includes a number of sub-disciplines. It works not only with theories, but also with practical experience-based 'rules of thumb'.

Due to its ubiquitous presence promoting companies' and brands' properties, international advertising is a very visible part of international marketing; it is also a very vulnerable part, and mistakes in international advertising are not only costly, but also very manifest: to the competition, to company management, and above all, to the customer or consumer. Consistently good decisions are therefore imperative.

Advertising, as an academic discipline, is, like international marketing, at an early stage of development. Communication with a target audience, within the framework of the brand and marketing strategy, under the constraints of money and media, and above all satisfying the objectives set, is a challenging profession; however, studies in this area have gained little ground as an academic discipline: scientific purists will not recognise such a subject area as normative, and the discipline lives on borrowed material as an interdisciplinary subject.

In spite of this, 'Advertising' does exist as subject of academic study - sometimes under the broader title of 'Marketing Communications'. Defining the field of advertising for purposes of this thesis is therefore worthwhile. A plausible approach would be by reference to what is taught, although this is far from uniform, and tends to reflect biases towards sub-disciplines.

Students choosing "Advertising" as an Elective module of study often do so because they mistake the presumed or perceived glamour of the advertising product and the advertising world for what advertising stands for as a subject area: they see advertising as the cream on

the (business / marketing) cake. They often experience a shock when learning about the multitude of subject areas they need to study and integrate to achieve a basic academic foundation, and possibly an even greater shock when they begin to understand something about the combination of disciplined analysis, planning, research, creativity, endurance and precision the practitioner needs to master in order to achieve his goals reliably; a continuous interaction between objectivity and empathy, block-busting and boundaries, art and science, is needed for consistently successful advertising development. Ideally these areas all form part of an Advertising syllabus too.

'Marketing communication' as a subject area reaches even further than this. The perception of the field of advertising/promotion as being communication in the service of marketing (at brand or corporate level) justifies this more abstract title. Choice of such a name is in itself a modest piece of theory development and leads to treating advertising as a species alongside, but integrated with, other forms of communication in the service of marketing, such as branding, PR, exhibitions, sponsorship and sales promotional activities.

Advertising is often taken as the basis, the centre or the core of marketing communications development, and although the brand and branding would be a better candidate for that role, advertising is often so perceived. It is with advertising in that sense that this thesis deals.

Advertising depends critically upon communication, and essential to communication is who communicates with whom, what is said, and in what way. Human beings are influenced by their environment and both the message itself and whether and how this message is understood and interpreted is affected by whatever has a bearing on the one hand on the communicator, on the other hand on the receiver of that message.

Culture is one of the constituents of the internationally different environment, and it affects all members of society. Culture thus affects both the advertiser, as communicator, and the consumer, as receiver, of the message. Focusing on culture both as a communication challenge to the marketing or advertising manager and as a facet of this manager's own make-up is a particular feature of the thesis.

This communication challenge is answered by marketing and advertising management in charge of international brands. Daily they take decisions about advertising, focusing on the audience and anticipating (sometimes aided by market research) the consumer's reactions to the information provider and change agent that advertising is. These consumers' reactions reflect their culture, and culture both groups and separates countries and sub-groups therein.

THE EFFECTS OF CULTURE

How does the cultural factor affect a manager's decision taking, and how is the cultural factor taken account of? Does the Self Reference Criterion render managers unable to judge or deal with cultures other than their own? Can the study of culture help in facilitating better decision making about international advertising? And if so, how?

These are some of the questions in relation to culture, which the thesis addresses. Is there a need to study this? Although culture as a subject area has been studied and analysed by many academic disciplines, and most textbooks on international marketing devote many a page to the important role that culture and cultural differences play in the planning and execution of international marketing, a review of this work reveals it to be piecemeal, rarely based on primary research and often related to anecdotal treatment of personal or reported experiences only.

And few pieces of empirical research have seriously sought to provide a framework relating marketing and culture. Henri Dubois (1987) describes the relation marketing - culture as follows: 'for marketing, culture is "la poubelle", a waste paper bin filled with unproven rules, plausible reasons, causes or explanations for particular, otherwise inexplicable, behaviour'.

Even fewer pieces of systematic research exist relating culture to the specific topic of advertising, and this is one of the reasons for the present work.

There is no definition of culture which adequately describes it for marketing purposes. Equally lacking is a clear understanding of the factors which can be distinguished in culture, and their importance as such, or relative to one another, for advertising.

None the less every time a decision has to be taken in this field, for instance regarding the degree of advertising standardisation, managers in multinational companies and advertising agencies whose clients operate with international brands in several countries have no choice but to take appropriate account of cultural differences. Evidence from these senior managers is clearly of interest. Experience, though, indicates that managers give differing accounts of what cultural differences do, and even of whether their differences are a serious problem.

An assessment of the true significance of culture for such decisions has practical as well as academic importance, because it might not only illuminate a potentially critical variable in the advertising equation but also it might guard against the risk that managers themselves are influenced by other than purely business-related factors.

GLOBALISATION

Apart from culture, the other term frequently present, and equally often abused as a rationale or justification in the area of international business and marketing is the word "globalisation".

The connotations of the word 'globalisation' appear to vary from 'new', 'exciting' and 'inevitable' to 'flavour of the month' and 'opportunistic'.

For decision-making managers, the forces of "culture" and of "globalisation" appear to oppose one another. While of course many other factors are involved, cultural differences provide arguments against standardisation, while globalisation is thought by many to involve standardisation as an integral part.

The popular business press offers a multitude of articles in most of which businessmen justify and glorify the way they globalised their companies: these however throw little light on theoretical aspects or even on what globalisation is. In the academic press the harvest is similarly plentiful but content-starved, despite recent increases. Notwithstanding vigourous promotion of the concept by great names a research base is still seriously lacking.

Vocal advocacy, lack of a research base and changing views lead to a need to 'infer' what globalisation means for marketing and advertising and particularly for standardisation.

Globalisation is often linked to standardisation, and in many cases equated with it. Globalisation takes many forms, ranging in extreme forms from a general vision, or an attitude of mind which management may or may not adopt, to a specific, active and preemptive attempt to coordinate all aspects of a business under global functional managers - thereby downgrading or eliminating national or regional management functions and influences. Where this latter approach is taken, and particularly where use is made of the argument that we are moving into the era of "the global village", the implications for international marketing are hard to avoid. Global branding and global brand marketing adds a further dimension to globalisation in the sense of global or world-wide marketing.

The interaction between the two factors, culture and globalisation, seems evident when considering what assumptions and expectations managers should adopt as regards attitudes and behaviour of consumers in the different national markets. If there are cultural differences such as would militate against standardised international advertising surely these must also affect the progress (if not the validity) of globalisation.

THE FOCUS ON ADVERTISING

Culture and globalisation affect the whole area of decision making in international business. However, due to the importance of culture in the communication process, advertising and branding should be more prone to elicit culture-based responses than are other elements of the marketing mix (Dubois, 1987). Advertising and branding should also provide sources of particularly interesting evidence because some companies and advertising agencies have made conscious moves to introduce 'global' strategies and even to standardise the style and content of advertising; this has precipitated a debate amongst agencies and their clients which is likely to be familiar to almost all internationally-oriented marketing executives.

A further reason for an interest in advertising stems from evidence already available which calls in question the role that culture plays in the decision-making process about international advertising, and specifically about standardising campaigns. S.W. Dunn (1976) reports one of the few pieces of empirical research on factors that influence decision making about advertising standardisation (especially the transfer of creative strategy); however he actually found cultural factors to be notably absent. Given the prima facie expectation that differences in consumers' cultures will lead to differences in their response to advertising, Dunn's finding adds to the interest of further work in this area and deserves to be followed up.

SCOPE AND NATURE OF INPUTS

The thesis is based on both conceptual and field work. Much of the conceptual work has been devoted to clarifying the terms, particularly in their use for marketing, and to developing a comprehensive and structured view of the different streams of thought in the area. The field work has consisted of interviewing senior managers in two countries through pro-active postal questionnaires combined with face to face and telephone interviews, using the telephone for introduction, prompting and follow-up, to ensure the maximum of full and unambiguous responses possible. Thereafter the replies were collated and analysed and the original conceptual work reviewed. Writing up and theory development has been done in parallel with much of this process, but all chapters have been revised after the final analytical work was complete.

In order to focus the work, the research concentrates on Fast Moving Consumer Goods (fmcg) and Western Europe. This restriction was imposed so as to avoid the risk of over-obvious differences (such as between Oriental and Western cultures) swamping more surprising results for an area that is seen as culturally relatively homogeneous. Fmcg was selected as

advertising was felt to play a more influential role here.

As cultural differences were observed and had been independently reported between the United Kingdom and the Netherlands, and the author is particularly familiar with both cultures, these countries were selected for the fieldwork.

OBJECTIVE AND APPROACH

The usual starting point for academic work, i.e. an hypothesis which is to be tested was not employed. Insufficient theory has so far been developed, and personal intuition was felt to be a poor basis for formulating hypotheses. Instead priority was given to clarifying the initially unclear and 'fuzzy' concepts of culture and of globalisation, and a definition of each was formulated to make the concepts of greater value and practical use for marketing.

A significant amount of conceptual work required as an initial base for theory formulation was undertaken. The process followed borrowed from the methodology of building grounded theory, as derived from Glaser and Strauss (Glaser and Strauss 1968). Chapter 1 analyses this method and indicates how the 'Millar Methodology' enhances the method and adapts it for the marketing field.

THEORY DEVELOPMENT

The methodology demands a step by step progression; collecting, rejecting and evaluating evidence, and building theory in successive rounds of evidence. At successive stages, this process is summarized in models. These start with a Proto-model, representing defined subjects giving only the fuzzy relationships to be studied (Figure 2.3). At the end of Part 1 the pre-fieldwork inputs are summarised in the Model of Figure 7.8 (Implications of Rounds 1,2 and 3 for Proto-Model) and at the end of Part 3 the "Model of Culture, Globalisation and Related Factors Affecting Decision-Making on Standardised International Advertising" (Figure 11.1) depicts the final stage reached.

The changes in the model show in particular the better understanding of the relationships among the variables concerned. The culture concept is broken up into constituent parts, and the implications thereof are worked out; the position of globalisation is changed from an input to an output factor.

THE FIELDWORK

The conceptual work provided a basis for choosing topics for investigation during fieldwork. Forty senior managers were interviewed, using a pro-active and lengthy questionnaire format as the basis for information gathering and analysis. Contact was made by telephone before the questionnaire was sent, and telephone or face to face interviewing took place whenever necessary for follow-up or to clarify ambiguities.

The group of managers consisted of 20 British and 20 Dutch senior managers who were in charge of decisions on international advertising, including possible standardisation. Each of the two sub groups was equally split between marketing and advertising agency management.

As noted, to increase comparability only those in charge of decision-making regarding international advertising of fast moving consumer goods in W.Europe were selected. A profile of the respondents can be found in Appendix 8.1.

The fieldwork consisted of two elements: the first part covered explorations about globalisation, culture, and decision-making about standardising advertising.
Interviewees were encouraged to contribute and volunteer information from their wide experience through open questions, and were coerced into answering specific points through precoded questions. In this way interest was maintained over the period needed for each of the senior managers to give what amounted to a wealth of material for analysis.

As a second element the fieldwork included the replication of three pieces of empirical research discovered in the literature analysis and reported in Part 1. This is an important step towards theory building, and a discipline which is respected far too little in academic research.

RESEARCH OF OTHER ACADEMICS REPEATED

The research repeated was work done by:

- Hofstede (1980): Value Survey Module, which led to the definition of an empirically-based set of cultural clusters
- Dunn (1976): priorities amongst factors affecting the transferability of creative strategy
- Kanter (1985): managers' predications about (perception of) their consumers.

The replicated research served to extend some of the findings and to identify a need to refine differences in others. The work proved that if research is well documented, repeats can take place, and that repeated research provides a relatively firm starting point for comparisons.

EXPECTED VALUE OF THE WORK

The work reported here is likely to be of interest both to practising managers and to researchers in marketing and other areas of business. A clear indication of that expectation is the sincerity and frequency with which those contacted during the survey work expressed their wish to be kept informed of the outcome. Academic researchers, too, have expressed enthusiasm for this work and steps have already been taken to start further research in cooperation with colleagues.

The challenge faced is that the manager, whether in a marketing company or in an advertising agency, does reach decisions; sometimes these involve advertising standardisation and sometimes not. The question which arises is whether, when related to culture and globalisation, such decisions can be shown to be based on a self-consistent rationale of the type which makes sense in marketing terms. If such a rationale can be found, it will combine three benefits:

1. it will reassure experienced practitioners that their decisions have a basis which is susceptible to rational discussion, rather than being based purely on a personal intuition or knack,
2. it will provide a basis for education and training for less experienced practitioners, through transferable information,
3. it should prove a valuable example for building a theory of how parts of international marketing interrelate and how advertising decisions should be taken.

The merit of the final benefit emerges clearly from the finding of the research that much that has been said on this subject is framed in terms of ambiguous concepts, is confused if not self-contradictory, or is advocacy in the guise of facts. A clarification of concepts is long overdue and will hopefully clear away some of the apparent disagreements in the field. In addition there are genuine questions to be answered, not the least of which relate to the importance which should or should not be attached to globalisation and cultural differences, and the forms of organisation and decision-taking which will most promote success in international campaigns.

Given the degree of interest from those interviewed and the practical importance of the subject, it is intended that the findings will be also presented in the form of a number of journal articles, some with particular attention to the theoretical issues, such as what constitutes cultural barriers, and others concentrating on matters of more immediate practical application such as the favoured decision-taking structures and processes for international advertising, and strategies to overcome cultural barriers.

ORIGINALITY OF THE WORK

The work represents the first attempt to match theory development and survey evidence regarding two of the most frequently discussed factors of possible influence on managers' decisions regarding standardised international advertising. An original contribution is offered in both fields, as the concepts involved in theory formulation are explored in depth, and the survey conducted is set up to cover new ground using an unusually great depth of enquiry.

The process of synthesis of theoretical insights and survey results is also itself of some importance: there are many other areas of marketing in which the theoretical foundations are still being developed and the process adopted here could be of considerable assistance. Its essence lies in the two-pronged approach developed: to deal with the need to make progress from the very thin theoretical foundations available, principles were adopted from the Glaser and Strauss approach to the development of theory. In parallel however survey work was conducted on a sample which, though small, was expert and large enough for treatment by basic statistical techniques. For marketing applications this not only provides a theoretical underpinning of a common-sense approach to maximise the return on effort, but also points to ways of using qualitative analysis of the views of experts as the basis for conclusions about the nature of factors affecting their performance in the area of their expertise.

The importance of repeating reported findings has been referred to. Hofstede's work, though repeated several times (on a smaller scale, through the Value Survey module also used for this research) by academics interested in managers' work-related values, has now for the first time been used to examine the cultural values of subgroups of marketing and advertising managers. The result, which confirms Hofstede's results based on the total workforce, is a step towards further integration of academic research from different disciplines.

Combining the information gained from repeating the Hofstede, Dunn and Kanter work with that acquired from the original parts of the fieldwork carried out on culture and globalisation has given an extra dimension to the analysis and development of a theoretical foundation for future work.

The results point to generalisations which should form the basis for considerable further work in international marketing studies. At the same time the conceptual analysis in the areas of both culture and globalisation have resulted in revised definitions which may well be of value to researchers in areas beyond those of marketing and business.

STRUCTURE OF THE THESIS

The work is presented in three Parts:

- Part 1 Foundation
- Part 2 Fieldwork
- Part 3 Conclusions and Implications.

Part 1, 'Foundation', contains the methodological discussions, followed by the conceptual work.

Chapter 1 presents the methodology. First it analyses the method as used by Glaser and Strauss in the Social Sciences, then follows a justification for the creation of the 'Millar Methodology', which is thought to be more appropriate to marketing, and a description of how this is applied to this thesis.

Chapter 2 describes why it is useful to accompany the development of thought with a parallel process of modelling development, and how this will be done.

Chapter 3 is devoted to Culture, and Chapter 4 to Globalisation: in both chapters clarification and understanding of the concept is aimed for primarily in relation to its implication for marketing (e.g. culture and country clustering) and for a manager's decision-making regarding international advertising.

Chapter 5 examines the literature and research which specifically relates culture and globalisation to international advertising. Attention is paid to cultural universals and to cultural differences, the latter both relating to the manager's background and to the consumers aimed at in advertising. The link between globalisation and advertising standardisation is examined.

Chapter 6 consists of initial and exploratory in depth interviews with top marketing and advertising executives in the UK and in the Netherlands and an analysis of personal experience.

Chapter 7 brings Part 1 of the thesis to a close, presenting an analysis of the Part 1 findings, the issues for theory development and for further research, and culminating in the model in Figure 7.8. A reconciled position is arrived at, forming the foundation for the fieldwork.

Part 2, 'Fieldwork', covers the survey part of the thesis.

Chapter 8 details reasons for the inclusion of issues in the fieldwork and describes and justifies the survey methodology.

Chapter 9 analyses those parts of the fieldwork research which repeat and check work previously carried out by other academics in the field. It compares the current findings with those obtained in the past.

Chapter 10 analyses the original part of the research, covering senior managers' views on globalisation, the Single European Market, how to cluster countries, the link between culture and standardisation, and decision-taking regarding international advertising.

Part 3, 'Conclusions and Implications', integrates and develops the findings of Parts 1 and 2, the Foundation and the Fieldwork.

Chapter 11 develops the overall conclusions in the main areas of 'culture and marketing management' (culture as a black box, culture and the consumer, culture and management). It formulates conclusions on 'globalisation and marketing management' and on the development of 'decision-taking regarding standardised international advertising', and culminates with the presentation of the final version of the model.

Chapter 12 brings together the individual conclusions of Chapter 11, presents a series of 10 Key Conclusions, and derives Implications for Theory, for Research and for Practice.

TABLES, APPENDICES AND BIBLIOGRAPHY

Throughout the writing up of the thesis an attempt has been made to present interesting and significant contributions and findings in the form of tables or illustrations. For reasons of simplicity these have all been called **"Figures"**, and have been numbered per chapter, i.e. Figure 3.5 is the fifth table/illustration in Chapter 3. A List of Figures is presented after the Table of Contents, and though not fully representative, it can be used to give a bird's eye view

of the development of the material covered in the work.

The thesis includes a number of **Appendices** containing material which is important as background knowledge, but too detailed to be included in the main body of the text. The appendices too have been numbered per chapter: a list can be found after the List of Figures, and the appendices themselves are positioned after the bibliography at the end of the main text.

The **Bibliography** goes beyond being a list of citations. It includes all work referred to in the text plus related articles and books which were consulted or referred to, and attempts to provide a reading list covering the area of the thesis. It does not however seek to give a comprehensive listing for the whole, diverse, field of culture or to indicate all references dealing with the areas identified by the conclusions and implications.

The **Table of Contents** may be regarded as an elaboration of this description of the structure of the thesis, indicating exactly where each chapter and sub section can be found. For a more manageable overview, it is preceded by the **Contents Overview**. The **Extended Abstract** has been inserted to provide a comprehensive summary of the thesis.

PART ONE

FOUNDATIONS

CHAPTER 1

SCOPE AND METHODOLOGY OF STUDY

1.1 INTRODUCTION

This chapter sets out the scope of this thesis and identifies and discusses the types of evidence available. It also reviews the method by which this evidence can be brought to bear on the key issue and describes the methodology which was used. The chapter also covers the ways in which the results may be of use and the extent of the original research they incorporate.

Initially, the objective of this research was to investigate the effects of cultural differences (particularly national cultural differences) in the area of international marketing - using advertising as a specific case to examine. The reasons for selecting these topics are discussed below.

Early in the work it became evident that one other influence was frequently claimed to be of special importance. This was cited by interviewees as 'globalisation' and it became clear that it referred to a factor which was seen as an opposing influence, negating or diminishing the importance of cultural differences.

This second factor was then brought into focus and received attention on the same terms as cultural differences. For writing up the research and its results the starting point taken is one where the two influences are treated as being (at least prospectively) in balance.

1.2 THE KEY ISSUE

Both culture and globalisation present a wide range of challenges to the researcher; and when the issue under consideration is their influence in a specific area, that of international marketing, there is a need to make clear the extent to which these wider challenges are being addressed as well as those arising in the area of direct concern.

There is also a need to define the area of marketing in which evidence is to be sought, i.e. international advertising. Here too the reader must be informed what ground it is intended to cover and with what objective.

This clarification is achieved here by stating a 'key issue'. This is preferable to the attempt to state a hypothesis which is to be tested. As discussed below the field is not yet clear enough or well-enough endowed with theory for it to be justifiable to devote the whole of a study such as this to resolving the issue on a single hypothesis, the choice of which would be likely to be highly arbitrary.

The "key issue", therefore, is a means of making clear the scope of those matters which are of direct concern, so that other issues can be identified as relatively peripheral.

The key issue addressed here is an expansion of the thesis' subtitle:

> "How do culture and globalisation enter into senior marketing and advertising management's decision making about standardising international advertising, especially in the area of fast moving consumer goods (fmcg) in W.Europe?"

Such an initial statement is derived simply from the postulated - or 'common sense' relationship amongst factors and effects which are of interest; it is not intended to preclude the introduction of other factors or effects later. However, other factors and discussions are to be introduced only as required in order to deal with this issue.

The principal factors introduced in the key issue are those of 'culture', 'globalisation' and 'standardising international advertising'; they have not been chosen arbitrarily and the merits and the implications of selecting them for consideration should be stated.

Culture and cultural differences have been researched by many academics working in many disciplines. In these studies culture's impact is traced across a wide spectrum of human activity and viewed from a wide variety of theoretical perspectives. This background adds weight to the common sense expectation that cultural similarities and cultural differences must be important for international marketing, both in building the theoretical discipline and in the systematic development of the professional practice of the subject. Differences, in particular, are expected to produce obstacles to international standardisation - thus making it less effective than other approaches, and hence less to be commended.

Globalisation, on some major views, appears to represent a denial that cultural differences will provide any real resistance to standardisation in international marketing. Globalisation is an ill-defined term which, however, many managers in responsible marketing positions are attracted by; they tend to see belief in some form of globalisation carrying the direct implication that standardisation is to be commended.

International advertising has been chosen as a central paradigm or example where

standardisation policies for international marketing could be put to the test. As noted, the initial expectation was that the study could focus on culture and international advertising. The suitability of choosing international advertising was evident when globalisation was added since it remained equally satisfactory to use advertising as the testing ground: any general effect by which globalisation overcame the effects of cultural differences on marketing should, if it existed, also have its influence and be observable in the area of advertising.

1.3 SOURCES OF EVIDENCE

A wide range of sources of evidence can be called upon to throw light on the key issue; they include not only the academic literature on past research and the field results of new research, but also the accumulated experience of those who are or have recently been active in international marketing, and even on occasion more 'journalistic' accounts, both because these can reveal otherwise unrecognised regularities and because familiarity with such sources may bias the responses of interviewees.

The question of what method could be followed was resolved by the coincidence of the direction suggested by two perspectives. Both led to "small samples".

On the practical side it was evident that the most fruitful source of information was practising managers in marketing companies and advertising agencies. The most expert of these people, and those really responsible for the decisions, were generally at a level where only a few would be prepared to cooperate. Although their contribution would possibly only be brief, it none the less seemed that evidence from other sources was likely to be inferior, even if more easily obtained. The "sample" would thus be small and there would be little opportunity for a second round of follow up questions.

It was taken as axiomatic that academic descriptions of what was happening would lag behind those of practitioners.

Research in methodological literature led to the conclusion that where the objective is the development of an initial theory, there was every reason to focus on such a small sample. The theoretical case is outlined below and expanded on in Appendix 1.1.

In assessing the suitability of the approach, it is essential to consider whether it is likely to give balanced access to the experience of senior managers, while at the same time analysing and relating this to conceptual work which can underpin theory development.

Such an investigation in practice could be addressed in several different ways. In order to clarify the reasons for and the advantages of the approach chosen, it is helpful to compare a number of possible approaches to gathering evidence and the reason for preferring that which was chosen:

Approach 1:

An idealised way of approaching this type of question, would be to investigate whether advertising which did take account of cultural differences was superior to that which did not; simultaneously one would check the situation in cases where globalisation played a significant role and some where it did not. Unfortunately this is not practicable; there is also some doubt as to whether it could provide a clear answer.

As well as requiring clarification of what the terms cultural differences and globalisation mean, such an approach would involve solving an issue which would merit a thesis in its own right: what is superior, (or firstly, what is "good") advertising, how is it measured, how can characteristics of good advertising be identified, and recognised, particularly where more than one country is involved?

The strategic importance of advertising is increasingly recognised in academic and business circles; increasingly advertising is used as a management tool; yet the crucial question of what constitutes good advertising and how is it measured does not yet have a universal answer.

It is encouraging to observe the strategic process of planning, execution, evaluation and control being applied with greater strength to advertising, as it is to other elements of the marketing mix. However, whilst this practice is superior to no such practice, it should be realised that, like other business tools, the process will help reduce mistakes and failures, rather than necessarily guarantee good, let alone brilliant advertising. Also, being on the art-science interface as advertising is, the appropriate method of evaluation and the quality of feedback and control is often a point of debate.

So even if good advertising is equated with effective advertising and with achieving objectives, agreement on the quantification of the extent to which these objectives are achieved is not universal. And even when the objectives of advertisements are similar and the products and companies involved are the same or similar, the effects on company or product performance can too easily be distorted by other variables (such as competitive activity or cumulative effect on the audience). Such factors add a further dimension of difficulty.

Approach 2:

There is a related approach which starts not from the advertisement but from the observable success (or failure) of a company or a product and attempts to abstract from their practice to some common elements of 'good practice' in advertising. This is, however, not much more promising, because:

a) differences in market conditions through time and across countries mean that comparisons only become possible once the evidence has been very heavily interpreted so that it refers to principles at a general level rather than the specific practices observed; the process of interpretation and generalisation from individual cases to general principles is left in the hands of the observer and is subject to no systematic check or discipline except the plausibility of the conclusions reached after the comparison is finished

b) the results considered depend on variables other than advertising and these still need to be taken account of; it is not practical to eliminate their effect by randomisation since the number of variables thought to be involved is immense and the number of companies and products which can be comprehensively observed is small

c) the degree of agreement about the success or failure of products or businesses, though large, is not 100%. Decisions have to be reached about how to deal with cases where knowledgeable observers dispute the validity of the examples. Here again the observer is forced to be selective about the evidence without any systematic procedure as guide.

Approach 3:

A final option is the approach in which one looks to experts in the field for the necessary evidence. This approach is taken here in preference to either of the preceding ones. It is based on the view that the testimony of knowledgeable professionals is likely to be the most available and practical criterion for judging the suitability and quality of what was or might have been done. The experts are used as a channel or instrument of observation and they serve to extend and assist the observer's perception, just like a telescope in astronomy.

There are, however, obvious problems about basing conclusions on the testimony of experts:

1. It may not be possible to identify the experts satisfactorily.

2. There may not be any unanimity. On the analogy with the telescope, the instruments may be of varying quality, may have been wrongly set up, or there may be nothing consistent to observe.

3. There may be unanimity founded on acceptance of authority, or wish to conform, rather than on the facts. On the telescope analogy, there may be a systematic error introduced by the instrument used.

4. The account given to explain the outcomes may be fallacious, fabricated or confabulated. Professional marketing staff cannot be guaranteed to give accurate or usable reports of the principles they employ - any more than the skilled cyclist can necessarily explain the principles governing maintenance of balance while cycling. This effect does not mirror anything in the telescope analogy; we do not in general expect our scientific instruments to provide explanations as well as measurements, however when the 'instrument' is human there is a natural temptation to discuss causes and no reason to dismiss opinions out of hand - caution is none the less a wise policy.

Despite these obstacles the approach of deriving information by seeking the views of those with practical experience does have considerable merits and redeeming features; for example, because:

1. It is desirable that the conclusions reached have practical significance. Using the testimony of those practising in the field gives the best guarantee that they will in turn be able to work with the principles formulated.

2. The small amount of empirical work so far done in this area means that very few people with practical experience have so far had the chance to bring forward insights which might merit theoretical discussion. The introduction of testimony from practitioners opens the way for such re-fertilisation of the theoretical debate.

Although as noted there may be some difficulties in interviewing the experts, this problem is less than the corresponding ones when the focus is on campaigns (approach 1) or products and companies (approach 2) rather than individuals (approach 3). Working with individuals, it becomes easier to seek out a sample in which 'good practice' is well represented; while no guarantees exist that one individual has a better insight than another, there is usually a wide measure of agreement about people's abilities.

The procedure for selecting the group of experts to be approached is dealt with in Chapter

8, which also considers how their evidence should be analysed in detail. In this chapter it is important to note that the evidence to be gathered from the experts is intended to reveal patterns in the attitudes and judgements of those who have first-hand experience of the interaction of culture, globalisation and decision making about international advertising. The conclusions reached are in most cases inferred from the answers given rather than merely being 'opinion poll' outcomes: Chapter 8 deals with the formulation of questions so that such analyses can meaningfully be made.

1.4 OBSERVATION AND THEORY DEVELOPMENT

There is a lack of any existing theory which will serve to generate sufficiently useful hypotheses about the key issue. This is illustrated in Chapters 3 to 5, and from the outset of the research it was clear that the wealth of opinions and speculations available do not provide a reasonable basis for formulating a hypothesis which could be tested, since they embody inconsistent definitions of crucial terms, tend in contrary directions and seem oriented toward issues considerably different to those dealt with here. There is thus no theory to speak of in this area.

The process of observation must accordingly be set up in such a way that it provides for the development of theoretical insights which are, so far as possible, tested within the same series of observations.

Such a requirement is by no means unique and indeed must be common to many studies where new fields are being explored. The most accepted methodological work on how to deal with such a situation is that of Glaser and Strauss (1968).

Glaser and Strauss' perspective is that of the sociologist, and their mission is to rescue sociology from what they see as excessive preoccupation with the statistical testing of detailed, relatively uninteresting and often apparently arbitrarily-selected hypotheses.

Marketing does not at present suffer from any flood of implausible or trivial hypotheses and the introduction of a method derived from Glaser and Strauss should not be seen as an alternative to, or a rejection of the orderly process of generating and testing specific hypotheses. The problem which these methods assist in is that of generating hypotheses efficiently and of giving some assurance that the hypotheses are worth testing even in cases where the research described has had to be too limited to provide conclusive results.

The validity of applying Glaser and Strauss methods requires little further justification; the

methods give some assurance of relevant and reproducible results.

Although it would have been possible to approach the subject using the methodology of Glaser and Strauss in its original form, it was felt that it might be possible to modify their approach in ways which would increase the plausibility of the results to those more attuned to the traditional approach of testing explicit hypotheses. Since the situation faced here is not likely to be unique, and as a contribution to the development of methodology in marketing studies, the rationale underlying this attempt to reinterpret and adapt Glaser and Strauss' methods will be discussed, as well as the nature of the resulting methods and the way in which they have been used here in order to give the most practical result possible.

1.5 REASON FOR THE APPROACH TAKEN

The approach taken is not simply a copy of Glaser and Strauss's methodology. The methodology used is however based on that developed by Glaser and Strauss. Specifically, some of the Glaser and Strauss methodology has been followed, while some has been developed further.

The following were the starting points in favouring the Glaser and Strauss methodology above others:

- the wish to avoid the premature formulation of specific empirical hypotheses
- personal experience and, in due course the pilot work, indicated considerable terminological confusion in the area
- open ended enquiries rather than strict survey work seemed called for.

In addition however there were some other facets, which appear to be typical of the marketing subject area and somewhat different to sociology as it was when Glaser and Strauss were writing:

- Several apparently well-established and relevant empirical results existed, e.g. Hofstede, Dunn; these dealt with populations larger or similar to those now under consideration. They were therefore already 'grounded', and their applicability to the population researched was ripe for verification. Such verification could enhance the grounding of any theory developed.

- The 'laymen' (Glaser and Strauss' term for those being studied) in the population researched are sophisticated professionals who in many cases are aware of theories

about them, and may even be guiding their actions by reference to such theories. The theoretical concepts therefore cannot be ignored; they must be studied in the same way as one would study the tools used by a social group and the concepts used in existing theories have to be taken account of if the resulting theory is to be one which the professionals can understand and apply.

- The confusions and ambiguities about concepts amongst the decision-takers and theorists are a relevant factor and a valid subject of study, since they form part and parcel of the behavioural phenomena to be explained.

- The practice and views of non-marketeers and incompetent marketeers / advertising decision takers are irrelevant. The universe of individuals to be considered is very limited in comparison to that of sociology. In fact, selecting a sample for the replication work, one has ipso facto selected a sample of the total interesting population, for the countries concerned, and this is ready for fine tuning on a case by case basis, using an approach like that of Glaser and Strauss.

These factors create a situation in which it is possible to look for a higher assurance of reproducibility in the results than the Glaser and Strauss method claims. The description of how this is achieved is given in the remainder of Chapter 1; this is done at some length and systematically, both because Glaser and Strauss demand so and because such situations are likely to occur in other research in the field of marketing.

It is fully accepted that there will be situations in which the methodology might not be appropriate, and ones in which traditional Glaser and Strauss is better. The distinguishing aspects of the present situation which led to the decision to depart from Glaser and Strauss were in fact:

a) the important decision to replicate previous research, which put constraints on to the methodology to the extent that -in addition to the Glaser and Strauss methodology re sampling- certain sampling quota had to be met

b) the decision to chronicle steps by developing a model, which at the end of the thesis expresses the hypothesis formed in answer to the key question put at the beginning of the work; it was this which required analysis and synthesis on a topic by topic basis rather than on a person by person basis.

c) the fact that by taking already grounded theory a step further a higher degree of reproducibility could be guaranteed by incorporating theoretical sampling into small sample procedures (which Glaser and Strauss countenance, (1968:176ff)).

1.6 THE "GROUNDED THEORY" FRAMEWORK

Before attempting to modify an established methodology such as that of Glaser and Strauss it is necessary to identify clearly the nature and benefits of the methodology and those aspects of it which are to be carried forward into the new approach.

The method pioneered by Glaser and Strauss is referred to as 'the development of grounded theory' (Glaser and Strauss, 1968). The method has much in common with phenomenological approaches in sociology and is particularly suitable for situations where theoretical work is insufficiently developed to allow the formulation of clear-cut 'yes'/'no' tests and where the number of potentially relevant factors in observable cases is too high for them to be controlled for by traditional statistical means.

Glaser and Strauss seek to counteract what they see as a tendency among sociologists to concentrate on verification of detailed hypotheses and to ignore the development of improved theories. Their notion of 'grounded theory' is one which is contrasted with purely arbitrary hypotheses; they argue that the pressing current task for sociologists is to spend sufficient time in systematic observation and in exploring the grounds upon which theory can be based. They deplore a tendency to dismiss such work as unscientific, and they claim that if conducted properly, this observation leading to grounded theory is a valid method for the advancement of understanding.

Glaser and Strauss do not deny the need for work which starts from a hypothesis and set out to test it rigourously. They do however comment that in practice and particularly when the hypothesis does not come from a grounded theory such enterprises are apt to lead to the observational facts being 'bent' or forced into a mould which gives a definite result to the testing procedure but leaves the results with little relevance to other future work. This combined with a tendency to seek hypotheses which are easy to test or which are relatively arbitrary, leads in their view to wasted effort.

They would see the testing of hypotheses as a second stage which should be carried out once a theory has already been shown to be 'grounded' and once the scope and ramifications of the theory are understood. At this point it becomes interesting to know how the theory could be used predictively and this is the point when detailed hypothesis-testing work is called for.

The procedures which Glaser and Strauss outline give general rather than detailed advice on how an investigation should progress. They provide for the steady development of the field of enquiry in such a way that the investigator should rapidly encounter any counterexamples

to his/her current views; such examples need not lead to the views being totally discarded; instead the scope of the generalisations involved will have to be more limited. Eventually a point may be reached where there are more cases falling under exceptions than under rules and a rethink may be necessary. But in general the method provides for a gradual build-up and refinement of insights as the amount of experience gained increases.

Use of a method such as that of Glaser and Strauss has great advantages:

1. It provides a systematic approach through which a wide range of types of evidence (reading, field-work, personal experience, anecdotal and case study material) can be brought to bear on the task of understanding a phenomenon or area of activity.

2. It leads the researcher from an initial stage of theory development to a stage of hypothesis-testing in an orderly way once enough progress has been made.

3. It gives an assurance that the theories and hypotheses propounded do have grounds in fact and are not arbitrary or fanciful (hence the term 'grounded').

Glaser and Strauss' concerns are with sociological studies. In the context of marketing studies the application of their ideas need not take exactly the same form, provided it follows the same basic principles and any deviations are explained and justified.

Glaser and Strauss (1968: Chapter X) provide a good pointer to the criteria which should govern development or modification of their approach when they focus on the applicability of results in 'Applying Grounded Theory'. They demand that the theory which emerges should manifest

- good fit with the subject
- understandability
- generality
- controllable variables.

1.7 THE 'MILLAR METHODOLOGY'

The method used here builds on Glaser and Strauss and attempts to preserve the key advantages of their approach whilst finding a valid way of combining these with a more

extensive programme of interviewing and some elementary descriptive statistics. In order to emphasise that the method used is not that of Glaser and Strauss, and that it must be judged both on the merits of the argument here and of its effectiveness in dealing with the present subject-matter, the method is referred to in brief as the "Millar methodology".

In marketing, perhaps unlike sociological studies, a certain amount can be assumed both about the subject matter which will be relevant and about the 'players' whose actions and pronouncements will be relevant. This provides a basis for targetting enquiries and makes it feasible to require that the group of participants dealt with should form a meaningful population for purposes of later statistical analysis yet at the same time display enough diversity for any fanciful and purely arbitrary generalisations to be detected.

In addition to the inherent structure arising from the fact that the study is a marketing one, there is the fortunate side-effect that because of their profession marketing management are familiar with research interviews, structured interview guides and questionnaires.

The Millar methodology, taking advantage of these factors fits the needs of this study well and may have a more widespread applicability in marketing. The main characteristics of the method are divided into the logical and the procedural. These will be discussed in turn.

A. Procedural Aspects:

The key procedural aspects of the method are:

1.7.1 Reconnaissance, Concept Development, Survey, Analysis and Synthesis

1.7.2 Appropriacy of Analysis and Quantification.

1.7.1 Reconnaissance, Concept Development, Survey, Analysis and Synthesis

These phases should all be considered explicitly and the sequence indicated is desirable in order to minimise the risk of premature conclusions affecting the evidence which is collected. Some overlap of phases may, however, be acceptable, e.g. concept development and reconnaissance, provided the conclusions of earlier phases are explicitly re-assessed.

Reconnaissance provides the initial test that the scope of the work has been chosen well and leads to an agenda for the concept development phase. In the reconnaissance phase contact is sought with a small group of those to be surveyed later. Rather than operating with a questionnaire, the interviews are guided by a list of topics and respondents are encouraged to amend or expand the range of topics as well as giving their own viewpoints. The results of the enquiries are scanned to check whether the assumptions lying behind scope management

decisions (see 1.7.1. below) are borne out.

In the case of the present research it was the reconnaissance phase which led to the conclusion that 'globalisation' had to be given an importance almost equal to that of 'cultural differences'.

If this had not been seen then the answers obtained later could have been affected in several ways:

- differences in the 'globalisation variable' could have gone undetected and might have led to apparently random results in relation to the 'cultural differences' variable
- respondents' cooperation and patience could have been seriously reduced by their perception that not all the correct issues were taken account of.

Also the importance of management was underlined. In other respects the reconnaissance phase of this study confirmed the decisions taken on scope.

Concept Development consists of the process which its name suggests. In this study the research into published literature led immediately to a significant need for concept development. This produced definitions which were more applicable in the present context and more clear than their predecessors, e.g of globalisation, culture. It also highlighted potential influences, such as those of product type, so that tests of them could be built into the survey phase.

The Survey Phase need not in all cases consist purely of a planned series of contacts with human respondents; the various types of evidence admitted by Glaser and Strauss can also be admitted here. In practice, though, the attempt to follow a systematic 'marketing survey' approach adds considerably to the likelihood that other researchers can reproduce the results obtained.

In the present case a systematic survey was used, but personal experience was also taken into account. The two have been carefully separated in the reporting (Chapter 6 and Chapters 9 and 10). The survey was unusual in that respondents were presented with a very long questionnaire which sought to maximise the scope of their setting out all relevant aspects of their views.

This specific type of "multi-perspective" questionnaire is described in Chapter 8. It was intentionally long and respondents were subjected to relatively great pressure to creatively participate, rather than just answering questions; in many cases personal interviews and/or

telephone conversations took place to ensure that responses were obtained; where such pressure was not necessary it appeared that either the personal credibility of the researcher or the sheer length, implicit insight and detail of the questionnaire had led respondents to take the issues unusually seriously.

Analysis is common to most methods. In the present case it is important to stress that the analysis is of evidence not merely of questionnaires. The questionnaire contains evidence but is not the sum total of the evidence; account can, for instance, be taken of the amount of effort required to get the questionnaire completed, of the comments made during telephone conversations or of the conflict between what is filled in on a questionnaire and what the same person has written in published articles, sometimes sent along with it.

Analysis also requires the researcher to deal with apparent (and real) contradictions in what is said. By means of analysis the researcher must determine the bearing which each item of evidence has upon the issues being addressed.

Synthesis follows analysis in logic but may become mixed with it in practice; as impressions emerge from the evidence the researcher naturally builds these into patterns and attempts to synthesise them into more all-embracing and powerful generalisations. These in turn generate questions for reference back to the evidence, and further analysis may result.

Little more need be said about these processes as they are not unusual; they are identified mainly to allow the reader to gauge where this method coincides with others.

1.7.2 Appropriacy of Analysis and Quantification

It is a familiar fallacy to express the results of calculations to a spurious degree of accuracy (for instance stating half of a measured distance using more decimal places than could have been measured in the first place). Similar common sense rules have to be applied in this type of enquiry; breach of them can produce highly misleading consequences.

Similarly the observation that all members of a certain class display a certain property, e.g. have a particular view, is of interest and merits generalisation at least for the universe being considered. It is however dangerous to treat generalisations based on small sub groups as being as valid as those based on larger and potentially more diverse sub groups.

B. Logical Aspects:

The logical aspects of the Millar methodology derive in large measure from those of Glaser

and Strauss but are stated here with rephrasing and altered emphasis to make the method more obviously relevant to this case. The use of this logic applies primarily in the analysis and synthesis phases, but needs to be borne in mind when the work is planned. Use of the same approach during the reconnaissance phase lays sound foundations for the later phases.

The key logical aspects of the method are the following:

1.7.3 Scope Management
1.7.4 Linking Theorising to Observation
1.7.5 Systematic Pursuit of "Limiting Cases"
1.7.6 Elements of Theory
1.7.7 Extended Scope of Observation and Evidence
1.7.8 Explicit Procedure
1.7.9 Deferral of Hypothesis Formulation
1.7.10 Model Development

They can be summarised as follows:

1.7.3 Scope Management

This aspect of the method takes account of the danger that any systematic survey covering too broad a range of situations by means of a relatively small number of cases, will produce either no detectable pattern or a pattern based only on factors which are so visible and commonplace as to be of little interest.

Equally scope management demands that the breadth of range of any survey (whether of people or literature) be broad enough to give access to evidence for any likely sub-categories, special groups, major disturbing variables etc. In particular the "breadth of range" requirement involves giving consideration to spokesmen for major opposing views, even when the researcher is firmly of the view that one (or neither) view is right or even when the researcher feels that the protagonists are mistaken in claiming their disagreement relates to the subject being researched.

The selection of a key issue (as described above) helps clarify the scope management decision. All matters referred to in the key issue or commonly related to it should be in the scope.

In the present case the scope management decisions taken were:

1. to restrict the area of enquiry to fast moving consumer goods

2. to restrict the area of enquiry to Western Europe
3. to systematically survey both agency and company managers
4. to systematically survey managers from at least two countries
5. to cover literature across a wide range of views on culture
6. to cover literature on globalisation representing the major conflicting advice (in general business studies as well as marketing)
7. to incorporate personal experience as called for in Glaser and Strauss.

1.7.4 Linking Theorising to Observation

Constraints are put on the extent to which the researcher can propose hypotheses or theories simply on the basis of abstract thought, elegance of the ideas, etc. Those situations, reactions and relationships which are postulated to be linked must have been observed at least to coincide in some actual cases.

This is the basis for the qualifying adjective 'grounded' in Glaser and Strauss' 'grounded theory'; the theories derived are to be seen primarily as systematic structures by which an actual sequence of observations and practical insights can be summarised and made accessible to those who would wish to proceed with further observation - or action - in the same context.

The requirement that scientific discovery must produce results which are predictively valuable is not abandoned, however the requirement for strict reproducibility is not maintained by Glaser and Strauss; if the relationships postulated are validly arrived at, then they will be useful; other qualified observers should be able to obtain similarly useful results by following the same methods; the story they would tell to summarise what they knew might, however differ as a result of the sequence in which they discovered the relevant elements and relationships.

The relationships discovered by proper application of the method should also be of practical value in that others should be able to use the insights gained as a guide - or checklist at least - to guide their actions.

Like grounded theory the present approach remains in the realm of qualitative relationships; it does not pretend to permit the prediction of quantified outcomes from quantified causal factors and initial forces. (In marketing it may, of course, be regarded as an open question whether the ability of a theory to work in quantitative terms would be of much use, given the number of initial forces and causal factors which appear relevant and given the problems of simultaneously and objectively quantifying them).

A particular benefit of this aspect of the grounded theory type of method is that it in effect introduces a version of "Occam's Razor" -the principle that the number of theoretical entities should be kept to a minimum. In the theory development phase only those theoretical entities needed for the observations should be admitted; Glaser and Strauss however accept that where there are already theoretical variables defined in the literature these should be considered. Exceptions may only be made to this if the result is to improve the theory from the point of view of its matching the data and it is required that the theoretical entities or variables introduced can be grounded in specific (sets of) observations made or reported.

1.7.5 Systematic Pursuit of 'Limiting Cases'

Although not phrased in these terms, Glaser and Strauss' preferred method of approach is one which seeks to ensure that the researcher will continually be exposed to extreme cases where the theory being developed breaks down. Such breakdowns do not 'disprove' the theory, they simply show the limits of its applicability.

If after sufficient research the researcher finds that the residual area of application of the theory is too small then this is a defect of the theory. The next step is however to be judged not in absolute terms but pragmatically, considering the alternatives. For example

- the theory may be unable to compete with alternative theories because they take in a wider area of applicability and are not disproved by the evidence obtained - it will be better for the researcher to switch to the more broadly applicable approach,

- the scope of the theory generated may be so small as to make the theory not worth publishing - it can be kept in mind as a kernel around which to build when there is time and opportunity to integrate more data.

Glaser and Strauss' way of achieving systematic coverage of limiting cases is described by them as the "constant comparative method of qualitative analysis" (Glaser and Strauss, 1968: Chapter V). The four principles they enunciate are parallelled here and restated in the terminology used in the thesis.

1. <u>'Comparing incidents applicable to each category.'</u>

The focus here is on the particular 'incidents', deciding what categories they manifest (using each incident to illuminate as many categories as possible). The analyst continues producing new categories in each case where an incident seems to display similarity to other incidents but where the basis of similarity is clearly different from any other basis (category) already

included in the list.

This principle can be restated as that of systematically scanning cases to make an inventory of the different factors present.

The notion of comparison at this stage merely highlights the need to compare incidents so that all the categories emerge and that categories chosen are not too general or too specific. This latter point seems to imply that if, for example, the incidents observed, fall clearly into about n cases, then the level of generality of the categories chosen should not result in there being as many categories as incidents, nor of there being so few that there is no hope of correlating the cases with different complexes of categories.[1]

2. 'Integrating categories and their properties'

In this process there is an attempt to detect not just that an incident belongs to a certain category of incidents but whether its particular properties mark it out as linked to other incidents.

The objective here is to be looking for factors which go together *with other factors or with* particular values of other factors : leading to 'higher level' complex factors.
Advantage *is taken of the fact that properties* "elaborate" conceptualizations.

3. 'Delimiting the theory'

Glaser and Strauss (1968: p.112) state: "The universe of data ... is based on the *reduction* of the theory and the delimitation and saturation of categories. Thus the collected universe of data is first delimitated and then, if necessary, carefully extended by a return to data collection according to the requirements of theoretical sampling."

4. 'Writing theory'

The process involved here is similar; it revolves around the iterated steps of

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[1]Suppose the observations are of the events at a roulette table; one would not wish to introduce a category representing the precise amount of money on the board since this will be different in almost every case - 'high'/'average/'low stakes' might be appropriate given that many other categories will probably also be relevant. At the same time one would not like to end up with only three categories, each with only two or three possible properties (e.g. gender of croupier, day or night, and high/low stakes) since such a range provides insufficient combinations to relate to the 37 or 38 distinct possible outcomes of spinning the wheel.

- ensuring systematic diversity in the observations made
- comparing cases and situations so as to draw out the similarities and contrasts
- thus leading to the definition of variables which must be taken into account.

Differences arise particularly in that Glaser and Strauss wish to separate the tasks of theory development and hypothesis testing. They say (page 103) "the constant comparative method cannot be used for both provisional testing and discovering theory: in theoretical sampling, the data collected are not extensive enough and, because of theoretical saturation, are not coded extensively enough to yield provisional tests.... They are coded only enough to generate, hence to suggest, theory. Partial testing of theory, when necessary, is left to more rigorous approaches".

Glaser and Strauss' separating of these stages is a way of avoiding an obvious trap; it is not however the only way. The trap which arises is that of the selectivity in the gathering of evidence. The breadth of evidence needed to provide a useful input for theory generation makes it important to be selective, -to conserve time. This means, as Glaser and Strauss stress, that repetitions of the same observation are discarded and that limiting cases are sought out.

If one were to use the resulting data for hypothesis testing, one would obtain the strange result that the most common cases were under-recorded and that the theory looked very dubious because of many cases where it broke down.

The use of a survey approach from the outset, as here, results in there being a better coverage of the true population than Glaser and Strauss would require. Although duplication is ignored in theory generating the prevalence of the types can be observed, and used for descriptive statistics.

1.7.6 Elements of Theory

Glaser and Strauss place particular stress on the principle that the concepts used in stating theories are understandable to the people working in the area. Their own examples deal often with hospitals (and the awareness of dying); they stress that the theoretical constructs they introduce in order to unify a diverse range of examples, are concepts which the hospital staff can readily understand.

This requirement, which seems quite absent in the development of theory for the physical sciences, appears to provide further discipline preventing the formulation of fanciful or unduly abstract theories (an infinite number of which could be constructed to fit a given set of facts).

It translates into an unbiased audience orientation from the side of the researcher.

In this study this discipline arises in Part 1 from the methodological considerations and is continued in Part 2 due to the need to relate findings to the views expressed by a population drawn from those who are active in marketing and advertising.

1.7.7 Extended Scope of Observation and Evidence

Glaser and Strauss emphasise the value of taking into account all evidence to which the researcher has access. This means that literature, personal experience, etc. can be brought to bear upon the issue being considered.

It is accepted that the researcher must apply his interpretation to this evidence, but it is claimed that risks of bias reduce as the range of sources and diversity of comparisons taken into account is increased. The risk of bias must be kept quite separate from the risk of falsification; it is an assumption of most methods that the researcher is not trying systematically to deceive.

In this work some additional evidence comes from non-academic literature (mostly company based examples, cases, and accounts of talks or articles in non academic journals) but the overwhelming majority of evidence is from the recognised sources of academic literature survey and field research; to this has been added personal experience, as described earlier.

This personal experience was gained over many years and predated the other work described here; none the less it is introduced only at Chapter 6, once the reconnaissance phase and the literature survey have been dealt with. This allows the reader to judge the personal experience against some reference points; it is however the totality of evidence built up from various sources which serves to help explain the approach taken in the fieldwork.

This positioning means that all conclusions based on personal experience still require to be backed up in the field work and a reader who would disallow such an input need only be concerned that some of the theoretical options dealt with in the survey have been introduced on the 'arbitrary' basis of personal experience and are not 'grounded' in any other way.

1.7.8 Explicit Procedure

Glaser and Strauss advocate that the steps taken by the researcher be chronicled. Such an approach has benefits in achieving

a) reproducibility of results

b) better understanding of concepts introduced

c) a discipline which helps the researcher notice and counteract possible sources of bias.

In the Millar methodology the procedural requirement already outlined above ensures that an adequately systematic approach is applied. Thus although there is no chronology of the thought process during the analysis of the questionnaire, the description of the results as they emerge from this approach then automatically corresponds to the type of account Glaser and Strauss favour.

1.7.9 Deferral of Hypothesis Formulation

Glaser and Strauss are at pains to emphasise the need to avoid slipping into the testing of hypotheses at too early a stage. This advice applies equally in marketing.

The importance of this aspect emerges clearly in this study. Although it was clear which area research should focus on and that there were important conclusions to be drawn about it, there was at the outset very little clarity about what the possible conclusions might be. It was not possible therefore, except purely arbitrarily, set up hypotheses which could then be subjected to formal testing.

To have moved to a firm hypothesis after the reconnaissance would also have involved a great risk that at the end of the work the hypothesis would both fail to be confirmed and also be felt (but not proved) to be naive, misguided or over-detailed.

From the researcher's viewpoint therefore it was important to develop a methodology with the characteristics Glaser and Strauss seek, as this had several advantages:

- the researcher was relieved from having to define a single hypothesis at the outset. This was particularly important because the literature did not yield any clear-cut dichotomy which could be resolved by yes/no questions, and because of the limited scope for going back to interviewees[2] to explore

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[2] If hypotheses have to be stated at the outset, the method of dealing with such a problem would in principle be to conduct some preliminary work in order to clarify concepts, then formulate rough hypotheses, check these on a sample of cases, refine the concepts again if necessary, restate the hypotheses and then to go back and check these in more depth.
Such an iterative procedure can work in the physical sciences - indeed it probably forms part of much work although it is not normally reported on in these terms. However it cannot be reasonably be done with the type of managers amongst whom the survey reported here was conducted; their willingness to spare time for researchers is usually in inverse proportion to their seniority and presumably their level of experience; they require to be approached once only. As a result if hypotheses are modified a new sample of interviewees is likely to be needed each time. This implies access to an impractically large number of senior managers.

alternative hypotheses if the initial one(s) should be disproved.

- it was possible for reading, reflection, interviews and questionnaires to be more open-ended. This open-ended approach better met the need to test several hypotheses at once and in a flexible way. Such open-ended approaches exist already in business, being widely used in consultancy and qualitative market research studies which are normally taken as good evidence by business management.

The method followed was therefore one which concentrated on gathering a wide range of evidence about the phenomena of cultural differences, globalisation and decision making regarding advertising standardisation; this was done in an open-ended fashion, being guided by the phenomena. The frameworks which emerged were maintained and tested through each subsequent stage of the investigation, but most formally in the field interview stage. Part 2 is a presentation of the interview phase while Part 1 presents the frameworks emerging from the other sources which had to be integrated with each other and in addition with the interview phase findings.

While Part 2 describes a process in which a semi-structured questionnaire was used as part of the technique, in Part 2 patterns for grounded theory formulation were sought on the basis of all the evidence available including the replies to open-ended questions. These made it possible to consider 'supplementary' questions about respondents' views where the evidence was reached by inference from what was or was not said in response to open-ended questions.

Thus the continual process of trial and error leading to hypothesis formulation was carried on right up to the analysis and synthesis phases.

1.7.10 Model Development

When hypotheses can be formulated their use has an advantage over and above that of providing a consistent reference point for observations; hypotheses tend to be stated briefly and in terms which have been clearly defined. In some subjects they can be put into the formal mould of an algebraic relationships, and in almost all they tend to be much more precise than the expository text which surrounds them.

It is desirable to reach this type of clarity as quickly as possible, even though there may be no single preferred hypothesis. To achieve this the notion of a progressively refined model is introduced. This does not derive from Glaser and Strauss but seems to represent a helpful addition to the method they recommend.

The role of the model is to provide a clear encapsulation of the current stage of thinking about the structure of the relationship amongst the phenomena concerned. By the nature of the case the model cannot be built up exclusively out of previously-proved associations; some such relationships will be present, but the whole benefit of the model is in presenting possible relationships in a clear way so that evidence for and against them can be organised expeditiously; the model must therefore be developed in such a way that possible relationships are only eliminated when all apparent (or plausible) evidence in their favour has been invalidated or ruled out. Chapter 2 introduces the model.

1.8 STATISTICAL ANALYSIS AND QUANTIFICATION

Given the approach described the results obtained should have the force of 'grounded theory' such as Glaser and Strauss describe. However this approach also provides some opportunity to go farther and seek to establish relationships at a level which is demonstrable in broad statistical terms and where some quantification of regular patterns or associations may be attempted.

This is particularly attractive since in marketing, by contrast with pure sociology, there will be a wish to move rapidly to explore practical applications of what emerges.

The opportunity for this type of treatment depends of course on the number of properly comparable observations made in the survey stage. In the present case an adequate number was required in order to check whether those covered reflected the national attitudes identified by Hofstede and the attitudes to advertising reported by Dunn.

A similar number was also worth seeking so that the database of cases could be 'interrogated' during the analysis and synthesis phases with some reasonable hope of finding answers to whatever questions arose. The survey provided in effect a collection of personal histories which could be used to pursue the type of enquiry needed for the discovery of grounded theory, but without having to make continual new expeditions to seek out interviewees.

The type of questioning appropriate for such purposes (hypothetical rather than historical) is discussed together with the scope for statistical analysis in Chapter 8. Although a potentially important source of more precise insights, such statistical analyses should not distract attention from the primary aim. This remains that of providing theoretical insights in the area which are comprehensive, well-founded and practical. The data collection and analysis process has therefore concentrated on those steps which can form part of a systematic search for grounded theory.

CHAPTER 2

PROTO-MODEL AND ITS DEVELOPMENT

2.1 INTRODUCTION

This chapter presents a model and lays the foundation for its development in the remaining chapters of Part 1. This approach provides a framework for, and clarifies, the thought process behind the theoretical work.

Culture, globalisation and international marketing are fields in which there are several factors or forces which are clearly influencing each other, but there is no basis on which to choose a particular hypothesis for testing. The creative work of arriving at a view suitable for, and worthy of, empirical investigation cannot therefore start from any one hypothesis; the use of a model permits a less restrictive, but still explicit, statement of relationships.

Formulation in terms of a model has the second advantage of making it easier to show the progression of thought from a rough and oversimplified initial perception to a richer and more concrete view of specific relationships.

2.2 PHENOMENA, ACTIVITIES AND FACTORS

Before considering relationships it is important to be clear about what the relationships are amongst and how they are to be specified. The title of this work refers to two phenomena, culture and globalisation, having effects on a realm of human activity, decisions regarding international advertising. As the model is developed, the detail of the supposed effects will be filled in and will form relationships in the theory. Stating such relationships involves the identification of variables (factors) which are present in the phenomena and which influence variables (factors) in the conduct (or the outcome) of international advertising.

An analogy may help to avoid misunderstandings later. Figure 2.1 lists three phenomena with three types of human activity which might be influenced by these phenomena. Consideration of these as analogies highlights the danger that common speech and phrases will prove misleading.

PHENOMENA	HUMAN ACTIVITIES POTENTIALLY AFFECTED
the weather	*leisure activities*
social consensus	*voting behaviour*
public taste	*literature*

Figure 2.1 Analogies of the Effect of Phenomena on Human Activities

In each case the phenomenon is often talked about informally as if it were an entity - or even an agent - which had its own identity and could exert different influences at different times - almost as if it had free will. It is however clear that neither "the weather" nor "culture" should be taken as agents. Weather has a variety of effects, but this is a question of the variety of different weather conditions which can occur. Similarly the different states of public taste or social consensus have correspondingly different impacts on literature or voting behaviour. The analogy suggests that culture may also have a variety of forms and that it is not one effect of culture which is to be examined, but the varying effects of the varying cultures.

Ideally one might like to be able to identify a particular culture, list its attributes and deduce some effects from these, taken along with other data such as a particular state of affairs regarding globalisation. Such a goal would be ambitious. A second, but limited, ambition which none the less casts light on the relationships would be to demonstrate that differences in the phenomenon under consideration were associated with differences in the affected realm of activity.
Thus differences in the state of the weather could be traced in differences in the leisure activities pursued, and reasons could be sought for this (e.g. more or less wet weather linking with more or less exposed forms of activity because of a general wish to avoid getting wet). Similarly one would seek to link differences in the culture and/or globalisation with differences in decision-taking on international advertising and would then seek reasons for the links.

These analogies are chosen to illustrate the need to deal with a variety of variables in order to deal with a complex case like the postulated effect of culture and globalisation on international advertising. Like culture, each of the phenomena cited has many dimensions, each of which can be seen as a separate variable, e.g.:

- <u>weather</u> involves temperature, rainfall, wind, variability;
- <u>public taste</u> could involve degree of acceptance of profanity, obscenity, envy, self-aggrandisement, talk about death, etc.

self-aggrandisement, talk about death, etc.

The notion of 'differences in' the phenomenon is not fully specified until the variables involved have been identified.

This basic requirement can sometimes go unrecognised because of shorthand styles of expression. In some contexts, such as references to weather, talk of "the influence of... " carries an implicit assumption about the variable which is relevant and significance of particular values or ranges of values of this variable. This is particularly so when the context indicates some refinement of the realm of human activity referred to. In terms of the analogies, cases might be:

- warm weather in relation to sporting pursuits
- low support for national identity in relation to level of participation in national elections
- low acceptance of talk about death in relation to the development of euphemistic vocabulary in popular fiction.

In the case of 'culture' - however defined - there are many dimensions to the phenomenon. It is not normally unambiguous, even informally, which are the major aspects or variables implied to be at work when culture 'has its effect' on international marketing or advertising. It is also not clear what value or ranges of values are relevant.

In the case of 'globalisation' too, it is desirable to avoid any arbitrary narrowing of the term to make it refer only to a particular aspect. As a concept 'globalisation' seems to be less complex; however the exact criteria for globalisation may need exploration and the term itself may be in use with different meanings.

Pending discussion of the literature on the subject, the concept is left unanalysed, simply being portrayed as an influence presumed to favour decisions to adopt standardised international advertising.

The human activity affected, decision-taking on international advertising, may, as in the analogies, be made more precise. The specific aspect selected is that of standardisation. A major attraction of this is that it can be treated as a single-dimensional variable; some of the nuances about how one can achieve standardisation or what happens when only certain elements of the advertising are standardised, will require to be dealt with later. None the less to be expected that most managers can understand and give a clear answer to questions whether circumstance A gives more or less scope for standardisation than circumstance B.

2.3 THE PROTO-MODEL

At the initial stage it is important to present a model which portrays only the simplest relationships and leaves the nature of them as the field to be explored; as literature and field research proceed, it becomes possible to draw out issues which give more structure to the possible 'mechanisms' through which the effects might be found to occur. The introduction of this additional material will then allow the model to become both more structured, more informative, and more testable - thus leading into Part 2.

Figure 2.2 shows the relationship of interest. This says no more than that there are competing influences; these could influence managers in inconsistent directions when the issue of advertising standardisation arises. Thus as presented this model raises speculation about the forces which influence 'what goes on in the head' of a manager.

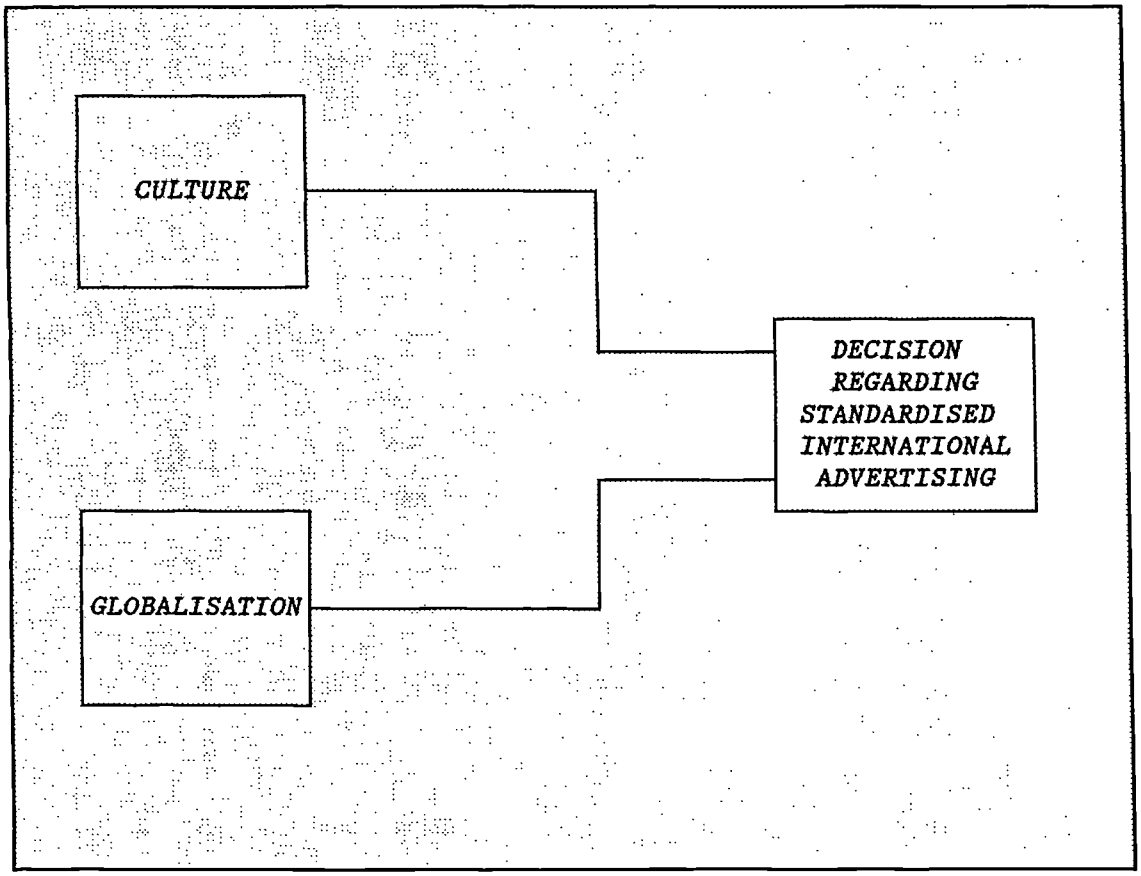

Figure 2.2 Subject of the Thesis in a Model-Style Diagram

In order to develop the proto-model it is necessary

a) to identify, in a grounded fashion, the variables within the boxes of the diagram

b) to discover grounds for postulating specific relationships amongst the variables thus placed within the boxes.

2.3.1 Factors Referred to in Managers' Beliefs and Attitudes

The diagram shown as Figure 2.2 depicts culture and globalisation being on the same level as each other and as influencing decision taking regarding the standardisation of international advertising.

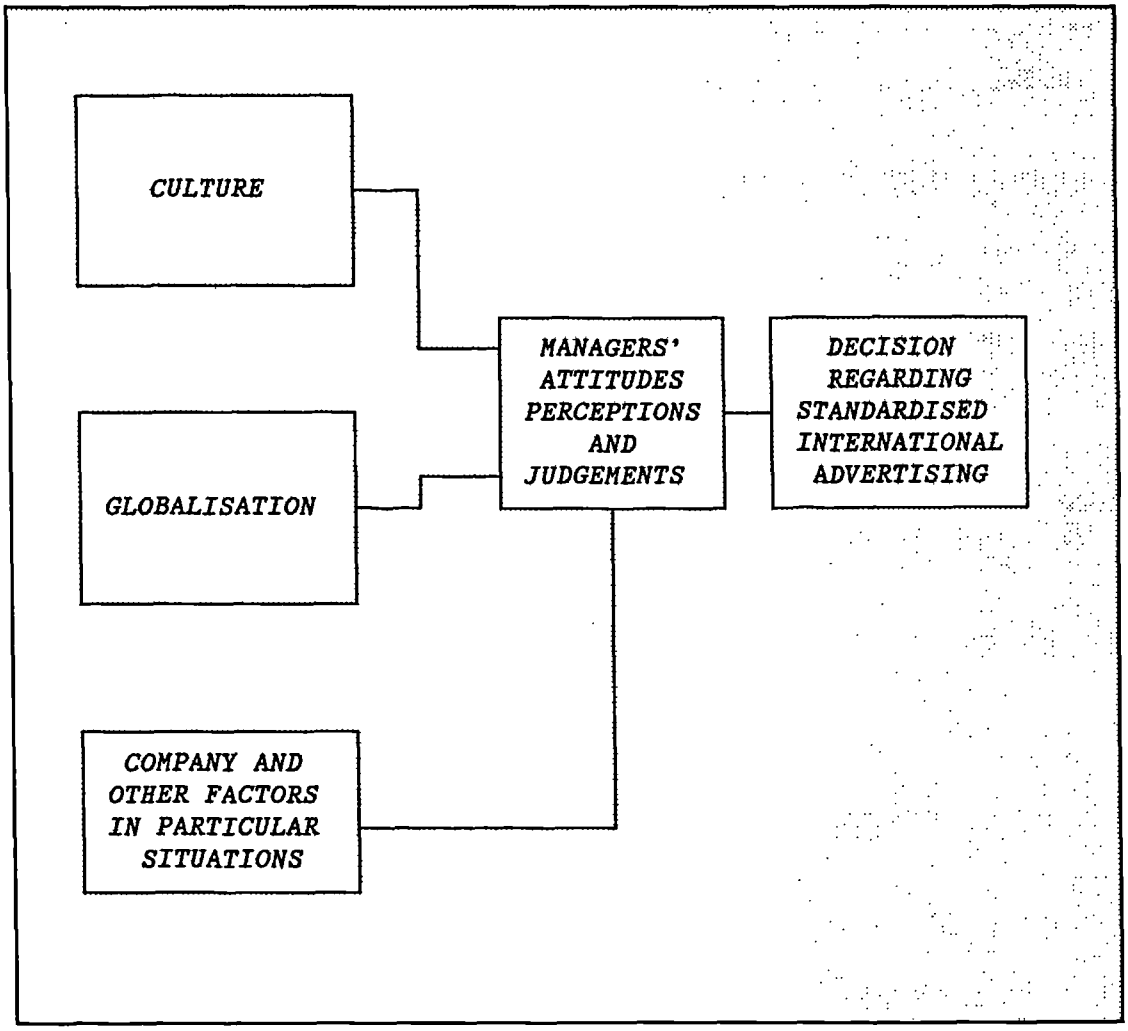

Figure 2.3 Proto-Model

While this represents the normal way of talking about the subject of this thesis, it is an imprecise formulation. To present the matter in this way implies that the decision is a direct consequence of certain facts about the world - namely its cultures and the prevalence of globalisation. This also implies that the role of the manager is merely as a passive channel through which influences are transmitted; globalisation and culture are treated as two 'entities' external to the manager and it looks as if the variables within them will be 'objective' in the sense that they operate in the same way and to the same extent irrespective of which

manager (or company) it may be that acts as the 'channel' for the effect.

It would be unwarranted to take this as an assumption; different managers may, without being incompetent, make different decisions on the basis of the same observations; it is therefore desirable to bring in the notion of the manager's beliefs, attitudes and personal circumstances. If these turn out on investigation to be irrelevant, then this will be a valuable finding; this would be equally true if the depicted relationship were found to be consistent irrespective of the companies involved and their situations. In order to provide scope for this investigation it is necessary to create the 'boxes' for the variables which are needed to cover these matters. This is done in Figure 2.3 which is a refinement of the original diagram. This is styled the proto-model.

2.4 LEVELS OF DISCOURSE

The proto-model links two holistic factors (culture and globalisation) to the specific decisions of individual managers regarding standardised international advertising. These decisions are in practice treated, not individually, but as a collection, whose characteristics require to be explained. Despite this there is a distinction between discussion at the abstract level, such as that of 'culture' in general and discussion at the level of individual decisions and what underlies them.

This distinction is repeated when the notion of 'culture' is traced back into individual behaviour - as it must at some stage be if there is to be any satisfactory explanation of how an effect actually operates. With this in mind, there are three levels of discourse which can be distinguished using the notion of culture which is relevant in all three:

1. Level 1: discussion of how the various cultures of different countries compare. This is 'holistic' and what is said relates to each culture as a whole rather than to the individuals within it.

2. Level 2: discussion of how an individual's culture affects his/her attitudes and behaviour - this being a critical area when considering what impact advertising is likely to have.

3. Level 3: managerial discussion ranging from the question of whether individual managers can be trusted to make observations and take decisions in a culture-free fashion to questions regarding the functioning of organisations when achievement of their goals depends on Level 1 or Level

2 matters. This includes both the question of how to organise a company or a campaign and what disciplines a manager should apply in order to attain the level of good professional performance.

As will emerge in Part 1 the literature on culture is spread across all three levels, much of what is written about globalisation emerges as being at Level 3, and not at Level 1, as might be assumed from the way it is phrased.

2.5 PERSPECTIVES

The existence of the different levels of discourse leads to a need to make clear what perspective is being adopted at different times. The Glaser and Strauss method provides a rationale and procedure for using the evidence of participants in situations and for integrating relevant personal experience; none the less these types of evidence are often rejected in 'hard science' contexts because of the risk that personal insights will lead to bias.

The proto-model represents the effects of culture and globalisation as, in the first instance, traceable only through the decision-making of managers. In doing so it adopts a perspective which appears to be external to the manager, the perspective of an observer, a non-participant who is hopefully objective and well positioned to observe and analyse what happens.

However if the method is to be utilised properly the other perspective is also required; in fact it arises as a major source of evidence in both part 1 and part 2. Not only is the perspective of the participant important for the method, but for the practical usefulness of the results obtained it is necessary to be able to formulate them in terms which make them recognisable to participants and gathering evidence from this perspective helps in this.

The two perspectives may be very close together, but this cannot be assumed. The observer may be able to refer to things which the participant cannot be aware of, and the participant has access to knowledge about, say, motivational factors, which the observer can only speculate upon.

In view of this it is necessary in Chapters 7, 11 and 12 to proceed with development of the model in a way which seeks to reconcile the two perspectives while not losing sight of the origins of the different types of evidence.

2.6 RESEARCH ISSUES AND DEVELOPMENT OF THE MODEL

As Part 1 progresses the investigation of the literature and other sources of evidence will throw up particular variables and views on their supposed impact. At the end of Part 1 these will be drawn together as a number of 'research issues.' These form the basis of the further structuring for the model. In principle each research issue poses a question about the relationships of certain variables in the boxes of the Proto-model.

The research issues are also intended, cumulatively, to form an agenda for empirical research - some of which is reported in Part 2.

CHAPTER 3

CULTURE

3.1 INTRODUCTION

Whether one reads academic texts, handbooks or journals, or less serious books and magazines covering international management, international business or international marketing, the "cultural differences" issue is bound to be touched upon.

Culture and cultural differences as an issue have been studied by many a discipline; this study however is concerned with the impact of such phenomena on marketing; it is not appropriate therefore to devote attention to other aspects of culture - although they will be of major concern in other disciplines. A more clearly targeted analysis of the issues is called for.

It is still necessary however to examine the concepts of culture and cultural difference to the level at which their meanings - and any ambiguities or alternative understandings which may exist, are explained.

The objectives of this examination are threefold:

1. to come to and state an understanding of the meaning of culture: this will form one of the basic starting points of the research;

2. to analyse how culture has been seen to group or divide countries: this, on the one hand, might be relevant to the issue of international market segmentation, hence having consequences for international advertising, and on the other hand might contribute to explaining international managers' decision making; and hence:

3. to study how belonging to a different culture / cultural grouping has been used to explain both management behaviour, and (the application of) management theories.

Through the pursuing of these objectives in this chapter the vague concept of culture as used in chapter 2 will be replaced by a better definition covering the term's use in the following concepts:

- culture
- cultural groupings
- culture and the consumer
- culture and the manager.

3.2 THE MEANING OF CULTURE

Many academics and researchers have defined culture; researchers usually do so prior to and specifically in relation to the project they are about to undertake; academics from a large number of disciplines have attempted their own definitions, often ignoring what others have done and no interdisciplinary definition seems to have gained significant widespread acceptance.

Sir Edward Tylor (1871) provided a now classic definition of culture:

> "Culture is that complex whole which includes knowledge, belief, art, morals, law, customs and any other capabilities and habits acquired by (individuals as members) of society."

Kroeber and Kluckhohn (1952) brought together 164 definitions, mostly from anthropological sources, one of which is a consensus definition in which Kluckhohn (1951) quotes the following:

> "Culture consists of patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including the embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values."

Later Kroeber and Parsons (1958) arrive at a cross- disciplinary and extended definition of culture, covering also the passing of information through generations and the ideas of values and attitudes:

> "the complex of values, ideas, attitudes and other meaningful symbols created by man to shape human behaviour and the artifacts of that behaviour as they are transmitted from one generation to the next."

Triandis (1972) distinguishes "subjective" culture from its expression in "objective" artifacts and defines the former as:

"a cultural group's characteristic way of perceiving the man-made part of its environment."

This is in line with the definition of L.R. Kohls (1979) who says that culture is:

"an integrated system of learned behaviour patterns, that are characteristic of the members of any given society; it includes everything that the group thinks, says, does and makes - its customs, language, material artifacts, and shared systems of attitudes and feelings."

The definition therefore encompasses a wide variety of elements from the materialistic to the spiritual, with an accent on core values.

Geert Hofstede (1980) in Culture's Consequences summarises all into one operational definition of culture:

"the collective programming of the mind which distinguishes the members of one human group from another."

Hofstede realises that this definition is not complete, but "covers what I have been able to measure". Hofstede's research will be discussed later.

Interestingly Hofstede compares "culture" to "personality", stating that "Culture is to a human collectivity what personality is to an individual" (1980: 25). If one takes Guildford's (1959) definition of personality as :

"the interactive aggregate of personal characteristics that influence the individual's response to the environment",

then culture could be defined as :

"the interactive aggregate of shared characteristics that influence a human group's response to its environment".

A further contribution to the defining of culture comes from Wadia (1967) who introduces the concepts of implicit and explicit culture, or expressions of culture. Wadia (1967) says:

"Culture is an abstraction from behaviour. We do not see culture, but observe manifestations of it, just as we do not see electricity or gravity, but observe manifestations of them. Nobody observes a total culture directly, but only part

of it, such as words, actions and things."

Fifield (1985) interprets Wadia's view to mean that the explicit content of any culture is that part which is readily visible, and that the implicit element of culture holds the key to understanding the reasons why for instance consumers behave the way they do.

Further examination of how culture is perceived and defined in the academic literature, causes two observations however to be brought into focus:

Firstly that cultures are founded on integrated sets of values. The most intrinsic, thus important, part of culture is the intangible, implicit values aspect; these values are inherent in a culture, and belong to the core of the concept.

Secondly that the "Gestalt" concept, often summarized as "the whole is more than the sum of the parts" is particularly appropriate when studying culture. Properties of the whole affect the ways in which the parts are perceived, and an idiographic, holistic interpretation of culture will allow explanations which are not immediately attributable to observable impressions only.

In this examination of culture the "Gestalt" rather than the "Gesetz" view is followed; idiographic research involves the "looking for wholes", which some sociologists adopt in contrast to natural scientists who are looking for general laws linking parts or attributes, which is also defined as the "nomothetic" style of scientific enquiry. It must be seen as specific to human nature to have the ability to observe relationships, to also interpret relationships on the basis of experiences and, for instance, to anticipate change in a away that would be alien to say a computer. The objective was stated as: to gain an understanding of culture, and to achieve this all inputs should be used.

3.2.1 Subcultures

Before arriving at a summary interpretation of "culture", for reason of clarity, the distinction between culture and subculture will be discussed. In this work the word culture will be used to cover the characteristics of societies which in Europe are identified by nationhood ("nations"), and the word subculture for the characteristics of smaller identifiable groups, whether professional, regional, ethnic, or otherwise.

Subcultures can be divided into:

- orthogonal subcultures: different from but still in line with the main culture, eg yuppies
- reinforcing subcultures: different from the main culture in being stronger than normal, eg the middle class, Young Conservatives

- counter subcultures: different from and opposed to the norm, e.g. the National Front, flower people / hippies.

Characteristics of subcultures are that these groups are on the one hand viewed as being contained within a particular culture, yet on the other hand have distinguishable traits, which could make them target groups for marketing purposes. Identifying identical subcultures throughout a number of cultures has proved to be a profitable route for international marketing where standardisation throughout a number of countries was made easier, due to the shared or similar values of these the subcultural groups.

In a sense the much-used term "company culture" refers to a subculture: on the one hand each company encompasses a distinct set of "own", "unique", "company specific" cultural traits, on the other hand the culture of the country where this company is rooted has a heavy bearing on its company culture. As such the company culture is a "Gestalt" in which the learned and shared values which are inevitable and which are attributable to the company's country culture are merged with the (newly) created, imposed, or managed features and values which distinguish this company from another one in the same cultural environment.

3.2.2 A new Definition of Culture

Generally then, it is understood and agreed upon that a culture has the following three characteristics: (Hall, 1976)

1. It is learned, implying that it can be transmitted over time.
2. It is interrelated, thus each element of culture needs to be interpreted in relation to any other.
3. It is shared, implying that it binds members of a group.

It is also felt relevant to see culture as a Gestalt, to emphasize the normative value aspect of culture and to appreciate that not all expressions or values of a culture are explicit.

In an attempt to cluster these core elements of culture into one workable definition, the following is proposed:

> "Culture is that value-based, learned, shared and interactive aggregate of implicit and explicit characteristics seen as normative by the group, that influences (members of) a human group's response to its environment, and distinguishes (members of) one group from another".
>
> (Millar, after Guildford, 1959 and Hofstede, 1980).

Culture so defined must have a bearing on the responses of (potential) consumers to the marketing propositions put to them.

Benedict (1934) was one of the first to propose a theory of how such behaviourial patterns could be linked to culture; she says:

1. In every culture there is a wide range of individual temperament types, genetically and constitutionally determined, which recur universally.
2. Every culture, however, permits only a limited number of types to flourish, and they are those which fit its dominant configuration.
3. The vast majority of individuals in any society will conform to the dominant types of that society, since their temperaments will be sufficiently plastic to the moulding force of the society.

In spite of individual differences the consumer's cultural background is expected to influence shared responses to the marketing mix offerings amongst people belonging to the same culture; also, cultural values which are emphasised by one culture as distinct from another one may confer significance on (elements of) a brand, which are not significant elsewhere.

It is not inconsistent to take an idiographic attitude towards culture and at the same time state that culture is built on differences; this is like looking at the same phenomenon from a different angle.

In this context, Hofstede (1980: 43) distinguishes four types of research strategy, constructing a matrix of similarity-focused vs difference-focused studies and micro vs macro orientation in the study of culture, as shown in Figure 3.1.

For the purpose of looking at cultural variables as determinants for decision makers in international advertising, the culture as black box orientation is appropriate, i.e. working within the top two fields. This involves taking culture as a given entity, and in field one investigating how far culture is irrelevant, and hence that it does not matter what the black box contains, whereas in field two investigating what it is that makes culture of relevance.

Examples of research in these categories are:

field 1: (nomothetic orientation, proving the universality of micro-level laws), e.g. Haire, 1966: study of managerial thinking in 14 countries.

field 2: (idiographic orientation, micro level, illustrating the uniqueness of each), e.g. Osgood et.al., 1975, showing the different affective meanings of words for individuals in different cultures.

	1	2
Concerned with micro-level variables within societies (culture as black box)	prove universality of micro-level laws	illustrate uniqueness of each society
	3	4
Concerned with ecological variables between societies (culture specified)	determine types or subsets of societies	determine dimensions of societies and macro level laws
	Focus on similarities between societies	Focus on differences between societies

Figure 3.1 Four Available Research Strategies for Comparative Multi-Society Studies. (Hofstede, 1980: 43)

Hofstede claims that field one studies are very vulnerable to ethnocentricity. Ethnocentricity can be defined as an exaggerated tendency to be biased in favour of one's own culture, to centre work and interpretation upon one's own culture. Examples of this are for instance given in Keegan (1984), regarding company orientation towards international business, where he contrasts the term ethnocentricity with polycentricity and geocentricity. The terminology originates from Howard Perlmutter (1965).

Ethnocentric bias can be avoided by a 'devil's advocate' method of trying to prove that there are differences even if one is concerned with similarities. On a personal level awareness of the so called Self Reference Criterion will be discussed later in this Part 1.

Hofstede's own work is concerned with a field 4 approach: defining dimensions of culture. Hofstede's dimensions will be used in the fieldwork.

In studying values, we are comparing individuals; in studying culture, we are comparing societies. As will be apparent through the discussion about globalisation in the next chapter, it can be stated that globalisation normally assumes similarities, whereas culture studies are looking for differences between groups, drawing attention to aspects and issues peculiar to a particular culture, illustrating what is different, not looking for what is the same. In this framework, the subcultures, discussed above, take up their own specific place: they could be defined as (international) demographic and psychographic segments with their own (international) cultural or supra-cultural characteristics.

3.3 COUNTRY CLUSTERS.

Marketing is always easier when one can appeal to existing wants and needs than if one wants to produce change or appeal to new needs. However in the current international environment the choice is often no longer there. Marketing and branding must be sensitive to each culture's needs and in order to have a full appreciation of one's customer and consumer, it is imperative that the manager concerned has a good understanding of the cultural environment, and how this environment affects his consumer.

Subhash Jain (1987) offers the diagram shown as Figure 3.2 to illustrate the linkage between culture and marketing.

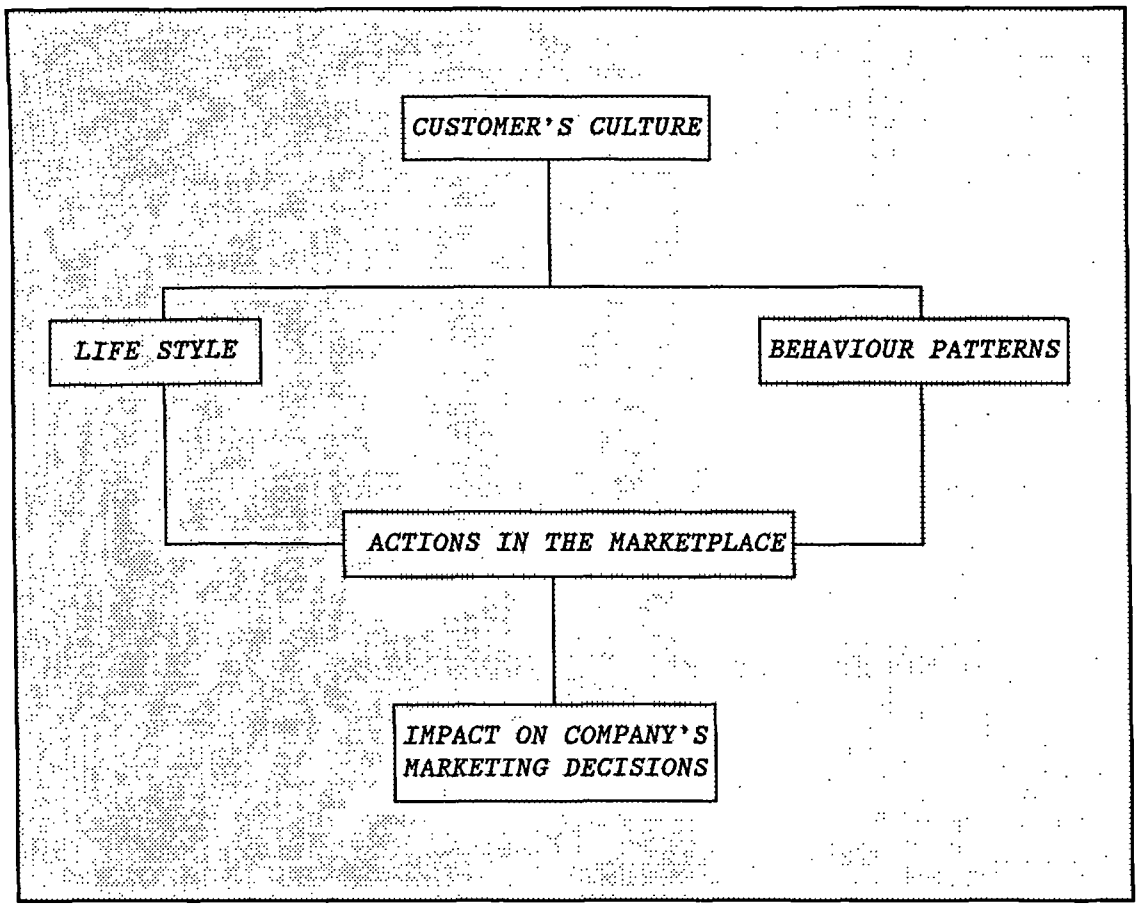

Figure 3.2 Impact of Culture on Marketing Decisions (Jain, 1987: 214)

Such a model implies a marketing orientation of the company whereby (at least part of) the decisions are based on customers' perspectives.

A consequence of taking culture as a black box is that discussion of the various methods of cultural analysis can be avoided (Nancy Adler, 1983, Jeannet & Hennessey, 1988), and it is

possible to concentrate on how and why authors have grouped countries together. The groupings may reveal the bases of similarity, irrespective of the arguments used to derive them. Thereafter the implications these might have for international marketing and advertising will be examined.

Jain comments: "Presumably countries in a cultural group should be amenable to the same marketing strategy." (Jain, 1984: 326).

The word "presumably" points at the lack of empirical evidence in this respect, although many authors link culture with lifestyle, thereby finding it quite adequate to use this form of classification for marketing decision making. Whether this is relevant or not, will be looked at a later stage: now, the question can be posed: "In a cultural dimension: how are countries grouped, and what relevance might this have for international marketing?"

3.3.1 Dimensions of Grouping Cultures

Kassarjian and Robertson (1973) offer a structural framework for the analysis of world cultures, with the following three dimensions:

- the distributive dimension: demographics, age, income and educational structure
- the organisational dimension: the structure of its cultural institutions, including social classes and family units
- the normative dimension: in terms of value systems, including economic and religious philosophies.

This framework does not concern itself with the cultural aspects as defined above, and will be discarded for application here.

In the literature further distinctions of a more general type are made with regard to culture, the most important of which are:

- the distinction between homogeneous and heterogeneous cultures,
- the distinction between high context and low context cultures,
- the distinction between implicit and explicit cultures.

After analysis, these distinctions, confusing at first, appear to be variations on a theme, expressed most prominently, or first, by E.T. Hall (1976), as a way of understanding different cultural orientations.

The important distinction is between high context and low context cultures, whereby high context refers to a highly personalised pattern of values that is unconditionally binding for all operating and communicating in that culture. "Who one is, is more important than what is said"; in low context cultures the pattern of values which is implicit in the culture and automatically binding on its members, can and often should also be made clear in an objective form. "What is written, is what is valid". A high context culture imposes patterns of communication and behaviour in a more rigid way, than in low context cultures, which are more flexible.

High context cultures tend to have homogeneous value and norm patterns, that is, all members adhere to the same set of values. Heterogeneous cultures are normally built up from clusters of homogeneous (sub)cultures, some of which might be high context cultures, e.g. the high context subculture clusters of the Mafia or the world of Banking exist in the heterogeneous, low context culture of the USA. These high context cultures have high requirements regarding values and norms.

This distinction is still compatible with the definition of culture proposed above, in which it is stated that culture is normative. High context cultures are distinctly normative, whereas low context cultures are normative through their constituent parts. Hall's use of the word 'implicit' refers to the way people of particular cultures communicate, and should therefore be distinguished from the word 'implicit' as used in the definition, or by Wadia.

On this subject Edward Hall (1976) says that homogeneous cultures appreciate implicit communication; "shared values make communication a tacit, identical and selfsame experience". Heterogeneous cultures on the other hand prefer, and need, explicit communication. The values and forces of the subcultures within the society create a heterogeneous culture, where the meaning of communication necessarily has to be spelt out more clearly.

High context cultures carry many implicit communication patterns, whereas the low context culture needs explicit communication. In both groups of cultures however communication is contextual. Hall says "since much of our culture operates outside our awareness, frequently we do not even know what we know".

The implications of the differences between high and low context cultures, explicit and implicit communication are further illustrated by Hall in Hidden Differences (1976) in which the concepts of monochronic and polychronic time systems are introduced.

Monochronic time, M-time is linear; it has segments, is scheduled and compartmentalised, enabling people to concentrate on one thing at the time. M-time helps determine priorities,

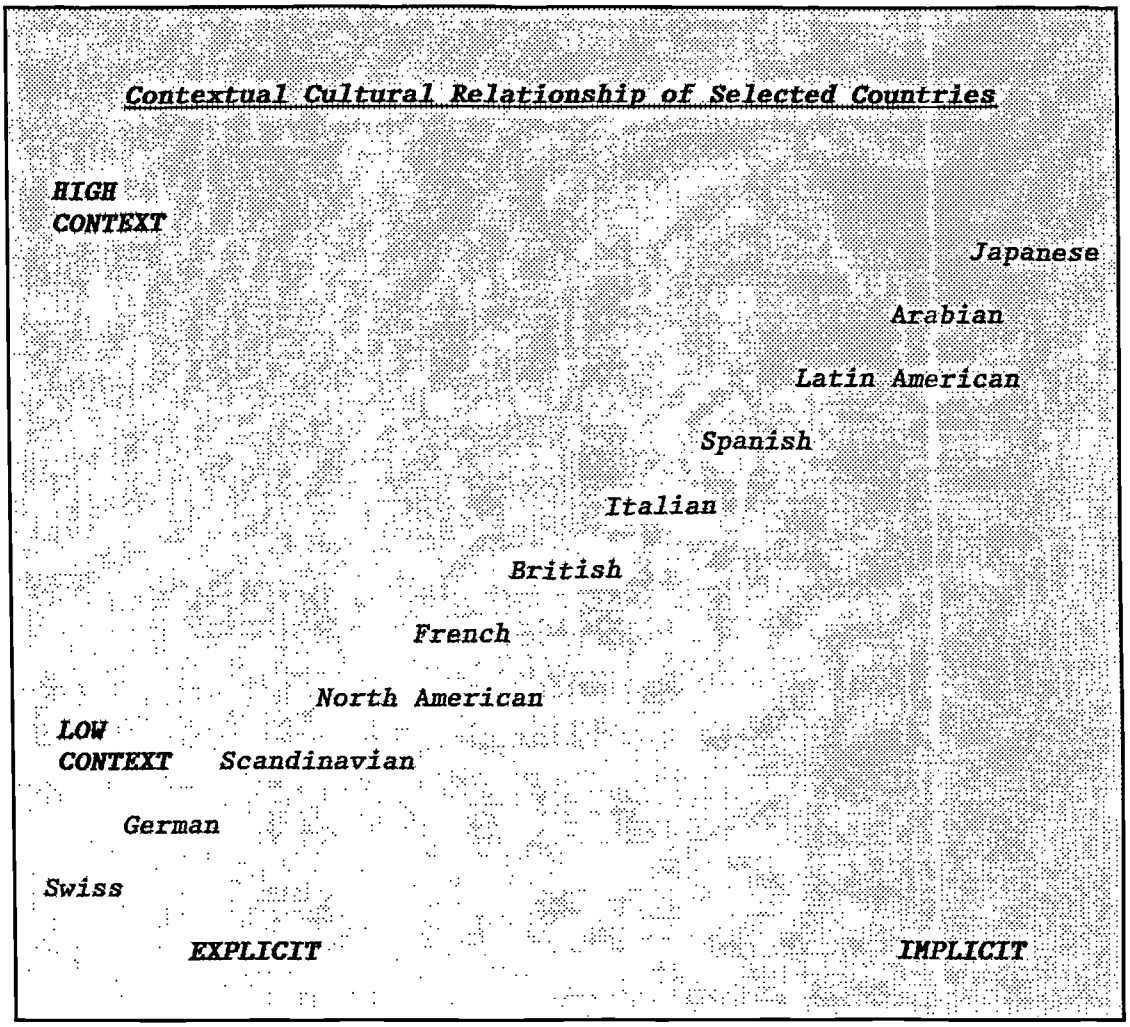

Figure 3.3: Contextual Cultural Relationships of Selected Countries (after Hall, 1976)

though the drawback is that the schedule, and the written word, is often confused with reality and becomes sacred and unalterable. M-time is tangible; one can lose time and make up time. Germans, and North Americans are M-time people.

Polychronic time, P-time, is characterised by many things happening at the same time. There is a great involvement with people and an emphasis on completing human transactions rather than completing schedules. Agenda's and appointments are used in a very different way to the M-culture. Examples of the P-cultures are Latin America, Mediterranean countries, the Middle East. As an illustration of the stated views on where countries rank in terms of High/Low Context, the diagram shown in Figure 3.3 was constructed.

The distinctions discussed above could be summarised by describing the diametrically opposed axes, as shown in Figure 3.4. The variables include those which in the literature are explicitly mentioned, plus a range of others which polarise along the same lines.

AREA OF LIFE	*HIGH CONTEXT*	*LOW CONTEXT*
THOUGHT AND WORD		
Communication / Information	*Implicit messages Contextual modes*	*Explicit messages Verbal modes*
Presentation	*Symbolic and mystical*	*Concrete and measurable*
Pattern of Thinking	*Analogue / pattern based*	*Digital*
CONCEPTUAL ENVIRONMENT		
Perception of Time	*Polychronic*	*Monochronic*
Dedication of Physical Space	*Multi-purpose*	*Activity dedicated*
Ownership of Physical Space	*Shared*	*Private*
ORGANISATION OF RELATIONSHIPS		
Verbal Undertakings	*Sacrosanct*	*Subject to written confirmation*
Answerability for Error	*At highest, representative level*	*At lowest, executive level*
Response to Conflict	*Seeking explanation of actions*	*Seeking causes of conflict*
CULTURE		
Value System	*Personalising*	*Objectifying*

Figure 3.4 Synthesis of Culture Contrasts, Related to Concepts of High and Low Context

Figure 3.3 arranges countries -effectively grouping them- in terms of one "Gestalt" type view of culture; there are however several other approaches which claim to group the countries consistently on the basis of their cultural affinities. These are described below.

Examining the factors that researchers have found to play a role in a cultural clustering of European countries, language is a dominant and recurrent one.

Various authors have looked at Europe from a linguistic point of view, and in its simplest form Kinder and Hilgemann (1982) split Europe into the two large blocks of:

1. Latin (Romance): France, Italy, Spain, Portugal, Belgium (Wallony) and Switzerland (S/W)
2. Germanic: Norway, Sweden, Denmark, Netherlands, UK, Germany, Austria, Luxembourg, Belgium (Flanders), Switzerland (N/E), France (N/W and Alsace/ Elsass), Italy (Alto Adige/Sud Tirol).

They also distinguish the following further linguistic influences:

3. Celtic influence: Wales, Scotland, Ireland, Brittany
4. Basque influence: France (S/W), Spain (N).

Language is also referred to as an important variable by Fifield (1985), whose thesis will be discussed later.

Ernest Dichter (1962) divided countries in six groups, based on the development and relative size of the middle class. He chose the car as the most important symbol of middle class values and contrasted attitudes towards cars in these six country groupings. Summarising, the six clusters (resembling those of Rostow, 1960) were:

- the almost classless society, eg the Scandinavian countries; the middle class is almost the entire population; cars should be utilitarian; attitude to cars sober *and conservative*
- the affluent countries, USA, Canada, Germany, Netherlands, Switzerland; the middle class forms the middle group; cars have a functional value with some individuality, and moves away from status symbolism
- the countries in transition: UK, France, Italy, Australia, Japan; large working class in 19th century sense, aspiring to join smallish middle class; cars are pampered, a status symbol and extension of one's personality
- revolutionary countries / industrialising countries: Latin America, India, China, etc; middle class small but developing; cars are expensive and considered a luxury
- primitive countries / pre-industrial countries; new states in Africa and the remaining colonial countries; cars for bureaucracy only; no market as such
- new class societies, USSR and satellites: one class; controlled market.

Dichter noted that the upper classes in almost all countries seemed to be more *similar* to each other than they are to the rest of their society; lower classes on the other hand seemed most culture bound, i.e. less aware of other cultures, and more distinct from lower classes in other cultures in the way they dress, eat, spend leisure time and money. The middle classes are

more apt to "cultural borrowing" when there is some social mobility either within the middle class, or from lower to middle class. Therefore "the larger the upper and middle classes, the more likely a market is to buy products and services that are not culture bound,: food, clothing, household items, personal care products".

The "culture bound" products and services would refer to those products and services that would tie the buyers to a particular culture. It is Dichters view that the upper and middle classes are prepared to experiment with products and services not traditionally belonging to their own culture.

Dichter's approach makes the size of the middle class, a cultural variable, the basis of his grouping. He arrived at his clustering by using as an indicator the consumption of cars. In spite of the interesting and attractive conclusions, the danger of his country grouping is that he only uses the middle class as a criterion, which gives little scope to generalise; the car application can be questioned too, as it makes the clustering very time-framed. A multidimensional approach would therefore be preferable, such as taken by the following researchers:

3.3.2 Multidimensional Culture Grouping

Russett (1968) grouped the world into 5 clusters, attributing the classification partly to cultural differences; his clusters are:

1. Afro-Asian
2. Western
3. Latin American
4. Semi Developed Latin
5. Eastern Europe

Sirota and Greenwood (1971) found significant differences among normative variables when examining goal orientation amongst workers in international corporations in 25 countries; the differentiating criteria will be discussed towards the end of the chapter, and the five groups that emerged were:

1. the Anglo cluster
2. the French cluster
3. the Northern European cluster
4. the Latin cluster security
5. the independent cluster.

Hofstede (1980) in the HERMES study found 11 clusters:

1. Colombia, Mexico, Venezuela
2. Japan
3. Belgium, France
4. Spain, Argentina, Brazil, Turkey, Iran, Greece
5. Thailand, Pakistan, Taiwan
6. Portugal, Peru, Chili, Yugoslavia
7. Singapore, HongKong, India, the Philippines
8. Israel, Austria
9. USA, Australia, UK, Ireland, New Zealand and Canada
10. Italy, Switzerland, Germany, South Africa
11. Denmark, Sweden, Norway, Netherlands, Finland.

Huszagh, Fox and Day (1986) in the 20th Anniversary Issue of the Colombia Journal of World Business promised a definitive research-based solution in their article entitled "Global Marketing, an Empirical Investigation", but due to poor research and analysis failed to deliver the "definition to the construct and the specifics on which products are likely targets for a standardised approach to a specified group of similar countries" (1986: 31). They did however propose the following five clusters:

1. Australia, Belgium, Canada, France, Luxembourg, Netherlands, New Zealand, UK, USA, W. Germany
2. Austria , Finland
3. Denmark, Norway, Sweden
4. Greece, Ireland, Italy, Spain
5. Japan, Switzerland.

The article then says on page 35: "The countries in cluster 1 were winnowed down to a more homogeneous grouping in order to develop a more favourable empirical setting for a global marketing approach; this sub cluster contains Belgium, the Netherlands, France, the United Kingdom, and West Germany. These five markets are in close geographical proximity, and are all members of the European Community (EC)".

This shows an arbitrary approach to country clustering, not based on empirical research and ignoring the basic objective of taking cultural variables into account. One also wonders why the authors first went through the elaborate process of selecting the full sample of countries, only to narrow them down to a group of countries that could (and almost certainly would) have been made up without the process as administered.

As Western Europe is the area the present work concentrates upon, a contrasting but equally plausible approach to the practical issue should be cited. Mark Abrams (after Chisnall, 1975 and Fifield, 1985) argues that the EEC is not a cultural entity which has identical patterns of thought, values and behaviour throughout, coining the phrase "there is nothing common about the Common Market". He suggests three "Europes":

1. The "new" Europe of big cities, like London, Paris and Stockholm with their conurbations together with areas of high density population like Switzerland. (oddly Holland which is the most densely populated country in Europe, is not mentioned here.)
2. The "emerging" Europe of the semi-urbanised hinterlands of Southern France, Northern Italy and South-West Germany
3. The "old" Europe of the marginal farming lands found in parts of Scotland, Spain and Portugal.

This clustering appears to be based on a mixture of geographic and value variables, interpreted in a journalistic fashion. Its intuitive plausibility helps to underline the ease with which a case can be constructed on the basis of a few common factors. It may well be that Abrams has correctly identified a very useful marketing segmentation system. For present purposes it is too far from the nation-based approach to be tested, but its plausibility underlines the need to seek an explicit link to shared values and shared norms before accepting a grouping as a "culture".

Values and norms however are difficult to study. Substitute variables therefore are often used, such as "language" as described above.

3.3.3 Hofstede

Throughout the search for authors who grouped countries, Geert Hofstede's work comes to the fore every time the empirical research base is looked for. A summary of Hofstede's study, HERMES, can be found in Appendix 3.1, and will be examined below, after a brief discussion of the relevance of HERMES.

Evaluating the pro's and con's of Hofstede's work, and the criticism levied against him (also in Appendix 3.1), it seems that Hofstede has answered most critics sufficiently well to not leave significant gaps in the underpinning of his conclusions, particularly bearing in mind that his is the largest, most consistently carried out survey. Whatever speculation there may be about the meaning of his results, it can be concluded that Hofstede's country clustering, the four dimensions and all other conclusions he arrived at in his research, based on samples of over 100,000 responses cannot be ignored. They provide a solid starting point for further work. For

culture studies they need to be explained. For marketing their wider applicability needs to be tested.

Hence, the relevance to marketing of the clusters, arrived at through Hofstede's research which was based on scoring on specifically work-related values only, is one of the issues to be examined through the research in Part 2.

Hofstede's country clusters are based on the scores for the four value-dimensions of Power Distance (P.D.I.), Uncertainty Avoidance (U.A.I), Individualism (IDV) and Masculinity (MAS) per country; these are further explained in Appendix 3.2. They form, says Hofstede (1980: 313) a generalized framework that underlies the more apparent and striking facts of cultural relativity, and they satisfy Kluckhohn's criteria for "universal categories of culture". This means that the four dimensions, empirically found in the HERMES data, are theoretically relevant. They deal with issues that are equally relevant to psychologists and to sociologists, and possibly to marketeers.

To clarify their scope and potential importance some of these aspects are cited in Figure 3.5.

INDEX	PSYCHOLOGICAL CONNOTATION	SOCIOLOGICAL CONNOTATION
PDI	dependency impact of father	social stratification inequality
UAI	anxiety, stress, super ego aggression vs apathy	need for structure and formalisation
IDV	ego-identity	relationship among individuals, institutions and society
MAS	assertiveness	social sex role differentiation

Figure 3.5 Theoretical Relevance of Hofstede Dimensions (after Hofstede, 1980)

In fact it can be stated that only the work by Rokeach (1973) and that by Hofstede (1980) have undertaken the investigation of values on a sufficiently large scale that they could be an essential basis for further work, e.g. relating the outcome to marketing and advertising management.

Rokeach (1973) distinguished two broad types of values, the final aim and goal values, he calls terminal values, and the desirable mode of conduct variables, he terms instrumental variables. Eighteen variables in each category can be put in order of priority, showing value clusters. Rokeach has proven consistency over time in establishing distinct clusters of subcultures.

Rokeach's work however had been carried out in the US only, and the international dimension would have to be inferred as later international applications do not give sufficient evidence yet. Hofstede in fact already claims consistency of his data with that of Rokeach, and it has been internationally applied; hence only further work on the basis of Hofstede remains as an indispensable starting point for further work on culture in Europe.

The clusters Hofstede developed can be presented as a "dendrogram", a grouping method which graphically shows the position of countries in the clusters to which they belong, and their distance to and links with other clusters. The dendrogram, reproduced as Figure 3.6, should be read from right to left.

This dendrogram is the new, as yet unpublished, 1989 version, which takes into account not only the countries surveyed in the previous two 'rounds', as reported in Culture's Consequences (Hofstede, 1980) but also data on a number of 'new' countries, plus East and West Africa, as clusters, which have been recorded since.

It has been included here for reason of interest, even though the scores for the newly included countries cannot be given with the others in appendix 3.3.

There are two large clusters, from Guatemala through to Jamaica and from Austria through to Finland. Then each of these clusters splits into smaller ones, when moving from right to left, leading to a final thirteen clusters in total. These are an expansion of the 11 clusters which were mentioned above, as caused by the extra countries surveyed.

The dendrogram method was used by Hofstede in preference to a Q-analysis or factor analysis used by most other authors, to provide at a glance a hierarchical configuration of countries for various numbers of clusters.

Appendix 3.3 provides an overview of the country scores on each of the four dimensions. It is these scores which determine the positioning of each country and hence the cluster to which it belongs.

The position of Great Britain and the Netherlands in different clusters is notable. The senior managers who will be interviewed during the fieldwork stage of this work will be nationals of

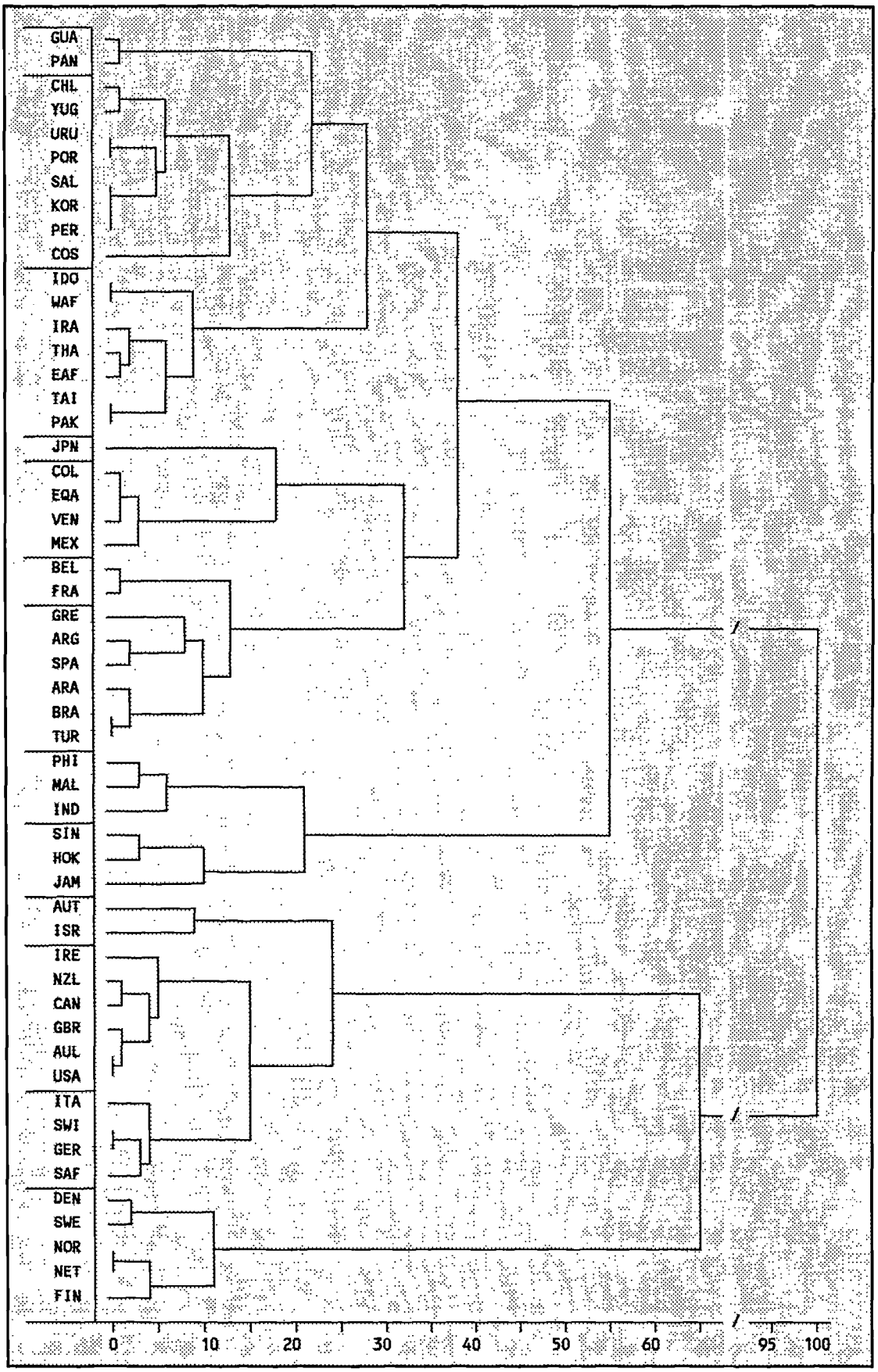

Figure 3.6 Dendrogram of Country Clusters (Hofstede, 1989)

these two countries; If Hofstede's findings are applicable these differences in cultural background should show interesting differences between the two groups of managers.

However, in particular the position of the Netherlands close to the Scandinavian countries, and not as in most other clusterings in a cluster with the Germanic, Anglo or simply Benelux group of countries distinguishes Hofstede's clustering from almost all others which sub-divide Europe into major blocks. Accordingly this element will be further examined through the field work: it is an intriguing result which could be of considerable practical relevance to marketing and advertising management if confirmed.

CULTURE CLUSTER	CHARACTERISTIC	COUNTRIES
More Developed Latin	High PDI High UAI Medium/High IDV Medium MAS	Belgium France Italy Spain
Germanic	Low PDI Medium/High UAI Medium IDV Medium/High MAS	Austria Germany Switzerland
Anglo	Low/Medium PDI Low/Medium UAI High IDV High MAS	Great Britain Ireland
Nordic	Low PDI Low/Medium UAI Medium/High IDV Low MAS	Denmark Finland Netherlands Norway Sweden

Figure 3.7 European Countries by Country Clusters (after Hofstede,1980)

In order to make the 11 clusters more meaningful, and more in line with historic culture areas Hofstede (1980) proceeds to combine four times two clusters, and to split the large Latin and Mediterranean cluster; through this regrouping he arrives at 8 clusters. The criticism levied at Huszagh earlier in this Chapter could be applied here. However, it would apply to a much lesser extent, due to the scientific basis upon which the clusters were arrived at in the first place and the regards for historic culture which are applied.

As this work is concentrating on W.Europe, from these eight clusters, those which contain

European countries are reproduced in Figure 3.7. The figure shows the European countries concerned, and also summarises the characteristics of these European countries, as expressed by their scores on the four dimensions.

The country clusters found through the HERMES study have been measured against others, and the HERMES data have also been used as a basis for other methods of clustering, e.g.

On the basis of IMEDE data Hofstede (1976a) clustered 14 countries using the answers of 314 managers to Gordon's Surveys of Personal and Interpersonal Values. He found five clusters:

- Nordic
- Germanic
- Anglo
- Latin
- Asian.

Within the study Images of the World in the Year 2000 Sicinski (1976) clustered the following 10 countries on the basis of their survey responses: Finland, UK, India, Japan, Netherlands, Norway, Spain, Czechoslovakia and Poland.

He found that the following three countries fitted closely together:

- Finland
- the Netherlands and
- Norway.

Given Sicinski's sample this might not be that remarkable, but Hofstede's dendrogram, which is based on the country scores on the four dimensions, (reproduced in Appendix 3.3) for around 50 countries shows a similar closeness.

As indicated above, the fieldwork will include a concise repeat of the Hofstede work, with senior marketing and advertising managers in the Netherlands and in the UK. It is interesting to further explore the clusters in Figure 3.7, arrived at by Hofstede, and to examine the "Gestalt" of the clusters which both group and separate countries.

3.4 CULTURE AND THE CONSUMER

Although this work is focusing on management decision making, in the marketing field it is

impossible to ignore the consumer. Culture and the consumer is of interest for international market segmentation, as international marketeers need to know to what extent culture influences "identical consumers" from different countries to behave differently, and whether supra-cultural consumer groups exist across borders. This subject area is not as such covered in this work. What follows are the observations made by those authors cited already, in this area.

Fifield (1986: 152) evaluating Hofstede's work stated "the fact that Hofstede's study has isolated a relatively small number of cultural groups within Europe which are differentiated by their value system and their behaviour is a major development... If, as seems reasonable, the cultural groups determined by Hofstede were identifiable by differentiated consumer behaviour as well as differentiated work environment behaviour, then marketers would have at their disposal a European market of 4 or 5 behaviourally different segments instead of three times as many national markets", and "Hofstede's work gives us the security of knowing that cultural segmentation has been demonstrated as viable in the area of work related values. There is then a good theoretical justification for expecting cultural segmentation to hold in the area of consumer and purchasing behaviour."

Fifield pays particular attention to language as the main variable distinguishing cultures in Western Europe. He concludes his research into the effect of cultural values on consumer choice behaviour in W. Europe by saying that whilst leaning heavily on spoken language as primary indicator of cultural groupings, the fact that spoken language is so consistently (8 out of 11 of his values used) and significantly related to personal values would imply that culture is not only a stronger factor in buyer behaviour than has previously been supposed, but that it "may be more easily exploited than current theorists suggest, at least within the context of the W. European market place".

He argues for more detailed research into the precise measurement of culture as a prelude to its more widespread usage as an international segmentation base, and this work partly answers that call.

Fifield also denies the relevance of nationality (national boundaries) as an international market segmentation tool, in favour of language, mostly based on his Belgian data, and thirdly argues that since his research indicated that personal values transcend demographics, socio economic groupings as "standard segmentation bases for almost all media, advertising and market research" have a negligible effect, whereas sex, life cycle position and language (as expression of culture) show a dramatic effect on personal values.

Fifield's research however, whilst broad in set up, loses much of its validity due to lack of empirical data. Whilst the Belgian data are interesting, and quite likely valid for that society,

1. Belgian data are not necessarily sufficient to be extrapolated to all of Western Europe,
2. Life style variables and psychographics as marketing segmentation tools have been recognised for a long time by both marketing and research management, and are playing an increasing role also in international market segmentation.
3. Personal values, the main topic of his research, whilst an extremely important factor in consumer choice behaviour, are not the sole determinant of that behaviour. Economic and rational factors not to mention exposure to the marketing mix package, have to be taken into account as well.

It should also be noted that Fifield's findings about the cultural allegiance of the Belgians conflicts with the findings of Hofstede, who claims that the two language areas "share basically the same culture" and that both the French- and the Flemish speaking Belgian subgroups belong to the More Developed Latin cluster. Though the culture gap between the French speaking Belgians and the Netherlands is slightly larger than that between the Flemish speaking Belgians and the Netherlands, Hofstede finds that no two countries in the HERMES data with a common border and a common language are so far culturally apart on the HERMES indices than Holland and Belgium; this is so on the PDI, UAI and MAS indices, whereas only on IDV Belgium and the Netherlands are close (Hofstede, 1980:335).

This is not to say that Hofstede always supports national boundaries as cultural units. In the case of Switzerland, German speaking Switzerland has been found to be culturally associated with Germany, whilst French speaking Switzerland has a cultural association with France. These two parts therefore belong to two different culture areas: Germanic and French, differing widely, particularly on PDI.

Many, often cross cultural or cross national studies have dealt in passing with evidence about differences and similarities in the characteristics and behaviour of consumers in diverse cultures. The actual basis for differences however has very rarely been investigated, though Hempel (1974) provided an interesting framework on how culture permeates the institutions of a society and consumer behaviour in a survey comparing the family decision making process in Hertford, Connecticut, USA with that in Preston / Lancashire in the U.K.

Susan Douglas (1975) warned that membership of common national cultures does not necessarily imply similar response patterns, for example because there are differences in behavioural patterns within cultures. She investigated this in her study of nearly 200 housewives (2 x 98) in France and the USA, in which she contrasted working and non-working women in the two countries as regards their purchasing habits for clothes and grocery products, and attitudes to female roles.

The results of the study were presented as showing that the difference between the national samples were after all more significant than those between working and non-working women - thereby confirming the traditional views regarding cultural differences between countries or cultures.

The validity of the conclusions of the study, however, has to be looked at closely. Both the retail environment and the simple differences in cost and availability of convenience products introduce such a contrast between the French and US shopping conditions that whilst research on the role perceptions is both interesting and relevant, one needs to adjust for a wide range of economic and practical barriers before deriving any conclusions from differences in behaviour. Despite doubt about Douglas' conclusions, the point made about subcultures is a valid one, and internationally linked subcultures might well have become much more important since her study in the mid-seventies.

The impact of cultural differences on specific consumer behaviour is typically related to often quoted "reasons" for (usually) failure in international marketing, as for example in Ricks, 'Big Business Blunders' (1983). Such cases however should be seen as (anecdotal) one off illustrations of a phenomenon that still needs to be researched; the cases as such cannot be taken to be valid for universal application.

By contrast, the variables offered by Dichter, Hall, Douglas, and Hofstede merit attention due to their research base, and the extent of the theoretical elaboration of the concepts.

There is too little research evidence to show a clear picture of the relevance of culture for segmentation, targeting and advertising in W.Europe, yet cultural variables as discussed above, social class, language, subcultures, motivation, appreciation of space and time and personal values seem apt to be exploited by marketing companies to better communicate and market. Understanding of them therefore seems crucial and it is natural to think of differences in such areas as providing a basis for marketing segmentation.

It has been reported that Beatty et al (1986) concluded that there was "a great deal of comparability between VALS types in the United States and Norway, suggesting that standardised advertising programmes aimed at specific VALS groups or types could be successfully devised" (Albaum et al,1989). However, apart from proprietary information like VALS (Mitchell, 1983) or Taylor Nelson's, and major advertising agencies' projects like Leo Burnett's AIO, or Y&R's 4 C's, no research has been located that has specifically identified such clusters with shared cultural norms.

Given this, the country cultural groupings discussed above should be looked at as the basic tools proposed for the better planning of marketing and advertising across borders. In practise

therefore Hofstede's groups remain the only ones available which are based on large enough numbers and variables, and it is worthwhile testing the validity of these groups for marketing purposes.

3.5 CULTURE AND MANAGEMENT

Culture does not only influence consumer behaviour. In this section the research dealing with the influence of culture on management will be examined.

Extensive literature on organisational behaviour examines the values and expectations of managers. Although managerial decision making should be a rational process, it has been found by Chang and Campo-Flores (1980) that executives are unable to separate their feelings, emotions and personal preferences from logical analysis when making decisions, - with the major consideration being the executives' personal values.

Christensen, Andrews and Bower (1978) have stressed that *executives are often more* influenced by what they personally want to do than by what the company is capable of doing. The implication is that the personal values and opinions have a stronger influence on decision making than has for instance a planning process.

Miles and Snow (1978) seemingly by contrast argue that the managers' values shape the planning process and that the strategy of a company, *the sort of people who hold power, its* control systems and the way it operates, reflect the dominant ideologies in that organisation. Their research shows how managerial values and organisational culture may affect a company's approach to policy making. They categorise organisations into three basic types in terms of how they behave strategically (defenders, prospectors and analysers) and suggest that companies behave these ways because of the philosophies and values of the managers who run them.

Johnson and Scholes (1984:116) look at a range of factors likely to influence executives, and therefore likely to influence the strategy of organisations.

These factors are grouped into three categories:

1. the internal values: the wide variety of individual values that the executive has. Through shared interests and expectations these values will be shaped by the values of others inside and outside the organisation.
2. the organisational influences on the individual and the interest group values;

appropriate here is both the nature of the business, and the company culture.

3. the external influences : the values of society and organised groups to which the manager belongs, i.e. the general and motivational cultural dimension.

In turn, three major sources are seen to influence an individual's values:

1. external influences: (= 3 above)
2. the organisational influences: (= 2 above). These consist of
   a) the nature of the business: the market situation and products/technology and
   b) the company culture.

The company culture dimension is one which has recently enjoyed a vogue in some quarters. Johnson and Scholes indicate that there are factors which shape a company's culture and are influential on the values of the individuals within that company. The company therefore is seen to influence the individual, who in turn is influencing the company culture. They see as grounds for a particular company culture the following three factors:

- history and age of the company
- management style
- planning and control systems.

The history of a company influences its organisation and senior management, and thus the values of anyone working in the company. This observation is based on research by Stinchcombe (1965).

As. according to Miles and Snow, the management style aspect of company culture is influenced by its managers' values, a circular set of influences can be observed. A self-perpetuating management style is dangerous when significant changes occur in the environment.

The way in which planning and control are exercised will have an important influence on the attitudes of individuals to company policy, that has to be carried out.

Johnson and Scholes explain the values of society (the cultural dimension) in terms of attitudes to work, authority, and equality, though reporting others' work rather than primary research. They argue that it is important to understand the values of society because these might alter over time and thus force companies to change their policies; secondly that companies which operate abroad need to be aware of the possible discrepancies between their own culture and the culture of the country abroad.

It is interesting to note that Hofstede who has done extensive research in this area has indicated some possible long term trends (1980:343). "It is suggested that Individualism will increase and the Power Distance norm will decrease as long as national wealth increases, that Uncertainty Avoidance (or at least its anxiety component) fluctuates over time with a 25-40 years wave length, and that Masculinity differences amongst countries will remain large."

Terry (1979) studied how culture affects management, and in particular how the English culture has affected the performance of English managers. He found that the major trait of English management that is advantageous to them is the ability not to panic when things get rough. However as significant weaknesses he noted insularity, chauvinism and a low regard for professionalism in business.

3.5.1 The International Dimension

When evaluating the influence of culture on management, internationally, two major issues should be examined:

1. "cultural adaptation": making the manager's business decisions appropriate to the culture of the society he is concerned with, and
2. the "Self Reference Criterion": the influence of one's own and one's company's culture on one's behaviour as a manager.

The Self Reference Criterion (SRC) puts into focus how the manager's own culture affects his interpretation of the foreign business environment (e.g. Jain, 1984; Cundiff & Hilger, 1984).

The influence of company culture is generally "factored out" since the particular application is often taking place within the same company.

James Lee (1966) offers a four step procedure for checking and overcoming the influence of the SRC. This consists of

1. defining the business problem or goal in terms of the manager's own cultural traits, habits or norms
2. defining the business problem or goal in terms of the foreign culture's traits, habits or norms, and thereby refraining from making value judgements
3. isolating the SRC influence on the problem, and evaluating its influence
4. redefining the problem without the SRC influence and solving it.

A dissertation by Ali Mohammed Kanso (1986) investigated the impact of culture on international advertising as perceived by advertising executives. It stresses that the advertiser should place himself in the situation of the receiver, if he wants to communicate effectively.

This brings the argument full circle and underlines the question of whether a manager can escape his own cultural background!

With reference to the first factor, the cultural adaptation, Cateora (1988) distinguishes three levels of customs, or cultural variables, a manager has to deal with when doing business abroad; these are:

1. Cultural Imperatives: behaviours that one must recognise and adopt oneself in order to be accepted in a foreign business community,
2. Cultural Exclusives: behaviours that are exclusive to the local population, and which one should respect, but not adopt,
3. Cultural Adiaphora: the area "in between": customs foreigners could adopt in order to reduce their foreign profile, but would not necessarily have to.

Although Cateora here is writing on the topic of a salesman doing business abroad, the distinction could be valid for any communication from a foreign marketeer to an audience abroad, and it would be worthwhile to know what cultural imperatives and cultural exclusives would affect international advertising in respect of countries or cultures selected for international marketing, - though the analogy does not extend to the cases where the advertiser's objective is to appear to be a 'native'.

The question arises whether cultural factors so divided can be related to distinctions made earlier in the chapter.

The perception of foreignness too has its consequences. These could for instance be related to the "country of origin" or the "Not Invented Here" syndrome: factors which will be examined later, both in Part 1 and Part 2.

Kim and Mauborgne (1987) argue that in spite of the beliefs of some, who state that cultures are becoming more homogenised and globalisation of markets is the trend, an assumption of cultural homogeneity is not appropriate, and "achieving success in multicultural operations largely depends on matching properties and strategies to the demands imposed by host countries".

In marketing terms this argues for market directed, even market driven strategies, based on interaction with local management and understanding of local consumer values and needs. Examples of Ciba Geigy's Marketing Quality Circles and Unilever's international marketing management training are well known.

3.5.2 Hofstede

Work done by Hofstede is again relevant when examining the influence of culture on a manager / management. The major conclusion that can be drawn from Hofstede's research is that organisations are culture-bound. This means that all that managers do in a company is influenced by their cultural heritage. Specific areas to which Hofstede has applied these findings include motivation, management by objectives and leadership and decision making.

Applying Hofstede's research findings for instance to motivation, European countries can be mapped on four quadrants, formed by the two axes of the Masculinity and Uncertainty Avoidance indices. This is based on the understanding that the Uncertainty Avoidance Index contrasts motivation by security (high UAI) to motivation by success (low UAI) and that the Masculinity Index opposes ego and high achievers needs (high MAS) to affiliation/care and kindness needs (low MAS). Combining the two indices in a two dimensional map, the four quadrants shown in Figure 3.8. are obtained.

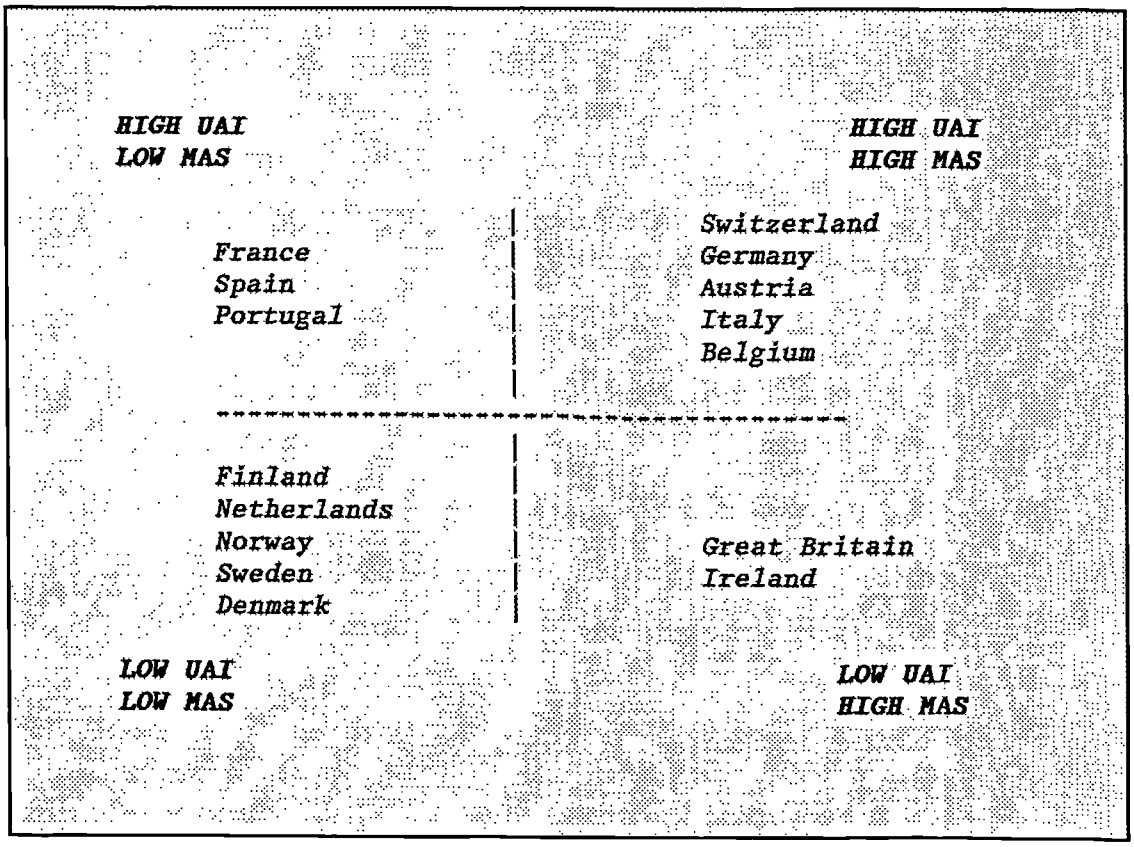

Figure 3.8 Mapping of European Countries by Management Motivation (after HERMES data, 1980)

The map draws our attention to the differences in motivational forces; e.g. for Great Britain: motivation by personal success, in the form of wealth, recognition and "self actualisation" (the highest order of motivation according to Maslows hierarchy), and for the Netherlands:

motivation through success and belonging, whereby quality of relationships and living environment are valued higher than personal, individual success only. This means that each of the quadrants would give cause for a different hierarchy to explain motivation, rather than the one universal hierarchy suggested by Maslow.

However, as the UAI score for the Netherlands (NL), though low in relation to others out of the total of 40 countries, is much higher than that for the UK, Dutch managers will be expected to be more security oriented than British managers. These general tendencies are also underlined in other studies.

As mentioned earlier in this chapter, also on the basis of HERMES data, Sirota and Greenwood (1971) did a cluster analysis on 25 countries and evolved five clusters. In doing so, they found significant differences among normative variables, illustrating the need for different communication and management development. The associations with the five clusters were:

- Anglo:
  high on individual goal achievement, low on desire for security
- French:
  as Anglo, but greater importance to security and less to challenging work
- Northern Europe:
  less oriented to job advancement, more to job accomplishment
- Southern Latin America and Northern Latin America cluster:
  sliding scales, but low on individual goal achievement and high on need for security.

A further example, of relevance to the field of this study, is the leadership and decision making issue. If the perceived leadership behaviour (contrasting task orientation and people orientation) is a function of the country's score on the Power Distance Index and on Masculinity, and following the procedure leading to Figure 3.8, the map in Figure 3.9 can be constructed.

Interpreting the clustering on the PDI/MAS scales, we find again a difference between the European countries; for instance the low PDI/low MAS configuration for the Netherlands would imply a different management style than the low PDI/high MAS configuration applicable to the UK. The relatively low PDI scores for both countries would let management in both countries appreciate bottom up management initiatives, which would not be liked for instance in France, given Hofstede's (1980: 110) evidence that agreement with McGregor's Theory X (1960, 1967) is more frequently found amongst subordinates in high Power Distance countries. Differences in PDI are the most likely cause of trouble in hierarchical structures.

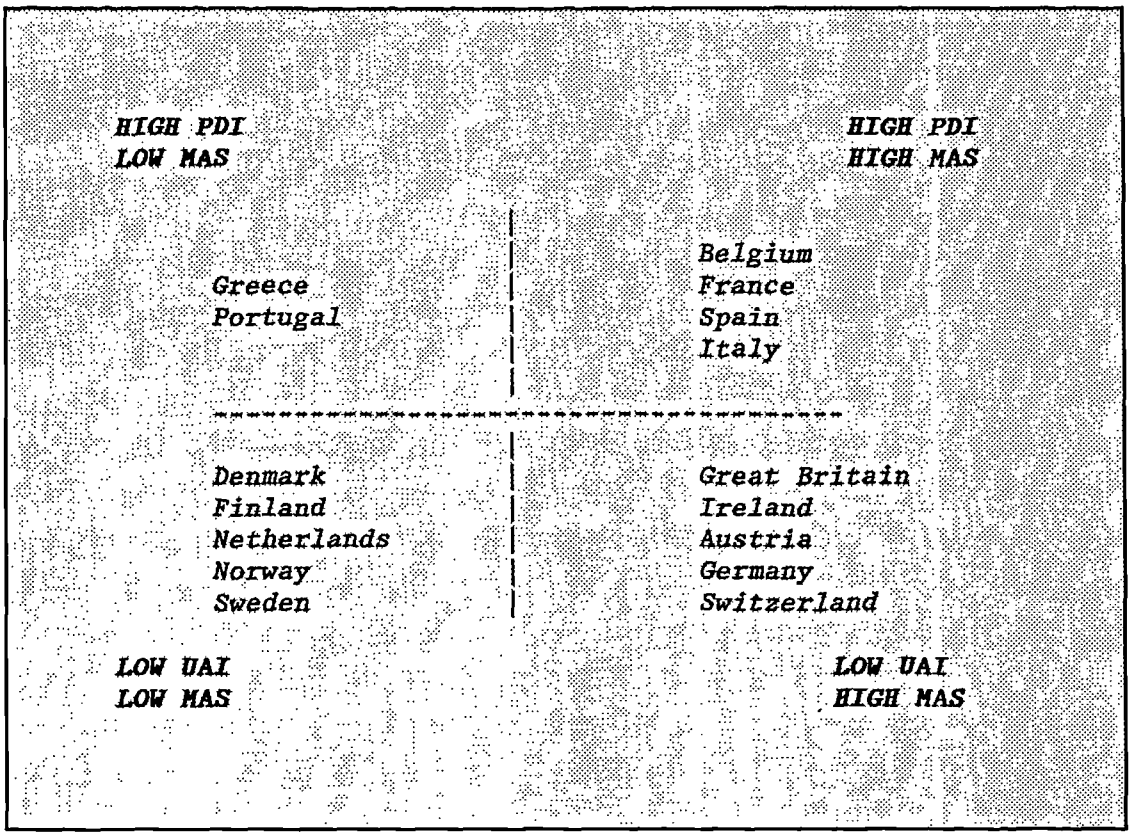

Figure 3.9 Mapping of European Countries by Management Decision-Making (after HERMES data, 1980)

Interesting is in this respect McGregor's own increasing awareness of the cultural rather than theoretical (and teachable) nature of the distinction between theory X and Y, when he states (1967: 79) "Theory X and Theory Y are not managerial strategies; they are underlying beliefs about the nature of men that influence managers to adopt one strategy rather than another."

The low vs high MAS scores between the UK and the NL would however affect management styles; in the extreme form from "fact based" / "fast decision making based on clear responsibilities" (associated with high MAS) to "consensus based" / "intuitive" styles using informal personal contacts (associated with low MAS). Hofstede found that the UK MAS score was 66, the NL MAS score was 14.

Simcha Ronen (1986) provided some country characteristics, on the basis of Hofstede's work. In view of the field work research to be done in these countries, those for the Netherlands and the UK are reproduced:

"The Netherlands:
The Dutch are concerned with expertness and duty, and less concerned with self-realisation. They are high in tolerance of risk and content to be reactive rather than pro-active, with an emphasis on being sharp witted."

"The United Kingdom:
Strong social class traditions exist in Britain. Security is an important goal, yet pleasure is emphasized as a life goal. Resourcefulness, logic and adaptability are considered important goals; the people are highly competitive. They are low on indexes of power distance and uncertainty avoidance, high on individualism and relatively high on masculinity."

Earlier it was stated that one of Hofstede's main conclusions was that organisations are culture bound. This finding is confirmed by Derr (1986) in his INSEAD study of HIPO (high potential) management in Europe. He found that HIPO selection and development amongst European firms showed "deep indigenous influences, not just random borrowing from American practices."

Examples of his findings are the bureaucracy of German firms, who attach most value to specialists and functional generalists, whereas the British put much emphasis on personal conformity to the society's culture, either "as evidence by successful pre-socialisation in certain institutions (public schools, certain universities, certain military units)" or "as manifest by a comfortable conformity with the norms and values of the culture". The need to be more competitive in world markets stimulates the current question in the U.K. whether companies should continue to emphasize a classical education and a broad general approach to business problems or should push newer business education methods. He also finds that Swedish firms have many norms of social democracy which mitigate against developing elites.

Derr's report concludes that the study of national culture and its impact on corporate culture and its management is in its beginning stages and merits more systematic attention. This underlines the issue once again.

3.6 SYNTHESIS AND DEFINITION.

At the end of this literature survey, for a synthesis to be valuable for theory development, the main question to be answered is whether culture has necessary implications for international marketing and marketing management.

In the paragraphs above this has been explored, in as far as consumer segmentation and management is concerned.

Culture has been redefined to clearly emphasize its intrinsic existence as a "value-based, learned, shared and interactive aggregate of implicit and explicit characteristics, seen as normative by the group, that influences (members of) a human group's response to its

environment, and distinguishes (members of) one group from another".

(Millar, after Guildford, 1959 and Hofstede, 1980).

The elements contained in this definition are a clear indication of the essential role that culture plays in international marketing, although no research has indicated a universal applicability.

Research has indicated that cultural groupings exist; some are more consistent than others; some, like those arrived at by Hofstede, are more convincing, because they are based on a large sample and have been shown to correlate with many of the one-off study results.

3.7 RESEARCH ISSUES AND SCOPE FOR THEORY DEVELOPMENT

The research reveals neither a theory nor any body of empirically established results about culture which have direct relevance to marketing. Nonetheless a number of the issues raised are clearly of importance to the practice of marketing and it is important to consider their implications. This gives rise to a list of topics which, here or in future research, merit further investigation.

The impact of these cultural factors on the practice of marketing can be divided into the realm of those effects which bear on the marketeer's interaction with consumers and those which bear on his company and himself.

As regards the marketeer's interaction with consumers, the principal topics where the development of theory would help are:

- how consumers' cultural values obstruct or assist the achievement of typical marketing objectives
- whether there are cultural groups of countries which allow marketing strategies to be transferred safely to other countries in the same cultural group
- whether the distinction between high and low context cultures can be used to help focus marketing objectives or the way of pursuing them.
- whether there are aspects of culture which provide a good basis for establishing segmentation criteria
- whether language is an aspect of behaviour which is particularly suitable for us as a cultural discriminator
- whether the four dimensions developed by Hofstede in a study of work-related values of IBM employees can be applied to consumers and help in gaining an understanding of consumers' cultures

As regards the marketeer's own role, the principal topics for consideration are:

- whether the self reference criterion makes certain types of international marketing a forlorn hope
- how marketeers can gain an international marketing orientation, understanding the values and needs of the consumers
- whether marketeers resemble Hofstede's sample in their scores on Hofstede's four dimensions, and if not, what significance this has.

Some of these issues have a direct bearing on international advertising and will be developed further in Part 2 of the research; the remainder are left for future researchers in this area. The factors which emerge as relevant to the key topic and the modelling of relationships are:

1. The discussion of culture has made clear that it is the **value systems** underlying the culture which are ultimately the most important factor. These are, however, implicit, hence they are shown within the box labelled 'Culture'

2. The **self reference criterion.** In the Proto-Model it is assumed that the influence of culture on decision taking is a simple one. The simple relationship was that managers, observing culture and cultural differences took account of these when reaching decisions on standardising international advertising. The doctrine of the self-reference criterion introduces the complication that depending on the cultural background of the manager, the observations made or the conclusions reached may differ. To cover this feature, the manager's own culture is introduced into the model and is linked, via the 'self reference criterion effects' to the central box which represents the manager's perceptions, attitudes and judgements.

3. By contrast with the influence which his own culture imposes on the judgement of the marketeer, there remains the influence arising from the culture under consideration and its value systems. This has its effect via the behaviour of members of the culture and an intervening factor is useful here in order to raise the question of how cultural differences affect the responses to advertising. This factor is shown by the box labelled **expected responses in cultures concerned.** The question of clustering countries which are similar is also relevant here; however there is no clear answer as to which approach is best, and the theoretical basis on which clustering is done still needs clarification. For this reason the intervening factor introduced is not that of the clustering itself, but rather a more general factor which goes to the heart of the reason why clustering is of interest - i.e. because it is a means to the end

of having rational expectations as to how members of a culture would respond to given situations or stimuli. An explanation of this will almost certainly include an explanation of how reliable culture clusters can be formed.

Figure 3.10 shows the result of introducing these factors into the model.

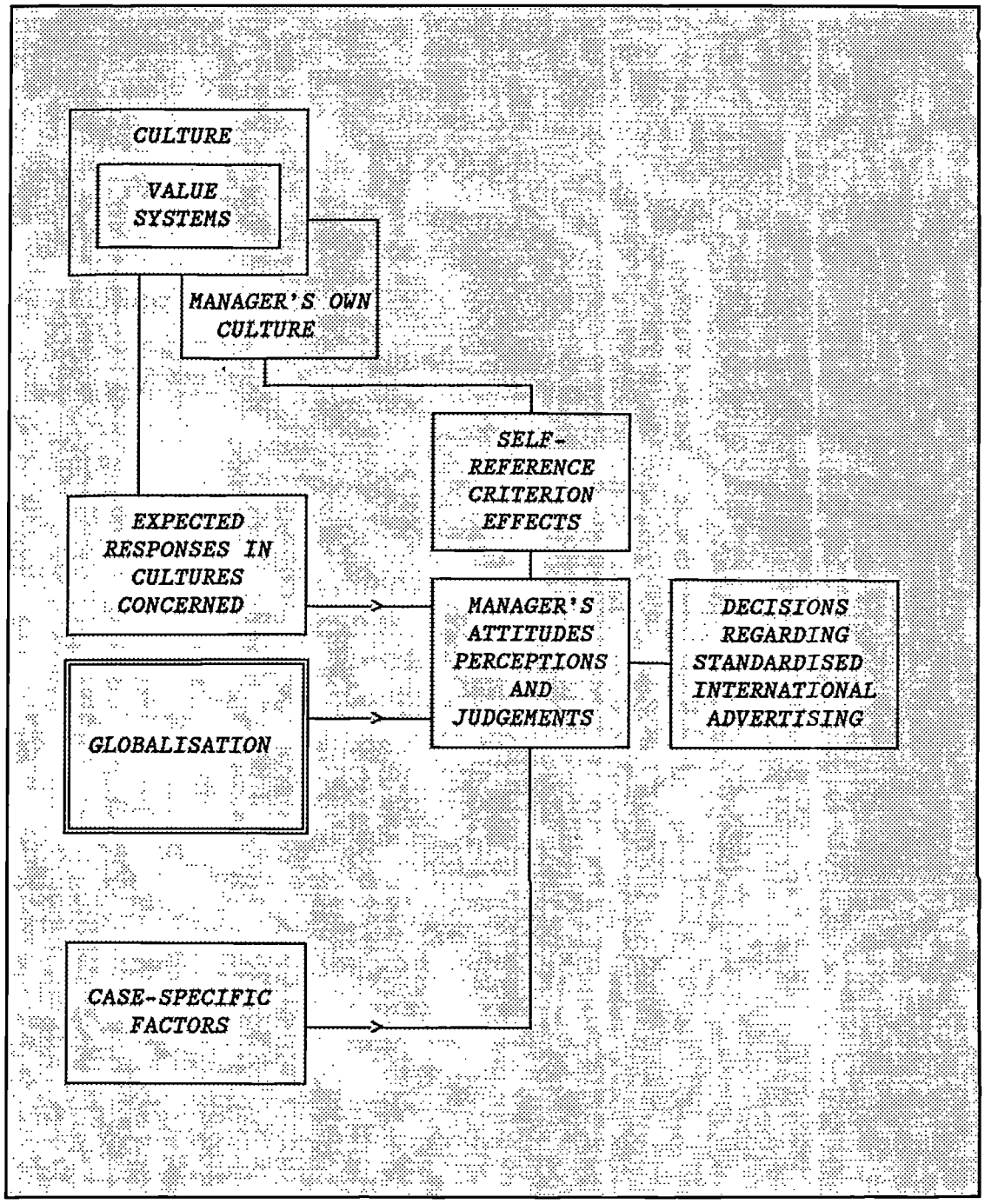

Figure 3.10 Implications of Culture Literature for Proto-model

CHAPTER 4

GLOBALISATION

4.1 INTRODUCTION

Globalisation is of concern in this thesis because it is cited as an influence affecting decisions on international advertising. It has been included as an element of theoretical study because exploratory interviews indicated that the phenomenon was a factor of influence in international decision-making.

It is therefore not necessary to examine whether the doctrines and approaches associated with globalisation do in fact represent the best or the only way for companies to progress; the issue here is to clarify what is meant by globalisation and to review the effects which it has or ought to have on the specific class of decisions which is of interest.

Globalisation is a relatively recent topic; the overwhelming majority of what is written about it is the product of academic commentators during the period since 1970. Despite the apparent prevalence of moves towards globalisation, there are few managers whose views are on record exploring globalisation in a systematic way and the relationship between their views on globalisation and their views on marketing and advertising are, with few exceptions, not fully explored in their writings.

The few exceptions are managers who do believe and act on clearly stated views about the merits of globalisation (e.g. Morgan, 1986, von Briskorn, 1986).

As a result an attempt to rely on the writings of managers as a means of finding out how decisions are influenced by globalisation, is beset with problems:

1. The written material is sparse and seldom deals explicitly with the present issue.
2. The small number of sources available means that only a small amount of first-hand experience can be reflected.
3. Many managers whose experience is relevant have not recognised it in these terms and hence their writing will require considerable interpretation; only a few managers have thought explicitly about the relationships, identified the issues and published their views.

This chapter takes an alternative approach to developing an initial view of how globalisation will influence managers; it looks to the writings of business school theorists and the authors of textbooks on marketing. The reason is that these authors purport to have knowledge of how management works and that their views deserve to be tested, particularly as the most prominent of them serve as 'gurus' for many managers. What is to be sought in the writings concerned is clarification of

a) what is meant by 'globalisation',
b) whether globalisation implies standardisation,
c) obstacles to globalisation, particularly if they relate to culture,
d) the way in which globalisation should be taken account of in reaching decisions on marketing in general and the standardisation of advertising in particular.

However, in the course of reviewing this literature, it has become clear that also the nature and basis of the claims being made by such writers have to be clarified and defined.

Without such clarification there is a danger of illusory disagreements and of issues arising simply because of the differing definitions found in the literature and of the differing objectives in writing about the subject.

4.2 OBSERVING, ADVOCATING AND GIVING PRACTICAL ADVICE

When considering the nature and basis of claims made about globalisation, the work of management theorists - in the literature and in meetings, conferences and discussions (and as represented by textbook writers who follow them) - contains three very different strands. These can be classified under the sub-titles 'The Phenomenon of Globalisation', 'Advocacy of Globalisation' and 'The Recipe for How to Globalise'. These titles refer to the way 'globalisation' is treated, not to the content implied in these writings; they also do not imply any particular definition.

Work on <u>The Phenomenon of Globalisation</u> is that in which the author claims to be reporting on what is in practice happening; describing it, so far as possible, in value-free terms, neither advocating nor criticising what is happening or how fast it is happening. In recent years it has generally been claimed that the Phenomenon of Globalisation is increasing. This tends to raise the issue of what the cause is. Accordingly discussions on this subject tend to list factors and pressures which are felt to be leading to an increase in the Phenomenon of Globalisation.

By contrast Advocacy of Globalisation consists of recommendations about the strategic decisions which a business may take; the work identifies globalisation as a desirable policy. Such advocacy is found in the writings of many respected figures in the fields of marketing and corporate strategy.

Work falling into the Recipe for How to Globalise category covers where to start, how to proceed or what to look out for when trying to implement a policy of globalisation. Such sources are interesting because they include the few pieces of relevant research as well as most of the contributions made by practising managers and advertising agencies. The borderline between 'Advocacy' and 'Recipe' is not always sharp, but the latter type of work assumes that the reader is no longer in any doubt as to whether it is wise to globalise.

Although there are clear differences amongst these strands, writers are often not careful to distinguish them. Discussions on the Phenomenon can also easily be confused with Advocacy. Many of the factors which are thought to explain the Phenomenon of Globalisation, and the increase therein, are brought up in context of Advocacy, but proposed as a rationale for businesses to adopt the policy.

Such practices produce a severe risk of invalid deductions. Despite the fact that certain pressures exist, and that they may actually have led companies to globalise, it does not strictly follow that companies ought to globalise. Advocacy then is not necessarily justified simply by descriptions of the Phenomenon. Still less do the descriptions of Recipes for How to Globalise constitute evidence that Advocacy is correct or that the policy is the most appropriate one to be following.

Nor, finally, does the Phenomenon follow from the policy: even if one - as a reader of works of Advocacy - is convinced that companies ought to globalise, it remains an open question whether they will do so.

While these logical connections are missing there may well be links in practice. For example, the prominence and influence of some of the advocates for globalisation is almost certainly a potent factor leading to the Phenomenon of Globalisation. There is also every likelihood of a 'bandwagon' effect whereby the Phenomenon of Globalisation has taken greater flight thanks to the writings of those very observers, who, whether as advocates or merely while looking for reasons and causes, raised awareness of Globalisation as a widespread policy; as a result their predictions may well have been self-fulfilling.

The diversity of ways in which globalisation has been written about may in part be due to the fact that the term 'globalisation' arises in the areas of corporate strategy, marketing and business policy; there are also writers dealing with organisation, finance, or production who

report tendencies or advocate approaches which go hand in hand with globalisation. This is a less serious diversity than occurs with the term 'culture', but does indicate a range of different perspectives which may have led not only to differences in the way the term is used but also to the differences in the objectives of the writings. It is clear that writers on the subject of globalisation do not have one single vision of what globalisation means, nor depart from the same starting point: a single definition of globalisation.

As in the case of culture, here too the scanning of the literature has particularly involved the search for any sources which report empirical evidence. In practice, however, no systematic empirical studies in this area were identified. Discussions of the topic of globalisation seem almost invariably to proceed without reference to such data: the evidence which is offered is based on convincing (often spectacular) examples - but with no reference to systematic study, consideration of possible counter-examples, or follow-up research to verify the duration and possible alternative explanations for the successes.

Consideration of globalisation starting from the literature cannot therefore hope to achieve more than the development of consistent terminology, clear alternatives and a framework within which to pose and hopefully obtain preliminary answers to the basic questions of what globalisation is and what it implies for management decisions.

4.3 THE GURUS

Globalisation has attracted journalistic attention as well as academic. There is, however, not always a clear division between academic and popular writers on the subject, with some such as Levitt commanding much attention for popularised presentations yet also being taken seriously by fellow academics. The approach of concentrating on opinion-forming academic sources therefore requires attention to such writers both to determine the academic basis of their views and because of the need to identify viewpoints on globalisation to which practising managers are likely to have been exposed.

The discussion here deals first and mainly with the 'gurus' such as Levitt, and furthermore with those who have reacted to their views, and with authors whose textbooks are particularly well-known to managers, such as Kotler and Keegan. This approach does not imply any value-judgement about the work of other writers.

For the same reason in discussing these authors the focus is on their most widely-read works and those which contain the most absolute of their statements. In the search to reconcile

these absolute statements the process of theory-development is following the Glaser and Strauss philosophy of comparing and contrasting the evidence from different cases studied.

4.3.1 Levitt

Levitt has - on occasion - stated the most extreme pro-globalisation position of all those considered here. This makes it easier to set out other views by highlighting contrasts. For this reason and because of his influence as a guru Levitt is considered first, even though it is arguable that others (e.g. Keegan) in fact pioneered thinking about the difference between global and multinational business.

Levitt's extreme position on globalisation is not his only one; he appears to have followed a similar practice in regard to other subjects by adopting a technique of initially overstating the views he puts forward; for example he states that 'intentionally narrow' views in early works (on 'marketing myopia') can be followed once they 'have done their work' by 'more conciliatory and sensible' ones (Levitt 1983a: 8-9) and it appears that in the case of globalisation too, he has moderated the more extreme views he once stated. There are therefore two 'Levitts' to be considered.

Despite these qualifications Levitt has to be given the credit for putting globalisation on the agenda for international marketers, even if only because his more baldly stated views attracted more attention.

Levitt's characteristic stance is one of Advocacy accompanied by claims about increases in the Phenomenon of Globalisation. In The Marketing Imagination (Levitt, 1983a: xiii) he asserts that "the traditional multinational corporation is obsolete. It operates just as its name implies, multinationally, not globally. The future belongs to the globally, not multinationally, organised corporation, because the globe is being homogenized by 'The Republic of Technology'." His Harvard Business Review article of the same year is equally uncompromising: "Companies that do not adapt to the new global realities will become victims of those that do" (Levitt, 1983b: 102).

Similarly at a meeting in 1985 he says "We are just entering this new stage of commercial evolution. The future belongs to the globally oriented corporation that works deliberately in pursuit of the new global-scale opportunities" (Levitt, 1986: 12).

The reference to 'homogenization' is crucial. Levitt's thesis seems to be that:

a) homogenisation is occurring,

b) homogenisation produces conditions in which 'the future belongs to' globalised companies.

Although both of these points might merit some systematic proof, all that is forthcoming is a series of instances, with no consideration of possible counterexamples. These are convincing in showing that some types of consumption have become widespread and that some companies have reaped rewards by taking advantage of opportunities this created. They are not, however, supported with anything to show that they do in fact add up to proof of the general spread of homogenisation. There is, for example, no consideration of how important these facets of life are relative to the importance of other facets; nor is the possibility considered that homogeneity may have decreased in other areas (e.g. religious beliefs, systems of government, diet).

The closest to proof is Levitt's reference to selected factors which he takes as (obviously) producing the result he describes:

- changes in communications (e.g. increasing exposure to 'alluring attractions'),
- changes in aspirations (levelling up of third world expectations),
- changes in availability of products (wider distribution),
- financial systems whose global span enables a global approach.

Levitt thus sees an underlying mechanism which assures him that his instances are the effects of a pattern: "The world moves inexorably forward to greater global convergence in all things, propelled by the technological forces that shape our times" (Levitt, 1983: 30).

This in turn leads to a 'new commercial reality' constituted by

- global markets
- globally standardised products.

Levitt argues that this new commercial reality enables companies - if they set out to do so - to achieve economies of scale which allow them to charge prices which 'devastate' competitors. In particular "The global corporation operates with resolute constancy and therefore at low *relative costs as if the entire world (or major regions of it) were a single, largely* identical entity; it does and sells the same things in the same single way everywhere" (Levitt, 1983: 22).

Levitt appears to feel that there is empirical evidence and that it can prove his case; he colourfully states "Which strategy is better is a matter not of opinion but of necessity". His work however, though rich in cases, lacks any systematic investigation of them. Instead he backs

up his claims by a series of instances of companies succeeding where modernity, high technology or fashion (including fashion in eating and drinking) has appealed to and has been diffused to remote or novel audiences.

The generality with which globalisation applies is emphasised by Levitt. He is emphatic that its effectiveness is not confined to high tech or so-called commodity products; to establish this he quotes examples such as:

McDonalds
Coca-Cola
Pepsi Cola
Greek salad
Hollywood movies
Revlon cosmetics
Sony televisions
Levi jeans.

These examples are used to support the claim that globalisation is relevant for both the 'high tech and the high touch ends of life's continuum'.

The 'surging success of such a vast variety of Japanese companies' is seen by Levitt as due to their 'unrelenting drive for economizing and value-enhancing distinction (which) spells everywhere and in everything a drive for global standardization at high-quality levels.'
Standardisation emerges as a major element for Levitt; it is not merely a by-product or an option in the globalisation process. Claims that standardisation is not necessary for globalisation are dealt with. Levitt rejects, for instance, the idea that technological developments are leading toward greater diversity through the introduction of 'CAD/CAM' which could allow a 'focused factory' to give everyone customised variants; he says that the digital revolution will still not give customised versions a cost advantage over standardised ones - which must always turn out cheaper if produced in quantity. This argument is interesting in two respects:

a) it emphasises the relationship between standardisation and globalisation in Levitt's writings, and
b) it shows the importance of theoretical economic benefits as cornerstones in the 'proof' that globalisation is inexorable.

In relation to culture, the mechanism which Levitt propounds in his original writings may be paraphrased as 'it is now possible to offer a combination of high enough quality and low enough price which will overcome the effects of different national or regional tastes, preferences, needs, and institutions.' In this, standardisation of all elements of marketing and

production, is an essential element, and to all intents and purposes part of the definition of globalisation.

In short, "The modern global corporation ... seeks constantly to hasten the consummation of what already occurs, to force suitably standardized products and practices onto the entire globe because that is, indeed, exactly what the world will take, especially when aggressively low prices are linked to quality and reliability" (Levitt, 1983, page 49).

Levitt's writing at this stage thus contains a second critical conclusion: that the marketing mix (particularly the price) can be made so attractive that it overcomes barriers arising through cultural differences.

4.3.2 Later Levitt

In recent years Levitt appears to have become less certain of the speed with which companies can adopt full-blooded standardisation. Perhaps as a certain counterweight to the earlier talk of homogeneity he has introduced the notion of the 'heteroconsumer'. This is, however, not a retreat from the ideal of standardisation, it is more a question of targeting the standardised products: he continues - in colourful language as usual - to preach a doctrine of maximum standardisation based on the development of global market segments, e.g.

"Success therefore becomes a matter of combining global reach with local vigour, and of developing new, efficient ways to address and serve the heteroconsumer who is so ambidextrously engaged in pluralized consumption" (Levitt, 1988: 8).

In one of his other 'voltes faces' Levitt has touched the 'marketing concept' and moved from emphasising responsiveness to consumer wishes to stating that he thinks it is outdated and erroneous to interpret marketing as 'providing what the customer wants'; marketing in his later terms involves giving a lead.

In the current conditions this lead should be towards globalisation and this involves standardisation in all areas of the marketing mix whenever possible. By taking such a standpoint Levitt still positions his writing in the realms of Advocacy. For the development of grounded theory, as pursued in this thesis, this advocacy is inadequate evidence. Marketing as a function may, indeed, require to give a lead to the consumer, but it can be no part of the academic study of marketing to lay down what lead marketers have to give, unless there is demonstrable evidence such as the comparison of the effectiveness of one option with others.

This raises the issue of how to deal with the examples cited by Levitt. As already noted, Levitt's work is well-endowed with examples citing well-known names; however, the level of detail in

his publications means that the examples are merely cited rather than analysed. His widely distributed work is in a style which does not allow for the level of rigour which would require him to report counter-examples and no systematic follow-up to show whether the companies quoted found their experiences with globalisation as positive as Levitt implies. In some cases, e.g. Coca Cola, further enquiry reveals that the degree of standardisation does not steadily increase, but oscillates over the years.

Levitt is best regarded as being engaged in the Advocacy of Globalisation, and as having modified his 'pitch' as part of the effort to get the audience to follow the path which he sees as best for them. This makes the nature of the examples given more acceptable; their value is not in their providing empirical proof; they are of primary use in making absolutely clear what behaviour Levitt understands to be 'global'.

In this later version of Levitt the stress on standardisation remains. The theme that cultural differences can be overcome by marketing efforts is preserved, but there is less certainty that the marketing efforts required will be standardised ones. The most striking new feature is that by talking of the 'heteroconsumers' spread all over the world Levitt in effect introduces the notion of supra-cultural groups as target markets, and categorises efforts to appeal to such groups as deserving the title of globalisation.

4.3.3 Keegan

Keegan's 1970 article in which he offers 'same product, same message worldwide' as one alternative strategy for multinational marketing is much cited (Keegan, 1970). This form of globalisation was for him only one option. Since then the word 'globalisation' has been popularised and Keegan has articulated a view on the subject which is less simple than Levitt's. This view is probably also less well understood among managers, even those who are business school graduates. As representative of Keegan's views, and to obtain them in a form where they can be contrasted with other views, it is useful to focus on the exposition put forward in his textbook: Multinational Marketing Management, 3rd edition (Keegan, 1984). This however required to be updated by referring forward in some cases to his talk "Global Marketing: Strategic Alternatives" given in 1988 at the Conference of the International Advertising Association (Keegan, 1988)
and thereafter by the 4th edition of his textbook, now called Global Marketing Management (4th edition 1989).

In Multinational Marketing Management, Keegan's discussion of globalisation takes as starting point an attempt to describe the 'globalised' company and to contrast it with those companies which are not globalised. In doing so he develops a categorisation of types of company:

- international

- multinational
- global.

In describing the orientations and assumptions under which such companies operate Keegan introduces (borrowing terms from Perlmutter, 1965) the notions of:

- ethnocentric,
- polycentric,
- regiocentric,
- geocentric.

While the ethnocentric company sees home country stakeholders as being preeminent in their claims and rights to company resources and rewards, the other types accept that the international scene may give cause for variations in approach - but they start with different biases. Ethnocentric companies tend to be highly centralised, adopting a top-down approach to planning and operation and assume the home country approach, and home country management, is best.

Keegan characterises the polycentric company as having "The unconscious bias or belief that it is necessary to adapt totally to local culture and practice." He also comments that this may 'be effective if it is appropriate' implying that he thinks it sometimes can be appropriate (Keegan, 1984: 43).

The regiocentric and geocentric approaches are, however, in Keegan's view also appropriate in some cases. He describes such approaches as ones in which "the company views the region or the entire world as a market and seeks to develop integrated regional or world marketing strategies". "The regiocentric and geocentric assumptions hold that it is possible to identify both similarities and differences and to formulate an integrated regional or world marketing strategy on the basis of actual as opposed to imagined similarities and differences" (Keegan, 1984: 260).

In his later text, Keegan predicts a "steady shift towards a geocentric or world corporate orientation" as a trend for global marketing.

It is here that Keegan completes his analysis of an evolution from domestic to global marketing, focusing on globalisation in a marketing context. This is intertwined with his belief that marketing as such has evolved from the product oriented selling concept via the new, customer focused, 'profits via customer satisfaction' orientation to a 'strategic' marketing concept, in which understanding of the consumer-in-a-context and strategic management will satisfy the objective of stakeholder benefits. The key stakeholder then is the consumer.

A global marketing company similarly has evolved from the domestic company to one which has a geocentric focus, a global corporate strategy, a mixed/matrix corporate structure, an integrated interactive operating style, and an international marketing strategy which has evolved from domestic via extension and adaptation strategies to one in which both extension and adaptation, but also creation have a definite place. All this as, says Keegan, marketing is the management of opportunities, globally.

A geocentric company is one that "consciously recognises that it is operating in the international economic order and that its stakeholders are customers, employees and shareholders in every area of operation". "In addition a geocentric company is one that recognises the possibility of creating a global strategic plan for each of its businesses in order to allocate and apply resources most effectively" (Keegan, 1989:705).

Global companies can be regarded as in a fourth stage of development, having previously been multinational and before that international and just domestic companies. Geocentric assumptions are appropriate for 'global' companies but need not be confined to them. In Keegan's approach the question of whether a company is global or not depends on a variety of factors, one of the most prominent of which is how it goes about its marketing - particularly the planning of marketing. "In the global firm, marketing planning must be conducted not only at national level but also at one or more headquarters levels. The challenge is the integration of national and regional plans into an overall plan that best utilises organisational resources to exploit global opportunities" (Keegan, 1984: 530).

It can easily appear that Keegan is performing a purely objective task of providing a classification and describing the organisations falling into the various categories. He does however make clear judgements, e.g. "... there can be no question that the geocentric orientation most accurately captures market reality..". This appears to cross the borderline into Advocacy, though not advocacy of universal uncritical globalisation. It is clearer to see Keegan as an advocate for a geocentric approach rather than being an advocate of Globalisation as such.

The resulting encapsulation of how Keegan sees globalisation is as the coordinated implementation of plans based on a geocentric assessment of market opportunities and risks. In 1984 Keegan writes as if it were a foregone conclusion that businesses which globalise in this sense, would embark on action in several countries at once; the later sources (Keegan 1988,1989) allow much greater freedom, also to not operate internationally at all if this were to serve the stated objectives of the company better.

The driving force behind globalisation in Keegan's approach is organisational and process effectiveness. He reports as important the finding of Sorenson and Wiechmann (Sorenson,

1975) which he paraphrases as "that the real competitive advantage of the multinational company comes not from the extent to which it is able to standardize marketing programs but rather the extent to which it is able to standardize the marketing process" (Keegan, 1984:535). Such a standardised marketing process is seen as providing the basis for 'cross-pollination of experience, ideas, and judgements from one market to another'.

Those who are convinced by Keegan should not, given the above views, be overly concerned to achieve overt standardisation, whether in the product or in the execution of advertising or in other aspects of the marketing mix. They will however, wish to have mechanisms through which the process of advertising development is standardised.

Three main additions to theory emerge from this part of Keegan's argument:

- Globalisation as involving standardisation of the marketing process, but not necessarily the product or its advertising.
- The concept that global presence is not compulsory: not all companies need to globalise in the sense of actively marketing on a global scale (though the later references modify the term to allow those which decide that the time for global action has not yet arrived, to claim the credit of having globalised their strategy).
- The notion that the global market may require totally new products, approaches or structures to give competitive advantage and satisfy the needs of the new target groups defined, i.e. the notion of 'creation'.

In addition to Advocacy of this type of globalisation, Keegan makes strong claims about the Phenomenon of Globalisation as an onward march of actual implementation of global strategies. His work also contains a number of considerations which are more technical and can be regarded as aspects of "Recipe for How to Globalise". In this area he considers pre-conditions for globalisation and divides these into three groups:

- country-related
- product-related
- time/cycle-related.

Country-related variables are dealt with by considering how countries can be clustered together in groups with similar 'national marketing environments.' In this Keegan follows Sethi (Sethi, 1971). Figure 4.1 lists the major dimensions which Keegan uses to differentiate national marketing environments. From an analysis of these the global marketing manager will discover what clusters should be approached (and will be able to track changes in the clusters).

1. *MARKET CHARACTERISTICS*
   a. *GNP per capita*
   b. *Stage of development*
   c. *Stage of product life-cycle saturation levels*
   d. *Buyer behavior*
   e. *Social/cultural factors*
   f. *Physical environment*
   g. *Size of market/rate of growth*
2. *MARKETING INSTITUTIONS*
   a. *Distribution systems*
   b. *Communication media*
   c. *Marketing research services*
3. *LEGAL ENVIRONMENT*
   Laws, regulations, codes, tariffs, taxes, etc.
4. *INDUSTRY CONDITIONS*
   a. *Competitive size and practices*
   b. *Technical development*
5. *GOVERNMENT POLICIES AND ATTITUDES*
6. *RESOURCE POSITION*
   a. *Human resources (availability, skill, potential, cost)*
   b. *Money (availability, cost)*
7. *FINANCIAL ENVIRONMENT*
   Balance of payments, foreign exchange, regulations, etc.

Figure 4.1 Table of Major Dimensions of National Market Environments. (Keegan, 1984)

Product-related variables also result in globalisation not being equally applicable in all cases. The notion of "Environmental Sensitivity" of products is introduced (Keegan, 1984: 38). Products can be ranked according to their environmental sensitivity, with for example integrated circuits or computers as having low sensitivity and foods as having high sensitivity.

Keegan also introduces time-related variables by discussing the notion of a market life cycle, because products 'may be at a different stage (of the product life cycle) in every market'. Globalisation again does not imply standardisation, because different approaches may be required according to the market.

In his other pronouncements (Keegan, 1988) he goes even further in separating globalisation from the pursuit of any one standard recipe - whether of approach, of geographical scope, or of execution of policy; here he argues that as long as a company has examined the global opportunities, it can be classified as a global company, even if it subsequently decides to only trade in Neasden, England, or in Cleveland, Ohio, USA.

Keegan's discussion of these points defines a continuum of cases within which globalisation is sometimes more appropriate and sometime less. In its aspect as Recipe for How to Globalise writing, it is evident that Keegan does not propose any one recipe or set of actions which are essential to globalisation. The essence of globalisation is having a geocentric outlook and adopting a policy based on practical considerations in the realms he identifies.

Despite this apparent flexibility there is a strand in Keegan's work which still implies standardisation. He sees companies as evolving from national/ethnocentric companies via international/ethnocentric and multinational/polycentric to global/geocentric. This stage four global corporation is distinguished from each of its predecessors, because it is not predictable: "it is reality driven" (Keegan, 1989:10). On this basis he argues that similarities and differences in markets will create opportunities for standardised, adapted, or totally new products; the product strategy of the global corporation therefore is a combination of extension, adaptation and creation. The creation of global products and brands, to serve identical market-segments globally is an opportunity for 'creating value' and is a focus which management must have in such companies.

This final point echoes Levitt's identification of supra-cultural groups as potential target markets. Further implications of Keegan's work are to introduce into the development of theory the following issues:

a) the significance of product, product life cycle stage, stage in company development, and characteristics of the country concerned in determining the case for (partial) globalisation,
b) the possibility of defining a set of dimensions by reference to which the marketeer could select countries for inclusion in globalisation strategies.

4.3.4 Kotler

Kotler is generally less concerned with globalisation as an explicit topic. His textbook treatment of multinational business adopts an American perspective and is largely concerned with international expansion strategies for U.S. businesses (Kotler, 1988: Chapter 13). An alternative source of Kotler's views, and one which is particularly interesting because it relates to the specific case of Japanese 'global marketing' is his book with Fahey and Jatusripitak (Kotler et al. 1985). Consideration of his argument here shows his view of globalisation to be linked to the business organisation rather than the individual products or markets it deals with.

The challenge usually seen as Japanese arises from a concerted approach to different aspects of doing business which the Japanese happened to pioneer. The authors argue that it is important to recognise the differences in approach to each of these aspects but not to

imagine that any one of them is 'the' key factor. Nonetheless the focus is on marketing strategy as one key element in this mix:

> "While (these other) factors positioned Japan for strong global competitiveness, this competitiveness was not enough. Strategy, particularly marketing strategy, is also essential. Without it many of the other advantages disappear" (Kotler et al. 1985: 38).

The marketing perspective recommended is of course one which treats all different national market areas as being, in principle, equally worthy of consideration.

This marketing perspective is, however, not enough on its own. There is a need for the economies which come from global operations: "to become a global marketer one further step is required. The company must establish plants around the world and decide which plants should manufacture which products for which markets to obtain the lowest costs of production and distribution" (Kotler et al. 1985: 187).

In brief Kotler's view of globalisation seems to be one revolving round de facto international operations together with an integrated plan covering many countries and regarding none as the 'home' market. The advantages and benefits which are seen to drive the trend to globalisation are:

- the cost impact of the experience curve effect and economies of scale,
- cost and other benefits of using a multi-centred production system,
- the ability to transfer profit between operating regions as well as products (cross-subsidies).

Standardisation is not an essential or even a major feature of the approach ascribed to the successful global company. "The adroit sense of market segmentation and sequencing exhibited by the Japanese is accompanied by a shrewd appreciation of market flexibility. They do not seek one best way to enter and penetrate markets, and once they have found an approach that succeeds, they do not blindly stick with it" (Kotler et al. 1985: 115).

It is possible to go some way to reconciling this reading of Kotler's views with Keegan's. Both advocate a geocentric viewpoint, an active rather than a reactive stance, and both call for marketing strategies which are adapted to product, market and competitive needs. Kotler, however, emphasises flexibility while Keegan continues to look for some standardisation in marketing systems.

4.3.5 Porter

There are two well-circulated sources for Porter's views on globalisation. His book Competitive Strategy (Porter, 1980) enunciates a view which is echoed in the article written jointly with Hout and Rudden (Hout et al. 1982). This view is one which emphasises the business strategy aspects of globalisation and sees it as a gambit in establishing the economic position of the company in an environment which includes players some of who are global or are on the point of becoming global.

Porter seems to echo Levitt in saying that there is no future for companies which fail to become global in markets where globalisation has started. At the same time his view contrasts sharply with Levitt's baseline view; whereas Levitt is a proponent of standardisation, Porter is a proponent of calculated and usually highly specific adversarial responses to threats from competitors. If the response called for offers the opportunity for standardisation then that will improve the economic situation of the company concerned, but the primary objective is a response which effectively combats the (potential) influence of global competitors (Hout et al. 1982).

The relevance of Porter's view is however limited in that he is clearly concerned with business policy and his concept of globalisation is one for that field rather than one which a company adopts as a result of a marketing philosophy. Nonetheless Porter describes challenges and responses which overlap with those dealt with by the other writers and should be assessed along with them.

A further useful contribution of Porter and his co-workers is the use of the term 'multidomestic'. This refers to the activities of a company which is present in very many countries, but which treats each country on its own merits as if it were a domestic market. There is clearly a parallel with Perlmutter's term 'polycentric' but 'multidomestic' seems preferable in that it is clearer and it highlights the actual behaviour of the company rather than its attitudes or biases - which are less easily directly observed. (Keegan later too, uses the term 'multidomestic', referring to the strategy of the polycentric company, contrasting this with the global strategy of the geocentric company; Keegan,1989:8).

The notion of a progression of stages recurs. A company becomes multidomestic and then progresses beyond the multidomestic stage as it begins to optimise the use of resources internationally; it faces problems of possible cross-subsidisation and so forth. The principles to apply are however clear according to Porter:

- "The structural factors and market forces operating in global industries are the same as those in more domestic industries." (Porter, 1980: 276)
- "The sources of global advantage stem broadly from four causes: conventional comparative advantage, economies of scale or learning curves extending beyond the

scale or cumulative volume achievable in individual national markets, advantages from product differentiation, and the public-good characters of market information and technology."

As a business strategist, Porter constantly relates the actions of the individual business to the industry context. The industry-related nature of globalisation comes through clearly in his statement "In all cases, it takes a strategic innovation by a firm or firms to make the industry global even though economic or institutional changes may have created the potential" (Porter, 1980: 287).

Given that a company operates in a global market, Porter claims that there are various strategies which can be followed - and not all of these revolve around marketing in a range of countries around the globe:

1. Broad Line Global Competition: this is the classic worldwide full-range approach.
2. Global Focus: this is worldwide but concentrates on a particular segment of the industry.
3. National Focus: this depends on outperforming global competitors by better meeting the needs of a particular national market.
4. Protected Niche: this strategy is one of being friends with and assisting (up to a point) protectionist governments or catering specifically for the requirements of a highly protected market(s).

Porter thus diverges from Levitt and stays close to Keegan's general position in that he accepts as global even a company which has looked globally and decided that "home's best". He also anticipates Ohmae's enthusiasm for 'coalitions' though only in a brief section (Porter, 1980: 295).

However because Porter thinks in terms of industries being global and traces the consequences for companies, rather than vice versa, he would probably not accept a company as being 'globalised' merely because it had considered how to optimise its activities on the world scene; in industries in which no competitor has forced globalisation the company which decides to stay at home or stay multidomestic simply remains so.

As to the evidence about what is happening in the world, Porter like others believes that there is a reduction in the differences amongst countries, a freer flow of technology and a gradual emergence of new large-scale markets, e.g. China and Russia. In addition he feels that the more aggressive industrial policy of companies in nations such as South Korea, Singapore,

Germany and Japan make it difficult for companies to ignore the global scene - even though the work involved may be costly.

Porter is less inclined than those discussed previously to see a need to globalise arising from inside the company. The globalisation issue is one of many in the total arena of business strategy. It is almost a 'no choice' matter if you are in certain industries, while in other industries to pursue globalisation would be folly. Thus the environment is key. His explanation of the advantages puts standardisation in a key position, but not as a matter of principle - only inasmuch as it provides benefits through economies of scale.

Porter's importance to the formulation of theory lies in the use of concepts which overlap with those already introduced. His is a version of globalisation which might, for temporary business policy reasons, involve abandoning standardisation, sacrificing markets in particular countries, or introducing global products in order to divert competitors' attention - rather than for direct profit. While Porter does not himself offer detailed "Recipe for How to" advice, it is clear that the scope for apparent contradiction is great and when managers are talking about globalisation it will be important to distinguish this type from one which is more restricted to marketing.

For convenience the view of Porter is summarised as being that of 'Globalisation as a Competitive Business Policy.'

4.3.6 Ohmae

In 'Triad Power' Kenichi Ohmae (Ohmae, 1985) reviews options for becoming a truly effective force in the 'Triad' of regions on which he focuses (North America, Europe, and Japan). Thus he is involved with giving practical advice on what some would say was globalisation or the first step towards it. He sees it as untenably difficult for companies to develop products which are unique and to establish 'insider' market presences in all three regions - yet these are key success factors he identifies; his solution is consortium formation. Such an approach should be coupled with the adoption of an 'Anchorage perspective' in the company's headquarters: they should view all three regions as equally distant.

In relation to globalisation as discussed here, Ohmae gives the advice 'Build your Business on Similarities' (Ohmae, 1985: 209). Though not stated as part of a doctrine of globalisation, this clearly identifies the 'winners' in Ohmae's terms as being the companies which select their activities so that global standardisation is possible.

Here there is a pragmatic approach which identifies standardisation as being key but again puts this as 'advice' rather than as part of the definition. In effect this is a response to the early

writings of Levitt; in making this response Ohmae cautions against over-ambitious steps to impose standardisation by force, notably the dangers of ill-planned mergers or even joint ventures. None the less the trend must come because for many internationalised markets the R&D and other costs are too high to be borne alone by many traditional companies.

By comparison with previous writers, Ohmae is different in emphasising a particular geographical part of the Phenomenon of Globalisation. Ohmae is like Porter in as much as he focuses on the effect of breakthroughs such as changes in manufacturing methods, new products and improved infrastructures as influences which release or trigger the movement towards globalisation; equally he echoes Levitt in his conviction that the circumstances are now right for a rapid increase in globalised company activity.

The incremental insight provided by Ohmae is that his emphasis on the company arises from a pragmatic rather than a theoretical stance. It identifies the need for globalisation as occurring in a certain arena, based on a range of countries, types of product, and types of competitor. It deals more explicitly and practically with the corporate facts of life, particularly that companies compete as organisations, often seeking to wrong-foot the adversary in any market and with any product, rather than staying within the boundaries of clearly-defined industry segments of the type Porter more frequently discusses.

4.3.7 Buzzell

The literature on globalisation is sometimes traced back to Buzzell, who is cited by Levitt (1983b). In the relevant article (Buzzell, 1968), however, Buzzell talks about standardisation rather than globalisation. He stresses the need to guard against unnecessary fragmentation of markets, particularly where this is based on assumptions about national differences or on perpetuation of separate national approaches where the reasons for them may have disappeared. The notion of globalisation is not raised by Buzzell as an issue; he assumes that his reader is already looking at the operations of a company from a supra-national stance; with this implicitly globalised assumption he lists most of the potential benefits of multi-country standardisation, but expresses some caution about the reliability (and objectivity) of those who wish to promote international standardisation as a universally applicable panacea.

Subsequently Buzzell, in a collection compiled with Quelch, and which includes Levitt's article and himself, in introducing it, accepts the view of globalisation as implying standardisation (Buzzell and Quelch, 1988: 156-163). Buzzell also notes the infrequency of true globalised marketing as compared with extending to other countries a marketing strategy originally developed for one country, usually the home country.

The comments of Buzzell in his early article raise a theme which tends to be submerged in the more aggressive advocacy by Levitt and others. This is his observation that many differences between countries may be fortuitous or no longer of serious importance. This is conceptually distinct from Levitt's stress on ignoring or overcoming the differences; Buzzell was saying that the differences might in some cases not be of any significance. It does not however appear to be Buzzell's view that all differences are of this type, and unfortunately there is no recipe given which allows one to distinguish which is which.

4.3.8 Hamel and Prahalad

Hamel and Prahalad (1985) provide further useful clarification of the notion of globalisation in the business policy area. They quote the competition of Michelin, Goodyear and Firestone, which took place without product standardisation but was clearly global. This leads them to distinguish

- "Global competition, which occurs when companies cross-subsidise national market-share battles in pursuit of global brand and distribution positions.
- Global businesses, in which the minimum volume required for cost efficiency is not available in the company's home market.
- Global companies, which have a distribution system in key foreign markets that enable cross-subsidization, international retaliation and world-scale volume."

These distinctions are useful in that they link some of the factors which arise in marketing globalisation work such as by Levitt and Keegan with the type of competitive business policy level behaviour discussed by Porter. In particular the links emerge in terms of

- Industry, with 'global business' being the area where the original Levitt stance remains defensible.
- Company-Type, with those which have grown big enough to have distribution systems in most countries, being the natural candidates for Keegan-style globalisation.

4.4 SYNTHESIS AND DEFINITION

The foregoing discussion is biased towards the more extreme views of the best known writers with some additional examples to introduce strands of thought worth building upon. While there have been other contributions on the subject, some pre-dating those quoted, the principal issues on how to define globalisation have been adequately raised. Figure 4.2 gives

a simplified presentation of the positions taken by the most famous of the writers dealt with, illustrating the multiplicity of mechanisms suggested and the varying extent to which standardisation is taken to be part of the notion.

	ORIGIN OF BENEFIT	STANDARDISATION CALLED FOR
LEVITT 1	Economies of scale	All aspects
LEVITT 2	Economies of scale	As much as possible
KEEGAN	Organisational effectiveness	Marketing process
KOTLER	Economies, multi-centre production, cross-financing	Judicious, in selected market segments
PORTER	Economies of scale, opportunities for comparative advantage, differentiation, market and technical know-how	Where profitability is improved; case by case
OHMAE	High stakes in product development and profit, social assimilation	Maximal product and presentation, within selected countries and product ranges

Figure 4.2 Expected Origin of Benefits and Type of Standardisation Called for by Major Writers on Globalisation.

These writings not only give no clear basis for agreement on how to define globalisation but the existence of such discrepancies and their lack of precision must raise questions about whether those who talk of globalisation are all referring to the same thing.

For present purposes two key questions arise:

a) Are there implications for marketing, possibly relevant to decisions on standardising international advertising, which are built into the concept of globalisation?

b) Are there other reasons in the literature which lead to the conclusion that because of globalisation, there are marketing considerations which should influence managers in favour of standardised international advertising?

4.4.1 Definitions of Globalisation

Figure 4.2 makes it clear that there are many authors who do not see standardisation of advertising as being logically implied by globalisation, and indeed several who do not see it as important or likely. The various views, however, span a spectrum and require some structuring if a clear answer is to emerge. For this purpose firstly, three alternative definitions are proposed as encapsulating the main strands of thought in the literature. These have been

developed by simplifying the views found, giving particular attention to the consequences the particular type of business strategy would have for marketing and advertising. This produced three alternatives, to which was added an original formulation which is both a 'middle of the road' summary position and in line with the trend of recent writing.

The following three definitions of globalisation therefore represent logical composite positionings of the views observed in the above:

Globalisation is seen as:

a) The **Standardisation and Economies of Scale** definition:
a business strategy which is based on the belief that employing international standardisation of the various elements of the marketing mix (including product and promotion) will, by intrinsically giving opportunities for superior quality, lower price and higher advertising budgets, ultimately produce the optimum results, outperforming strategies which seek to optimise marketing appeal on a country by country basis.

b) The **Global View Optimises Local Opportunities** definition:
a way of running a business which coordinates national marketing objectives and applies common philosophy and operational standards to the practice of marketing in each country, thereby seeking to optimise the company's response to opportunities and threats on a worldwide basis; this would be irrespective of problems and apparently sub-optimal results at national level and would leave the issue of standardisation to ad hoc decisions.

c) The **Corporate Advantage on a Global Scale** definition:
a business strategy which sets out to exploit corporate competitive advantage on a worldwide scale to beat competition (particularly from international companies) on a company to company basis rather than within individual markets one at a time.

Definitions a) and b) are business policies which focus on the company's business within a single industry and can be seen to have direct significance for marketing policies. Definition c) however, broadens the horizon and focuses on the company itself, which may be in many industries: it defines an approach which leaves marketing policy, including all forms of standardisation, as a purely tactical issue.

These definitions make it clear that the answer to question b) raised in 4.1 ('whether globalisation implies standardisation'), depends on which definition is chosen, i.e. the answer to question a) ('what is meant by globalisation'). Only definition a) would produce the definite affirmative answer. Definition a) however has defects for the development of theory here.

The adopting of definition a) would imply that much of what Keegan, Kotler and others discuss as globalisation, simply falls outside the scope of the theory developed. This would be unsatisfactory at the best of times; in the present circumstances when there is so little obvious empirical discussion in the writings on globalisation, there is even less case for adopting a restrictive definition.

The relevance of definition c) to marketing has also been discounted. This conclusion is based not only on the lack of any implicit reference to marketing in the concept, but also on the lack of any claims in the literature of definition c) describing consistently suitable marketing approaches.

Definition b) is left as one which, while not logically implying marketing approaches such as standardisation, is associated in the writings with a particular pattern of marketing approach. As stated above definition b) still bears the hallmarks of various of the writers from whom it was derived. It also fails to make clear the relationship between business policy and marketing strategy.

A fourth definition is therefore proposed which provides for a pragmatic approach preferring standardisation wherever possible, but not making it a criterion for globalisation. This definition can be stated as follows:

Globalisation is:

d) The **Strategic Intent** definition:

"the business policy which has the strategic intent to optimise the company's response to marketing opportunities on a worldwide scale, thereby pursuing the consequent implications for (marketing) strategy and execution, including branding, and applying standardisation where appropriate".

(Millar, 1989)

This definition allows for the possibility that in exceptional cases a company may validly conclude that the best global strategy is to remain a national company. It is however a definition which is marketing oriented, and implies an active search for and managing of (global) opportunities. As such the importance of marketing in business, and in business theory, is emphasised - by contrast with more product(ion)-oriented definitions. It recognises

the potency of the notion of standardisation but puts it as a concept to be tested rather than a criterion by reference to which to test whether there is true globalisation.

Since this definition of globalisation is oriented towards the serving of markets, the business policy approach of cross-subsidising between markets and interfering with competitors' profitable markets, though by no means discounted, is not included; it would be helpful to give this type of inter-company competition a distinctive name, such as "Global-Scale Competition."

4.5 RESEARCH ISSUES AND SCOPE FOR THEORY DEVELOPMENT

The theory development which arises from analysis of points made by the various authors requires to be tentative because of the lack of empirical evidence reported. Nonetheless there are areas where large amounts of agreement exist and where the elaboration of the concepts put forward can lead to useful insights.

The definition d) proposed has obvious affinities with definition b), which leaves the issue of standardisation advertising to ad hoc consideration, case by case, albeit with the assumption that an internationally standardised marketing strategy and approach will often be appropriate. Most authors concentrate their discussion on the virtues of achieving the globalised objectives and give little guidance on which cases lend themselves to standardisation. Keegan however is more systematic and proposes that similar marketing approaches should apply in similar countries. Keegan's exemplifies this with a selection of parameters by which to measure the similarity of markets, and this constitutes one of his main contributions.

Although Keegan's actual selection of parameters appears to have little empirical grounding, the general principle of looking for such parameters and thinking in terms of similarity in degrees, measurable according to some parameters, seems worth incorporating. For the moment the factor which needs to be introduced for theory formulation and model is a general one of 'market similarity'. This factor can be represented as one which influences skilled and rational managers (who are seeking to globalise) in favour of a standardised marketing approach.

The third issue raised in the introduction to this chapter was that of whether the obstacles to globalisation include cultural ones. This is undoubtedly so in many of the writings in the category 'Recipes for How to Globalise'. These include examples of cultural differences amongst markets and also of the effects of the cultural biases of the managers in charge of globalisation. Chapter 5 examines this literature in more detail in its relationship to standardised international advertising and the incorporation of this effect in the model is

therefore deferred to that chapter. It is however important here to put the cultural factor into perspective.

The relative importance cultural factors are thought to have can be seen by considering the list of factors about a company or situation which are said to be suitable bases leading it toward a policy of globalisation; these are the converse of the obstacles. Quelch and Hoff (1988) offer four main categories of factors:

- market factors,
- economic factors,
- environmental factors,
- competition factors.

The list of factors claimed to be relevant by authors cited in the chapter includes:

- the state of development of company structure
- the industry it is in
- the stage in the product life cycle of its products
- the similarity amongst the countries it is considering for its 'global' universe
- its ability to create value for the market segments it is to address
- the extent to which money made available by economies of scale can be put at the service of marketing.

These factors should be regarded as a checklist which a manager considering globalisation (on any definition) should review. Taking a strict criterion of 'grounding' for further theory development, the most that can be derived from this review is that managers' decisions on the appropriacy of globalisation are influenced by the results of looking at these factors. As regards indicating possible obstacles in the cultural sphere, the list does not introduce new elements.

4.5.1 The Correctness of Globalisation Policies

The Millar definition was devised to ensure clarity of formulation and, in view of the subject of the thesis, relevance to marketing. Unfortunately it is not clear that the case of globalising in this sense can be any better supported than in any of the other definitions. It may well be that globalising along these lines is a wise move. However the survey of literature reveals nothing other than the writings on Advocacy and descriptions of the spread of the Phenomenon of Globalisation to support this. The end conclusion must be that provided one has already accepted the case for globalisation, then the similarity factor identified above will come into play for decision-making.

The existence of a trend to globalisation or the fact that a company is globalised, should not, therefore, be expected to imply the existence of any factors, other than a policy to that effect (i.e. following a definition like a) or Levitt's), which affects the decision to standardise international advertising.

This means that in the development of the proto-model a distinction should be introduced to mark the different status of globalisation in comparison to that of culture. Globalisation needs to be distinguished from culture because, even though culture may be a vague concept, there is no doubt that cultures exist and there are no conceivable changes in company policies which would lead to culture disappearing (or even becoming irrelevant). It is however quite possible that managers should stop believing in globalisation; if they did and companies were no longer globalising then the supposed effects of globalisation would, ipso facto, disappear.

This raised a final possible factor which has its effect at the level of the impact on managers' thinking about globalisation. It cannot be denied that the widespread reading of the views of the guru's may itself have increased the tendency to believe that the world is now ready for globalisation. One is therefore faced with a marketing community in which this is the received wisdom for many, and that some will see standardisation of product and of advertising as inextricably bound up with globalisation while others will probably not. This influence may, incorrectly, be described as an effect of globalisation; analysis of the literature shows however that it is rather an effect of the promotion, or Advocacy, of globalisation.

The relationship of such postulated factor influences on the Proto-Model is shown in Figure 4.3 below. This marks the difference in status between culture and globalisation by substituting for globalisation itself, the **decision to adopt a policy of globalisation.**

The influences shown as linked to this decision are the three factors which appear to be at work in leading people to the conclusion that they must adopt globalisation, i.e. **observation of similarity among cultures, exposure to advocacy of globalisation,** and **belief in the widespread adoption of globalisation.**

These three factors are not, as argued above, an impeccable basis for reaching the decision to adopt a policy of globalisation. Nonetheless they appear to be widely taken into account. Furthermore if the definition of globalisation which is adopted is that proposed here, then a decision in favour of standardisation of international advertising will follow only if there are sufficient other sources of supporting evidence.

Fieldwork described in Part 2 will elicit the views of practising managers on globalisation. This will check both the question of how relevant belief in globalisation actually is and that of what type of globalisation is actually espoused.

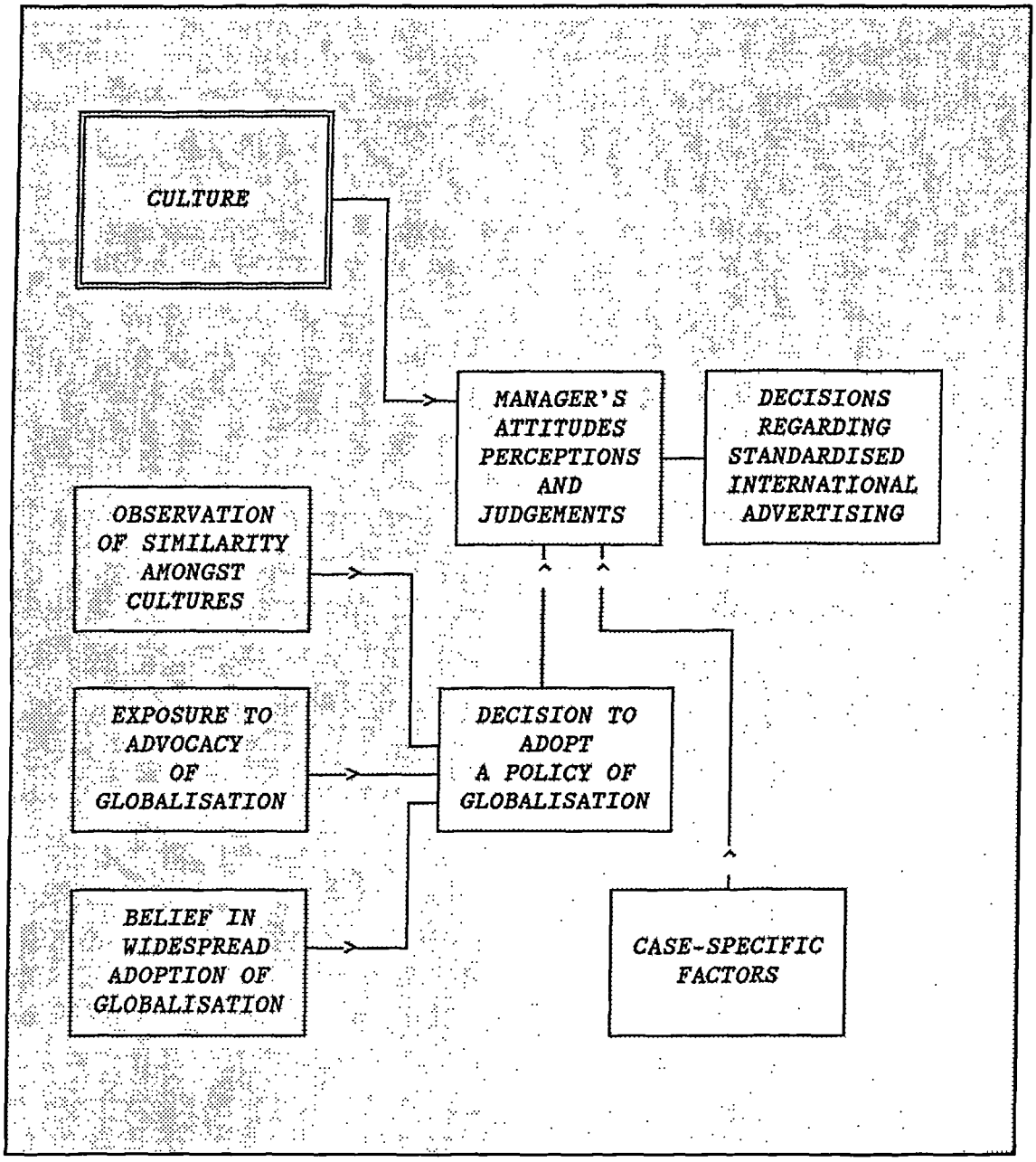

Figure 4.3 Implications of Globalisation Literature for Proto-Model

CHAPTER 5

INTERNATIONAL ADVERTISING, CULTURE AND GLOBALISATION

5.1 INTRODUCTION

In the two previous chapters the concepts of culture and globalisation have been examined and redefined. The approach taken has been to treat the concepts on their own terms but to develop them so that their application to business management is clearer and more consistent.

This chapter examines what has been written about the significance of culture and globalisation for international advertising and considers how the relevant factors might interact in a marketing context. The main issue is whether, and if so where and when in the current literature, there are significant, testable claims which if true would help in the decision-making of those who have to consider the influence of culture and of globalisation on advertising strategy and / or execution.

Focus will be on the literature which makes claims about the significance of culture and/or of globalisation for international advertising. The influence on other elements of the marketing mix is covered only so far as necessary, as is the influence on marketing or business policy. Similarly, the writings on advertising standardisation and the perceived advantages and disadvantages thereof, even though much has been written about these areas and some of these writings have been included in the Bibliography have been covered only when appropriate.

As in the previous chapters, an attempt will be made to group the standpoints found, and to clarify the variables that are seen to play a role. The focus will, so far as possible, be on those sources which report original research findings.

5.2 MAIN STRANDS OF THOUGHT

In order to collect contrasting views to be reconciled in theory development, and for clarity of exposition, the chapter divides the area by topic, grouping points of view and articles under the topics of 'cultural universals', 'cultural differences' and 'globalisation', always with regards

For example the chapter deals first with the cultural universals; writers who have dealt with these may also have dealt with cultural differences and hence will appear again later in the relevant section. The views of individuals can also appear mysterious through changes in their opinions (or findings) over time. Writings on cultural influences and advertising are much more numerous that those on globalisation and advertising.

To assist the reader in 'navigating' through the views expressed in the main articles, Figure 5.1 gives an overview of the positions taken by various authors in the field, particularly as regards proofs of the existence of cultural universals or proofs that there are cultural differences which will affect the possibility of transferring advertising across frontiers in a standardised form. This necessarily oversimplifies some positions, but may well be useful in indicating the major areas of divergence in views. It is the areas of divergence and the issues which underlie them that are of primary concern here, rather than the history of individual writers' thinking.

The first group of outlines covers claims in favour of the existence of cultural universals - these claims carry at least implied support for using these universals as a basis for standardised *marketing or* advertising. While one or two authors believe that there is a case for transferring advertising altogether without change (except perhaps for language), the majority argue that the cultural universals which they detect are focused in particular parts of society (e.g. international subcultures) or are suitable for the transfer of some of the elements of the promotional mix only.

The second group of outlines is much larger and contains the various claims that cultural factors will cause standardised approaches to fail or be relatively ineffective. Here again there is a spectrum from those who make almost unrestricted claims to those whose focus is quite narrow, feeling for instance that standardisation of particular types of advertising is hopeless.

It is possible for one individual to make positive claims from both groups without self-contradiction. There may be cultural universals in some sections of society and at the same time insuperable cultural barriers to standardisation in other sections of society.

Not covered here are those articles which deal with restrictions on standardisation of international advertising which arise from sources other than culture, or on the importance of culture, relative to other factors, in advertising and marketing decision making.

After the two subsections on culture and international advertising: cultural universals (5.3) and cultural differences (5.4), subsection 5.5 deals with the literature linking globalisation to international advertising.

PROPONENTS OF CULTURAL UNIVERSALS

GENERAL

MURDOCH (1945)
MASLOW (1964)
FATT (1967)

IN ADVERTISING

MIRACLE (1968)
URBAN (1977)

IN SUBCULTURES

ZAHN (1973)
USUNIER/SISSMAN (1986)

VARYING IN MKTG MIX

ELINDER (1965)
DUNN (1976)
KILLOUGH (1978)

DOUBTFUL ABOUT STANDARDISATION

PRODUCT PROBLEMS

SOMMERS + KERMAN (1967)
WIECHMANN (1974)
BRITT (1974)
TALAN (1982)
DUNN+BARBAN (1986)
SHALOWSKY (1987)

PROBLEMS WITH ADVERTISING

MARCUS+LENORMAND (1964)
RYANS (1969)
DICHTER (1970)
WIND+DOUGLAS (1972)
HALL (1976)
DUNN (1976)
DOUGLAS+DUBOIS (1977)
SHETH (1978)
HORNIK (1980)
WILLIAMS (1981)
WHALEN (1983)
CUNDIFF (1984)
JAIN (1987)
KIM+MAUBORGNE (1987)
DUBOIS (1987)
BODDEWYN+MOHR (1987)

MANAGEMENT PROBLEMS

LEE (1966)
DONNELLY (1970)
AYLMER (1970)
FARMER+ RICHMAN (1971)
WIND+DOUGLAS+ PERLMUTTER (1973)
WIECHMANN (1974)
KANSO (1986)
KANTER (1987)

SUBCULTURES CAUSE PROBLEMS

DICHTER (1962)
RYANS (1969B)
BAUER+CUNNINGHAM (1970)

LISTS OF BARRIERS

HALL (1959)
BUZZELL (1968)
TERPSTRA (1982)

Figure 5.1 Summary of Major Viewpoints expressed regarding Culture and Advertising Standardisation

While the aim has been to favour articles which report original research and to identify the extent to which these confirm and extend previous work, it emerges in practice that very little original research is cited. The majority of writers appear to be expressing personal viewpoints; some of these are based on a claim to general experience, while others cite specific cases as examples; only a very small number report on surveys, experiments or systematic analyses.

This means that an analysis based solely on the reported research could be very far from the generally prevailing view or 'accepted wisdom' (as reflected, for example in text books). Rather than take risk of such an effect diverting this research so far from the conventional view as to make it appear contrived or irrelevant, the main views have been included even where they make no reference to specific empirical findings. Content matter rather than chronological order has been followed when grouping writers, and the order therein.

5.3 CULTURAL UNIVERSALS

The first group of claims are those that say that cultural universals do exist. They state or appear to imply that advertising, provided it embodies or addresses these universals, should not need adaptation when transferred from one culture to another.

5.3.1 General Cultural Universals

The most general claims regarding cultural universals are those which identify common cultural traits which are to be found throughout humankind; these are universals which by definition transcend cultural differences but are 'cultural' in the sense that their impact is in the area of life commonly designated as 'culture'. The strongest support for general cultural universals comes from:

George P. Murdoch (1945)

Murdoch's research led him to compile a list of 72 'cultural universals'; these he claimed define an essential social infrastructure, which is to be found in every society known to man. The list is given in Appendix 5.1. The existence of such a set of dimensions should make it possible to assess the extent to which standardised approaches will work; the list serves not only as a description of the infrastructure of society but as an infrastructure for the development of standardisable approaches to members of different societies.

A. H. Maslow (1964)

Maslow makes a further contribution to the creation of an infrastructure for standardisation, through the propagation of his theory of human motivation, several elements of which constitute 'cultural universals' (see Appendix 5.1).

Arthur Fatt (1967)

Fatt, who was Chairman of the Board of Grey Advertising, claimed certain specific values to be universal, such as the desire to be beautiful, appeals to 'mother and child', 'freedom from pain', 'health', 'people want a better way of life'. On this basis he argues that campaigns can be transferred to other countries provided the language is translated.

Ricks, Arpan and Fu (1974)

Ricks, Arpan and Fu state that there are certain basic appeals that are common to all people, no matter how different people are in their different countries.

Bernard Dubois (1987)

Dubois observes the existence of the following universals in society:

- generation conflicts
- evolution of roles for men and women
- progress and systems of communication
- ideas for supranational integration.

5.3.2 Subcultures

The second cultural universal phenomenon relevant to marketing is that of sub-cultures which recur within a variety of different cultures. Several authors conclude that groups of subcultures can be traced across national borders, typical examples being:

Zahn (1973)

Zahn takes the view that there are cultural subgroups who can adopt similar response modes even in the context of differing national cultures.

Usunier and Sissman (1986)

These authors illustrate the type of specific claim on which marketing and advertising action might be based. They claim that teenagers the world over have many common characteristics and that this provides the opportunity for the marketing of pop records, T-shirts, etc. to be addressed to a homogeneous group of numerous national sub-segments.

A distinction is required here between the notion of recurring subcultures and that of cultural emulation. The practical implications of discovering a 'copying' segment in various societies

are quite different to the implications of definite cultural subgroups with well-formed (and as it happens coinciding) character- istics. To build on the former it is only necessary to penetrate a high visibility market which is regularly copied, while to build on the latter it is necessary to investigate the actual behaviours of specific sub-cultures and map the incidence of each before deciding on which to target and how to appeal to them.

The authors cited here seem to think in terms of common characteristics rather than copying, though in the case of the youth culture the shared characteristics may include a certain openness and propensity to copy.

5.3.3 How do Cultural Universals Affect International Advertising / Marketing Communications?

A third way in which universals can affect marketing and advertising is through the existence of common responses to elements which can be built into the promotional mix. Some such responses are a matter of individual psychology, however there are authors who take a position of principle and claim that there are uniformities of this type which are cultural and provide a basis for the possible standardisation of (at least some) advertising or another form of marketing communication.

Gordon Miracle (1968)

Miracle states the basic position for universals which ought to permit standardised advertising to be devised, which is that 'requirements of effective communication are fixed, and cannot vary in time, place or form of communication.'

Christine Urban (1977)

Urban claims to have proved that the fact that there are similarities in the use of media amongst specific segments across nations, justifies a standardised advertising approach. Her studies showed that French and American women belonging to the same socio-economic groups revealed similar media usage behaviour (Jain, 1987: 534)

Erik Elinder (1965)

Elinder claims to have demonstrated that promotional activities for savings banks can successfully be transferred all over Scandinavia. He appears to feel that this transferability is based on common cultural factors which apply at least to banking services and to Scandinavian cultures, but may well be more widespread.

Watson Dunn (1976)

The work done by Dunn indicates the existence both of cultural differences and of cultural universals. His work is described in Appendix 5.2. and will occur again later in this chapter. Dunn's research claims to establish

a) that print advertising can be transferred, particularly in the case of strongly visual advertisements for consumer products

b) that sales promotional activities are easier to transfer than is advertising.

James Killough (1978)

Killough's conclusion is that the 'buying proposition', i.e. the content, 'the proposition', is easier to transfer than the creative presentation (the 'form' of the advertisement).

5.3.4 Empirical Research

In the literature consulted, reports of empirical research are occurring more often in work on the various types of 'universals' than in work on cultural differences. Important contributions are for instance those of Murdoch, Usunier & Sissman, Urban, Elinder, Dunn, and Ryans & Ratz.

Several of these studies are open to criticism. As said about Douglas' work before (see Chapter 3), for example the non-comparability of shopping environments makes Urban's simple comparison of the USA and France seem dangerous. None the less, when taken together the studies give a clear academic confirmation of the advertising practitioner's view that there are some factors present that can be taken advantage of by well-designed standardised international advertising. The exact list of factors, where they originate and how they can best be brought into play, remain, unfortunately, under-researched.

5.4 CULTURAL DIFFERENCES

There are many published works where authors stress that cultural factors necessitate adaptation - whether because of cultural differences amongst the target groups or because of the impact of cultural differences amongst the managers employed by the company.

Such conclusions that the cultural differences matter are based on a variety of observations. Here again there are very few claims which cite concrete original research. It is therefore difficult to group the articles in terms of what they prove; nor is it always clear what the authors want to prove. To provide some initial organisation, the claims are grouped by reference to the main focus of worry about possible standardisation.

After dealing with the more holistic views, this approach produces four main groups, within which the authors are concerned about the impact of

1. the cultures of management
2. culture-bound groups within countries
3. cultural problems affecting the product to be advertised
4. cultural problems specific to advertising

More Holistic and General Views:

Barnhill, J.A. and Lawson, W. M. (1980)

The authors develop a theory of modern markets, arguing that markets are not all free or unfettered; they are constrained or inhibited by various forces and influences, amongst which ecology, sociocultural conditions, etc. Culture is one of these inhibitors, affecting market entry, performance and exit and all elements of the marketing mix.

Wind and Douglas (1972)

The authors say that sometimes the decision of a company to withdraw a product from a given market rests upon supposed incompatibility between that product and the cultural typology or profile of the consumer in that country. Special efforts in marketing and advertising are an alternative which can be used to bridge this cultural difference - leading for example to the successful marketing of tinned maize in France, even though maize in France is usually regarded as an animal feed.

Boddewyn & Mohr (1987)

In a study covering 46 countries Boddewyn and Mohr examined the government regulations prohibiting the use of a foreign language in promotional activities: advertising in a foreign language was forbidden in the following percentages of countries surveyed:

- for TV advertising	28%
- for radio advertising	28%
- for cinema commercials	28%
- for print advertisements	9%
- in direct mail	9%
- in outdoor advertising	15%
- in sales promotion	16%

Dubois (1987)

HEC Professor Bernard Dubois' article examines the factor 'culture' and its impact on buying and consumption behaviour both domestically and internationally. Appendix 5.3 summarises

the argument of this lengthy French article which is important more because of its source and prima facie relevance than because of any definitive answers it finally provides.

Dubois argues that understanding culture not only provides the marketing executive with better knowledge of the foreign market, but also a better understanding of the phenomena that affect his own market.

5.4.1 Management's Cultural Roots

Building on the straightforward observation that managers are themselves members of particular cultures, authors in this group take a negative view towards standardisation, on grounds that discrepancies in cultural background amongst those who have to work with marketing strategies will prevent the strategies and/or executions being standardised.

The main danger is formalised by Lee (1966) and others, and the existence of differences in the behaviour of managers from different cultures is empirically observed by Dunn and Yorke (1974). The literature on how decisions are reached and should be reached in the face of intra-organisational and international disagreements is much larger, and is represented here mainly by the few contributions which claim to have empirical content.

Lee (1966)

Lee developed the concept of the 'Self Reference Criterion', which implies that every manager is a product of his own culture and will judge others from that perspective. Successful communication abroad cannot take place if one does not first isolate one's own 'SRC' habit as a biasing influence. Lee argues for a SRC-free approach plus an understanding of the local culture.

The importance of the Self-Reference Criterion depends on two underlying factors:

- whether individual local managers have enough autonomy for the effect of their personal cultures to interfere with attempts at standardisation
- whether managers allow themselves to be swayed by their backgrounds.

Farmer and Richman (1976)

These authors echo Lee's SRC concept and claim that the decisions and activities of a manager are influenced by his own culture.

Dunn and Yorke (1974)

Dunn and Yorke report a Europe-wide study, in part referred to also in Dunn (1976), which indicates that there are substantial differences in European executives' attitudes towards media, advertising content and advertising as a marketing tool.

Kanter (1987)

Kanter reaches a similar conclusion, arguing that advertising matches a manager's prejudices or views of individuals in a society, e.g.

French are	- cynical, full of scepticism
Germans are	- earnest, product oriented
British are	- least impressionable, humorous, 'self-mocking'.

Kanter also argues that perceived country-of-origin will become very important to consumer receptivity.

Richard Aylmer (1970)

The findings of Aylmer indicate that local managers enjoy a good deal more autonomy in making advertising decisions than they do in other areas of marketing. He singles out two variables as good predictors of how autonomous the local manager will be :

1) the importance of international as opposed to domestic operations
2) the prestige of the local affiliate

Ulrich Wiechman (1974) / Sorenson & Wiechman (1975)

Wiechman carried out a comprehensive study amongst 27 US and Europe-based multinationals and found that advertising was more decentralised than other marketing functions, and that advertising strategies differed more from firm to firm than did those for other areas. He emphasises more strongly than other researchers the importance of corporate acculturation (the assimilation of corporate culture by foreign managers).

James Donnelly (1970)

Donnelly appears to address the issue of whether managers can (or at least do) divorce their actions from their own views and beliefs in this area. He argues that the degree of standardisation depends on how important advertising managers think cultural differences are.

Kanso (1986)

Kanso provides a example of (research-based) work which leads on to some prescriptions for how executives can seek to counteract the effects of their own cultural backgrounds; As mentioned in Chapter 3, Kanso concludes that in order to communicate effectively, an advertiser should place himself in the shoes of those who are to receive the message being sent.

He advocates that American executives should be more 'receiver-oriented' in their campaigns if they wish to minimise the number of advertising blunders overseas.

Kanso's analysis of the areas in which culture has its greatest impact on managerial decision taking includes some specific findings:

- culture is important to some managers as a factor affecting message selection
- culture is not so important to most managers in relation to media selection
- advertising managers place more importance on language, aesthetics and values than on economics, religion, attitude, literacy, etc.

These findings may form the early beginnings of a system of checklists by which common mistakes can be noted.

Wind, Douglas and Perlmutter (1973)

Although now somewhat old, the 1973 article of Wind, Douglas and Perlmutter should be quoted as a partial antidote to the foregoing views. Rather than seek to identify the nature, source and 'solutions' for culture-based decision taking on the part of executives, these authors call in question the basic objective. They argue that the value of the concept of seeing the world as one big organisational market (the geocentric approach) has been greatly overstated. Instead they believe that the preferable approach is polycentric (subsidiaries acting independently) or regiocentric (regions acting autonomously). Within such a context the local managers will (presumably) reflect the local culture and also cater for it.

5.4.2 Culture-bound Subcultures

It is felt by some that the existence of subgroups which differ markedly in two otherwise similar-seeming countries is enough to show that standardised approaches are impossible. Authors can accept that some measure of internationalisation is possible but seem to feel that this is not the real thing because, perhaps, the effects will not be universally consistent in each country addressed.

Ernest Dichter (1962)

The simplest, and one of the oldest, objections, is that although certain sections of society may find the international approach appealing, there are others who will react differently in the different countries because of their distinctive different cultures. Dichter, for example, identifies the lower classes as being more culture bound; internationally, he sees the upper classes as more alike to each other than to the rest of their own societies.

J K Ryans (1969B)

Ryans, too, holds that even though some groups in all societies can be reached by a particular type of advertising, each society still contains a major part which is culture-bound and whose existence blocks the prospect of generally standardising international advertising. In his often-quoted article "Is it too soon to put an Tiger in Your Tank?", Ryans proposes to divide the market into three consumer categories:

a. The International Sophisticates

These can possibly be termed 'the jet set', but more properly 'truly world citizens'; they are present in most countries in the Western world (and most evidently in the countries which Kenichi Ohmae refers to as the "Triad"). This is a growing group consisting of middle to high income consumers who have a genuine interest in and awareness of products, fashion and cultural activities in countries other than their own. This international exposure is the result of travel, the media, education and responsibility. This group is 'supracultural' and is responsive to standardised international advertising.

b. The Semi-sophisticates

This is a much larger group of middle to high income consumers in the "Triad"-countries: Japan, USA, W.Europe, plus South America. This group has a growing but as yet unmotivated awareness of the international world. They could be made receptive to an international advertising approach, though subtleties would elude them. However they would be even more responsive to advertising demonstrating the use of the foreign product in their home environment and indirect references to the advantages of having something unique.

c. Provincials

This group is characterised by a lack of interest, appreciation or feel for the non-domestic. A narrow outlook and an ethnocentric orientation are typical; local advertising only is suitable for this group.

Although it is widely quoted as a source, Ryans' article is not, so far as can be gathered, based on original research.

Bauer and Cunningham (1970)

The problem of lack of uniformity in society is not confined to class and socio-psychographic groups; very obvious sub-cultures have also been cited as problems, as when Bauer and Cunningham write "Tastes and behaviour differ between social groups within a given country,

e.g. blacks and hispanics in the USA. This requires different strategies and tactics in all elements of the marketing mix." The examples given range from specially-adapted product ranges to specially created media and even the choice of particular advertising agencies for particular target groups.

After examining the influence of management's culture, and the culture bound subcultures in the above, the next sections will deal with how authors see the direct and indirect influence of cultural differences on advertising.

Cultural factors are seen as limiting the feasibility of standardised international advertising through mechanisms which are both direct and indirect. The one considered here is an example of the indirect type - cultural differences are seen as affecting the acceptability of the product which is to be advertised. This evidently has *significance not only for product* specification or development but also for other elements of the marketing mix. Generally the effects postulated will destroy the balance amongst the elements of the marketing mix thus requiring a modification to the advertising if a consistent result is to be achieved; in the most quoted cases the modification is so radical that it becomes not worthwhile proceeding to market at all in some cultures.

The second type of obstacle posed by cultural differences lies in the effects of the advertising itself. Several types of problem are identified, and these type of obstacles will be further discussed in section 5.4.4.:

a) the advertisement may offend potential consumers
b) the advertisement may be incorrectly interpreted
c) the advertisement may have a less powerful impact in some cultures.

5.4.3 Cultural differences affecting the Acceptability of the Product to be Advertised

Several authors focus on product categories in order to show that cultural differences present an insuperable obstacle to a standardised approach to international advertising.

Montrose Sommers and Jerome Kerman (1967)

Culture, product and advertising are examined in the article "Why products Flourish here, Fizzle there." Cultural characteristics are defined using the value orientations of Talcott Parsons and Seymour Lipset, such as 'equal vs elite', 'individual vs collective', (interestingly these echo Hofstede's Power Distance Index and Individualism factors). These characteristics are linked to expected orientations towards new products; the USA and the UK were contrasted in attitude, and it was found that Britons were slow in "needing" new products/gadgets or improving design.

Sommers and Kerman claim that cultural values determine what products can be sold, but that "the ability of marketers to adapt their products and promotional efforts to the contingencies perceived by people in the market" will determine what will be sold. "Cultural values determine the efficacy of promotional claims made on behalf of products". The authors then apply the same / different product / promotion combinations to situations sketched. The fundamental proposition emerging from this work is that products which are not perceived or used universally cannot use standardised advertising.

Ulrich Wiechman (1974)/ Sorenson & Wiechmann (1975)

These articles, already mentioned above, also deal with type of product. They talk in terms of a continuum, and treat products as possessing more or less of a characteristic which they call being 'culture-bound.' Their specific claim is that 'the more culture-bound the product is, e.g. food, the more difficult it is to transfer promotional strategy across countries.'

Steuart Henderson Britt (1974)

This article too argues that product characteristics have a determining effect on whether it is possible to standardise advertising. Relevant product attributes include both consumption patterns, psychological characteristics (attitude towards the product or brand) and cultural criteria. Britt has formulated a series of questions that should be asked. The answers to these questions will give a sense of direction and help resolve doubts on the feasibility of standardisation in advertising.

H.F. Clark Jr. (1975)

Clark divides products on a different basis. He suggests that products for which the purchase motives are largely rational, e.g. industrial products, are more amenable to standardised approaches than are products for which the purchase motives are primarily emotional.

Jamie Talan (1982)

Talan's report cites research from which it was concluded by Gillette that products in the toiletries category are geared to culture traits and lifestyles, and that as a result US advertising would fail abroad.

Ivor Shalofsky (1987)

Shalofsky is of particular interest in that his recent article tends to reduce the potentially immense range of product categories to be considered. He puts forward the thesis that there are two main categories in which global brands are being created and explores the way they need to be distinguished, viz consumer durable and fast-moving consumer goods; his conclusions are summarised in Figure 5.2 below.

	CONSUMER DURABLES	FAST MOVING CONSUMER GOODS
TYPICALLY:	Japanese	US (Coke, Marlboro, Levi)
SUCCESS BASIS:	1. superior technical performance 2. quality 3. standardised product 4. competitive price	1. product quality (purity, freshness) 2. consumer quality (added value image)

HE ARGUES: successful fmcg need national credentials (country of origin) to be a global brand.

Figure 5.2 Shalofsky's Contrast on Global Branding

5.4.4 Cultural Differences affecting International Advertising and Marketing Communications

A large number of authors have considered cultural differences and concluded that their direct effect on advertising make standardised advertising inappropriate:

Claude Marcus and Jean Max Lenormand (1964)

These authors enunciate the principle that to achieve a universal approach it would be necessary to find a common denominator. Such a common denominator has not been found. Hence promotion and advertising have to be tailored, 'especially in France', otherwise one is taking unnecessary risks.

J K Ryans (1969)

In this article Ryans provides some evidence in support of this view. He deals in particular with the Exxon "Put a tiger in your tank" campaign which was widely regarded as standardised; he notes that in practice cultural differences demanded many local adaptations - which were made - and that the effectiveness of the advertising was by no means uniform.

Ricks, Arpan and Fu (1974)

Ricks, Arpan and Fu conclude that most international advertising blunders occur because of a failure to understand the foreign culture and its social norms.

Although their material seems often anecdotal, and cannot be representative, the message is clear.

Green, Cunningham and Cunningham (1975)

These authors report a cross-cultural study which indicates that standardised advertising appeals *should not* be used in countries where the same product attributes are not perceived as such - at least if the advertiser is concerned with communicating the most important attributes in each market.

Edward Hall (1976)

Hall should be mentioned again as he has always been a strong advocate of adapting advertising to local culture (see 'The Silent Language',1959). It is in this 1976 work that Hall introduces the concepts of 'High Context Culture' and 'Low Context Culture' and illustrates crucial differences between the two cultures in respect of orientation, mostly towards the USA and Asia. These concepts were illustrated farther in Chapter 3; Hall should be counted as a strong advocate favouring the view that a given piece of advertising can be interpreted in radically different ways by members of different cultures.

S. Watson Dunn (1976)

The work reported by Dunn, although now over ten years old, remains one of the few pieces of original research relevant to practical decisions on the transferability of advertising. It is described in more detail in Appendix 5.2. The main conclusions reached place Dunn amongst those who believe that - at least in the period he has studied - there is a need to introduce local variations into advertising campaigns.

Dunn differs however from most others in that he sees the need for variations from culture to culture as a pragmatic matter, rather than being based on any deep principle of cultural differences. Indeed such effects may only be a matter of passing fashion induced, for example, by reaction against a peak in the introduction of standardised American products supported by uncritically standardised American promotions.

Thus while Dunn appears to talk about the content and style of promotions being varied, his point relates equally to the historical and environmental factors which lead to particular interpretations being put on these content and style aspects. As noted in Chapter 3, Dunn does not count cultural theory itself as a highly important factor. The easiest way to reconcile these positions, is probably to say that the cultural group is the most practical unit to use when assessing how widely a given reaction currently occurs. The extent to which the reaction springs from cultural roots, or spreads because of cultural factors, is left unexplored.

Susan Douglas and Bernard Dubois (1977)

In this article the emphasis lies on communication. It is suggested that research proves every society has its own rules and culture for communication.

The authors claim that cultural factors introduce the need for differences in advertising in four fields:

- the choice of advertising theme
- the connotation of words and symbols
- the way pictorial conventions are interpreted
- media selection.

Of these, the last is to a some extent a practical issue in that certain media may not be as widely available in certain countries; this however may also be seen as a cultural effect inasmuch as the rules on media availability are in many cases a response to what is regarded as culturally acceptable in the country in question.

Sheth (1978)

Sheth argues that the transferability of advertising campaigns across markets is depending on a number of factors:

1. the differing perceived benefits of a product or product class: this factor affects the appeals
2. the mechanics of encoding and decoding symbolic communications: this is reflected by
   - media availability differences
   - laws and regulations affecting advertising
   - cross cultural differences in receptivity and acceptance of advertising
3. the 'silent languages' in each country: these affect the background setting for all messages and communication.

Cultural differences are apparent in these factors, and for any pair of countries one of eight advertising transfer strategies can be developed, assuming the countries are either the same or different for each of these factors.

Munson and McIntyre (1979)

These authors also argue in favour of the claim that cultural differences (which are seen as the result of differences in cultural values, goals and norms) together with other influences affect reception and acceptance of an advertising message.

Jacob Hornik (1980)

Hornik's study represents an attempt to explore such questions in practice. He deals with how Israeli consumers perceive advertisements for well known American products, and compares the international American advertisements, neutral advertisements, and Israeli-designed advertisements for the same products. The results show significant differences in their effect

on the readers. Hornik claims that the advertiser's cultural background affects message form, whereas the recipients' cultural background determines message perception.

Hornik's view is summarised as "the common needs of people belonging to different countries do not mean necessarily that the same product will be appreciated in the same way. This suggests that standardised advertising will not work globally."

B. Whalen (1983)

Whalen has written about semiotics. Semiotics he identifies as the art of identifying and deciphering cultural signs in behaviour and creative execution, such as fashion, music and advertising and the hidden messages they emit. According to his semiotic approach every positive trend will create a negative one and in the case of advertising we are simply borrowing themes from our everyday experience.

Therefore advertising can never be really creative. On the other hand it always reflects the culture of the person who creates it. The semiotician believes that one must relate to more than one cultural sign, and Whalen sees this as differentiating the semiotician from the advertising executive.

Cundiff (1984)

Cundiff (1984:122) notes that "national pride dictates that foreign businesses conduct their affairs in recognition of the uniqueness of the market. In developing countries in particular a strong nationalistic feeling is developing which might present problems to foreign marketeers." This has consequences for the applicability of advertising standardisation.

W.C. Kim and R. A. Mauborgne (1987)

Taking household names as examples the authors argue that multinationals are influenced by local attitudes, education, media etc., in the development and execution of (international) advertising. They conclude that this shows such adaptation to be vitally necessary.

5.4.5 Cultural Differences covering Advertising Approaches and Tools

Confronted with evidence (or personal belief) in the need to take account of cultural differences when advertising internationally, many authors describe techniques or give more or less comprehensive tables indicating the type of variables which have to be taken into account when operating in a different cultural environment.

Jain (1987)

The 'textbook' starting point can be illustrated by Jain. On page 534-5 he refers to research having shown that different advertising strategies are needed for the same product/service.

He refers e.g. to Kentucky Fried Chicken, in the US and in Japan, where the perception of the product is totally different. In the USA Kentucky Fried Chicken is an ordinary take-away item, in Japan it is perceived as a treat worthy of special attention. The student is presented with the need to look constantly for circumstances which call for such customisation.

Guides to the type of circumstance to look out for and the approach to take, have appeared in various guises and from various authors over the period since the 1960's. For present purposes these are organised in terms of a continuum from examples of the most bland, commonsense and non-specific, to the more systematic, whether based on a theory or on detailed checklists.

Lorna Williams (1981)

Williams exemplifies advice of the simplest type. She looks at the content side of advertising and the way it is communicated. She argues that advertising copy is highly psychological and should not just be translated, but should be rewritten for different cultures.

Dunn and Barban (1986)

In "Advertising, its Role in Modern Marketing" these authors give further findings from the results of their research (also reported on by Dunn (1976)) from which they conclude that cultural patterns are important for successful transferability of international advertising. They propose questions such as 'How similar is the culture of the country to the culture of the domestic market?' They see this as especially important in the case of culture-bound products like food and clothing.

Ernest Dichter (1970)

In this article Dichter cites some examples of cultural differences rendering campaigns fruitless, e.g. in cases of

- time, labour-saving appeals
- playing on guilt feelings
- failing to deal with the non "genuine" nature of products, e.g. synthetic foods, detergents.

In his conclusions Dichter argues that a foreign culture has to be analysed well before planning a promotional campaign. He gives attention to the question of the style used for advertising and warns of a number of danger areas:

1) 'hard sell' advertising
2) religious taboos
3) sexual approaches

Edward Hall (1959)

A much more systematically defined basis for approaching cultural differences was formulated even earlier, in 1959, by Hall. His framework, which he calls a 'Map of Culture' consists of a two dimensional matrix containing different human activities, which he calls 'Primary Message Systems', or 'cultural rules' for human activity (see Appendix 5.1).

In order to learn about a culture, one need not study all ten but can examine any one of them in detail and cross reference it with the other nine.

Hall's basic premise for understanding culture is that it consists of systems for structuring the interaction within a society. By exploring one or each of the ten areas identified, the international marketeer is better able to isolate himself from the SRC (see Lee,1966 and Hall above) and understand another culture.

The advantage of Hall's system is that it can be as specific or as comprehensive as the decision maker needs. It suggests whether or not a company should adapt its marketing to local conditions.

Robert Buzzell (1968)

More recently other writers have attempted to provide extensive and systematic guidance which is less theoretical than models like Hall's. For example Buzzell provides a checklist which still seems comprehensive and widely applicable. He presents a "Table of obstacles to standardisation in international marketing strategies".

Specifically relevant to international advertising standardisation, he lists:
access to media, climate, needs for convenience rather than economy, purchase quantities, language and literacy, symbolism, awareness, experience with products, competitive expenditure, messages, extent of self service, media availability, costs, overlaps, specific restrictions on messages, costs (legal), and trademark laws.

It can be observed that various of these elements were uncovered by Dunn: out of the 194 environmental variables, 8 master variables were found to be valid when transferring creative strategies within W.Europe.

Vern Terpstra (1982)

Terpstra also seeks to give systematic guidance without excessive reliance on theory. He presents a table of 'some barriers to standardised international marketing'. It covers Buzzell's factors to a lesser extent, and offers the following as factors, affecting the standardisation of promotion: media availability, language and attitude differences, competitor's budgets and advertising appeals, and advertising and media restrictions.

This concludes the review of authors who have written on the link between culture (universals or differences) and international advertising. In the next section, those authors who have written about globalisation and standardising international advertising will be discussed.

5.5 GLOBALISATION AND INTERNATIONAL ADVERTISING

Chapter 4 has analysed various views on globalisation and reached a formulation which stresses intention rather than method. This cannot conceal that there are many for whom the outward appearances, particularly of standardisation, are an essential part of what they mean by the term.

The standardisation of international advertising, despite cultural obstacles, is an issue which is high on the agenda of many who seek to globalise. Most will treat such standardisation as simply a desirable step, for many however the standardised approach to advertising will be a key element in globalisation, e.g. Levitt.

Globalisation and Cultural Universals

The existence of universal wants, universal response patterns or widely recurrent subcultures may be a potent source of the economies of scale predicted by proponents of globalisation.

5.5.1 Globalisation Implies Advertising Standardisation

Ryans and Ratz (1987)

Ryans and Ratz sought evidence regarding the extent to which advertising is in fact standardised. On the basis of 34 questionnaires, completed by international advertising managers of US multinationals, the authors found very high levels of standardisation. Their evidence is at the level of geographic regions rather than individual cultures and they see the conclusion in terms of the issue of globalisation. They argue that although the sample is small, it provides at least some evidence that the globalist position is being followed in international advertising. Their finding can be interpreted as meaning that these managers act as if they believe in cultural universals; Ryans and Ratz, however, reach the conclusion that "The issue of the importance of culture is far from resolved"

5.5.2 Globalisation has Analogous Benefits to Standardisation

To those arguments that globalisation implies advertising standardisation, one must add the arguments that advertising standardisation has itself benefits analogous to those which globalisation promises at a company-wide level.

Buzzell (1968)

Buzzell, for example, while he stresses that globalisation means saving in cost, he also sees globalisation as having other advantages in the area of advertising: good ideas tend to have universal appeal, particularly those relating to the creative aspect of advertising. Because good ideas are generally hard to find, it is good management to use these as widely as possible.

Ryans and Donnelly (1969)

Buzzell was no doubt in tune with management thinking in the USA at that time. Ryans and Donnelly (1969) researched the application of standardised global advertising campaigns, and found that American international advertising managers valued this, and extensively employed standardised global advertising in their companies, thus identifying such standardisation almost as a criterion for the type of globalisation which was then in progress.

Levitt (1983)

The Ryans and Donnelly observation is echoed in the views of the "father of globalisation", Ted Levitt (1983), who makes the claim that "global companies sell the same things the same way everywhere and different cultural preferences, national tastes and standards are vestiges of the past"; he also stated that "the competitively priced, high performance, single standard product leaves room for a big (standardised) advertising campaign" and "global companies must forget idiosyncratic differences between countries and cultures and instead concentrate on satisfying universal drives".

Levitt's seat on the Board of Saatchi and Saatchi suggests that although he might have softened his more extreme views on globalisation a little, the advertising part is still high in his set of beliefs.

It is less clear how his approach would deal with a situation in which cultural differences are obstructing the progress of a global brand. One strand of thought is that the resistance should be overcome by intensifying the advertising campaign; yet if the standardised advertising is part of the problem, then this will give little help. It may well be that non-standardised advertising, dealing with the special local situation is needed in order to bring the non-conforming market into line.

A.E. Pitcher (1985)

Despite the stress on advertising standardisation in the academic literature, and the association of Levitt with an advertising agency, there are voices of caution in the reflective works of advertising agency executives. The then Ogilvy and Mather chairman, Tubby Pitcher, in 1985 identified characteristics of the global brand, and advised management that "world brands must be bottom up, consumer driven".

Pitcher's view seems to be along the lines that the possibility of standardising advertising is one of the pre-requisites for being able to achieve a common global positioning for a brand, rather than that it is an implication which can be drawn from the centralised decision to globalise. He lists a number of areas that have to be questioned before a brand can be positioned globally, and these include: the competitive climate (local or international competitors), consumer segmentation and usage of the product, the advertising history: commonality in strategy and execution, the role of advertising, the media used, the company's organisational structure, and the 'international advertisability of the brand'. This final concept revolves around the question whether the brand does have a non-pre-emptiable advertising 'property', that can be used around the world.

Pitcher's cautious sentiment is that "Strategy can be developed and evaluated on a worldwide basis, execution rarely can".

Cote (1985)

A final strand linking contemporary trends with the expectation that advertising will be standardised, whether wisely or not, is the current pattern of media development and use in Europe.

According to Cote, Europe is often singled out as an area in which inter-country mobility and the growth of cross-national media are homogenising the market place and hence creating the need for consistent product presentation. Cote's sees this as a significant trend, saying, "McDonalds Europe, to illustrate, see satellite TV dramatically changing the commercial television situation on the continent as advertisers seek to benefit from transnational audiences."

5.5.3 Globalisation does Not Imply Advertising Standardisation Benefits

Greg Harris (1984)

Taking globalisation to mean benefits in economies of scale, Harris analysis the four arguments most commonly used in favour of advertising standardisation, and argues that it is only in very rare cases that the identifiable costs and risks of pursuing such a policy outweigh the possible benefits of advertising standardisation. In fact he interchangeably uses the word globalisation, integration and standardisation of advertising. The word standardisation has been used consistently below.

The arguments Harris opposes are:

1. that a single message worldwide strengthens the brand's image and its sales performance: "one sight, one sound, one sell"
2. that markets across the world are becoming more and more alike in their demand characteristics: "the global village"
3. that the marketing skills in a company's headquarters are underutilised unless applied internationally: "exploiting the empirical leverage"
4. that there are sufficiently significant economies of scale to justify standardisation: "economies of scale".

Harris argues that advertising must be taken as a special case, and should not be taken implicitly to follow a policy of globalisation and/or an already justified standardisation of product, brand-name or packaging.

Analysis of the coherence and validity of the arguments used to justify standardisation leads Harris to state that

1. no substantial financial or economic benefit can be identified
2. the impact of the communications and media revolution has been exaggerated in terms of consumer homogeneity
3. the evidence put forward that cultural and national differences are no longer profound is not convincing
4. the general level of exposure to overseas advertising is not yet such that it necessitates standardisation
5. there is no strategic logic in advertising standardisation even when genuinely pursuing global policies
6. the process required to produce effective advertising favours a national rather than an international approach
7. even if headquarter's management possesses marketing skills and talent, not present in their subsidiaries, advertising standardisation is not necessarily the right way to exploit or transfer such skills
8. the administrative and political problems created by advertising standardisation are considerable and should be viewed as a distinct cost.

In conclusion Harris says that advertising standardisation is only appropriate

1. if a brand demands an international image
2. for brands with a relatively simple advertising proposition
3. in case of an advertising proposition with low information content.

"Such brands would either be low involvement package goods or products directly connected with overseas travel or communications"...."Beyond such brands the case against standardisation looks strong".

The true impact of extending consumer advertising outside the boundaries of a single national market has yet to be researched empirically.

The moves toward a 'Single European Market' in 1992 will provide some indications of whether the type of economic integration and partial media-overlap envisaged will in fact significantly counter the problems thrown up by cultural differences - which there are no plans to address directly. This point is argued cogently by Davis, et al (1989).

5.6 SYNTHESIS

The multiplicity of authors as reviewed above has provided increased insight and understanding about the relation between culture and globalisation, and international advertising. The literature was often piecemeal and not representative; however, it appears to provide evidence for the following main conclusions:

1) There are 'cultural universals' which can be used in order to increase the extent to which an advertising campaign can be standardised internationally. These universals include:

   - features common to all or most human cultural groups, and
   - appeals which 'work' for subgroups found within many cultures

2) Cultural differences exist and form an obstacle to international marketing; they are to be expected to affect advertising particularly when:

   - the product is perceived or used differently,
   - styles of communication differ,
   - the culturally permissible content of communications differs,
   - environment, context or patterns of life make the reference, of specific claims or elements in the advertising different or unclear,
   - norms for appropriate behaviour and life style differ, especially as regards use or context of use of the product,
   - there are differences in the availability or use of specific media in accordance with the wishes of the local public.

3) Cultural differences as an obstacle to globalisation can often be overcome by more intense and better-tailored advertising; this is unlikely to be standardised advertising.

4) Situations can arise where a proposed advertisement is rendered ineffective or counter-productive for a given cultural group; two situations have been identified:

- as a matter of basic incompatibility because of the advertisement itself seen in relation to the culture,
- as a temporary phenomenon when the cultural group has adopted a common response to some matter with which the advertisement clashes.

5) Globalisation does not necessarily imply advertising standardisation.

5.7 RESEARCH ISSUES AND SCOPE FOR THEORY DEVELOPMENT

For theory development the key question to be resolved is whether the literature and research which specifically relates culture and globalisation to international advertising identifies any factors which need to be included. Of the points raised in section 5.6 only conclusion 3 breaks new ground: it emphasises that success depends on resources being available; conclusion 5 has already been stated in Chapter 4. The remaining three conclusions all have a bearing on what the manager contemplating possible standardisation of advertising across a number of cultures, should expect and why.

In effect they relate to the analysis of the factor shown in Figure 3.1 as **Expected Responses in Cultures Concerned**. Conclusions 1 and 2 can be summarised by saying that the influence of culture should be seen as occurring through two different mechanisms, the cultural universals and the cultural differences. Conclusion 4 directs attention to the target-group and implies that segmentation is a sensitive area.

Figure 5.3 depicts the twin influences of universals and differences, while carrying forward the structural elements introduced in Chapters 3 and 4.

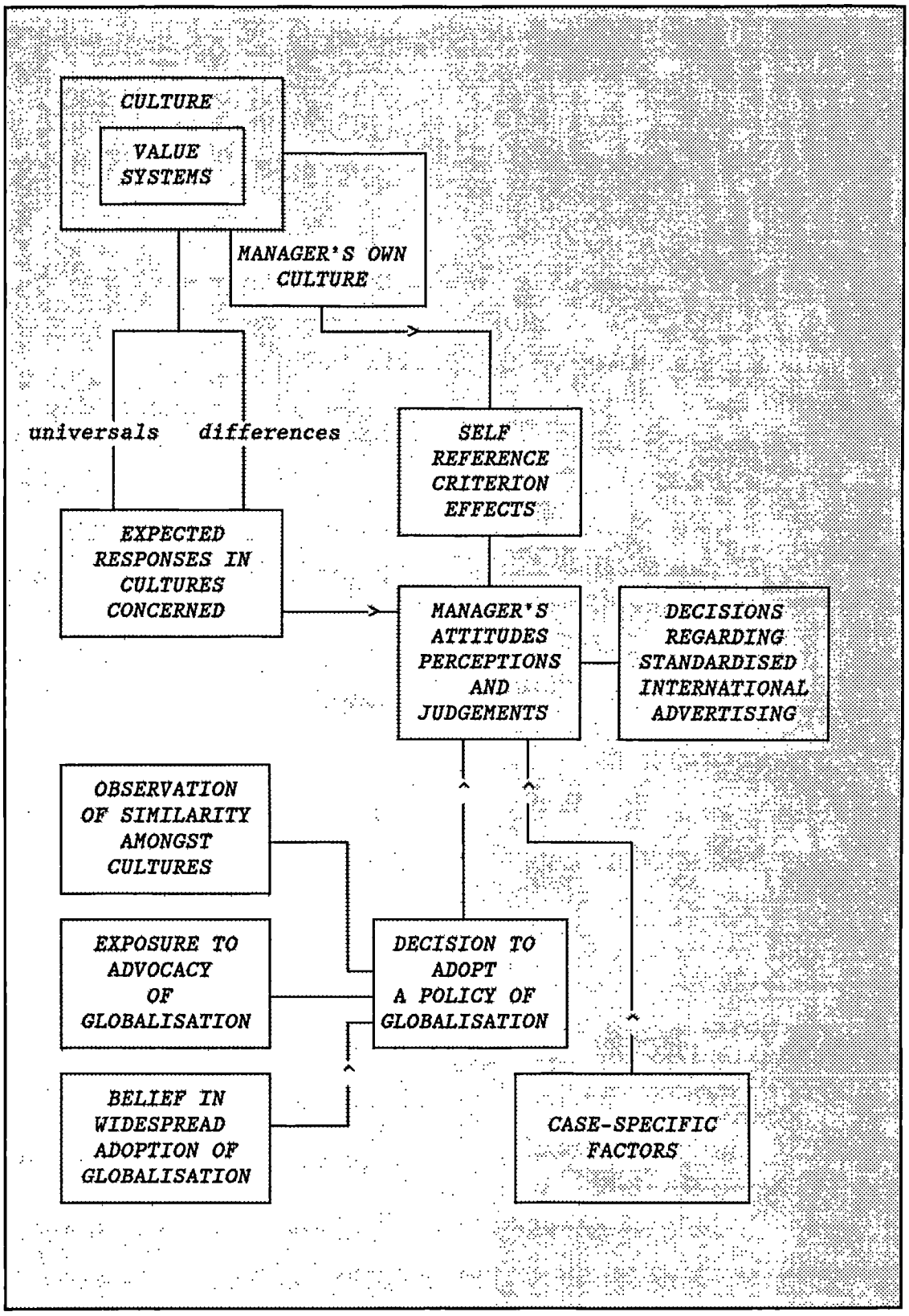

Figure 5.3 Influence of Advertising Literature for Proto-Model

CHAPTER 6

PRE-FIELDWORK INPUTS

6.1. INTRODUCTION

The variables defined in the literature may or may not coincide with those actually used in the practice of companies and agencies. Managers' decisions about whether or not to standardise advertising can provide information to help structure the variables already uncovered through theoretical research, and can provide additional variables, constructs and interpretations, both about the variables themselves and about the decision-making process.

Such information can be gleaned from discussions with managers and can also, as emphasised by Glaser and Strauss, be distilled from any relevant personal experience. This chapter deals with both these sources of information, considering both a small number of in-depth pilot interviews which were held in the Netherlands and the United Kingdom, and also describing and drawing out the implications of relevant personal experience in the practice of marketing management and as a consultant on marketing and on advertising evaluation.

The exploratory interviews were with decision makers on international advertising both in international advertising agencies and in multinationals. The interviews were of about four hours' duration each and took place in the Autumn of 1987 in London, Amsterdam and Eindhoven.

These interviews were deliberately qualitative and wide ranging. This was necessary in order to give full scope for the introduction of new variables and to make it possible to investigate and explore a great many avenue in much greater depth than even in a semi-structured interview.

Susan Douglas and Samuel Craig (1983:153) argue that there are two ways to use qualitative research techniques in international research:

a) in exploratory research, in order to formulate and define the problem more clearly and to identify relevant questions to be determined in subsequent research,

b) alternatively, in non exploratory research, where interest is centred on gaining an understanding of a market rather than quantifying relevant aspects.

Notwithstanding the dichotomy proposed here, these two applications need not always be seen as alternatives and in the present case can both be valid. While the pilot interviews serve to explore frontiers and help determine questions to be addressed later, the content of what was said can also be used as a basis for 'gaining an understanding' of the phenomena being studied.

The in-depth technique used imposes structure only when necessary, for instance to enable one to ensure that the issues discussed are the same from one case to another, so that the interviews are comparable for analysis. Such an open approach was particularly suitable at the pilot stage, allowing a small sample size and the simple verbalisation of opinions by the respondents; it also allowed for sensitive subjects (e.g. failures, personal views, plans) to be discussed and for the underlying motivations and attitudes to be probed.

The standard topics covered in the interviews were

- international advertising
- cultural variables
- the decision making process regarding international campaigns.

Each of these areas will be examined later in this chapter.

As a preliminary to this, however, in section 6.2 selected personal experience is discussed, bringing out aspects relevant to these three topics. Following this, the exploratory interviews are reported on and the chapter then ends with a summary of the relevant variables and issues extracted from the personal experience and from these exploratory interviews for incorporation into the further parts of the research.

6.2. PERSONAL EXPERIENCE

Appendix 6.1 is a brief curriculum vitae of the author. This shows that for a considerable part of her career the author herself would have been a good candidate interviewee and that her practical international experience in marketing management has been augmented by several other sources of relevant experience, e.g.

a) in consultancy for companies seeking to improve the position of their brands internationally,

b) assessing and reviewing with marketing companies the job-descriptions and the performance of over three hundred students on one year placements in marketing positions in France, Belgium, Germany, Spain and Mexico,

c) receiving feedback on lectures and talks on these subjects, both from former students who have tried to put into practice the author's views and from businessmen and post-experience students who can bring their existing experience to bear.

It is not practical to give a full account of all experience which might conceivably be relevant; it is therefore necessary to be selective. Following the methodological approach outlined in Chapter 1, these experiences are presented in such a way as to bring out contrast, while seeking not to conceal any aspects which might conflict with the initial suppositions.

6.2.1 Internationally Standardised Advertising

Consultancy work on specific proposed campaigns has raised questions about the reasons for standardising advertising internationally. According to the literature one would expect the primary motive to be one of achieving economies in the production process. However, of four studies done in proposed international campaigns[1] the economics of advertisement production, though relevant, were of major importance in only one case (the confectionery item). An explicit rationale for the decision to standardise was often not apparent; there was a strong but unargued assumption that the more 'international' the brand was, the better - and 'international' was interpreted by management as meaning standardised in its advertising.

A benefit of standardisation which became immediately apparent in evaluation of performance, was that it makes the central coordinator's monitoring and evaluation role seem much simpler - all countries are trying to sell the same product to the same target group using comparable marketing communications. This might be dubbed the 'manageability' motive for standardisation.

The 'manageability' motive did not exclude the possibility of some exceptions: the proposal that an exception was needed had led directly to one of the studies and was a factor in two others. The manageability motive however covers all aspects of the marketing mix and leads to pressure to minimise exceptions irrespective of whether they are in product formulation, pricing, target group or advertising.

In three of the cases advertising evaluation tests which were carried out in several countries were analysed and in each case the specific proposition / advertising campaign proposed was perceived as having differing messages and differing levels of credibility from country to country. All of the products had existed for many years in the markets surveyed and the

1 For a confectionery bar, an airline, a chain of hotels and a leading brand of American cigarettes.

companies had sought a uniform image; none the less all four products were found to evoke inconsistent associations in different markets and in the case of the - apparently standardised - international brand of cigarettes the consumer groups with which it was associated ranged from elderly C2DE's in one country to high-aspiration young AB's in another; pack design and advertising philosophy were however standard.

Tentative conclusions from these cases are:

a) international standardisation of advertising may in part be a consequence of a general wish for international standardisation of the marketing mix as a means of easing the perceived problem of comparing performance across different countries,

b) despite clear incompatibilities in the perception of brands and in the detailed interpretation of actual advertisements, companies find it worthwhile to persist with standardised international campaigns; this suggests that when a campaign is 'good' it can work despite cultural differences.

6.2.2 Types of Obstacle

The different perceptions of the product and different interpretations of the advertisement's message which arose in consultancy projects were felt to be obstacles but apparently not insuperable ones in these cases.

The other side of this picture has, however, also arisen, once when working as a product manager and once in a consulting project. Here the problem was that of choosing a branding name which would associate well with the product's consumer benefits.

The author managed the launch of a margarine with high polyunsaturated fatty acid content in the Netherlands. The brand name 'Becel' was chosen for this product in the Netherlands, Belgium and Germany. For the United Kingdom launch this name was changed to 'Flora' as it was feared that 'Becel' would immediately remind the consumer of the origin of the brand name, in fact a verbalisation of the code name BCL (standing for 'Blood Cholesterol Lowering') under which the product had been developed.

Having been afraid to use a technical-sounding name for the product the company then launched this brand with an advertising campaign using the image of the mechanism of a fob watch, which was supposed to associate with the 'ticker' or heart thus avoiding the need to make any explicit health claim. The product's progress was regarded as satisfactory, as was the advertising; it is however debatable whether the public understood the subtle allusion in the advertising, or would have had any negative reaction to the original name. What appears

very clear in retrospect is that the managers associated with the launch in the United Kingdom were able to use their decision-taking on these matters as a way of publicising within the company their own claims to perceptiveness and skill. The fact that the national subsidiary concerned was one of the strongest within the group meant that the international coordinator was in a relatively weak position and could only have enforced standardisation through a major internal battle.

A contrasting case of a branding issue, where transfer from one country to another did appear genuinely impossible was the proposed global brand 'Dubonight'. This was the name proposed by the French company Pernod, for a new night-time whisky-based drink. This was to be launched initially in the French and UK markets; the marketing objective was to open up a new market which would complement that of the company's existing international brand 'Dubonnet'.

Serious problems were discovered. The connotations of the brand Dubonnet in France and in the UK proved - through research - to be very different: in France Dubonnet suffered from an obsolete immediate post-war image, whereas Dubonnet in the UK enjoyed a youthful modern image thanks to a successful relaunch a few years previously. The target market, and actual consumers too were very different: in France Dubonnet was a lower class product drunk by older women; in the UK Dubonnet was a Martini/Campari aspiring product, drunk by girls, often as their first alcoholic (party) drink. The associations evoked by the Dubonnet connection would therefore be inconsistent.

At the same time the expectations and connotations of a whisky-based drink were very different as between the UK and France: in France whisky was a young, modern and very sophisticated product, but in the UK whisky was a classic drink, with cultural associations of Scotland rather than France.

In the eyes of the potential target group as reflected through interviews and group discussions, the launch platform for a whisky-based drink linked with the Dubonnet name appeared to be a very shaky one; there was also the risk of pulling apart even further the brand images of Dubonnet in France and in the UK. The specific brand name 'Dubonight' was perceived to strengthen this effect: in France Dubonight might give back a bit of young dynamism to the ailing Dubonnet, both thanks to the use of English in the name and to the whisky connotations; however in the UK the still fragile new image of Dubonnet might suffer because Dubonight does not have the appreciated and valued Frenchness and there was a strong risk of aggravating the perceived travesty of a pseudo-whisky with the travesty of a pseudo English-French name.

While there is only consumer interview data to confirm this it appears that Pernod was correct in not proceeding. This raises the issue of whether the use of allusions and associations needs to be restricted to a range where credibility is maintained and 'cognitive dissonance' is avoided. If this is so, then the 'Dubonight' example may be seen as a correct application of the principle, while the Flora case appears to show a spurious sensitivity based on other motives.

6.2.3 Credibility and Culture-Based Perception

Some further brief examples will illustrate the personal observation that cultural background can have its strongest effect by causing advertisements to be rejected as not credible, or to be misinterpreted. These examples differ in some respects from the standards textbook 'howlers' such as the significance of the tiger in Thailand, of the colour white in Japan and of the word(s) 'Nova' (no va) in Spanish-speaking countries.

1. Problems can arise when advertising depicts something inconsistent with the message presumed to be carried by the advertising. One set of advertisements for Hilton International hotels showed guests having a meal in the hotel. While British, German, Italian and Dutch respondents reacted positively and considered both the message and the style of the advertisement on their merits, the French respondents found it so incredible that sophisticated guests would go for a meal in the hotel, that most could not take the advertisement as a serious attempt to advertise. This result was obtained from a wide range of internationally travelling businessmen, suggesting that such an effect of cultural bias extends throughout the population.

2. Advertising may be unable to overcome differences in the perception of the product. The margarine 'Krona', launched with great success in many countries using a 'similarity to butter' pitch, became one of van den Bergh & Jurgens' biggest ever flops when they tried to introduce it in the market they knew longest - the Netherlands. Despite changing the name (to 'Morgen', in order to avoid associations with existing products) and making other moves to deal with known problems, it proved impossible for the advertising to overcome the fundamentally different perception butter as a product has in the Netherlands.

3. Allusions can function in advertising even when they are only partially understood. The limit to this was reached in the first test of a series of Air France advertisements for a 1988-89 campaign 'The Art of Flying'. Initial ideas

required modification so that non-French would realise that the advertisements were in fact showing the work of famous contemporary French painters; when this was not realised the audience reaction was one of searching for meaning and relevance, with highly unpredictable results. By contrast when the allusion was clarified, interviewees raised no objection either to the message or the form in which it was presented, even when the artist was unknown to them. A further example of this was provided by a product promoted as 'Steam Beer'; following research, the author testified in a legal dispute over the protection of this term, that even though consumers had relatively little idea why the beer should be referred to in this way, many still felt that the term was descriptive for a property of the brand and indicated some desirable aspect of the product.

4. Style can be of importance, quite independently of specific allusions. A standardised campaign proposed for the Mars brand 'Bounty' was rejected by Dutch national management, which produced market research evidence that Dutch consumers found the images intangible, sentimental and lacking credibility; the same advertisement was seen in the UK as romantic, languid and alluring. The lesson which appeared to emerge from this (apart from the eagerness of the national management to find reasons to deviate from the global standardisation) was that style and execution can be important in creating obstacles even when there are no culturally inappropriate allusions, content, etc.

5. Other elements of the marketing mix contribute to the marketing communication function. There is currently a much increased emphasis on the integration of elements of the mix; product capabilities, design, pricing, retail placement and presentation all have a meaning to the consumer and the messages sent by these means have to be planned in integration and along with the traditional advertising messages.

6.2.4 Psychographic Approaches

Application of psychographic rather than demographic variables to segment populations and identify target groups is a trend which is finding favour and apparently producing improving results. While the preoccupation with consumer segments which share certain life-style variables has existed for many years, e.g. Unilever's work on the average housewife, the current approach seeks to identify the sets of characteristics which group-members project onto themselves as identifying them and being relevant to their choices.

A good example of the way such approaches can be of value to advertisers is provided by e.g. McCann Erickson's Youth Studies. These have provided advertisers with profiles of youth spanning many countries and exhibiting common patterns of consumption. Where such common patterns are underpinned by common attitudes, advertisers have, in effect, an international sub-culture to address.

Manufacturers are carrying the issue of psychographic targeting tight through the whole marketing mix, as in a recent case where the author was involved with Renault in its testing of the original concepts for the Renault 25 and carried out a series of projective tests amongst potential buyers of the new model, in 8 hour long sessions, in an attempt to optimise both product and advertising for a consistent set of users across W.Europe.

Psychographic targeting, taken together with the need to attend to the communicative aspects of all elements of the marketing mix involves a radical increase in the number of potential combinations of customer type with which communication decisions have to deal. Instead of selecting advertising on the basis of appeal to a few segments of a demographic/geographic market, the advertiser is now under pressure to select a much more focused target. Such a target group will be defined in terms of behaviour patterns, perceptions and attitudes.

This development has two practical consequences. First, the non-comparability of say ABC1 in one country with ABC1 in another is no longer a problem; the matching group in another culture can be defined in terms of consumption patterns and attitudes. Secondly the targeting of relatively more precise groups may also provide the opportunity to target groups which are more cohesive and to take account of the basis for this cohesion when formulating marketing and advertising. In effect this trend is moving advertisers in the direction of seeking to identify and address themselves to market segments which are very similar to the sub-cultures referred to earlier.

6.2.5 Organisational and Managerial Aspects

Working with subsidiaries of the same multinationals (Unilever and Bowater Europe), in several European countries, provided the chance of observing and experiencing the different cultures, inside and outside the corporations. The experience was particularly valuable as it took place both at international headquarters level and at subsidiary level (in several countries in both corporations).

The two companies appeared similar in structure - both having a headquarters unit, national subsidiaries ('national management') each covering all the organisations interests in a country, and a range of subsidiary operating companies looking after particular products within the country concerned. There was, however, a wide difference in history and mode of operation.

Within Europe Unilever had established a system of 'Executive Countries', which meant that the operating subsidiaries' marketing was controlled by a central unit at headquarters ('Coordination'); the locally operating companies were responsible for the execution of the centrally agreed strategy and for these strategies reported directly to Coordination; the national Unilever managements could not influence marketing strategy and were not responsible for its implementation; in effect the national management's role was as a financial holding company and as the focal point for relations with the host country government.

Bowater Europe by contrast was a relatively recently formed amalgam of companies acquired directly and through the acquisition of Ralli Industries; national managements were created in order to avoid the need for the European headquarters having to deal with all detailed issues arising from nearly 40 subsidiaries covering products ranging from crane hire to wine growing and merchanting. The author's role arose after the national managements had been created, and was to establish strategic planning and introduce marketing objectives and planning mechanisms through which related businesses in the different countries could be assessed and guided from the centre.

Especially worth mentioning is the element of organisational change which was experienced in the Bowater situation; the diversity of companies acquired led to numerous differences in the ways this was put into effect in the various European countries. Other notable factors were the effect of mergers and acquisitions in disrupting and redefining (international) marketing strategies and objectives and the differences in quality of the marketing of services within one corporation but over different countries. Such are the real-life factors which constitute the background to decisions which some academic research treats as being well-considered, deliberate, reliably implementable, and fully-researched.

The contrast is the more stark when one considers the efforts of Unilever to undertake systematic research as a basis for marketing. Unilever's development of customer profiles, referred to above, is well known; in addition, however, Unilever addressed the need to develop its markets in a variety of other systematic ways. For example the author also took part in product development through membership of a Unilever Innovation Workshop Team, a multinational and multidisciplinary team charged with the task of New Product Concept Development, producing ideas for the future, in a particular field.

The systematic approach taken involved worldwide scanning of any existing products in the particular and related fields, systematically evaluating taste and packaging, systematically checking channels. The team visited many countries examining related product use, retailing practice, possible competing products, etc.; this was followed by a process of probing, both rationally/systematically and through exercises in lateral thinking, brainstorming and other forms of 'conceptual blockbusting' to identify gaps and opportunities.

Despite the thoroughness and depth of such research - which was recognised within the company - the amount of internal selling required before any of the proposed ideas found favour, confirms the often-claimed influence of non-rational factors in such decision-taking and calls in question any prescription for successful marketing which does not take account of the need for an internal 'champion' and the effect of this on the process of introduction if the champion decides to move beyond what the evidence warrants.

The behaviour of management and the requirements for success in marketing in various countries were also observed over several years during which the author made visits to hundreds of students in marketing traineeships in France, Germany, Spain and Mexico. This offered the opportunity to assess within the framework of different industrial and social cultures,

a) what on-the-job training was regarded as required,
b) how well the training fitted equally-prepared British students to perform usefully in the local environments,
c) the extent to which the student's academic learning proved to be applicable in real-life situations in the various countries.

The Marketing Directors and Managing Directors of the host companies were directly involved in agreeing to take (and pay) each student and often too in preparing evaluations - which dealt with performance in marketing as well as attitude and effort. These contacts confirmed the significant differences in management style not only between companies but also systematically between the countries. French companies, for example, displayed a strong tendency for the chief executive (PDG) and in fact any superior, to be cast in an autocratic role, German companies tended to display a strong sense of educational responsibility for the students, and most Mexican and Spanish companies shared a distinctive 'Latin' style of operation. Despite these differences some impressions emerged recurrently.

A particularly strong impression arising from this work is that the relatively low level of cultural sensitivity of the students did not prove a disadvantage provided they possessed business skills and the ability to develop and project their personalities in the service of the company they were working with. This observation is more than a truism; those with greater cultural awareness could still become isolated and ineffective if they lacked the business skills and style. Not unnaturally the receiving organisation seems prepared to make allowances for unfamiliarity, provided the student is able to offer relevant practical benefits in return. The nature of the business skills and the appropriate training (if any is possible) to underpin the personality traits are much more difficult to define, however the hypotheses should be considered that

a) in preparing marketing staff at low level for transfer into another culture there is a need to look at the level of business skill they can already deploy, at inter-personal relations and at their ability to project themselves,

b) companies can work with (in this case lower level) marketing staff from other cultures and reach agreed conclusions about local consumers and their buying behaviour; a sound shared marketing orientation (and linguistically sound communication skills) provides a reasonable basis for a dialogue which transcends the problems of different national and different management cultures.

6.2.6 Trivial Differences and Cosmetic Adaptations

A final input to the issues raised here arises from the author's personal experience as a resident and consumer in several (foreign) countries and working with foreigners, both as superiors and colleagues. Many cultural differences which are referred to as serious and problematical in text-books and articles on the subject are in fact immediately obvious and relatively easily eliminated or compensated for.

For example, manufacturers and traders should have little difficulty in such matters as the elimination of offensive symbols, translation of text, adaptation to local ways of using the product. Consumers may even accept some failure in the taking of such basic steps in cases of products which are exotic, scarce or exceptionally useful (the quality of the English used in Japanese instruction manuals in the early 1980's being a case in point).

Two possible points arise here:

a) the degree of obstacle which a particular feature constitutes may vary from consumer to consumer, and product to product,

b) it may be wise to differentiate obstacles which are 'cosmetic' or concerned with superficial aspects of the product or presentation from those which are more subtle, pervasive and fundamental.

This concludes the section dealing with personal experience. The following examines the evidence built up from the exploratory interviews.

6.3. INTERNATIONAL ADVERTISING

In the exploratory interviews the first of the subjects discussed with the small sample of senior international management was international advertising.

The aim of the discussions was to review the issues and their priorities as seen by practising senior managers; this was to ensure that the questionnaire used in the survey would both encompass these issues as well as questions arising from literature research and analysis, and would lead in directions which managers felt were challenging and solution directed.

The fundamental observations were that international advertising was seen as gaining in importance thanks to the increasing international outlook of the marketing companies, and that globalisation was a particular factor exerting influence on the development of international advertising. The understanding of the meaning of the term 'globalisation' was, however, not uniform.

Although the topics are often linked in practice, it was felt that a distinction needs to be made between the globalisation of products or product marketing and the international advertising of brands, i.e.: it was clearly felt by all those interviewed that globalisation in terms of product-oriented thinking, with a worldwide market objective, should be distinguished from brand marketing, international branding and international advertising.

Discussion in this area extended over global marketing strategies, segmentation and whether internationally advertised brands needed to have the same marketing strategy, the same advertising strategy, the same positioning or the same Unique Selling Proposition/Basic Consumer Benefit ("a brand is not just the name and/or the logo; it embraces the emotional content and the positioning too").

The decisions on whether and how to standardise advertising internationally were seen to be influenced by a wide range of factors: the following specific variables were all quoted:

- product category
- desirability of the product
- stage in the Product Life Cycle
- brand objectives
- sales force support
- channels of distribution
- price level/pricing policy
- target group (also referring to innovator groups, cf Rogers, 1983)
- competitive edge
- the force and direction of the competition.

A particularly strongly-stated view which appears to mark a deviation from the traditional doctrine on the international aspects of product life cycle planning was that "the stage in the PLC influences all elements of the marketing mix; however, we find that price competition,

which should occur much later on, is already the main problem in the first PLC-stage: everyone now needs to 'buy distribution' when launching a new product/brand: this influences everything else, and might force us, depending on the actual product, to price lower than we should".

There were some who favoured standard approaches in principle, giving such comments as: "In the past countries often optimised local issues, whilst now one is up against world competitors.", "One might lose a bit on local ideas etc. but we cannot consider each province of Europe its own kingdom".

Such views were certainly not unanimous. There were some who took the view that even for a newly launched product standardisation could not extend much beyond the basic concept: "For an international launch the product concept or content is standard; the product itself can vary re type, physical make-up (though less and less), etc. Also price, style, advertising, etc can vary from country to country, and this way each market can be given its own individual expression".

A more positive attitude to standardisation, but still a recognition of countervailing forces, emerges in the comment: "Even if one starts out with an international launch and a standardised international campaign, the market situations in the various European countries will be different, and they will develop differently; there will be pressure from local management and from the agencies for local advertising and promotional material; it may start with some trade leaflets, a regional campaign, that would top up the international one, and there will be no end from there; management and international management organisation then is the only power that can pull things together again."

For new product launches a particular, and increasingly problematic factor is the speed with which products or brands that are to be launched internationally are rolled out over Europe. Whereas this process used to take or could take a long time, including test marketing and step by step introduction into the various countries, now the whole process might be completed within a year. This change is apparent in various markets, from soaps and detergents to high tech products.

Such developments give rise to a coincidence between the practical constraints and some interviewees' marketing insight. During such a high speed launch it is both desirable in practice and acceptable in principle to work with a standardised approach; customisation to local conditions and styles can then follow on as soon as the experience of the initial launch has been analysed.

A further factor which was stressed more than would be expected from the literature was that to be successful internationally, advertising must echo the brand marketing positioning. It was suggested that sometimes brands go even further than that; "whole concepts are being globalised, such as McDonalds. This is not the advertising of hamburgers, but rather communicating about a life style, a way of dealing with food, founded in American culture; the marketing proposition equals the advertising proposition".

6.4. CULTURAL VARIABLES

Interviewees were specifically asked for instances in which cultural differences had been significant for international advertising decisions. Although cultural differences were thought of as playing a role in a wide variety of circumstances and situations, it emerged that most incidents of cultural differences that could be cited had occurred somewhere else, had been experienced by someone else and had been reported to the interviewees by someone else, rather than being a problem of which the interviewees had direct experience.

These interviewees knew of no commercially-commissioned research in this area and spoke in terms of relying on "the feeling of our advertising agency", "our local boys", or "the creatives know about that".

Discussion of the potential impact of cultural differences on possible standardised advertising confirmed the earlier list of factors relevant to the decision to standardise. There was a clear perception that cultural differences do not have uniform impact, their importance depending on a number of factors. Variables specifically suggested in this context were:

- the type of product (as in "the culture of food preparation has an influence" or "personal products"),
- symbols,
- the meaning of, for example, colours,
- rational versus emotional appeal,
- the stage in the product life cycle, correlated with the type of market, e.g. the replacement or substitution market,
- the type of competitor (international or local),
- the size of market share, and
- the social class of the target group.

Examples from among product types are provided by coffee and beer. These products not only have a different pattern of consumption across Europe, they also have a different

emotional experience field in different countries. Coffee is a different product in Italy, in Holland and in the United Kingdom. Drinking coffee is an experience with a really gaping cultural difference in these countries. An international advertising campaign for a brand of such a product would require great creative inventiveness. Cultural differences cannot be ignored in such cases, as Maxwell House found to its detriment in the 1960's.

The example of McDonalds arises again to provide a contrast: here there is a strong brand proposition, which bridges cultural differences by offering something instead, by offering an alternative to local customs, habits etc. This may be seen as a supra-cultural mode of operation - offering an alternative, something new and novel, with only the merest adaptation to local wishes. In effect the company has succeeded in convincing the consumer that what is being promoted is a different (new) product and that the normal cultural factors applying to food and eating need not (always) apply.

Such discussions led on to consideration of products and brands which are essentially non-local. The country of origin of the brand, or the company behind it, may be a factor affecting the extent to which attention has to be paid to cultural differences. The interaction between the culture of the associated country and the culture of the country targeted, was raised, as *was the image of the international* brand vs the image of the local or international competitor to be faced in that country.

From the discussions it emerged that interviewees, although recognising the connection between the topics, saw 'Advertising Standardisation' and 'Cultural Differences' as sufficiently different to merit two sets of questions, and were generally reasonably consistent in the views they expressed on each.

6.5 PARADIGMS FOR STANDARDISED INTERNATIONAL ADVERTISING

Discussion of the prerequisites for standardising international advertising was further drawn out by questions about which products/product types would be ideal candidates for such an approach and how the international marketing of such products would progress.

As noted earlier, it was suggested that the stage in the Product Life Cycle could play a very important role in the decision how international or local the advertising should be. For instance: "An attractive (new) product with an international brand name can use the same, very attractive, international launch campaign, with universal, visual advertising; later local influences, cultural differences have to be taken into account..."

Whereas during the launch the attractiveness, uniqueness or novelty of the new product for the target audience would be the overriding marketing factor, in a second phase, also the second stage in the Product Life Cycle, it is seen to be important "to use the power of the local management and organisation, as they know the local situation, the distribution system, the trade, the type of humour, what is and what is not done..." In this second phase the exclusiveness of the new product will have disappeared, competition will have entered the market or will have become stronger, the product will have a greater appeal to a larger market. It is in this phase that cultural differences might be most important; more important than in the launch phase where the "novelty" of the product, the news value will stimulate a universal appeal, albeit initially to a small target audience only.

Gradually, or in perhaps a third phase, mass marketing might involve a switch from theme advertising to below the line activities; for instance, sponsorship, both internationally and locally for emotionally stimulated brand awareness, trade and consumer discounts to keep or reinforce distribution and stimulate sales. Such tactics are typical of the highly competitive markets in which fmcg products usually sell. In this phase marketing and advertising would assume an international, European approach again, where the similarities would be more important than the differences between markets.

This view, that a mass marketing PLC stage could call for a standardised international advertising approach, proved to be controversial; the view was also stated that the masses were more culturally determined than for instance the upper classes, who had always travelled widely, the professionals, or other identifiable smaller target groups, and that therefore local adaptation might be particularly appropriate when marketing to the mass market. (This would confirm the views of Dichter, 1962).

6.5.1 Categorisation of Cultural Differences

Since some cultural differences are thought more important than others as barriers to standardisation, an attempt was made to obtain a classification of the types of cultural difference which the would-be advertiser should be alert for. In the replies on this topic there was reinforcement of the author's concept of "cosmetic" cultural differences; these were contrasted with "value" cultural differences. The outcome of such discussions was the following categorisation, indicating which cultural differences are the 'dangerous' ones:

- Cosmetic cultural differences refer to those observable traits which would differentiate one culture from another; whilst important as a barrier to standardised advertising, these would not fundamentally interfere with the transfer of a campaign provided appropriate substitutions were made to modify these "cosmetic" elements

- Value cultural differences on the other hand are an intrinsic part of culture which when tampered with would fundamentally alter the cultural heritage, so that any elements which clash with a value cultural difference may require thorough rethinking rather than merely substitution.

Examples of cosmetic cultural differences were seen for instance in language, styling, colour, environment; the "couleur locale" so often needed for empathy and communication; the simplest examples are ones such as the type of kitchen which, although at some expense, can easily be adapted and may have a major impact on consumers' brand loyalty after seeing the advertising (e.g. in Mr. Propre), or the translation of copy. "Language" however was not always 'only' seen as a cosmetic aspect of culture.

Examples of value cultural differences are in attitudes and behaviour; they are particularly important in their effects on how one experiences propositions and brands. For instance it is through such differences that new brand types like "white products" / "Basics "/ "brown bag brands" will work in some countries, and not in others.

6.5.2 Cultural Universals

The exploratory interviews also confirmed some reference in the literature to the important role which can be played by 'cultural universals.' These provide the advertiser with elements or aspects that can help to bridge cultural differences; they are typically so important or widely known that they are supra-cultural; such universals may explain the standardisability of McDonalds' US lifestyle, Pepsi's pop-stars like Michael Jackson, Coca-Cola's music, etc.

Interviewees comments underlined that such universals were often there just waiting to be used. "If one wants to find differences, one will find differences; if one wants to find similarities, one will find similarities", a marketing director said. "People are more alike than they are different", one agency director said, though he continued "but the differences are extremely important to them".

6.6 DECISION MAKING RE INTERNATIONAL ADVERTISING

Interviewees were given every opportunity to say that successful international advertising depended on matters such as product, cultures, product life cycles, content and execution of the advertisements, etc. As described above, such topics did arise; however the strongest influence was identified as being management: -other factors were seen as subordinate. This

conclusion appeared to mean more than that poor managers take poor decisions and hence have poor results.

6.6.1 Management

A first factor of importance is the fact that there is always the choice: to standardise, or not to standardise.

For example in the case of cultural factors the typical response is that it is most useful to look for the likenesses between countries / markets, and use them optimally; but one should not ignore the differences; there is always a choice; how far are we prepared to go in one direction or the other. The choice is a matter of management judgement and cannot be laid down in advance without reference to the company concerned, its current objectives and the competitive situation.

"Corporate or Company culture" is another factor cited as having an influence on decision making regarding international advertising. Both on the advertising agency side and on the clients', the marketing companies' side, some companies have a more pronounced urge to push for standardisation, sometimes as a matter of course. If handled properly, alternatives will be researched before decisions are taken; sometimes, or in the words of one interviewee "far too often" this is not the case, and matters are taken in one direction for mostly emotional satisfaction. Thus while corporate culture is recognised as a source of influence, there is some doubt as to whether its impact leads to the correct decisions always being taken.

It is possible that the views expressed in the last two paragraphs are in fact complementary. In the view of an interviewee who does not share the company culture, the decisions based on it may well appear to be wrong-headed. Yet to the insider, precisely the same decisions may appear to be the exercise of a correct management insight - of the type which is essential in cases such as this.

The responses in the exploratory interviews also suggested that there could be differences between the advertising agency role and the client company role, whereby in cases of successful international advertising standardisation it is seen as normal that the companies take the lead and that the advertising agencies follow, both in the global and in the European market.

The impetus towards standardisation was discussed by some respondents. In addition to the well-known pressure from some advertising agencies, the role of which was questioned, there were other forces thought to be important. Technical developments, such as the imminent arrival of satellite TV, and the move towards a Single European Market were factors to which

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Interviewees were given every opportunity to say that successful international advertising depended on matters such as product, cultures, product life cycles, content and execution of the advertisements, etc. As described above, such topics did arise; however the strongest influence was identified as being management: -other factors were seen as subordinate. This

conclusion appeared to mean more than that poor managers take poor decisions and hence have poor results.

6.6.1 Management

A first factor of importance is the fact that there is always the choice: to standardise, or not to standardise.

For example in the case of cultural factors the typical response is that it is most useful to look for the likenesses between countries / markets, and use them optimally; but one should not ignore the differences; there is always a choice; how far are we prepared to go in one direction or the other. The choice is a matter of management judgement and cannot be laid down in advance without reference to the company concerned, its current objectives and the competitive situation.

"Corporate or Company culture" is another factor cited as having an influence on decision making regarding international advertising. Both on the advertising agency side and on the clients', the marketing companies' side, some companies have a more pronounced urge to push for standardisation, sometimes as a matter of course. If handled properly, alternatives will be researched before decisions are taken; sometimes, or in the words of one interviewee "far too often" this is not the case, and matters are taken in one direction for mostly emotional satisfaction. Thus while corporate culture is recognised as a source of influence, there is some doubt as to whether its impact leads to the correct decisions always being taken.

It is possible that the views expressed in the last two paragraphs are in fact complementary. In the view of an interviewee who does not share the company culture, the decisions based on it may well appear to be wrong-headed. Yet to the insider, precisely the same decisions may appear to be the exercise of a correct management insight - of the type which is essential in cases such as this.

The responses in the exploratory interviews also suggested that there could be differences between the advertising agency role and the client company role, whereby in cases of successful international advertising standardisation it is seen as normal that the companies take the lead and that the advertising agencies follow, both in the global and in the European market.

The impetus towards standardisation was discussed by some respondents. In addition to the well-known pressure from some advertising agencies, the role of which was questioned, there were other forces thought to be important. Technical developments, such as the imminent arrival of satellite TV, and the move towards a Single European Market were factors to which

- Value cultural differences on the other hand are an intrinsic part of culture which when tampered with would fundamentally alter the cultural heritage, so that any elements which clash with a value cultural difference may require thorough rethinking rather than merely substitution.

Examples of cosmetic cultural differences were seen for instance in language, styling, colour, environment; the "couleur locale" so often needed for empathy and communication; the simplest examples are ones such as the type of kitchen which, although at some expense, can easily be adapted and may have a major impact on consumers' brand loyalty after seeing the advertising (e.g. in Mr. Propre), or the translation of copy. "Language" however was not always 'only' seen as a cosmetic aspect of culture.

Examples of value cultural differences are in attitudes and behaviour; they are particularly important in their effects on how one experiences propositions and brands. For instance it is through such differences that new brand types like "white products" / "Basics "/ "brown bag brands" will work in some countries, and not in others.

6.5.2 Cultural Universals

The exploratory interviews also confirmed some reference in the literature to the important role which can be played by 'cultural universals.' These provide the advertiser with elements or aspects that can help to bridge cultural differences; they are typically so important or widely known that they are supra-cultural; such universals may explain the standardisability of McDonalds' US lifestyle, Pepsi's pop-stars like Michael Jackson, Coca-Cola's music, etc.

Interviewees comments underlined that such universals were often there just waiting to be used. "If one wants to find differences, one will find differences; if one wants to find similarities, one will find similarities", a marketing director said. "People are more alike than they are different", one agency director said, though he continued "but the differences are extremely important to them".

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management in both companies and agencies would have to respond and which would justifiably make them think more about international branding and advertising.

The notion that standardisation should depend on management decision-making can be interpreted at several levels:

a) in a relatively trivial sense, that there is no simple recipe and that it is up to the management to evaluate all factors affecting the proposed advertising and reach the correct decisions on a case by case basis, or

b) that factors such as the wider context of corporate, brand or competitive strategy directly affect whether management can succeed in standardising international advertising: decisions require to be based on broad management considerations, or

c) that without the correct corporate culture and management attitudes the attempt to pursue internationally standardised advertising is doomed to failure: specifically, the success of standardisation depends on having managers with a 'standardising' faith.

6.6.2 Decision-Taking Structures

There was also a view that company organisation and the structure of the decision-taking procedures can have a bearing on international advertising standardisation.

One approach which is often encountered is for international Headquarters, Coordinators, or International Management Group to "prescribe" the international approach and outlook; depending on the countries concerned, the circumstances, the urgency of the policies, etc. this international tier will not only influence the strategy, but also the execution. The question arises whether this is the best way to organise for international marketing and whether there are decision-taking techniques - 'good practice' rules - which give the greatest assurance of success in standardising international advertising.

"Structure follows strategy" says Chandler (1962), "A corporation's strategy should adjust to the competitive environment, and a corporate structure should be consistent with its strategy". However, for most of the interviewees it was more a chicken and egg situation, with certain management structures being predisposed to choose certain types of strategy. Notwithstanding this there were some rules which most respondents felt could be laid down to help others avoid some of the costly mistakes made so far.

The "Good Practice rules" which were mentioned, covered such obvious points as that proposed advertising ought to be researched locally, as unexpected problems might occur.

They also covered plausible but less obvious points such as that, in relationships between the client company and advertising agency, the lines of communication should go as shown in Figure 6.1, i.e. international lines of communication only within the company and within the advertising agency structure, never across the diagonal of the figure.

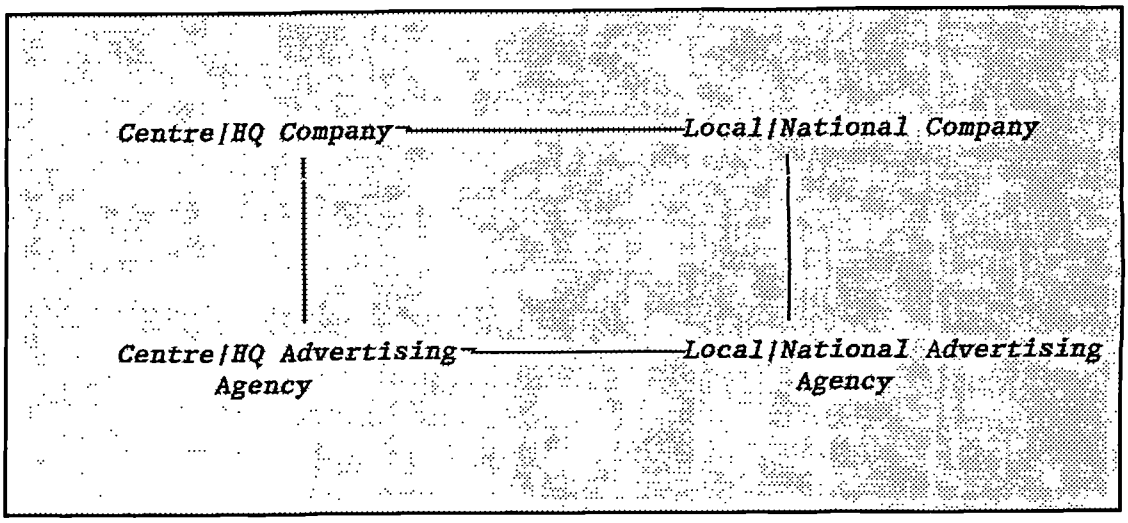

Figure 6.1 International Company-Advertising Agency Communication: Ideal Practice

The European way of management however, is seen to be consensus management, both within the agencies and the companies. Great importance is attached to 'motivation,' and 'involvement', emphasising individuals rather than formulas or rules as the key driving force. (This also means that the success of international companies and agencies may depend on "using" the personal ambition of people).

People who are working in an international environment need to be motivated and stimulated. International meetings or conferences of those concerned with e.g. a same brand, or a group of countries were seen to be appropriate vehicles to facilitate communication, interaction and respect, as well as reinforcing corporate loyalty and creating a better understanding of corporate policy. Both advertising agencies and international companies seem to operate in this way.

In addition to the mechanisms for contact, several interviewees saw a need for the decision-making process to embody mechanisms which preserve balance. They referred to two types of balancing which were required:

1. The balance between efficiency and effectiveness:

> "Decision making about the standardisation of international advertising is trying to strike a balance between <u>efficiency and</u>

effectiveness". Some companies, especially some US ones, are seen to be prepared to forsake some effectiveness in favour of greater efficiency, supported by their global policy. This forceful mode of doing business was seen as sometimes necessary by some of the interviewees, and totally frowned upon by others. Although there was some controversy on this issue, all interviewees felt that the pressure to make international advertising decisions and the speed with which they are required, were increasing; the rise of transnational media, for example, makes it impossible to ignore the case for international brand names or at least international brand identities.

2. The balance between the risk of sub-optimisation and the achievement of successful standardisation:

> Decisions regarding international advertising were not only seen as contributing to the success of the project in hand, but also as involving ethics, and a matter of conscience. There is a balance to be sought between the risk of sub-optimisation: of impoverishing advertising, because in each and every country the freedom and flexibility to produce the very best for that country cannot be used and the positive achievement of successful advertising standardisation which arises when a very good and creative approach can be used to sell and advertise a product in each country, without too much added development. On the one hand one might impoverish society by not adding a new facet, by not adding a new campaign, but on the other hand one can gain in efficiency, and even possibly in effectiveness. This was rationalised as follows: "Possibly the only loser is the local creative guru who says 'I have not been allowed to create something from scratch: I have to borrow from some one else'; however, he can excel on other projects, and also: it actually does take a very good creative guru to adapt an international creative idea for a specific country, to optimise the essence of the international message in the context of that country".

The tension and feeling of a need to reach a balance does however remain. The general line was that encapsulated in the slogan "European advertising with the local touch", but the strength of the local touch was a controversial issue.

6.7 RESEARCH ISSUES AND SCOPE FOR THEORY DEVELOPMENT

The exploratory interviews offered a wealth of information based on the long experience of four senior managers with international responsibilities. They expressed both personal and company views, and while such a small number cannot be representative, the views expressed can give indications of the sort of issues that practising managers come across and find important enough to discuss.

From the interviews it emerged that senior company and advertising agency management

1. see company policy and corporate culture as factors which not only commit them as individuals but also constrain how / whether the decisions they take will succeed,
2. are keen to show they "know the theory", but prone to think that "for our company it does not work",
3. implicitly evaluate many variables, rather than basing their decisions on a small number of key factors or policies,
4. are cautious about research and how useful it really is for decision making,
5. see culture as the origin not only of barriers and problems but also of positively useful 'tools' in the form of supra-cultural factors,
6. recognise a distinction between cultural differences which are rooted in values and others which are relatively superficial or 'cosmetic',
7. see globalisation and international competitors as forcing companies in the direction of devising advertising strategies on an international scale, sometimes calling for standardisation,
8. recognise a range of factors which may affect the suitability of standardised international marketing/advertising for particular cases, e.g. type of product, or stage in the product life-cycle,
9. see successful international advertising as being largely dependent on management issues, other variables being relatively easy to deal with provided good management principles are applied.

The personal experience lends support to the importance of several of these issues, particularly

- the importance of management,
- the importance of cultural differences which are embedded both in values and in every day activities; these may be less obvious but more important than the 'cosmetic' differences,

- the importance of factors which can counteract and prove stronger than cultural differences, e.g. motivational forces, the attractions of innovations and new products.

In the design for the fieldwork these issues are carried forward, together with the issues identified through desk research. When viewed as a pilot for the fieldwork, the four interviews revealed the need for an unusual approach which would cover a wide range of topics and would reveal at the same time both how terms like "globalisation" were being used and what was being said about them.

The model, integrating all three rounds of evidence so far considered, and reconciling information gathered so far, will be developed in Chapter 7.

CHAPTER 7

ANALYSIS OF PART 1 FINDINGS

7.1 INTRODUCTION

The objective of this chapter is to develop a view which

a) renders coherent the set of factors and influences through which culture and globalisation are taken to influence the appropriacy of standardised international advertising for fmcg in Western Europe,
b) encompasses the greatest possible range of apparently well-grounded views,
c) seeks, so far as possible, to give expression to the resulting view in terms of concepts which are clear, related to those currently understood by managers, and suitable for use in real-life cases,
d) illuminates relationships between the standardisation of international advertising and globalisation and indicates the aspects of culture and cultural difference which are of importance,
e) will, in Chapter 11, permit the integration of the findings of the field research and the current view.

The role of this chapter in the process of developing such a view is to analyse and summarise the theory-development work which emerges from Chapters 3 to 6. These chapters can be viewed as three interactive 'rounds' of experience in the sense of the methodology described in Chapter 1, i.e.

a) the literature, Chapters 3 to 5,
b) personal experience, Chapter 6,
c) exploratory, wide-ranging interviews, Chapter 6.

The evidence derived from these three rounds is divided over the two types of 'perspective' described in Chapter 2, i.e. that of the objective external observer and that of the insightful participant. Where they differ these two perspectives need to be kept apart; this ensures that the source of the conflict is sought first in the difference of perspective rather than in the reality being referred to.

7.2 CULTURE

7.2.1 Definition of Culture

The definition proposed in Chapter 3 was in effect tested in Chapters 5 and 6. It turned out to cover the topics well. This suggests it may continue to prove useful, encompassing the essential aspects of culture as required in its application to marketing.

7.2.2 Culture as a Black Box

Chapter 2 proposes that culture be treated initially as a black box; this is the perspective of Level 1. The basic question is how cultures differ from one another and what this means for standardised international advertising. The consensus of the literature is that it is possible to compare and group together cultures in a way that has significance for marketing - and generally also for advertising.

Such groupings would make it possible to judge how alike the responses of members of different cultures should be expected to be, and hence would give firm guidance on the extent to which marketing and advertising could be standardised. There is, however, no agreed approach to such grouping of cultures.

The most prevalent approaches attempt to base the grouping on values. These can be divided into those, notably as taken by Hofstede, which infer underlying dimensions and use these to derive the groupings, and those which take values as explicit and directly observable.

Hall's 'High Context'/'Low Context' division is like Hofstede's approach, in that it works on the basis of a postulated underlying value dimension. By contrast, Engel, Blackwell and Kollat (1978), for example, present a set of dimensions which, even though often psychological, are to be treated as explicit. Fifield goes farther and concludes that language and culture are so intertwined that language is an adequate proxy; the basis of his evidence is, however, unconvincing.

Generalising from these cases, the conclusion is that there is widespread belief in the existence of some means of assessing a factor which might be called the 'degree of similarity of cultures' - which could be used to group cultures into clusters. It is also commonly agreed that degree of similarity in this sense should be the main cultural factor influencing decision-making on whether standardised international advertising is or is not appropriate.

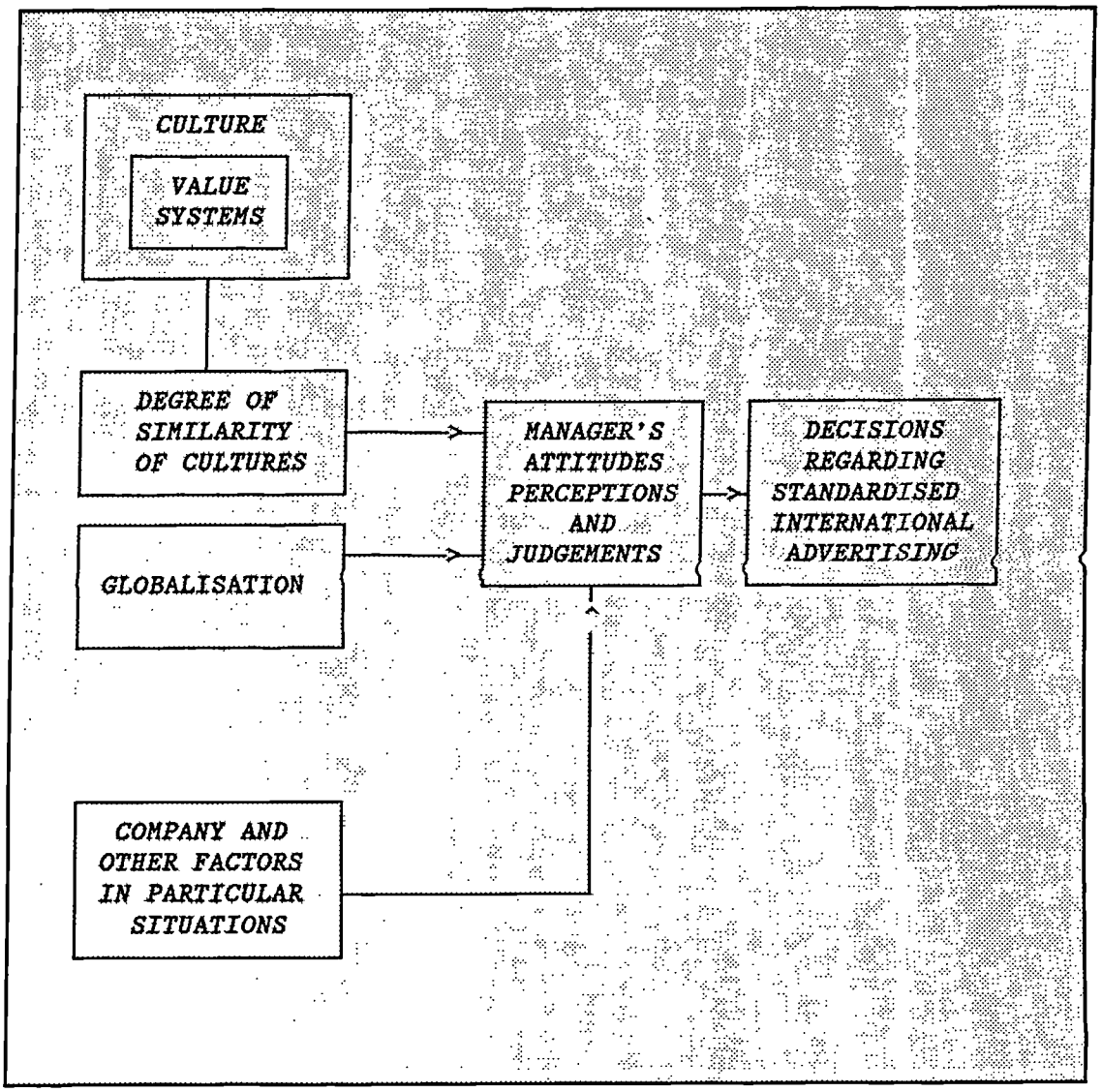

Figure 7.1 Degree of Similarity Among Cultures as Affecting Decisions

As the most appropriate means of measuring this 'degree of similarity of cultures' is not definitively identified in the literature, the personal experience or the exploratory interviews, it must therefore remain a subject for further enquiry. It is however quite clear that it must be related to the value systems built into the cultures, and Figure 7.1. shows this in a summary version of the Proto-model, developed in Chapter 2.

7.2.3 Communicating with Members of a Culture

The previous, level 1, considerations do not hint at any guidance for the practical problem of improving the communication of standardised international advertising. Culture and cultural differences are identified as problems, not only by the literature but also in the personal experience and exploratory interview rounds. Differing views are offered on how to describe the roots of this difference, and this leads to a consideration at level 2, that is speculating about part of what is inside the 'black box.'

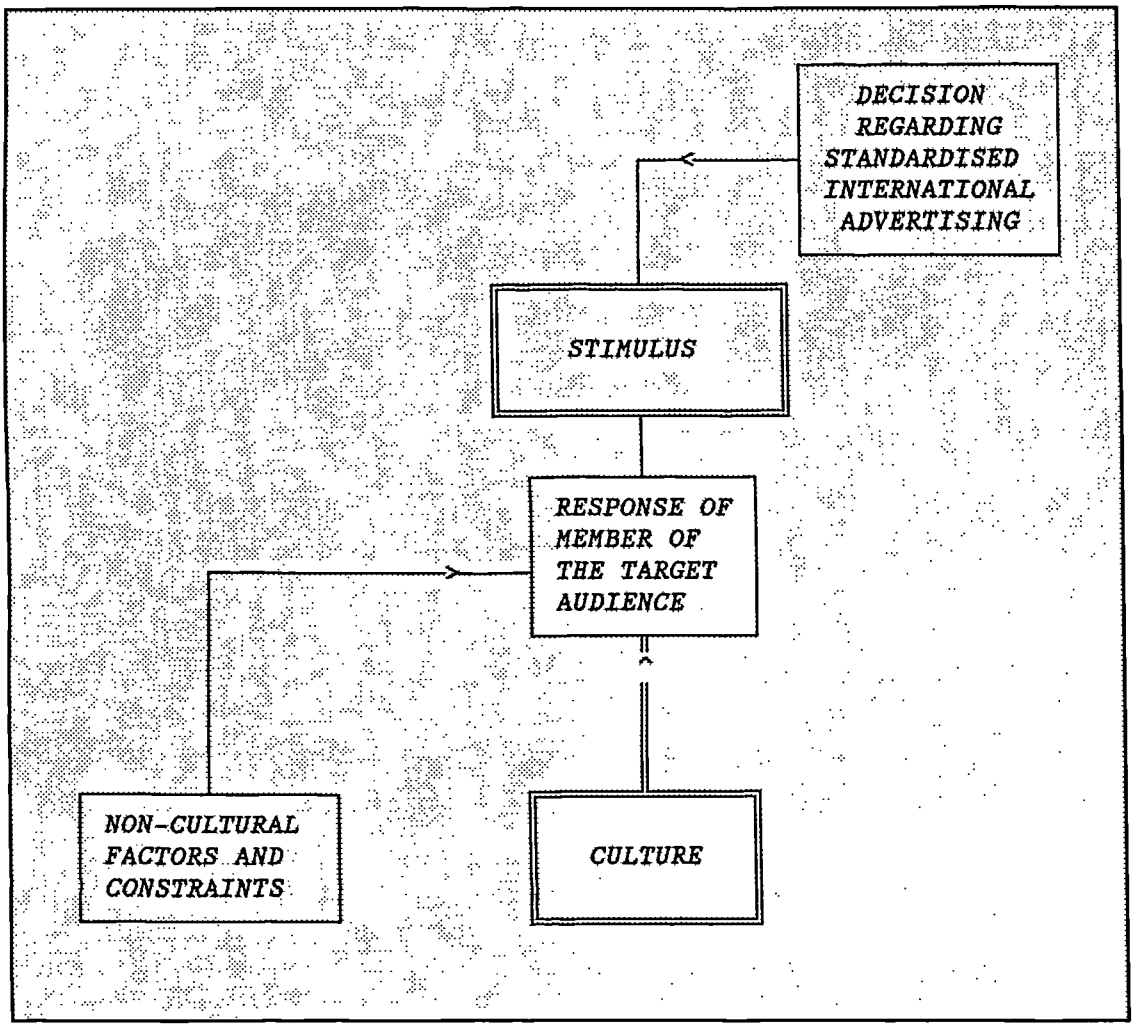

Figure 7.2 Culture as Factor in Individual Response

The model for this situation starts with the simple view of the individual within a culture being a member of a target audience, and responding to a stimulus which is the example of standardised international advertising. Figure 7.2 depicts this relationship, together with boxes to represent the influence of decision-taking and to outline the role of culture in (somehow) affecting the response.

The further analysis of the factors in this situation emerges from three main threads of the literature:

a) cultural universals,
b) problems encountered with standardised international advertising,
c) analysis of 'elements' of cultural behaviour by e.g. Cateora.

There is widespread common ground that some form of 'cultural universals' exists and that these are of great assistance in communications with members of a culture. Cultural universals

appear to include types of behaviour (e.g. child-nurturing) as well as values (e.g. family loyalty).

Although cultural universals bear the title 'cultural' this is because they are universals which resemble cultural factors; they are not strictly 'cultural' in terms of the definition adopted because they do not serve to differentiate one group from another. For this reason in further developments of Figure 7.2, cultural universals appear as a separate range of influencing factors.

All three rounds of evidence agree that there are specific problems which can arise when messages framed for one culture are conveyed to members of another; but there is little to be found in the way of agreed theory. The common ground is that the characteristics which make cultures differ must include some which, for example, result in communications being misinterpreted, found offensive or being less effective than elsewhere. There is however little analysis of what elements of culture there could be which would explain this.

Not all differences amongst cultures lead to such problems, and a theory, if it is to be satisfactory, must take account of this. A starting point for developing such a theory arises when, in summing up how managers abroad should react to unfamiliar culturally-determined behaviour, Cateora (1987:125) introduces the distinction amongst three types of cultural characteristics:

- cultural imperatives,
- cultural exclusives,
- cultural adiaphora.

All three of these categories refer to characteristics and behaviour which mark the host culture off from the manager's own. In that sense they are cultural **'identifiers'**, though it is not assumed that they are in an absolute sense, unique.

Cateora is not the only writer to point to the existence of identifiers, but his singling out the adiaphora as being identifiers of relatively little importance, is a significant development.

Further in both the exploratory interviews and the personal experience it emerged that not all cultural identifiers are felt equally important. There are in fact some differences which do not particularly matter to members of the culture(s); there is little or no normative pressure to conform, and the failure to conform may mark the individual out as unusual, but not as culturally alien. The taking of milk in tea by the British might be an example; reaction of the British to not taking milk contrasts sharply with the cultural rejection or outrage by the French to someone who reverses the French sequence of cheese and dessert at a formal meal.

Cateora was concerned with increasing effective communication of salesmen abroad; in such a situation the salesman is recognised as foreign and the problem is to decide how far to adjust to local behaviour patterns. For the advertiser, often intending that the message will be perceived as a native one rather than a foreign one, there are more stringent requirements. There will be aspects of behaviour which are governed by value-based imperatives, like Cateora's "exclusives" and "imperatives", and there will also be aspects of behaviour which, though regular, are not value-based and can readily be changed.

7.2.4 Cultural Identifiers

In applying the concepts to international advertising, the terms "normative" and "optional" are introduced to differentiate the types of identifier that can be distinguished; this differentiates the terminology from Cateora's, avoiding possible confusion, and avoids the use of three categories where two suffice, :

a) **Normative cultural identifiers** are characteristic patterns of behaviour which have normative force because of their relationship to the value systems of the cultural group.

b) **Optional cultural identifiers** are characteristic patterns of behaviour which exist within a cultural group and can be used to differentiate it from others, but which do not have normative force.

Once cultural identifiers have thus been divided into the 'normative' and the 'optional', it becomes easier to understand why culturally foreign advertising can sometimes be acceptable and sometimes not. The view posed is that those which deal inappropriately with normative identifiers will tend to be rejected, while those which have no defects or are only unusual in their handling of optional identifiers should at least escape rejection on cultural grounds.

These types of identifier are therefore postulated as characteristics which go to make up the uniqueness of cultures and which must be relevant to explaining the difficulty which standardised international advertising finds in communicating with members of that culture. Figure 7.3 amplifies the analysis.

It would be helpful to have a more precise definition of the notion of a cultural identifier. It turns out however that there is little which would count as grounding on the basis of which the theory could be made more detailed in this respect.

The use of cultural identifiers and the very notion of an identifier implies that the cultural identifiers are observable, explicit aspects of culture.

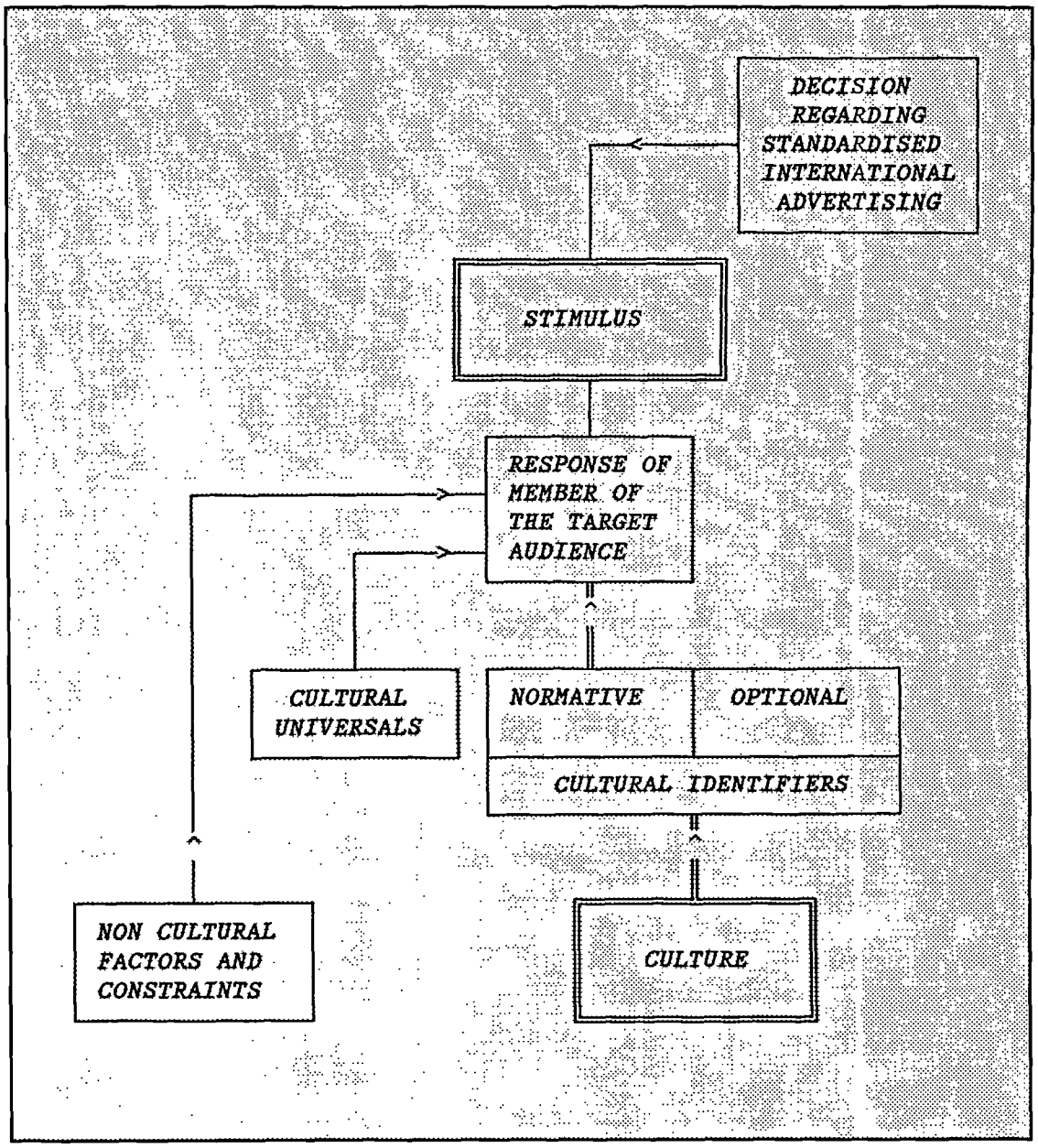

Figure 7.3 Cultural Identifiers and Universals Introduced

Cultures as defined in Chapter 3 revolve around value systems; they are constituted by both implicit and explicit characteristics of the members of the cultural group. The definition places the root of a culture's identifiability in the value system which it embodies, and the notion of normative cultural identifiers pinpoints these as the behaviour patterns linked to the values.

In this light the optional cultural identifiers, not being linked to the value system, are not really part of the culture proper. However there can only be a need to distinguish them if they appear to be part of the culture.

The notion of 'cosmetic' aspects of a culture, introduced in Chapter 6, is of assistance here. It can be postulated that there are patterns of behaviour which are highly regular amongst

members of one culture and are not regular in other cultural groups, yet are not based in the respective value systems; the example of taking milk in tea would again be relevant.

For the foreigner to the culture, who observes the said manifestations of the underlying values but cannot observe values themselves, it may be difficult to differentiate between the regularities which are value-based and those which are not. In the extreme case of a visitor to an unfamiliar tribe, one would only begin to know which were which by becoming thoroughly acclimatised and developing an empathy for the cultural group.

Thus a consistent, though not yet well-grounded, account of cultural identifiers is to see them as patterns of behaviour which are regular within a cultural group, and to subdivide them into normative identifiers, which are based on the value-system of the culture and optional cultural identifiers which are not essential parts of the culture but are patterns of behaviour which are associated with the culture and which are difficult to distinguish from the value-based ones.

7.2.5 The Role of Identifiers

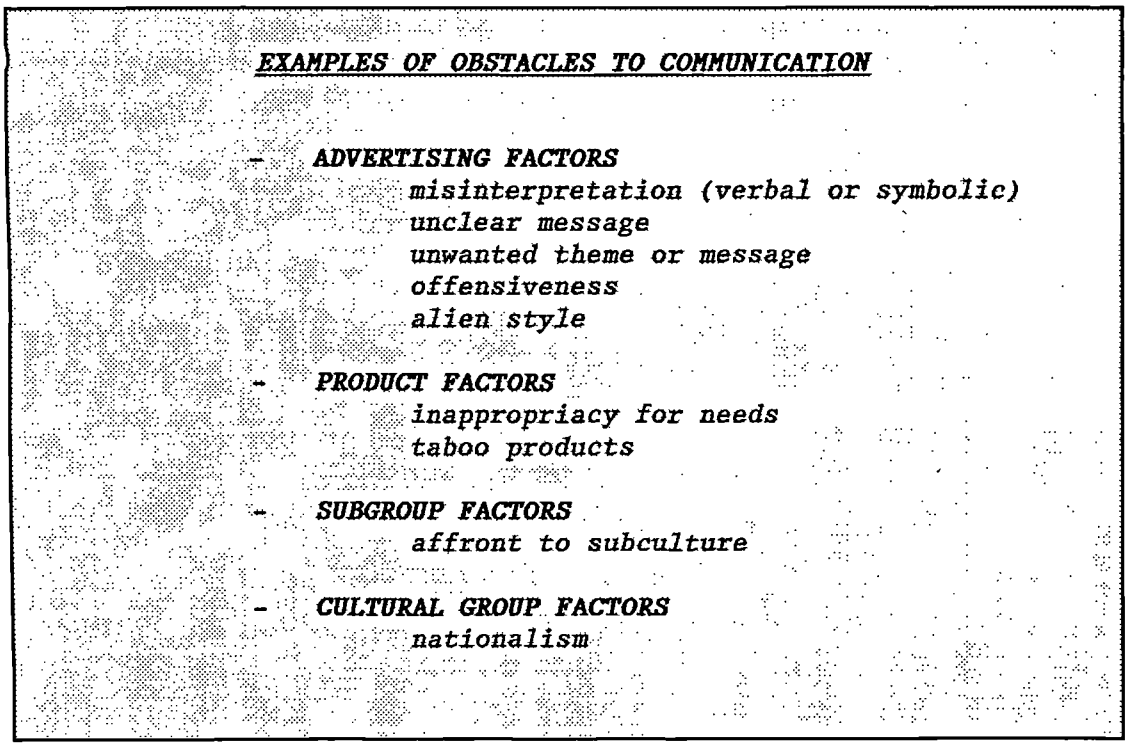

Figure 7.4 Illustrations of Culture-Based Obstacles

The discussion of cultural identifiers was introduced in order to give more structure to the explanation of why advertising which is suitable in one culture may not be suitable in others. The basic statement is that normative cultural identifiers create obstacles.

To pursue this analysis it is necessary to consider the types of obstacles which actually arise. This may also ultimately form a useful focus for attempts to 'measure the distance' of one culture from another and thus produce a more practical form of clustering.

A systematic analysis of how normative identifiers might create obstacles would require a consideration of all aspects of how advertising works - a topic on which there is far from unanimity and one which goes well beyond the practical scope of this research. The basic common factor to all effective advertising, however, is its ability to communicate and much of the comment on problems arising in standardising international advertising relates to communication problems in the forms of

- misinterpretations
- uninterpretable elements and mysteries
- offence taken about the message or its style
- aspects (e.g. images, words) acceptable in one culture not being acceptable in others.

As a working hypothesis, therefore it is suggested that the impact of cultural identifiers be sought in obstacles which are created for communication.On the basis of rounds 1 to 3, however, there is little more that can be systematically concluded than that examples of the main currently recognised types of communication barrier are those shown in Figure 7.4. These are grouped according to where the problem is seen as arising, e.g. in the advertising, in the product the advertising is communicating messages about, in the subgroup within a culture which receives the advertising, or in the specific attitudes of the cultural group.

CULTURE FACTORS BASED ON INDIVIDUAL-LEVEL RESPONSES

Linguistic and symbolic conventions
Semantics and semantic presuppositions
Permissible messages
Standards of offensiveness
Standards of acceptable advertising style

Product needs and uses
Product taboos
Brand perceptions and images

Subculture integration and loyalty

Assertiveness of national identity

Figure 7.5 Culture Factors responsible for Obstacles to Communication

The link between these obstacles and the specific normative identifiers of particular cultures is not explored in the literature and is taken at this stage as hypothetical. Similarly work needs to be done if it is to be shown that differences in the incidence of the obstacles listed are a basis for measuring the 'distance' between cultures. For this latter purpose the investigation would have to cover the more general culture factors listed in Figure 7.5; the specific obstacles in Figure 7.4 are taken to result from differences between cultures in respect of these general factors.

7.2.6 Language

The most obvious cultural identifier in most situations is the difference in language between the members of the different cultures. Views on the significance and role of language vary widely. At one extreme is the view that the structure of their language affects the way people think and that this may well lead to differences in culture between peoples speaking different languages. At the opposite extreme is the view that the only problem of language is one of finding competent translators and that given a good (though not necessarily literal) translation ("transposition") the audiences in different countries will all receive the same message.

There is of course a basic observation which gives some plausibility to the former type of view, i.e. that cultural differences are linked to linguistic ones. The basic observation is that people speaking languages from the same language groups, say Italian and Portuguese, have cultures in which certain values are shared and which are different to those of people speaking languages from relatively distant language groups.

Fifield is a good example of a writer who seems so impressed by this type of phenomenon that he elevates language to a status where it almost seems to be the cause of cultural differences. His evidence is, however, at best evidence of correlation and not of causation - though even this is somewhat weak in his case. The evidence can be fitted to theory in quite a different way.

A sufficient explanation of the differences which have actually been documented can be given without language affecting culture in a direct causal sense; this can be done, for instance, by assuming that people who share a language can communicate better than those who do not and tend to converge on a set of shared values; and that over time the values of each linguistic group tend to diverge from those of other groups who, through lack of a common language, have not been able to discuss matters.

Language may therefore, quite reasonably be taken as 'going with' a particular culture. There does not, however, appear to be any need to see language as a normative identifier rather

than an optional one. The ability of immigrant communities to preserve their cultural heritage despite changing their language seems strong evidence of the correctness of this approach.

A related consideration is the richness of a language's vocabulary for a given type of activity or phenomenon or type of implement. This can be looked at in two ways

a) the richness of the vocabulary may be used to infer to the importance which speakers of that language attach to the subject area, being a consequence of many years of refinement and linguistic innovation. In such cases it operates no differently to the observation that people in a given culture have developed a lot of specialised tools for a given area of activity - this too can be taken as a reflection of the importance ascribed to the area of activity, e.g. nautical terms in Dutch or contemplative terms in Japanese.

b) the richness of the vocabulary may be seen simply as a distinguishing characteristic. In this case too there is a simple analogy; it is no different to the observation that members of a given culture use their arms more in communicating, or have a large number of guttural sounds in their language.

A further angle from which to look at language is the way it does or does not obstruct communication and international advertising, e.g. in the case of attributing meaning to an international brand name, or providing the resources for translating a specific piece of copy. This factor is included in that of "Advertising Factors" in Figure 7.4, which also includes the separate issue of deliberately advertising in a foreign language, - for instance in order to attract a specific target-group, or to emphasise a 'country-of-origin' message.

Working on the principle that no advantage is gained by introducing new factors unless they purport to explain some observed phenomenon, there seems no case for identifying language as a separate factor in the effects of culture in this area. Argument may continue as to whether 'language spoken' is an optional identifier, a normative identifier or even a cause of cultural difference, but whatever the outcome it will fit within the schema set out. It is only at executional level that it may cause standardisation not to be possible.

The culmination of these considerations of identifiers and communication is shown in Figure 7.6 which shows communication as the main basis for the action of identifiers in obstructing standardised advertising, together with the parallel effect of universals as providing a vehicle for the facilitation of communication.

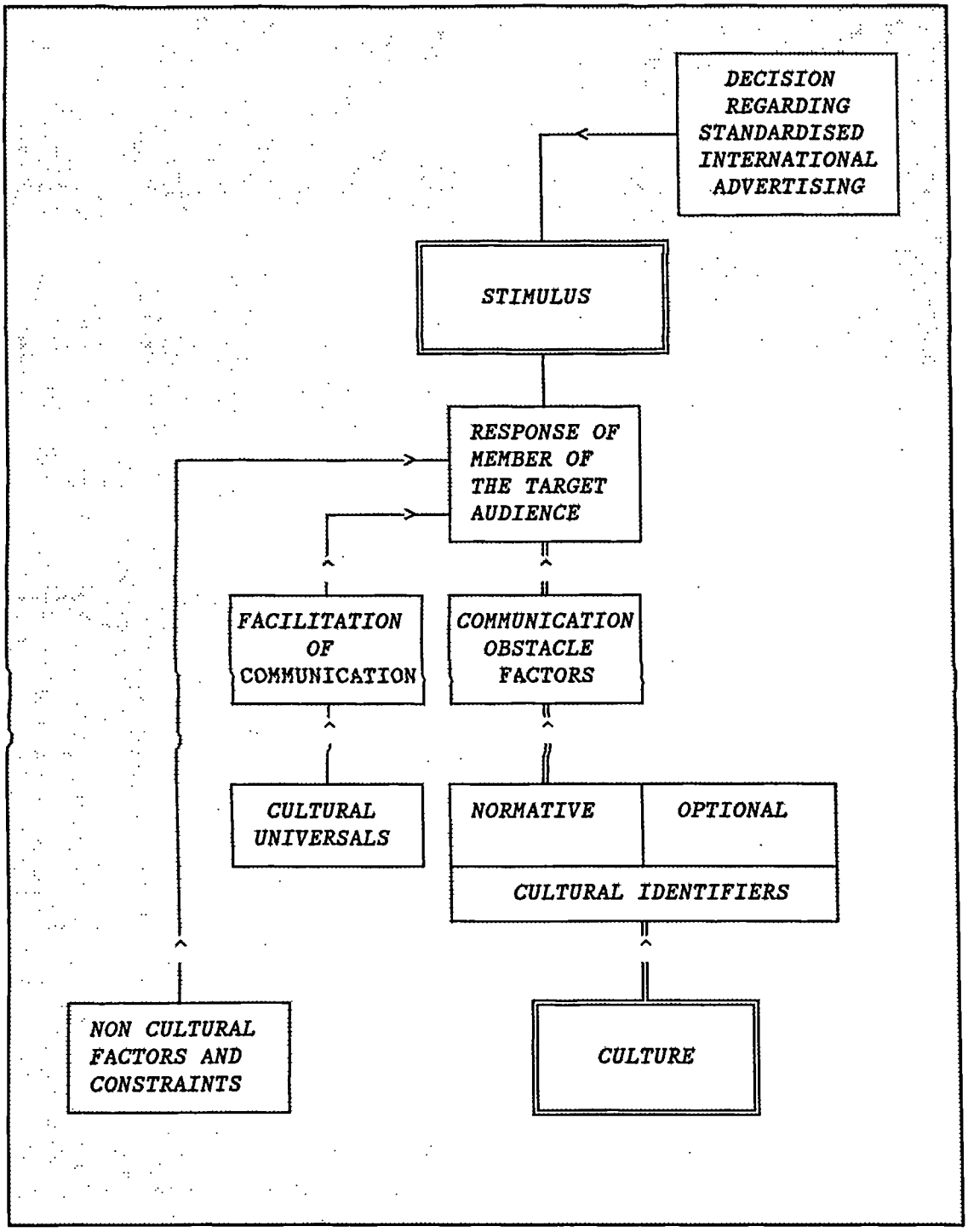

Figure 7.6 Communication as Basis of Link between Cultural Identifiers and Advertising.

7.2.7 Subcultures and Culture-Binding

There is agreement that culturally significant groups exist within national cultures. These include both local and international subcultures. The latter groups particularly are seen as being united - and defined - by characteristic life-styles, such as those of international jet-

setting executives, or fashion-conscious youth. Groups such as the 'international sophisticates' provide an 'easy path' for advertisers, but are only of relevance for some.

(Sub)cultures also tend to develop their own vocabulary (part of language) as normative identifier.

There is a belief in the existence of a 'culture-bound' segment in most cultures. This indicates, for instance, the slowness of conservative elements (sometimes alleged to be the lower classes) to adopt or accept the unfamiliar.

The final major challenge to the assumption that a cultural group provides a homogeneous target for the advertiser, is the introduction of variations which are product, brand or proposition related. These suggest that some products are 'culture-bound', or on the other hand that certain products are essentially novel and international with, at least initially, little or no cultural binding. Internationally standardised advertisements about such products are expected to be correspondingly less or more appropriate.

Innovators, who may form an international subculture, are identified by both the previous paragraphs as being a good target for standardised forms of advertising, and this is confirmed by the evidence of Chapter 6. Chapter 6 further points out the movement in market segmentation towards defining target groups in ways which effectively identify subcultures, by reference to their behaviour, values and self-image.

These observations contribute to the theoretical development by invalidating the assumption that there is just one culturally 'correct' response to a given stimulus. This appears to be the case even for responses which are value-related; as an extreme case one can take the responses expected from a person when on duty, say as a policeman, and when not on duty. The circumstances alter what is expected of that person, but the cultural context is unchanged. It is also apparently quite possible for a host culture to accept within itself certain groups whose norm systems are different; this may imply the need for a category which lies between the 'optional' and the 'normative' - a normative identifier which only applies to subcultures or only applies in relation to culture-bound products. There is however insufficient grounding for such a category to indicate its precise relationships in the model structure.

7.2.8 Managers' Cultures and Management of Culture

Level 3 analysis of the evidence from Chapters 3 to 5 highlights Hofstede's work on the different cultures of managers, which should be read in conjunction with work on the Self-Reference criterion. This may indicate that managers will systematically misjudge the characteristics of cultures other than their own. Such a situation would make it difficult for

managers to judge the appropriacy of particular advertisements and would lead them into errors in adopting or rejecting standardised international advertising.

If the Self-Reference Criterion infects managers' judgements, these managers will also be liable to come to different conclusions about the clustering of cultures; they will then require to fall back upon some less personal basis for determining similarity such as the clustering schemes discussed above. The fact that marketing textbooks find it worthwhile to produce guidance on this, may indicate a feeling that those who are studying marketing do have such a problem.

Other techniques are recommended to the managers, both by the literature and in the evidence of Chapter 6. The latter particularly stresses the need for proper procedures which will reveal and contain the tendency of personality factors, the "not invented here" syndrome and internal company strains to be reflected in spurious claims to cultural uniqueness on the one hand or overdone efforts at systematic standardisation on the other. Evidence of Chapter 6 also suggests that these tendencies are enhanced by (often improper) use of different rather than the same research techniques, e.g. for concept testing.

In the modelling process these arguments require the introduction of two new (potential) influences on the manager's decision-making process:

1. Culture itself should be shown as possibly affecting the decision-making as it would according to the self-reference criterion.
2. Organisational factors within the company are clearly regarded by managers as having an effect; it remains to be discussed whether these organisational factors are merely the structure necessary in order to implement the decision, or whether they are factors which help shape the decision; for the moment the presence of a box to represent the latter possibility is required.

Figure 7.7 brings the expansion of the proto-model up to date by incorporating these additional potential influences.

7.3 GLOBALISATION

7.3.1 Definition of Globalisation

The definition proposed in Chapter 4 proved satisfactory for the exploratory interviews. Interviewees were first asked to formulate their own definitions and while some of these

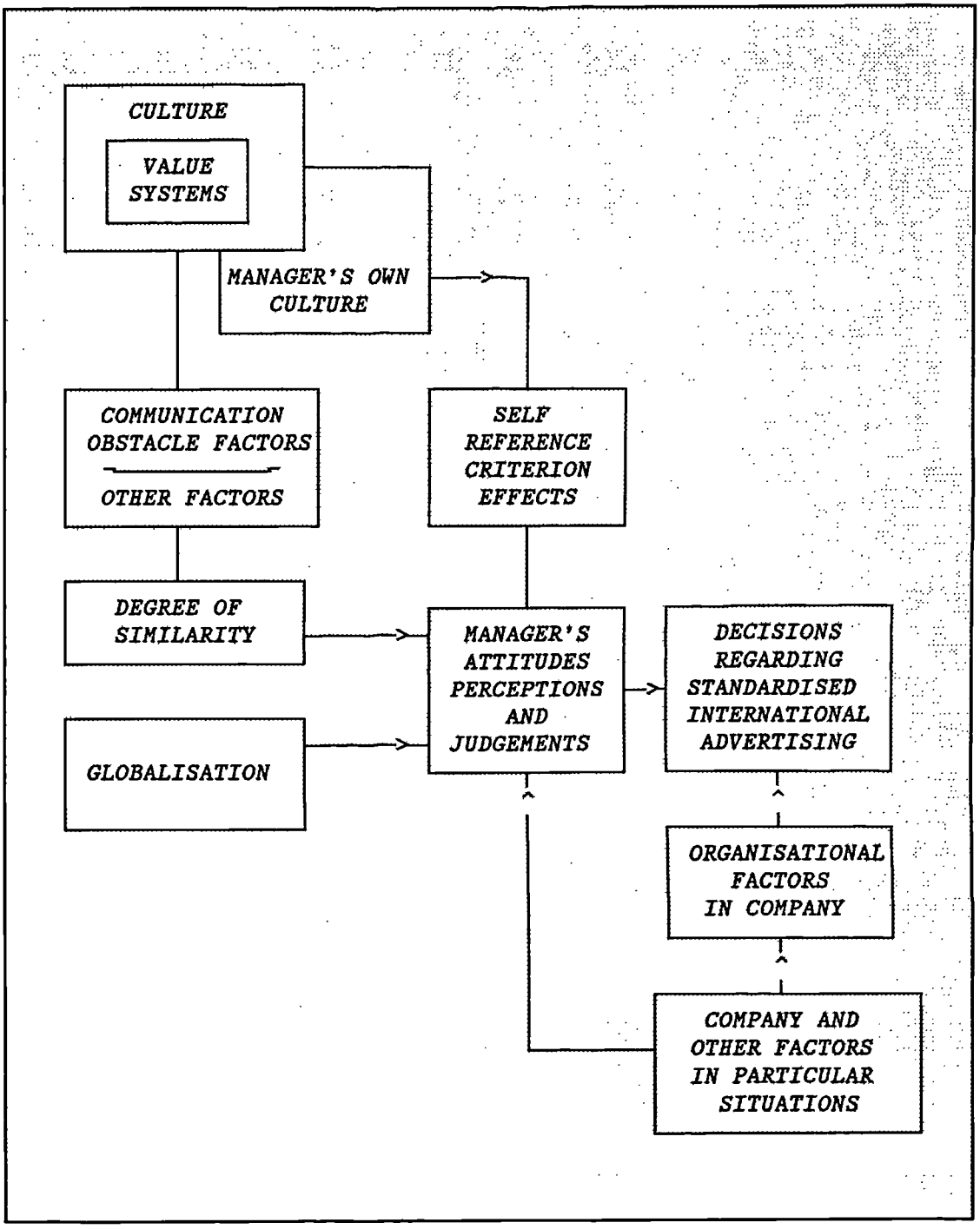

Figure 7.7 Proto-model with Culture Influences Outlined

produced versions inconsistent with that proposed, they were all able to understand and work easily with the concept proposed.

While this definition is felt to provide a clearer basis for discussing globalisation in marketing contexts, the experience with the exploratory interviews suggested that many different definitions were in circulation and that in the survey it would be better to let interviewees use

their own concept (and try to define it) rather than taking up space and diverting attention explaining a new definition.

7.3.2 Globalisation as a Facet of Society

Chapter 4 revealed no evidence that there existed an abstractable feature of society which could be called its 'globalisation'. This contrasts with 'culture' which is universally appreciated to be worth discussing in isolation from the other characteristics (e.g. geographical position, history, wealth) of people who have that culture.

As a result of this the position of 'globalisation' in the Proto-model as being a force on a par with 'culture' is cast into some doubt. This is however countered by the insistence of the exploratory interview respondents that some factor which they referred to by this term, did constitute a force acting to oppose the effects of perceived cultural difference problems for standardising international advertising. An explanation of such an effect is therefore required.

7.3.3 The Global Consumer

The reiterated and emphatic views expressed in the literature that consumers are becoming more alike on a global scale, was countered by forecasts which foresaw two types of fragmentation:

a) increased nationalism and desire to maintain national identity by rejecting global propositions,
b) increased importance of niche markets which, while in some cases transnational, would fragment the uniformity on which many arguments for globalisation depend.

These views were not reconciled and the evidence of Chapter 6 served only to reinforce the *impression that national differences in taste and behaviour* will persist and may even become more important in some spheres, while homogeneity and standardisation proceed in others.

7.3.4 Globalisation as a Management Tool

From Chapter 4 it became clear that globalisation is best regarded as theory of how to run a business successfully and a principle or business policy which is adopted or not adopted. It is neither a byproduct of other things done, like asset ratios, nor normally a fundamental objective, as for instance market domination becomes for some companies. This helped

explain the prevalence in the literature of advocacy of the policy and of explanations of how to implement the policy; systematic comparison of this policy with others was lacking.

The managers' problem is whether a policy of globalisation should be adopted and if it is, whether standardisation of international advertising is part and parcel of it, is a natural consequence of it, or is a subsidiary, possible tactical decision.

The definition proposed for globalisation rejects the call for standardisation of all aspects of the marketing mix including advertising. It is then left that international standardisation of advertising as a policy is a matter for a separate decision. If no such policy decision is taken, then the implications of following a course of globalisation will not as a matter of necessity include standardisation of international advertising; following the definition will, however, include the need to scan markets in such a way that opportunities for standardisation of product as well as advertising are examined and thus, if existing, would be revealed.

A company which has carried out this global scanning is therefore, in practice, likely to have headquarters staff who have identified some opportunities for international standardisation of advertising.

The promotion of globalisation in its many forms might suggest that all companies ought to be globalising and the majority should be standardising their advertising. There appear however to be many markets where product standardisation is not (yet) appropriate. From a marketing point of view, the question of when standardisation of product or advertising becomes appropriate is one which has to be resolved by looking at the situation from case to case, at the external environment (including culture) and at the marketing opportunities in the countries as well as at company strategy and branding policy: however, not by looking at the globalisation policy alone.

The practical situation which parallels the adoption of the Millar definition of globalisation is that it is misleading to portray the globalisation process as leading managers directly into standardisation of international advertising. It is more accurate to say that regularly there will be situations, observed by managers who are following the advice to look for such world wide marketing opportunities, where standardisation is the appropriate course of action, and is pursued. Whether or not the company concerned follows a globalisation policy or not does not actually change the situation observed. That observed situation would have existed whether the company was globalised or not, and it is the facets of that situation - including the cultural factors - which affect the appropriacy of standardised advertising.

It was on the basis of this argument that in Chapter 4 globalisation was replaced *in the proto-*model by "Adoption of the Decision to Globalise". The relationship then depicted encompassed

both the Millar definition and those others which did not directly entail standardisation. This was achieved by showing the general intellectual influences favouring the decision to globalise rather than the specific situations in the company's environment which would be referred to in the decision-taking process, i.e. the observation of similarities among cultures, exposure to advocacy of globalisation and belief that adoption of globalisation was widespread.

These factors as included in the proto-model in Chapter 4 continue to be valid. However the input from Chapter 6 underlines particularly the potency of the notion of economies of scale as a driving force in globalisation. This is brought into the model explicitly even though it may further complicate the mixture between facts and beliefs; its presence serves as a reminder of the strength of conviction on the part of those involved, that economies of scale are a prime justification for adopting globalisation. If required the presence of this factor can be reconsidered in Chapter 11 after the discussion of the results of fieldwork.

Prior to the farther results and interpretation which emerge from the survey, Figure 7.8 below, represents the best available grounded theory relating culture, globalisation and the standardisation of international advertising.

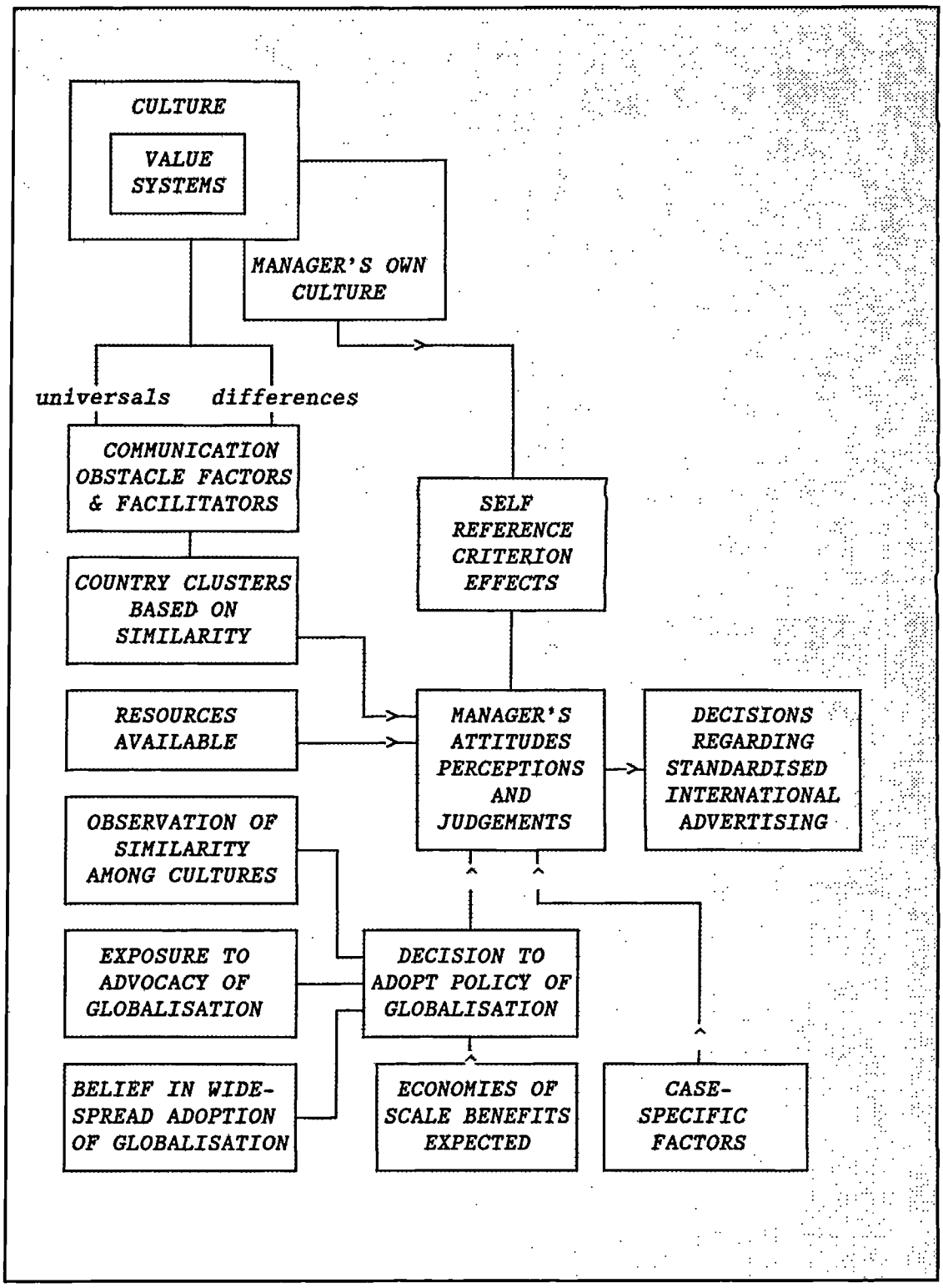

Figure 7.8 Implications of Rounds 1 to 3 for Proto-Model

PART TWO

FIELDWORK

CHAPTER 8

SURVEY DESIGN AND METHODOLOGY

This chapter explains both the methodological and the practical approaches followed in field work. The objectives of the survey are amplified, the rationale for using this approach is reviewed, and the content of the survey document is cross referenced to research issues arising in Part 1.

8.1 APPLICATION OF METHODOLOGY

The approach taken in the survey was to put on record the views of a considerable number of senior decision-makers dealing with international advertising on a range of subjects relevant to the questions raised in the literature, in the exploratory interviews and through personal experience.

8.1.1 Testing of Previous Findings

As one of its objectives, the survey set out to obtain responses in such a way that certain straightforward statistical analyses could be done immediately the questionnaires were received, particularly as regards:

- replication and testing of previous research (Hofstede, Dunn, Kanter),
- descriptive statistics of the different answers given by the main sub-groups represented (British, Dutch, agencies, companies).

A second, and equally important, aspect of the design of the survey was that the collection of questionnaires could form a database of contemporary views on the subjects covered in Part 1. Following the methodology described in Chapter 1, this permits the extension of the process of grounded theory development using a process of 'interrogating' individuals or groups surveyed by looking up the relevant questionnaires, as and when issues arise in the course of theory development. The need was therefore to provide respondents with questionnaires which encouraged them to be comprehensive, thoughtful, pro-active and unrestrained in expressing their views across the whole range of subjects.

In order to keep the coverage of the survey manageable and force more focussed comparisons, the research was limited to those in charge of the marketing and advertising of

international fast moving consumer goods brands in Western Europe. The interviewees were either British or Dutch, and had considerable international experience.

The restriction of the interviewees to Dutch and British had the added benefit that all contacts, questionnaires and discussions could be in the respondent's native language. Since the author has lived and worked for many years in each country and is fluent in both languages, the issue of linguistic problems, so often troubling international research, could be avoided and the quality of response maintained at a high level.

This chapter expands on how the survey was set up, conducted and analysed.

8.2 SELECTION OF RESPONDENTS

The group of respondents is referred to here as a 'sample'; the term should not be interpreted as implying that the group was deliberately and accurately balanced from a statistical viewpoint. It was, however, selected in such a way as to ensure exposure to the views of senior managers in a range of relevant situations and with a range of relevant backgrounds.

It is fundamental to the subject of this work that comparisons should be made between different nationalities; it was therefore necessary to have some balance in numbers from each. Within the nationality groups a similar balance was called for as between agency and company managers. Interviewees were recruited both from those with international headquarters roles and those with subsidiary/local company roles, though it should be noted that international headquarters are less numerous in the Netherlands than the U.K. The application of this approach leads to eight subgroups. An objective of three to five respondents in each subgroup leads in turn to a need for about thirty respondents. However, in order to test Hofstede's findings about managerial attitudes it was necessary to increase the sample to 40, twenty each from the U.K. and the Netherlands (a sample size of 20 is regarded by Hofstede as necessary for any valid repeat study).

The respondents were obtained by a mixed process of approaching existing personal contacts and references, and approaching senior executives 'cold' by correspondence and telephone. In the U.K. the main agencies were contacted as was a selection of fmcg marketing companies. For the Dutch part of the sample approaches were also made through the GvR, the Dutch Advertising Association, which includes both agencies and their principal clients. Through persistence, referral, and the author's ability to refer to personal concrete experience in the field, the number of refusals was kept down to about 40% of those contacted.
Appendix 8-1 presents a profile of the respondents.

8.3 COVERAGE AND CONFIDENCE IN OBSERVATIONS

While the selection process does not pretend to result in a sample which is statistically balanced as a basis for extrapolation to wider groups in quantified terms, the database of views from the sample should provide a firm base for qualitative conclusions in which

a) each of the groups which are discussed later has had a comparable opportunity to present its views and is thus covered by the conclusions.

b) regularities observed across the whole set of respondents are not likely to be a byproduct of any of the variables used to guide the selection process.

c) any differences which are observed to separate respondents into groups other than those by reference to which they were selected, are worthwhile trying to explain.

d) where the subgroups used to build up the sample (UK, NL, company, agency) differ in views not directly attributable to the basis by which these subgroups were selected, the search for grounded theory should ask whether and how far there may be a connection worthy of further exploration.

8.3.1 Limitations in Coverage

The exclusion of nationalities other than Dutch and British limits the universal applicability of the findings. None the less the expected relevance of results extends beyond these two countries:

a) in cultural terms the British and Dutch managers represent groups which are opposed on one of the Hofstede dimensions of culture; many other countries would fall in the range between,

b) although closer together on many other systems of comparison, the Netherlands and the U.K. are normally seen as distinct as regards general and managerial cultures (in a European context),

c) personal experience reinforces the above considerations, given that the experience of working in management in the two countries presents clear differences in style and in the work found appropriate for marketing staff, even within the same multinational.

Although the scope is restricted in terms of product ranges, the choice of fmcg was felt appropriate in that it includes the products thought to be most culture-sensitive and to be an area from which extrapolation could often be successfully made.

8.3.2 Significance of Regularities

Where recurrent relationships are encountered, particularly in unprompted and open ended questions, it should be possible to extrapolate to at least the countries and types of organisation represented. If a certain relationship amongst variables is reflected in the views of a group, there can be no doubt that this combination exists in real life among some subset of managers. If the combination is encountered in several subgroups, it deserves to be taken more seriously, and if it is near to universal then it ought to be widely represented in any more ambitious sample of managers.

8.3.3 Extrapolation from Regularities in Subgroups

Similarly even at the level of subsets of the respondents, the size of the sample is adequate to extrapolate at least to the existence of groups within the general population of top marketing and advertising managers. Any quantification of the sizes of these groups is likely to be speculative, but on the basis of sub-groups of 10 or more, any pronounced differences may be taken as signs of similar differences in the wider population and will require explanation.

8.3.4 Extension of Grounded Theories

Such extrapolations do not, however, exhaust the usefulness of the data. As noted the approach taken aims at building a collection (a database) of individual viewpoints which can be used to 'stand in' for the series of interviews which the original Glaser and Strauss approach would call for.

In principle, if following the logic of Glaser and Strauss' approach, it would be admissible to base an extension to a theory on the content of a single questionnaire. In practice what has been done is to look for groups of matching viewpoints and to restrict theory extensions to the views on which several respondents agree. In this, as in all grounded theory development, the researcher's insight has been used to identify the regularities which are potentially of theoretical importance.

8.3.5 Distinctive Views of Subgroups

A particular application of the preceding approach arises in relation to the subgroups which were deliberately chosen to build up the group of interviewees. It is of interest to look for common factors which distinguish say the Dutch from the British, or the advertising agency managers from the company-based managers. With small numbers of observations, as used here, a purely statistical approach to this issue would in a significant number of cases, fail to produce definitive results; this could easily lead to a random patchwork of aspects being identified as characterising the differences between the subgroups, when in fact the interest

of theory-development should be in identifying complexes of (putatively) related characteristics which, taken together, illuminate and explain the differences between the subgroups.

To deal with this need, the approach taken (in Chapter 11) is to analyse the responses making comparisons between the subgroups on a pairwise basis, looking first for the views and characteristics which unite them and then for any pattern of responses which differentiates them. The objective of theory-formation at that point is to produce a possible explanation for the differences, in a way which is consistent with the explanation of the similarities.

8.4 NATURE OF QUESTIONNAIRE

8.4.1 Open-ended Nature of Questioning

Use of the written survey format allowed a larger number of respondents to be covered. It is also believed to have resulted in better standardisation of the conditions under which answers were given, more pressure to cover the full range of issues, and better opportunities for the researcher to control what was meant by terms used. The alternative approach would have been to try to obtain a comparable set of wide-ranging face to face interviews with a balanced group of forty senior managers. Not only is access at this level a problem, but the pressures of current work and the varied personality traits make it most unusual for any two managers to be prepared to follow the same interview structure; the degree of interruption, the preoccupations of the moment, the varying attention span of senior staff, and the personal chemistry with the interviewer, all conspire to make for non-comparable outcomes as the end product of the necessarily lengthy interview required.

The format chosen was one which superficially resembles that of surveys aiming at statistical market research results. However, the fact that the objective also included obtaining information of the type which is more generally sought in interviews, dictated several departures from the normal rules for such questionnaires.

Many issues had to be raised in such a way as to elicit information about nuances and exceptions. Open-ended questions, hypothetical questions, and deliberate formulations were therefore a key element rather than a last resort. Where respondents' answers were unclear or apparently incomplete it was also part of the method pursued, to contact these respondents for clarification and to ensure that omissions were deliberate. Such contacts were by telephone, and when necessary the respondent was visited and the remaining issues discussed and reported.

The use of control questions to check for consistency was employed, but in addition the same topic (e.g. standardisation) was approached at several levels and / or from several recognisable directions. While this could have induced a degree of fatigue, it had the compensating virtue of reducing the risk of the 'straightjacket effect' in which the respondent ceases to give serious answers because he/she feels that the options offered by the questionnaire are too restrictive to permit meaningful information to be given.

8.4.2 Formulation of Direct Questions

The formulation of direct questions is couched in terms which imply that the respondent is to deal with a hypothetical situation. This is in order

a) to encourage respondents to bring their whole experience to bear, reflecting situations they have encountered in previous jobs as well as their present one, thus amplifying the range of situations taken account of,

b) to encourage respondents to say what would be the correct approach, even though they may not have taken it; for example if they were not allowed to,

c) to reduce the temptation for respondents to seek to justify particular past decisions.

This approach takes account of the fact that in real-life companies few if any managers have the unfettered ability to do what they would like. Thus the experts who are to be consulted may be the best source of knowledge about the importance of cultural differences (and other factors) for good marketing and advertising, yet may not always apply their knowledge. These experts are subject to the pressures of the corporate environment in which they have to operate; applying their knowledge might well lead them in directions which would be seen by others as being unduly risky or as conflicting with corporate policy - and could easily threaten their careers.[1]

8.5 CONTENT OF FIELD WORK

8.5.1 Research Issues

The analysis of the literature and the development of clearer definitions in Chapters 3 to 5 led to a range of questions which had to be addressed in the survey. As described in Chapter 7, some of these issues were emphasised or sharpened by the findings of Chapter 6. The resulting list of basic issues addressed directly in the survey is as follows:

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1 It should be noted that unless they are successful in their career they are unlikely to be identifiable as experts. Willingness to accept company policy is likely to be a bias built into any sample that can be reasonably identified.

1. Hofstede's findings:
   a) do Hofstede's findings apply to managers in the sample?
   b) do Hofstede's country groupings correspond to those perceived as valid by respondents?

2. Do Hofstede's descriptions of national culture, as expressed in the four dimensions, show through in
   a) respondents' decision-making practice?
   b) respondents' view of how advertising aimed at the various countries should be briefed or directed?

3. Do respondents show the same attitude to their target markets
   a) as each other?
   b) as found by Kanter using his matrix?

4. Does Lee's Self Reference Criterion apply to the respondents?

5. Do respondents' beliefs about globalisation affect/correlate with other views expressed in the survey, specifically
   a) difference in view on globalisation vs attitude regarding international advertising standardisation?
   b) do Hofstede style differences amongst respondents themselves correlate with differences in attitude to globalisation as a policy?
   c) does operating in a pro-globalisation environment correlate with views on standardisation of international advertising?

6. Does a corporate policy in favour of globalisation count as a significant factor affecting the success/feasibility of carrying through a standardised international advertising campaign?

7. Do the categories of e.g. product or market situation identified by the respondents as favourable for international advertising standardisation correspond to the categories claimed by the supporters of globalisation as favouring the development of global markets?

8. When deciding about standardised international advertising, how important, according to the respondents, is the cultural factor, to
   a) the company headquarters?
   b) the agency/company manager him/herself?
   c) the manager's opposite number at company/agency?

9. Which factors are perceived to be important when deciding to standardise international advertising,
   a) in general?
   b) as emerging from Dunn's research?
   c) and is there any structure in these data?

10. Which supra-cultural factors are seen to facilitate successful standardised international advertising?

11. Which company structures, cultures and/or decision making practices/processes are seen as more likely to favour the decision to standardise international advertising or not?

8.5.2 Methods of Research and Cross References

In order to compare the present interviewees with Hofstede's groups, both for validation of Hofstede's findings when applied to marketing and advertising management, and as a means of identifying the cultural values which might form the basis for differences because of the SRC effect, it was necessary to use Hofstede's 'Value Survey Module' ('VSM'). This was obtained directly from IRIC, the organisation through which Hofstede is continuing to coordinate and licence such survey work. The VSM questionnaire was retained as a separate module appended to the main questionnaire; it was reproduced in its entirety with the exception of the question of number of years of education, which was replaced by a question on the number of years of work in an international environment. The respondents were expected all to be in Hofstede's top scale of education and the original question would have been intrusive without being discriminating.

Kanter's matrix was reproduced in the body of the main questionnaire, at a point after the respondent would have had to commit him/herself to views about globalisation, standardisation and the groups into which European countries should be clustered. The matrix is completed by marking a cross on a position relative to the two axes of the grid; this was done clearly in all cases.

The respondent's views on the factors identified by Dunn were gauged by using a forced choice four-point 'importance' scoring system. The prompts were taken

a) from Dunn's published account of his results, using the eight composites which he derived from his more detailed attitude statements
b) from the issues arising in Part 1 and Dunn's comments on his work, thus adding three possible categories of influence.

The remaining issues were addressed by questions and requests for comment. Most questions contain additional space for 'write in' answers and where factors were prompted for, the approach taken was to ask for each factor to be scored independently against a range of choices, thus allowing for individual factors to be missed out, new factors to be added or special interpretations to be specified as desired by the respondent.

Appendices 8.2 and 8.3 consist of copies of the Questionnaire in English and Dutch. Figure 8.1 below gives a tabulation of the approach to gathering data corresponding to each of the issues raised above, along with cross references to the source of each issue.

Issue	Cross Reference		Method of Research
1	a)	Hofstede	VSM
	b)	Hofstede	DQ
2	a)	Hofstede	VSM + DQ in VSM
	b)	Hofstede	Hofstede dimensions + examples
3		Kanter	VSM + Kanter matrix
4		Lee	DQ + analysis
5	a)	literature	DQ: re attitude + definitions
	b)	literature	analysis
	c)	literature + pilot	DQ + analysis
6		literature + pilot	DQ
7		literature	DQ + analysis
8		literature + pilot	DQ
9	a)	literature	DQ + analysis
	b)	Dunn	DQ: Dunn factors
	c)	literature + pilot	DQ + analysis
10		literature + pilot	DQ
11		literature + pilot	DQ + analysis.

DQ - direct question, VSM - Hofstede's Value Survey Module; Kanter and Dunn as described in text.

Figure 8.1 Method and Research and Cross Reference to Background for Issues Addressed in Survey.

CHAPTER 9

RESEARCH ANALYSIS

COMPARISONS BETWEEN REPEATED AND ORIGINAL EMPIRICAL RESEARCH

In this and in the next chapter, the results of the fieldwork will be analysed.
One of the contributions to the furthering of academic research has been the repeat of three pieces of research done earlier by other academics, and this chapter will deal with the analysis of this research and the comparison with the original data. The research in question was first done by:

1. Hofstede (1980)
2. Dunn (1976) and
3. Kanter (1987).

Chapter 10 will provide an analysis of issues which have emerged from the survey plus a series of profiles: an analysis of types of European managers, constructed on the basis of the most salient data from the fieldwork.

9.1 HOFSTEDE

9.1.1 Introduction and General Tables

Through the Hermes research project Hofstede created four dimensions, the scores on which indicate a country's cultural traits. Repeat research can be carried out using the Value Survey Module (V.S.M.), where interviewees record scores on a five point scale. *Hofstede's institute* has validated this, and both the VSM and its scoring guide were obtained directly from him.

In application, the scores are used to locate groups of respondents on the four dimensions of Power Distance, Uncertainty Avoidance, Individualism and Masculinity. When summed these scores give population scores which can then be compare with those obtained in Hofstede's original research.

Hofstede's research has been repeated by other academics, for example extending it to countries not yet covered by the original research, but as far as is known, the research in hand is the first to use the V.S.M. specifically to assess marketing and advertising management.

9.1.2 The Value Survey Module Rules

The general instructions in the scoring guide[1] say that in order to obtain statistically reliable (stable) scores, groups of respondents should not be smaller than 50. Somewhat lower, but still fully acceptable, reliability can be obtained using groups numbering between 20 and 50. The groups in the current research are composed of 20 UK and 20 Dutch nationals, thus reaching the minimum size for reliable results for each country group.

The scoring guide also indicates that the four dimensions on which groups are scored were developed for describing national cultures (national character, model personality). It notes, however, that the scores are also affected by other characteristics of the respondents, such as level of education, age, sex, occupation and organisational sub culture. Hence it is recommended that computation of the VSM scores should be limited to groups of respondents from two (or more) countries which are internally homogeneous as to other characteristics and are matched on these characteristics from one country to another.

Respondents in the current study were all senior managers dealing (amongst other things) with decision-making regarding international advertising. As noted in Chapter 8, they are evenly split between advertising agency and marketing company management, and within each group some senior managers were attached to international headquarters offices and others to local subsidiaries: the relatively higher number of headquarters offices situated in the UK was reflected in a higher percentage of UK interviewees being attached to headquarters operations.

Respondents were predominantly male (10% female), mostly in the over-40 age group. A demographic breakdown was referred to in the previous chapter and is given in Appendix 8.1.

Although the groups were too small for internal statistical analysis, other comparisons were possible in addition to the differences between the UK and the Netherlands e.g. the sub groups of the different sub populations: senior management from advertising agencies contrasted with that from marketing companies (again there were 20 interviewees in each group), and local management contrasted with Headquarters management. However, Hofstede's warning should be adhered to, that whereas the comparisons might be interesting and they might or might not be meaningful, great caution should be taken when extrapolating or drawing any conclusions from sub-group scores.

The statistical treatment of the data was at a basic level as befits a small sample. Both spreadsheet and the StatGraphics packages have been used to calculate various descriptive

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1 Geert Hofstede, Scoring Guide for Value Survey Module, Version 1982, IRIC, Arnhem, the Netherlands, June 1982.

statistics such as means and standard deviations of all data as well as the standard deviation of the differences between the means, where appropriate.

Appendix 9.1 gives the raw data of values obtained in the current research for the Value Survey Module. Appendix 9.2 gives a summary of means and standard deviations calculated.

9.1.3 Resulting Data

For the four dimensions, the values of the current research are compared with those of Hofstede's research, HERMES. The comparison also shows where company and advertising management are different:

	HERMES	MILLAR			HERMES	MILLAR		
	UK	UK	UKC	UKA	NL	NL	NLC	NLA
PDI	35	12.5	- 2.5	27.5	38	2.5	- 2.5	7.5
UAI	35	-17.0	- 3.0	-31.0	53	9.0	25.0	- 7.0
IDV	89	105.0	120.4	90.0	80	84.6	102.0	67.1
MAS	66	61.3	17.8	104.8	14	24.9	9.4	40.3

Figure 9.1 Hofstede vs Millar, Value Survey Module Values.

Key: UKC: UK company management interviewees
UKA: UK advertising agency management interviewees
NLC: Netherlands company management interviewees
NLA: Netherlands ad.agency management interviewees

Key: PDI: Power Distance Index
UAI: Uncertainty Avoidance Index
IDV: Individualism Score
MAS: Masculinity Score.

The formulae used to calculate the above indices are the ones Hofstede has provided in the scoring guide and are as follows:

(the question numbers refer to Part 2 of the survey questionnaire to be found in Appendix 8.2)

- for the Power Distance Index, PDI:

  PDI = 135 - a + b - 25 c, whereby;

  a = the % "manager 3" responses to question 23

  b = the % "manager 1" plus "manager 2" responses to question 24

  c = the mean score on question 26.

- for the Uncertainty Avoidance Index, UAI:

  UAI = 300 - 40 d - 30 e - f, whereby:

  d = the mean score on question 25

  e = the mean score on question 19

  f = the % "2 years at most" plus "2-5 years" responses to question 27.

- for the Individualism Index, IND:

  IND = 76 m4 - 43 m1 + 30 m8 - 27 m13 - 29, whereby:

  (m followed by a number) represents the mean score on the question bearing that number, i.e. m4 means the mean score on question 4.

- for the Masculinity Index, MAS:

  MAS = 60 m8 - 66 m11 + 30 m6 - 39 m14 + 76, whereby:

  (m followed by a number) represents the mean score on the question bearing that number, as for IND above.

As the scores are not on a 1-100 scale but part of a much larger theoretical range, to be discussed later under the individual scores, the direction and measure of change rather than, for example, percentages are important when examining whether or not the senior management group under observation is showing similar cultural value systems to the total population measured under the HERMES research.

Some ANOVA results are incorporated in the tables below.

Examining the differences between the current research and HERMES leads to table 9.2, which also gives differences of means and standard deviations.

A third analysis can be done by looking at the difference between the British and Dutch scores, represented in table 9.3.

9.1.4 Conclusions

From these tables the following conclusions can be drawn:

	PDI	UAI	IDV	MAS
UNITED KINGDOM				
HERMES	35	35	89	66
MILLAR	12.5	-17	105	61
difference of mean (M-H)	-23	-52	+16	- 5
standard deviation	(16)	(14)	(18)	(21)
NETHERLANDS				
HERMES	38	53	80	14
MILLAR	2.5	9	85	25
difference of means (M-H)	-35	-42	+ 5	+11
standard deviation	(14)	(12)	(10)	(18)

Figure 9.2 Hofstede vs Millar, V.S.M.: Differences and Standard Deviations.

	HERMES (1980)	MILLAR (1989)	MILLAR-HERMES	standard deviation
PDI	+ 3	10	13	(21)
UAI	-18	-26	- 8	(18)
IDV	9	21	12	(21)
MAS	52	36	-16	(27)

Figure 9.3 Hofstede vs Millar, Differences between UK and NL.

1. HOFSTEDE VS MILLAR:

Comparing the new scores with the HERMES scores, for both countries the scores on PDI and UAI are lower, whereas those on IDV and MAS are not significantly different. Both for UK and NL the PDI and UAI decrease in score is significant.

2. THE U.K. VS THE NETHERLANDS:

When comparing the (UK-NL) difference in HERMES with that in the current research, the difference between the values in each of the two pieces of research is not significant. This tends to confirm Hofstede's finding that the UK and the NL are significantly different only on MAS.

3. COMPANY VS ADVERTISING AGENCY MANAGEMENT:

Looking at the current research on its own, and at the sub groups therein,

- Agency managers score higher than company management on PDI and MAS
- Agency managers score lower than company management on UAI and IDV.

These general conclusions must also be looked at in the light of interpretations that can be given to the four dimensions, specifically in view of the particular sample interviewed:

1. PDI:

Hofstede's Culture's Consequences (1980:103) explains the basis for the computation of the PDI index; it says that "a PDI for each of the 40 countries has now been computed on the basis of the country mean scores for three *questions...*" (*on formula above*).
The constant 135 has been added to give the country index values a range between 0 (small PD) and 100 (large PD); the theoretical range of the index is from -90 (no one afraid, no manager 1+2, everyone prefers manager 3) to +210 (everyone afraid, all managers 1+2, no one prefers manager 3).

What can be deduced from the UK PDI score of 12.5 and the Dutch PDI score of 2.5, and, in particular, what does the extremely low PDI of 2.5 indicate? The Hermes survey registered the lowest PDI as 11, for Austria and the highest, 94, for the Philippines; the mean is 51.

It is necessary to bear in mind that the PDI index is an ecological index, and applies to whole populations and not to individuals as such (i.e. there is no correlation amongst the individual scores on the three questions concerned: he who perceives employees to be afraid to disagree with their managers is not the same person who sees their boss as taking autocratic decisions or does not necessarily have a preference for a consultative style of decision making) the Power Distance Index can only be used as a characteristic of social systems, not of individuals. So for instance, it can indicate the style of management or the degree of "authoritarianism" of the society.

A higher power distance score means an "authoritarian value", the acceptance with greater ease of authority as a normal pattern. A lower power distance score indicates that authority or inequality is less highly valued.

In both the UK and the Netherlands, the currently researched population scored lower on PDI than that which the Hermes study indicated. This difference is significant.

An explanation for this significant difference lies in the characteristics of the managers surveyed, which would be consistent with earlier findings by Hofstede (Hofstede, 1977) which

say that lower education, and lower status occupations tend to produce high PDI values and that the higher education, and higher status occupations tend to produce low PDI values. "Education is by far the dominant factor. The correlation of the occupation's PDI with the average years of formal education is an amazing r=-.90. Every additional year of formal school education needed for an occupation reduces the occupation's PDI score by about 18 points. There is also a tendency for managers to produce lower PDI values than non- managers. The multiple correlation of PDI with education and hierarchical level is R=.94, showing that the occupation's PDI is highly predictable from these two factors."

Since our research population consisted entirely of well-educated senior management, its lower score on PDI confirm Hofstede's expectations.

2. UAI.

The UAI index is composed of scores on questions relating to "rule orientation", "stress" and "employment stability". The constant of 300 introduced into the calculation formula, brings HERMES country index values in a range between 8, scored by Singapore, and 112, the highest UA score, by Greece. The theoretical range of the index is from -150 (all think rules can be broken, no one wants to stay, no one ever feels nervous) to +230 (all think that rules should not be broken, everyone wants to stay more than 5 years, everyone always feels nervous). In the HERMES study, out of the theoretical range of 380 points only 104 or 27% are used.

Statistical analysis of the HERMES data (Hofstede, 1980:165) shows that the more highly educated management occupations tend to show less rule orientation, less employment stability and higher stress levels than the total population. The current research confirms this, showing a significantly lower score, both for the UK and the Netherlands on UAI.

Comparing the UK and the Netherlands, UK UAI is lower than that of the Netherlands, both in the HERMES and in the current survey, though on the current sample this was not significant.

Hofstede claims that urgent and clearly-defined tasks tend to be better performed by people from high UAI countries; ambiguous tasks, e.g. strategic planning, or chairing committees, are better performed by people from lower UAI countries; his example shows that discussion groups with British chairmen tend to perform well (1980:396). As in the HERMES survey, in the current survey both UK and NL would be classed as low UAI countries.

Within this generally low UAI context however, company management interviewees have a significantly higher UAI score than agency management; as a group they prefer formal

systems without ambiguity, and their power is in their roles, not person (higher UAI, lower PDI). Agency management on the other hand tend to have a lower UAI and higher PDI score: fewer rules, greater freedom with experimentation, yet with a powerful person who decides what is to happen but without imposing any rules or moral imperatives.

3. IDV

The IDV score reflects the opposition between personal life (the importance of which corresponds to a high IDV score) and working life, including being trained by the company, belonging to the company (the importance of which gives a low IDV score). HERMES data shows both the UK and the Netherlands as high IDV countries. The Millar data confirms this.

Hofstede claims that the PDI is negatively correlated with IDV scores, and this too is confirmed by the current research. Both the UK and the NL have high IDV sores and low PDI scores, making their profile in Hofstede's terms those of "independent individualists".

The IDV dimension is said by Hofstede not to be able to distinguish amongst occupations or levels of education; it is valid, as a set of values, for a society as a whole. However, it is interesting to note that on the sub group scores, both in the UK and in the Netherlands, company management scores higher on IDV than does advertising agency management (see Figure 9.1 above).

Hofstede reports (Hofstede, 1980:230) that other research indicates the following connotations of high IDV:

- importance of employees' personal life / time,
- emotional independence from the company,
- small company is attractive,
- more importance attached to freedom and challenge in job,
- managers aspire to leadership and variety,
- individual decisions are considered better than group decisions,
- managers choose pleasure, affection and security as life goals,
- individual initiative is socially encouraged.

It is also suggested that the level of IDV in society will affect the reasons which an organisation's members have or give for complying with organisational requirements. Hofstede here refers to Etzioni (1961), and assumes that more "moral" involvement with organisations will occur in low IDV countries, and more "calculative" involvement where individualist values prevail. It is interesting to note that in the current research advertising agency management scores lower on IDV than company management.

The HERMES data also support a finding based on the distinction made by Merton (1968) between "locals" vs "cosmopolitans"[2], which says that cosmopolitans are found in positions of influence in those organisations where, to use Hofstede's terms, a higher IDV norm prevails.

4. MAS

Neither in the UK nor in the Netherlands are the Millar scores on MAS significantly different from those of HERMES. They therefore confirm the very large difference between the two countries on this dimension.

In the area of work goals Hermes data showed consistency with earlier research in which men scored advancement and earnings as more important, whilst women ranked interpersonal aspects, rendering service, and the physical environment as more important. Hofstede then calculated a "Masculinity Index" for countries and assembled the various correlates of MAS into a coherent picture of the "masculine" and "feminine" types of culture.

Masculinity and femininity refer to the conventional dominant sex role patterns in the vast majority of both traditional and modern societies, i.e. that of male assertiveness and of female nurturance. The concepts associated with males are dominant in the MAS dimension, which appears to relate to learned styles of interpersonal interaction.

Hofstede found that more highly educated experts, both male and female, scored more highly on masculine assertive values than others in the same culture. This finding is not borne out by the Millar values where the scores obtained from the sample of senior managers did not show a significant difference on MAS to that scored by the HERMES population, either in the UK or in the Netherlands. On the other hand, in HERMES, older employees scored lower on MAS (1980:367) as self-assertion becomes less important and environment and social relationships become more important, and this might account for the Millar scores not being higher despite the sample having a higher level of education than Hofstede's.

Although some speculation can be made, this area constitutes one in which further research could be valuable, particularly since Hofstede also predicts (1980:Chapter 8) that, over time, the scores on MAS will generally increase. Two factors therefore require explanation: higher level management/higher education, and trend over time, should have produced higher scores on MAS than currently obtained. This may or may not be balanced by a third factor, the predominance of older managers, which should pull the figure down again.

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2 **local**: largely preoccupied with problems within the organisation
cosmopolitan: maintains a minimum set of relations within the organisation, but considers him/herself an integral part of the world outside it.

The MAS dimension is the one which sharply divides the Nordic countries (plus-the Netherlands) from the Anglo countries. The current research confirms this wide divide.

Hofstede gives a table in which he summarises the consequences of high or low MAS for a society at large, for ideological thinking and for organisations (Hofstede, 1980:296). This sharply opposes the countries with high MAS and low MAS. Hofstede also claims that trends over time will see the large MAS differences remain (Hofstede, 1980:343), notwithstanding the general increase.

Elsewhere in Culture's Consequences Hofstede explains that it is the difference in MAS score that forms the basis of successful British-Dutch company mergers, such as Unilever and Shell, representing true marriages of masculine and feminine cultures which hardly differ on the other dimensions.

Combination scores on UAI and MAS has been found to be the best predictor of 'Need for Achievement', as identified by McClelland (1961), and of motivational forces. This was explained in Chapter 3, where it was suggested that the one universal hierarchy of motives as built up by Maslow could be replaced by different hierarchies which were seen to be valid for each of the four quadrants, formed by the UAI axis of 'motivation by success - motivation by security' and the MAS axis of 'ego needs - affiliation needs'.

The current scores confirm the HERMES data, in which the Maslow Hierarchy-linked quadrant of the low UAI and high MAS (with "self-actualisation" as the highest good) i.e. the quadrant in which both the USA and the UK are found contrasts with the low UAI and low MAS quadrant of Scandinavia and the Netherlands, where success and belonging are the major motivators.

9.1.5 The HERMES Repeat: Key Interpretations and Deductions:

In summary, comparing Hofstede's HERMES research and the current work, the following key deductions can be made:

* The present sample differs from HERMES in that managers show lower scores in PDI and UAI. This finding is significant for both the Dutch and the British senior managers interviewed.

As indicated above, this finding is in line with Hofstede's "trends over time" predictions (Hofstede, 1980: Chapter 8), and with the specific characteristics of the managers interviewed (older, better educated, top positions in their companies).

* On the other hand, no significant difference was found between the HERMES and Millar scores on IDV and MAS.

This again is in line with Hofstede's predictions as far as IDV is concerned. However, Hofstede did expect the MAS scores to go up over time, i.e. all countries should show an increase in masculine characteristics over time, and for better educated people. Older people would however have lower scores.
The current result would therefore merit further research.

Overall, there is no evidence that the UK-Netherlands differential that was found by HERMES has disappeared; the set of managers under study shows a large difference between the two countries and this is consistent with the difference found by HERMES.

Having established that the difference is there, the question remains, in which way this difference (mostly attributable to a difference in MAS) affects British and Dutch marketing and advertising management in their professional decisions.
* If the Self Reference Criterion is valid, one would expect the Dutch and UK interviewees to have different views, e.g. about consumers, or about how to group countries for the launch of an fmcg. This will be discussed in Chapter 10.

9.2 DUNN

9.2.1 Factors affecting the transfer of creative strategy in W.Europe

The issues addressed by S.W. Dunn (1976) which were discussed in Chapter 5, were investigated again.

The current research consisted of a series of propositions, which all respondents were asked to score on, using a four point forced-choice bi-directional scale, ranging from "very important" to "not at all important". There was no neutral block.

The eight master variables formulated by Dunn (see Appendix 5.2) were sub-divided into their constituent parts, and to these were added the two items Dunn observed to be absent, namely cultural factors and consumerism; a third factor added was the perceived nationality of the company or brand, an issue noted by Kanter to be of great importance in this area (particularly in relation to consumer receptivity).

The percentages scored on the four point scale are shown in Figure 9.4 overleaf, which particularly illustrates the concentration of responses.

VERY IMPORTANT ++ %	IMPORTANT + %		NOT THAT IMPORTANT - %	NOT AT ALL IMPORTANT -- %
50	25	national identity	25	-
40	35	consumerism	25	-
10	40	economic growth	45	5
20	45	social class structure	30	5
60	40	eating patterns/customs	-	-
20	40	self service retailing	40	-
45	55	media availability	-	-
5	40	media independence	45	-
60	35	cultural factors	5	-
20	40	education level	40	-
5	10	attitude to authority	75	10
5	20	attitude to risk taking	75	-
5	40	attitude to achievement	50	5
-	40	attitude to work	60	-
30	55	attitude to company/ brand nationality	10	5
45	45	company management competence abroad	10	-
45	50	agency management competence abroad.	-	5

Figure 9.4 The Transferability of Creative Strategy in W. Europe

9.2.2 Conclusions:

Analysis of the data obtained through this repetition of Dunn's research shows that two main conclusions can be drawn (the data is in Figure 9.5 below):

1. DUNN vs MILLAR:

The order of variables, indicating the rank order of importance attributed to the factors, is different.

2. UK vs NL, and COMPANY vs AGENCY MANAGEMENT:

There are no significant differences in the answers as given by the four sub groups of interviewees.

The rank order amongst the variables was established by assigning the four columns "very important", "important", "not that important" and "not important at all" the values 4, 3, 2, and 1 respectively. When these values are multiplied by their frequencies and the results are regrouped into the eight "master environmental variables" as used by Dunn (1976), the original scores of which have not been published, and the three extra ones are added, the results obtained are as shown in Figure 9.5 where the eleven factors are shown in the new rank order:

ORDER OF IMPORTANCE

VALUE	DUNN	MILLAR	ISSUE
105	-	1	cultural factors
101.5	III	2	agency and company management competence abroad
98	IV	3	national identity/ nationalism
95.5	VI	4	eating patterns and customs; self service retailing
94	-	5	consumerism
93	-	6	perceived brand nationality
88.5	VIII	7	independence and availability of media
83	I	8	level of education
76	V	9	rate of economic growth, etc.
72	II	10	attitude towards risk taking, achievement and work
71.5	VII	11	attitude towards authority; social class structure.

Figure 9.5 Dunn vs Millar, Factors Affecting Creative Strategy Transfer.

The conclusion can be drawn that in relation to this (very specific) area, namely the decision regarding the transferability of a creative strategy for a fmcg in W. Europe, international management of agencies and companies have changed their order of priorities between 1976 and 1989.

Factors currently ranked highly are those indicating a country's "qualities" and attributes; these rankings arise through high scores on "cultural factors" and "national identity" (as well as the more tangible aspects of "eating patterns and customs" and "role of self service retailing"), and

the attributes of local management, both in the agency and in the company.

Dunn's top-ranking factors, education and the attitudes towards risk-taking, achievement and work are now at the bottom of the list, together with economic conditions and attitudes towards authority and the social class structure.

Consumerism, home nationality of the brand and media occupy the middle positions.

Therefore, in deciding whether a creative strategy for an fmcg brand can be transferred across W.Europe, management currently finds it most important to look at the cultural make up of the country concerned and at the management competence available in that country; they are not so concerned with the conditions that prevail in that country, as for instance manifesting themselves through level of education, and economic growth. The attitudes people have towards risk, work, achievement, authority etc. are seen the least relevant of the factors covered.

A possible reason for the relegation of some factors might be that "cultural factors" could actually encompass them; given that Hofstede indicates that a cultural portrait can be made up out of attitudinal scores on work, achievement, etc., it is possible that "cultural factors" might embody these same factors. However, Dunn's research deals with the attitudes managers think to be held by those in the foreign country in question, whereas Hofstede's research deals with the managers' own attitudes.

A more likely explanation is that it is felt that Western Europe is becoming more and more homogenous as far as education and economic conditions are concerned and that the statements about attitudes were found less tangible than other ones.
"Prominent by its absence in appraising transferability is cross cultural theory" says Dunn (1976:56). "The decision makers come through mainly as pragmatists; when they use conceptual approaches, they are likely to describe these in pragmatic terms". In 1989 "cultural factors" was offered as one of the issues the interviewees could give a value to, and respondents see these as the most important of the variables offered. Although "cultural factors" is not the same as "cross cultural theory", the fact that the "culture" option has been given such high a value should be taken as evidence for the importance of cross cultural theory.

The high ranking given to management competence is consistent with other information in the survey (see for instance Chapter 10, where management competence is given a high value in relation to decision-making, good practice and use of supra cultural factors). It moves up one place in comparison with Dunn's study when it occupied third position.

"Multinational marketers who can figure out how to reflect national identity in their ads will progress most in the next decade" says Dunn (1976:56). The importance of this factor is confirmed by its ranking at number three, moving it from the fourth position it gained in Dunn's work.

The score on "eating patterns and customs" is responsible for the move into fourth position of the factor "eating patterns and customs and the importance of self service retailing". It is reasonable to expect that in fmcg these conditions are of great importance to the creative strategy.

As noted two factors which were highest in Dunn's ranking order, 1: education, and 2: attitudes towards risk taking, work and achievement, are demoted to 8th and 10th position in the current research. The relative lack of importance attached to education may reflect the view that the level of education within W. Europe is such that the differences are not that important, at least for creative strategy transfer.

An explanation of the outcome on attitudes might be the intangibility of the question statement; "the attitude" does not indicate "which attitude". The question however was clearly understood to relate to "to what extent the attitude towards "x" would be important in the transfer of a creative strategy".

Another of Dunn's observations: "well qualified third country nationals appeared to be doing a remarkable job of adapting to the problems of nationalism" (Dunn, 1976:56) deals with the management side of the "problem" of nationalism. The Millar ranking gives prominence to the management quality as a factor of importance for creative strategy transfer. On a general level it is interesting to observe that the Lever Brothers' current policy of appointing foreign/ third country nationals to major marketing positions in Europe has been formulated specifically to cope with the nationalism versus global policy controversy.

9.3 KANTER

9.3.1 Managers' Predications

Donald L. Kanter (1987) raised the question of how national character influenced the advertising choices managers made. He suggests that "advertising in a country appears to match its managers' predications", and he also states that "the perceived country of origin - either product or advertising- will become very important to consumer receptivity".

The second of these two statements has been dealt with above; a question on the importance of the perceived nationality of the company or brand being incorporated in the Dunn repeat study. The result obtained was that the interviewees ranked this issue as 6th important factor out of 11 factors analysed (see Figure 9.5); therefore, for the transfer of a creative strategy, the perceived nationality of the brand was felt to be of greater importance than e.g. the economic conditions, but of lesser importance than cultural factors and management skills. Of the four sub groups UK company management found it slightly less important than did the other three groups.

To deal with the first point, that "advertising in a country appears to match its managers' predications" and also to answer Kanter's call for "a comparative study of executives' conceptions of their audience" (Kanter 1987:15) the interviewees were asked to position their brand in one of the fields of a grid made up by an active-passive axis crossing a rational-emotional axis, as used in Kanter's article (1987:3 and 6), and derived from Osgood, Suci, Tannenbaum (1957).

The positioning of brands on this grid shows that three-quarters of the respondents position their brand in the "active-emotional" quarter.

Kanter (1987:4) states that "The value of this grid is in the way in which it reflects not only the subtle managerial predications of what human nature is like, but also how these are likely to influence a manager's selection of advertising and, to some extent the research consequences...", "The table represents in my opinion four of the most frequent management views of consumers; they lead to the acceptance of certain kinds of marketing communications, based on what managers believe their audience is really like, and ipso facto how they feel that advertising works".

Kanter states that a good deal of blue chip companies' consumer advertising clusters in the Passive-Emotional quadrant "...this is so despite the emphasis upon competition in blue chip company cultures and by macho managers of both genders. It says something about the competitive climate of the marketing culture in general, but also reveals the mind of the cynical marketing executive" (Kanter, 1987:6).

9.3.2 Conclusions: Findings on the Kanter Grid

1. KANTER vs MILLAR:

The current research indicates that three-quarters of all brands which the managers interviewed positioned in the four quadrants, are positioned by them in the active-emotional quarter.

2. UK vs NL and COMPANY vs ADVERTISING AGENCY MANAGEMENT:

There appears to be a remarkable consistency amongst the four sub groups, and in the rare cases where both a company and an agency executive were dealing with the same brand and chose this brand for their positioning, the brand in question was positioned the same or very similarly, and always within the same quadrant by both.

3. UK AND NL vs USA MANAGEMENT:

UK and NL marketing and agency management therefore seem much less "cynical" (Kanter, 1987:6) than their US counterparts.

Kanter's active/emotional and passive/emotional quadrants are reflected in the contrasts in Figure 9.6. If Kanter's statements are right, then Europe should show more advertising which exhibits the aspects listed in the first column rather than to those in the second column.

ACTIVE/EMOTIONAL QUADRANT	PASSIVE/EMOTIONAL QUADRANT
goods positioned as "the right stuff"	product features (often trivial)
newness	heavy frequency or repetition
fear	status of the maker
status-conferring claims	slice of life
important visuals	glittering generalities
novelty seeking / individual	apple-pie sexiness
mastery and command	situation-comedy humour
hip or trendy humour	upbeat and rapid tonality
enthusiastic, confident tonality	
impulse shopping	
(UK and NL)	(USA)

Figure 9.6 Kanter vs Millar, Managers' Predications.

9.4 DEDUCTIONS FROM REPEATED RESEARCH

The current interviewees' scores on the HERMES VSM reflected the same differential Hofstede observed between the UK and the NL. Yet in their answers on the Dunn research the Dutch and British interviewees showed no difference that was significant. The same lack of difference emerged in the replication of Kanter's work.

However, whilst these differences / lack of differences were found between Dutch and UK managers in these areas, the scores on the Kanter replica research did show a big difference between the Dutch and UK manager on the one hand and the US manager on the other.

Dunn (1976:54) used four tests to assess successful and not-so-successful brands; two of them (gross sales over 5 years, and net income over 5 years) have not been used here; however, questions on the other two were repeated: opinions about "which fmcg company... is doing best" and "what advertising campaigns have been particularly good".

The result showed that managers in the large multinationals and their agencies genuinely believed they and their colleagues were doing a good job.

The answers also proved to back up the examples given in the interviews; many of the large multinationals' fmcg campaigns were approved of (P&G, UL, Coca-Cola, Heineken), and the companies were seen as successful. Very few respondents volunteered to give information on what they rated worst.

The next chapter will follow these interpretations of the repeated research with an analysis of the original research issues.

CHAPTER 10

RESEARCH ANALYSIS

KEY ISSUES of ORIGINAL RESEARCH

In this chapter, the fieldwork will be analysed to further develop theory regarding

- Culture
- Globalisation
- Management Issues regarding European Advertising Standardisation.

As discussed in Chapter 8, the research data was obtained through a combination of questionnaires, completed in writing, telephone and personal interviews. The time spent by interviewees on this project was never less than four hours. In view of their experience and seniority the views of the managers interviewed are of great value and the depth of information and spread over adjacent topic areas has allowed interpretation and deduction.

The survey guide / questionnaire was designed to explore a range of relevant topics and to provoke reactions to many issues, some of which were -by design- overlapping. Because of the length of the questionnaire and the overlapping questions not all questions have been answered by everyone, and hence in some cases less than 40 answers have been a available for analysis. Where less than 30 replies were obtained the question has not been *analysed*, and only issues related directly to the topic of the thesis have been reported here.

Wherever the results of the interviews are expressed in percentages, these have been rounded. They should be seen as being at least representative for the managers interviewed, and are internally consistent. It is believed however that in general these results reflect the views within the professionally-skilled decision making population in international marketing and advertising management in the two countries concerned.

10.1 GLOBALISATION

Four issues regarding globalisation in a marketing context have been addressed in the analysis:

1. Three definitions of globalisation
2. How does globalisation affect fmcg in W.Europe

3. Which factors promote or obstruct globalisation in W.Europe
4. What will the SEM of 1992 achieve with a view to globalisation.

10.1.1 Globalisation Defined

The discussions about a definition of globalisation led to a great variety of answers broadly matching the views of authors analysed in Chapter 4. Although a definition of globalisation was asked for in a marketing context, the overriding direction in the type of definition given was one of an economies of scale led approach to business, decided top down.

A closer look and further analysis within the context however indicates that three distinct and meaningful directions can be distinguished in management thinking about globalisation:

Figure 10.1 summarises these views and tabulates the percentages of interviewees in each of a variety of categories who adhered to each definition. The distinctive features of each of these three concepts as expressed by the interviewees are discussed below.

Globalisation defined:	ALL %	UK %	NL %	CY %	AG %
1. Globalisation is an idea-driven policy, a management system	20	15	25	40	-
2. Globalisation is a business-driven policy	60	55	65	60	60
3. Globalisation is a market-driven policy	20	35	10	-	40

Figure 10.1 Globalisation, in a Marketing Context, Defined. (Key: as in Ch. 9)

1. Globalisation as an idea-driven policy, a management system:

Globalisation means:

'objectives should be systematically pursued worldwide'

Globalisation is seen here as a management imperative and guideline, a construct that can be used when formulating policies, a cornerstone of how one's business should be organised for effective control and operation.

The principle referred to here (also affecting the management of the marketing effort) stands in its own right without reference to supposed economies of scale or to supposed universality or homogenisation in consumer demands or needs. This interpretation of what globalisation

stands for calls for marketing procedure to be applied globally. This need not result in uniformity in the decisions made about how to implement a given international policy or even in uniformity in the policy, e.g. positioning of a brand from country to country.

This definition is most closely related to that of Keegan (1989).
Verbatim quotations relating to the above position include:

- "applying an integrated market and management system worldwide"
- "increasingly using standardised methods to determine marketing"
- "applying worldwide standards to brands and marketing techniques"
- "identifying and applying proven approaches worldwide".

2. Globalisation as a business (-driven) policy:

globalisation means:

'economies of scale force a global sales policy'

Globalisation is interpreted as a top down management policy, aimed at using economies of scale to the full, and ideally or in most cases standardising all elements of the marketing mix.

Globalisation is in this case a business strategy encroaching on the marketing field. A strategy which is concerned not so much with how management should proceed but one which states a particular policy which management should seek to implement.

This policy is seen as desirable because of the benefits it confers on the organisation; these, rather than any demand from consumers, are the roots of the strategy and its success will be judged by the achievement of the business performance goals implicit in its adoption.

This definition is most closely matched by that of Levitt and verbatim quotes supporting this position include:

- "a company decision to manage and sell brands cohesively and similarly across the world"
- "managing and marketing identical products with an identical marketing mix, worldwide"
- "managing and marketing brands with identical promises and benefits worldwide"
- "standardisation per se".

3. Globalisation as a market-driven policy:

globalisation means:

'worldwide market / marketing opportunities force a global attitude and a global market / marketing orientation'

In this interpretation, globalisation is seen as business policy stimulated by worldwide marketing opportunities which include satisfying the identified needs of consumer segments that are not confined within national boundaries; it is not an obsessively pursued article of faith, but rather a professional move in the marketing chess game, an area of opportunity. Standardisation of elements of the marketing mix may or may not occur, depending on the company's marketing objectives and circumstances.

Verbatim quotes supporting this position include:

- "managing brands capitalizing on world marketing opportunities"
- "managing brands which follow a universal marketing strategy across borders, based on the identification of identical target groups irrespective of national characteristics"
- "managing brands worldwide based on a recognition of non national consumer needs and behaviour".

As indicated in Figure 10.1, the majority (just under 60%) of interviewees defined globalisation as being in the second definition category: a clear business-led strategy. The other 40% were equally spread between the first and third definition.

Over half of the UK respondents and 2/3 of the Dutch respondents defined globalisation in the second group; of the other two definitions the first was the one most often chosen by the Dutch, while the British clearly dominated in the third, the market-driven interpretation.

The company or agency background of the interviewees also revealed a clear difference in the position they took regarding this question. About sixty percent of both company and agency managers' definitions can be classified as agreeing with the second definition; however forty percent of company managers defined globalisation along the lines of the first definition, and forty percent of the agency managers defined globalisation to match the third, the market-driven definition.

The sequence in which these three views of globalisation have been presented has no significance, e.g. as regards the development of businesses. Although no specific evidence was collected, it appears that for any company any of the three identified definition categories can serve as a guideline. It is also possible that companies will move from belonging to any

one definition group to any other; 1-2-3 is not a sequence of development, and it may equally well be observed that companies move from 3 to 2 or from 1 to 3.

It can be concluded that the positions taken by the interviewees on defining globalisation have clearly established that globalisation is a policy, i.e. a management guideline for decision-making, decided to by top management first, on the basis of what can be distinguished into three drives: the idea or system itself, the economies-of-scale related business opportunities and the market-led opportunities. If the interviewees therefore would practice what they say, globalisation does not "just happen", and also involves top management or headquarters decision-making.

10.1.2 Globalisation and fmcg in W.Europe

Under this heading the applicability of the term 'globalisation' to a European context is examined first, and thereafter views on the European globalisation of fast moving consumer goods are looked at.

The answers to the open-ended questions about the applicability of globalisation to W. Europe have been grouped into five clusters. The interviewees' answers are distributed as shown in Figure 10.2.

	ALL	UK	NL	CY	AG
	%	%	%	%	%
- not	10	20	-	10	10
- not much	40	20	60	30	50
- depends on product, company culture	15	20	10	20	10
- largely	25	20	30	20	30
- fully.	10	20	-	20	-

Figure 10.2 Applicability of Globalisation to Western Europe

UK respondents showed a different pattern of responses to the Dutch:
The UK respondents could be evenly divided over the above five categories. Overall they were more positive than the Dutch. It was explained that "Europe was part of a world market", that "global branding, also in Europe has worked"; that "it would be better to start and see this from the point of view of the consumer, and gradually build up confidence that the brand has international and not just local appeal". Advice proffered was such as: "It is all about brand property: identify it, and symbolise it, for successful European branding".

The Dutch showed themselves less extreme, and did not qualify for any of the positions of "not" or "fully". The majority did not feel that globalisation was applicable to W.Europe, and they also saw more obstacles to globalisation in W.Europe, both because a European approach was different from a worldwide approach and because even in Europe there were so many differences. Some of them however had a more positive view. Market similarity, company culture and local idiosyncrasies were given as examples of the reasons.

The interpretation which this supports is that the Dutch view globalisation as a philosophy, and the British see it more as a strategy affecting marketing. For the British, among whom the third definition occurs more often, globalisation often equals global branding, whereas the first and second definitions of globalisation, - more often adhered to by the Dutch - do not necessarily imply that.

Focusing on the applicability of globalisation to fast moving consumer goods in Europe, the interviewees responded as shown in Figure 10.3. It is worth noting that at this stage the interview was already concentrating on the marketing aspects.

IS GLOBALISATION APPLICABLE TO FMCG ?

	YES %	NO %
Worldwide now	40	60
In Europe now	50	50
In Europe in 1992	60	40

Figure 10.3 Applicability of Globalisation to FMCG in Western Europe.

Forty percent of the interviewees believed globalisation to be appropriate throughout the fmcg sector, worldwide, sixty percent not. In a European context these figures are 50%/50%, with 60% believing that globalisation would be, and 40% that it would not be, applicable throughout the fmcg sector in Europe in 1992.

In general, the Dutch interviewees find globalisation for fmcg in Europe less appropriate than the UK respondents. This corresponds with their position stated above, where they felt globalisation was less applicable to Europe overall.

Examining the application of a global approach to particular product fields or markets the following can be observed:

a) High tech products:

High tech products are seen as perfect products for global marketing, both on a European and on a worldwide scale. All respondents but one were of this opinion.

b) High touch products:

High touch products fare differently: on a worldwide scale only 30% finds globalisation appropriate, and this increases to 40% for Europe now, and 70% for Europe after 1992. The "no"-scores are all attributable to the Dutch respondents, in particular advertising management.

c) Fashion-led products:

Globalisation of fashion-led products is seen to be more appropriate for Europe, particularly after 1992, than worldwide: the "yes" score increases from 1/2 to 2/3 of the interviewees. With "yes" scores attributable to all sub groups, the few "no"-scores are mostly from the Dutch advertising side.

d) Innovative products:

Like the high tech products, innovative products are almost universally seen as suitable for global treatment; just a couple of dissenting scores, from UK and Dutch company management side.

e) "Country-of Origin" based products:

Products traditionally favoured for being "made in a particular country" were seen to have a better chance in a global approach in Europe than worldwide; the "yes" scores increased from 40% to half of the respondents, with mostly the Dutch company management changing their position.

The Single European Market in 1992 is not expected to make much difference to the fortunes of global, more standardised approaches for fmcg in W.Europe; in fact interviewees share Dunn's view that an increase in national identity is likely, which would imply a cautious overall expectation of possible changes in the opposite direction.

Further research in this area would be useful, in order to be able to focus the direction of the subsequent marketing effort: the homogenisation which efforts to create the SEM might produce, could force Europe to become a larger potential market, albeit one in which the cultural differences remain; at the same time, the increase in national identity could create or reinforce niche markets, as well as country-of-origin (region-of-origin) based products and

brands, which in turn could be marketed "globally".

A specific question was devoted to clarifying the factors which were seen as promoting or obstructing globalisation in Europe. Interviewees were encouraged to think about the marketing aspects of globalisation; however, it is realistic to recall that about 60% of interviewees in fact in their minds strongly equated globalisation and standardisation.

The answers can be summarised as shown in Figure 10.4. These factors have been clustered on the basis of answers to open-ended questions, and the order in which they appear has been chosen to compare the two group of factors, rather than to indicate a rank order.

promoting factors:	obstructing factors:
- economies of scale	- cultural differences
- consumer similarity	- 'not invented here' syndrome
- scarcity of quality management	- management thinking and structure
- scarcity of ideas and of NPD and innovation	- company culture
- changes in the external environment	- external environment

Figure 10.4 Factors Promoting and Obstructing Global Marketing in a European Context.

Further discussion and qualification of the factors above is called for, and will take place in subsections 10.1.3 (Factors promoting globalisation in W.Europe) and 10.1.4 (Factors obstructing globalisation in W.Europe).

10.1.3. Factors Promoting Globalisation in W.Europe:

The overwhelming factor promoting globalisation is seen to be the opportunity for economies of scale, and cost advantages. Particularly the Dutch respondents were keen to point this out. This factor underlines the definition 2 concept, the business-led globalisation view.

UK management sees Europe as a more homogenous market than the Dutch managers do, and they see increasing consumer similarity in needs and attitudes as an important factor that promotes European globalisation; the external environment, the better communication and the "smaller world" contribute too; this latter view is also shared by the Dutch: both company and

agency management. Agency management, especially in the UK, had already shown itself a supporter of the market- / consumer- led definition of globalisation, and in defining the factors promoting globalisation, increasing international consumer awareness, and the emergence of an increasingly similar and sophisticated consumer was highlighted.

The question arises whether the greater consumer and marketing orientation demonstrated by the British and by Agency management is responsible for these groups more clearly seeing the opportunities arising in a European context.

A different category of factors promoting globalisation is seen to be associated with management in and of companies: Multinationals are growing, but there is a scarcity of good management. Opportunities are growing: and Headquarters management is seeking to exploit these and establish or maintain control. The opportunity of managing larger markets might use less management time and fewer of the scarce international management resources. This view is put forward particularly strongly by agency management.

Along similar lines of thought, and next to scarcity of good management, a further factor promoting globalisation is another form of scarcity: the realisation

- that good new ideas are scarce,
- that innovation and NPD is scarce, often unsuccessful and expensive,
- that "brands" are scarce and costly.

This realisation means that global and European markets need to be exploited.
The point: "brands, not factories are equity" was mentioned several times.

Another category of factors promoting globalisation was seen in changes in the external environment:

- Europe is "becoming a smaller world"
- transport and distribution developments
- media developments
- satellite TV and other developments in that area.

These changes in the external environment mean that communication is easier, and affect both the consumer, the marketing companies and their competitors: the consumer is becoming more international, and the same new opportunities can be exploited by all market partners.

It was noted in this context that the campaigns about SEM, the Single European Market, will exert political pressure in favour of thinking European.

Looking at differences amongst the interviewees it is interesting to note that agency management -in both countries- shows a more even spread over the five factors indicated than company management. Agency management sees the management and scarcity factors as very important reasons for the increase in the introduction and application of global (often standardised) approaches in Europe, namely:

- the Company Headquarter' pushing for central control over marketing,
- the scarcity of management quality, and
- the scarcity of new ideas.

Nonetheless, agency management gives a little more weight to the largest, most often mentioned of the factors promoting (European) globalisation, viz. economies of scale.

By contrast, company management concentrates its views on economies of scale, consumer convergence and exploiting scarcity of ideas, as being the factors which are promoting globalisation.

The Dutch emphasise the opportunities arising through economies of scale and the threats from scarcity of ideas, whereas the British underline the opportunities in international consumer segmentation and the marketing mix. In contrast to the British respondents' consumer orientation, the Dutch demonstrate a very strong company orientation. This shows internal consistency with the answers given on other questions discussed.

Although not in themselves factors which will promote Europe wide marketing, in response to questions on executional factors, a number of suggestions was made by the interviewees, which might help overcome barriers to Europe wide marketing:

- products with broad appeal
- simple and attractive packs
- easy non-offending brand names
- design factors
- visual language and
- music.

The differing subgroup views regarding the factors promoting European globalisation are summarised in Figure 10.5. and indicate:

a) Taken overall, economies of scale is seen as the most important factor promoting globalisation. This is internally consistent with the 60% "vote" for the business led-definition of globalisation.

b) Consumer convergence is partly a consequence of the external environment changes.

c) The two scarcity factors are interesting "discoveries" of this research, as they are less well documented in the literature.

In the terminology of "threats" and "opportunities", the five factors found in the answers given could be divided into:

1. - opportunities, promoting globalisation:
   * economies of scale
   * consumer convergence and
   * changes in the external environment

2. - threats, promoting globalisation:
   * scarcity of ideas and brands, and
   * scarcity of management quality.

	all %	UK %	NL %	CY %	AG %
1. Economies of scale	27.5	20	35	30	25
2. Consumer convergence	22.5	40	5	25	20
3. Scarcity of ideas etc	22.5	10	35	25	20
4. Management quality	15.0	10	20	10	20
5. External environment	12.5	20	5	10	15

Figure 10.5 Factors Promoting European Globalisation

10.1.4 Factors Obstructing Globalisation in W.Europe

On the barriers side, cultural differences between nations were given as the major obstacle to European global marketing, closely followed by the "Not Invented Here" syndrome, the external environment, and management and company culture.

In particular agency management mentioned the company thinking/ culture/ structure; points like: "lack of leadership", "lack of vision", "ignorant", "company is decentralised", "not pushing forward" were stressed in this category of replies.

Company management was more worried about the cultural differences and other obstacles from the external environment (partly to decline in the context of the SEM of 1992).

An interesting observation is that company management factors, but not company culture,

were mentioned as factors that made companies favour globalisation, whereas company structure and company thinking (the terms used instead of company management and policy) as well as company culture were mentioned as factors on the obstacle side.

British respondents were the ones who most frequently mentioned the "Not Invented Here" (NIH) syndrome and the company culture. Both the Dutch and the British mentioned cultural differences in general as a factor hampering global marketing in Europe.

	all %	UK %	NL %	CY %	AG %
1. Cultural differences	35	30	40	40	30
2. "Not Invented Here" syndrome	20	25	15	20	20
3. External environment	20	15	25	30	10
4. Management	15	15	15	10	20
5. Company culture	10	15	5	-	20

Figure 10.6 Barriers to Globalisation in Western Europe.

The Not Invented Here Syndrome, says Majaro (1988:250), "... manifests a certain level of negativity. It often happens that those responsible for screening suggestions take the view that ideas emanating from external sources are always bad and those originating from inside are, almost by definition, better.... The emotion which is being communicated, invariably in non-verbal fashion, is: 'It was not invented here, therefore it cannot be good.'"

Figure 10.6 shows a table similar to that in Figure 10.5, in this case for the barriers to globalisation in a European context.

10.1.5 1992 and Globalisation in W.Europe

The three-way split on the definition of globalisation is found to be reflected in the interviewee's answers to the questions whether globalisation was applicable across Europe in the first place, and which factors promoted and / or formed obstacles to globalisation; it should be expected to appear again in responses to the enquiry on whether this changes would occur in the light of the Single European Market of "Europe 1992".

The differences in response between the Dutch and UK interviewees on the applicability of 'globalisation' in a European context was not, however, longer apparent when asked how the

THE SINGLE EUROPEAN MARKET

1. will reinforce and encourage a wider recognition of those trends which lead towards market homogenisation
2. will remove technical, legal and financial barriers, but not cultural barriers
3. will stimulate 'political pressure' encouraging 'Europeanisation' with the following anticipated results:
   - higher company investments in Europe
   - more European brands, but also
   - more niche brands
4. will induce a stronger manifestation of national identity and the need to respond
5. will improve some conditions for a more standardised marketing approach
6. will fail to remove the major obstacles to standardised Europe-wide marketing, i.e.
   - cultural barriers
   - management thinking and company structure and/or culture
   - the "Not Invented Here" syndrome.

Figure 10.7 The Effects of 1992 on Globalisation in Europe

SEM 1992 would affect this. The single European Market is universally seen as accelerating the development of a more homogenous Europe, which will promote globalisation in a European context.

This however does not mean that interviewees thought that 'standardisation' was the policy that should be adopted. Whereas the conditions for standardised approaches are seen to be improving, particularly as technical and legal barriers come down, affecting both products and the promotional aspects of the marketing mix, two elements are still viewed as constituting great obstacles to the adoption of a global, standardised policy within Europe:

1. cultural barriers, and
2. the fact that little or no change is expected to take place in management thinking and company structure.

Indeed, close to 90% of the respondents said that 1992 would "not take away any of the real obstacles". One third of them indicated as one of these obstacles the factor already identified as the third barrier to more successful globalisation in Europe:

3. the "not invented here" syndrome.

In summary, in this research the effects of 1992 with respect to globalisation are seen to be those set out in Figure 10.7.

10.2 CULTURE

Three key analyses of cultural factors are presented here:

1) does the interviewee's cultural background influence the way in which he groups European countries for fmcg marketing?
2) which cultural factors are seen as barriers to international advertising standardisation in Europe?
3) which supra cultural factors exist, that can facilitate international advertising standardisation in Europe?

These will now be looked at in sub-sections 10.2.1, 10.2.2, and 10.2.3 respectively.

10.2.1 Country Clusters

To investigate the effects of cultural differences as far as the two sets of managers were concerned, the interviewees were asked to group European countries into clusters appropriate for the international launch of fmcg's. They were free to specify as many clusters, and the size of clusters they wished. The underlying thinking was that

1. the accumulated experience of 40 international decision-makers in the field of marketing and advertising should show a perception of countries' closeness for marketing purposes more relevant than in any previous research
2. if the Self Reference Criterion was operating, and if NL and UK were themselves - as predicted from Hofstede's results - in different country clusters, then respondents from the UK and from the Netherlands would group countries differently.

In examining the way respondents view countries, the main aspects to be considered correspond to the questions posed as research issues and left for resolution by the modelling process:

a) which sets of countries are most closely related, i.e. give the best prospects for transfer of advertising?
b) do any of the proposed bases for grouping countries, particularly that based on Hofstede's dimensions, offer good guidance for advertisers?
c) are the differences between Dutch and British managers predicted by their scores on Hofstede's tests reflected in their performance at the task of trying to group countries?
d) do any other differences in managers' backgrounds and circumstances alter the groupings of countries they regard as similar for advertising purposes?

These issues need to be resolved principally through the analysis of data on country clustering and involve the more detailed issues:

a) whether the respondents clustered countries in the same groups as those emerging from other work, specifically Hofstede's.

b) if the respondents from the identified subgroups (British/Dutch, company/agency) differed in their clustering of countries, whether in the case of any nationality-based differences the difference could be related to the specific differences in national characteristics identified by Hofstede for this sample of managers.

The responses given in questions 11 and 12 were assumed to be honest and to be based on relevant practical experience. Interviews, telephone calls and consideration of internal consistency revealed no evidence to the contrary, though it is likely that some clusters were based on, or included, conjectures about countries of which the respondent did not have first hand experience. Notwithstanding this risk, it can be asserted with confidence that the respondents were precisely the type of people who would have to take real-life decisions on advertising campaigns in all these countries. Such decisions would be taken without further first-hand experience; if it is accepted that the respected practitioners of marketing and advertising management operate on the basis of knowledge and / or insight, there is every reason to expect the facts about which countries are similar to which others to be well-represented in the answers given.

The clusters found therefore represent the fmcg marketing / advertising professional's response to other systems of similarity clustering for European countries.

Question 11 of the survey requested respondents to identify groups of countries which they regarded as going together reflecting homogeneity for the international launch of an fmcg. As noted, respondents were free to define as many (up to 9) or as few clusters of countries as they chose, and there was no restriction on individual countries appearing in more than one cluster, or not appearing at all. The question gave a range of 18 countries from which to select and made no suggestions as to the product or other circumstances which might affect the decision.

a) Processing Question 11

Answers to question 11 were tabulated, allowing each cluster proposed (usually several per respondent) to form a separate entry. For computer processing purposes those which showed all countries in the same cluster were omitted and one which showed all but Iceland in a single cluster was converted to show Iceland itself as a single cluster. No attempt was made to

correct mistakes at this stage and all clusters identified by a respondent were entered even if they seemed inconsistent or overlapped.

Analysis of the cluster data of question 11 revolved around the comparison of affinities recognised by respondents with those derived by others.

Two main techniques were used to decide how the respondents clustered countries: exact matching and co-occurrence; and two were used to test for links between these clusters and the variables thought likely to influence them: regression analysis and cluster analysis.

Before reviewing the results for this question it may be helpful to give some consideration to the logic applied in the analysis.

b) Defining Clusters in Responses

The objective of question 11 was to determine how often particular combinations of countries were specified. Several bases for judging the results were possible:

a) When two clusters contain exactly the same set of countries (with none extra)
b) When two clusters contain exactly the same (sub)set of countries (with others too).

Approach a) gives exact matches, but in many cases very close matches do not count because of particular countries which are added in one of the two clusters. Version b) can be used to address this problem directly simply by leaving out of consideration (dropping) those countries which account for most of the 'near misses'. There are also variants of case b) which can be used in a more rigorous way to build up the profile of a cluster starting from a kernel. Thus there are additional options:

c) As b), but specifically dropping those non-matching countries which are ambiguous or peripheral, regularly causing 'near misses'
d) As b), but looking at small groups (pairs or triples) of countries which can be building blocks for constructing clusters

In addition to the problem of ambiguous/peripheral countries which disturb otherwise good matches, there are also cases where the respondent has, apparently due to a slip, missed out a country thereby causing the cluster not to match (e.g. overlooking Iceland in a group of Nordic countries). There being no basis by which to distinguish deliberate exclusion from inadvertent omission, it was not possible to correct such cases. However the use of approach b) would give some weight to the match which exists for the remaining countries specified.

The development of clusters from data of type d) uses the measurements of how often countries occur together. The procedure is based on the assumption that the frequency with which a pair is observed to co-occur is a sign of the strength of association between those two countries in the minds of the respondents, and that if A and B, B and C, and C and A all occur frequently together, that A, B, and C must be associated frequently. Similarly if D is found which has high degrees of association with A, B, and C then D too belongs to the cluster.

The most general form of this approach is to say that a country will be added to the cluster with whose members it has the highest degree of association; various clustering algorithms are available and were tried. The algorithm which performed best in reflecting an association which was visible in the data, and which was at the same time intuitively satisfactory, was that based on distances from the centroids of the existing clusters.

It should be noted that the deliberately open-ended nature of question 11 introduces a further source of potential complications. Each respondent could give several responses and these may contain overlapping subsets. While this has merit because it allows respondents to identify several positive affinities (possibly based on different factors), it will tend to give too high a weighting to the views of respondents who specify many groupings.

c) Relating clusters to other clusters

The most important clustering scheme with which the data had to be compared was that of Hofstede. Hofstede's results were available at two levels:

a) a dendrogram based on the 'distances' between the countries in terms of their scores on his four key variables

b) specific scores for each country (except Iceland and Luxembourg) on each of the four key variables used by Hofstede.

Comparison of the survey responses with Hofstede's was conducted using two approaches:

1. Comparison of clusters. Use of standard cluster analysis software made it possible to create a wide range of possible clusters, based not only on Hofstede's final dendrogram values but also on country scores for each of the four constituent variables which emerged from his studies. Clusters based on only one or two of these would be more likely to reflect any bias towards particular factors on the part of managers in the current survey.
2. Regression analysis to explain 'distances'. In case the derivation of clusters from respondents' answers had reduced precision or introduced error, tests were also made using the 'distance' measure: this reflected the frequency

with which countries appeared together in the same clusters. Matched sets of distance measures were available for other variables and hence the respondents' distance assessments could be treated as possible functions of these other variables. Regression tests were done for combinations of Hofstede's four main variables.

In each case the distances between 40 pairs of countries were treated as the dependent variable and the independent variables were values expressing differences in the other variables for the corresponding pairs of countries.

d) Results for Question 11

In total 156 clusters were reported, an average of close to 4 per respondent. Removal of duplication revealed 66 distinct clusters.

Figure 10.8 shows the clusters identified when using only exact matches and including all clusters specified.

COUNTRIES IN CLUSTER	OCCURRENCES OF CLUSTER				
	TOTAL	UK	NL	AG	CY
Austria, W. Germany, Switzerland	15	7	8	7	8
Ireland, United Kingdom	13	8	5	7	6
Denmark, Finland, Iceland Norway, Sweden	10	6	4	7	3
Belgium, Luxembourg Netherlands	9	4	5	4	5
Portugal, Spain	7	4	3	3	4
Denmark, Finland, Norway, Sweden	6	5	1	1	5
Denmark, Norway, Sweden	4	2	2	0	4
France, Greece, Italy, Portugal, Spain	4	4	0	2	2

Figure 10.8 Exactly Matching Clusters of European Countries

It is evident from these figures that although Austria, West Germany and Switzerland form the most widely quoted cluster, there is a 'fuzzy' Scandinavian cluster which is even more widely quoted but fails to score so highly because some respondents have missed out Iceland and/or Finland.

If one were concerned only with the affinity amongst groups of three countries then the cluster Denmark, Norway and Sweden would score more highly than Austria, West Germany and Switzerland.

However, the figure shown for the Germanic triple is also somewhat misleading since there are a further 12 clusters in which the three countries occur together but which differ from the group shown by including various other countries in addition.

CO-OCCURRENCE OF COUNTRIES IN CLUSTERS

	AUS	BEL	DEN	FIN	FRA	GER	GRE	ICE	EIR	ITA	LUX	NL	NOR	POR	SPA	SWE	CH	UK
AUSTRIA (AUS)	*					23					3	3					25	
BELGIUM (BEL)		*			16	8			3	4	23	20	3		3			3
DENMARK (DEN)			*	23		4		14	3			7	28			29		3
FINLAND (FIN)				*				13				6	22			23		
FRANCE (FRA)					*	4	6			14	9	4		8	12			
W.GERMANY (GER)						*			5		7	8				3	23	5
GREECE (GRE)							*			15				17	15			
ICELAND (ICE)								*	3				13			13		
EIRE (EIR)									*			3					3	22
ITALY (ITA)										*				17	22			
LUXEMBOURG(LUX)											*	17						
NETHERLANDS(NL)												*	5			7	4	6
NORWAY (NOR)													*			27		
PORTUGAL (POR)														*	26			
SPAIN (SPA)															*			
SWEDEN (SWE)																*		3
SWITZERLAND(CH)																	*	
U.KINGDOM (UK)																		*

Figure 10.9 Co-occurrence of Countries in Clusters.

The alternative approach of seeking co-occurrence of countries on a pair by pair basis produced the result shown in Figure 10.9. This shows only those pairings which were encountered three or more times. From the range of values it is clear that there are several close linkages. These require to be quantified in such a way that the strengths of the linkages can be compared; this is not immediately possible with the absolute numbers shown because some countries were mentioned less frequently than others; thus a high value for two frequently-mentioned countries should not be given any more significance than a less high value for two relatively less frequently-mentioned countries. The appropriate adjustment has been made by dividing the co-occurrence figure shown by the total numbers of mentions of the respective countries, i.e.

(A with B/occurrences of A) x (A with B/occurrences of B).

The resulting values for all possible pairs were ranked and Figure 10.10 shows the top forty-five values obtained.

COUNTRY A	COUNTRY B	INDEX
DENMARK	SWEDEN	84.95
NORWAY	SWEDEN	83.79
DENMARK	NORWAY	81.92
AUSTRIA	SWITZERLAND	79.82
PORTUGAL	SPAIN	75.19
IRELAND	U.K.	74.46
FINLAND	SWEDEN	70.53
FINLAND	NORWAY	66.76
BELGIUM	LUXBG	64.12
DENMARK	FINLAND	64.12
ITALY	SPAIN	57.83
AUSTRIA	W.GERMANY	57.63
W.GERMANY	SWITZERLAND	53.65
GREECE	PORTUGAL	43.33
BELGIUM	NETHERLANDS	39.10
LUXBG	NETHERLANDS	37.29
ITALY	PORTUGAL	36.91
GREECE	ITALY	36.23
FINLAND	ICELAND	33.80
GREECE	SPAIN	31.56
DENMARK	ICELAND	29.70
ICELAND	NORWAY	29.14
ICELAND	SWEDEN	28.17
BELGIUM	FRANCE	26.75
FRANCE	ITALY	25.03
FRANCE	SPAIN	16.02
FRANCE	LUXBG	11.17
FRANCE	PORTUGAL	7.61
W.GERMANY	NETHERLANDS	6.07
W.GERMANY	LUXBG	5.76
BELGIUM	W.GERMANY	5.70
FRANCE	GREECE	5.40
NETHERLANDS	SWEDEN	5.27
DENMARK	NETHERLANDS	4.79
FINLAND	NETHERLANDS	4.65
NETHERLANDS	U.K.	4.47
W.GERMANY	IRELAND	2.94
W.GERMANY	U.K.	2.83
NETHERLANDS	NORWAY	2.78
BELGIUM	ITALY	1.80
ICELAND	IRELAND	1.80
FRANCE	NETHERLANDS	1.78
NETHERLANDS	SWITZERLAND	1.78
FRANCE	W.GERMANY	1.62
BELGIUM	DENMARK	1.47

Figure 10.10 Association Indices for Closest Pairs of Countries.

Analysis of results such as these can be undertaken up to two degrees and from several different angles.

The first degree of analysis is concerned merely with the fact that countries are named together; it takes the standpoint that if genuine affinities exist they will be reflected in the (hypothetical) behaviour of market participants such as the managers; it does not matter what the managers may believe about the underlying nature of the clusters, it is enough that the countries are treated similarly.

The second degree of analysis seeks to understand the rationale for the clusters proposed. This offers the potential benefit that clusters based on differing principles will not be confused (with consequent risks of masking the relationships sought). It carries the risks that the observer will introduce an element of error, and that preoccupation with reasons will lead the observer to discount patterns which people use but do not discuss (or perhaps do not consciously recognise). Hence surprising clusters of countries are likely to have their best chance of being definitively confirmed by an analysis at degree 1. The first degree of analysis is represented by the statistical tabulation process illustrated above. This was carried through using cluster analysis techniques as described above (10.2.1. section c).

As a control of the clustering method a test was made using the four Hofstede variables to cluster the countries covered. When using Hofstede's published values, the result matched Hofstede's.

The clustering was attempted both for the whole group and for the national and agency/company sub-groups separately.

Only in the case of one test (out of five on that group) did a group of respondents (Dutch) indicate a result predicted by Hofstede, viz. that the Netherlands could be clustered with the Scandinavian countries. All tests revealed the conventional very strong associations amongst the Scandinavian countries and between the United Kingdom and Ireland, with the latter being sharply separate from all the other countries listed.

Reviewing the results at the second degree, assessing the apparent basis for the approach taken by the interviewees and taking account of statements made by them to explain the clusters they had suggested, the following conclusions emerged:

1. A small minority, less than 10 percent of the interviewees, thinks that grouping countries is irrelevant because they feel that advertising should be standardised for a European launch of an fmcg: where the standardised approach does not appeal or work the product should not be marketed.
2. An even smaller group, 5% of the interviewees, follow in their clustering

specifically the Hofstede pattern, i.e. The Netherlands is grouped with the Scandinavian countries. These interviewees were Dutch and might well have been exposed to Hofstede's work.

3. The remaining 85% of interviewees grouped countries according to more traditional and conventional cultural pattern views, along the following lines: (the countries in brackets represent the ways the particular traditional cluster has been linked with other countries or country-clusters)

Traditional clustering patterns:

1. NORDIC

   Denmark, Norway, Sweden, Finland, with or without Iceland

   (Nordic plus NL, Benelux, Benelux+D, B+NL+UK, NL+I)

2. GERMANIC

   Austria, Switzerland and Germany, or in pairs

   (Germanic plus NL, L, DK)

3. BENELUX

   Belgium, the Netherlands, Luxembourg

   (Benelux plus D, Anglo, Nordic, F+D, F, or minus B (Fr) and L)

4. ANGLO

   United Kingdom and Ireland

   (Anglo plus NL, Benelux, D)

5. LATIN

   Potentially France, Italy, Spain, Portugal, Greece

   (any combination in smaller groups, eg P+E, G+I+E+P, F+I+E, B+F).

The respondents were specifically asked to cluster the countries for the purpose of the marketing and advertising of a fast moving consumer good; these traditional cultural clusters were, however, also observed through the literature in Chapter 3.

Germanic, Anglo and Nordic clusters appeared frequently, sometimes with the addition of an "alien" country. There was a Latin cluster, which was split in various ways. The Benelux was also offered as a separate cluster, which accounts for the fact that Belgium was more often put together with the Netherlands, than with France. Culturally, according to both Hofstede and others, Belgium is much closer to France than to the Netherlands.

Figure 10.11 gives an overview of the extent to which there was agreement using these definitions. They cover the respondents in the 3rd category (the 85% choosing traditional clusters), and only clusters that occurred three times or more.

CLUSTER	NUMBER OF OCCURRENCES	COUNTRIES IN THE CLUSTER
GERMANIC		
1	15	A, CH, D
2	3	A, CH
3	3	A, CH, D, NL
NORDIC		
1	10	DK, SF, IC, N, S
2	6	DK, SF, N, S
3	4	DK, N, S
ANGLO		
1	13	IR, UK
2	4	IR, UK, NL
3	3	IR, UK, D
BENELUX		
1	9	B, NL, L
LATIN		
1	7	E, P,
2	7	E, G, I, P
3	4	E, F, G, I, P

Figure 10.11 Clustering of Countries for Fmcg Marketing in W. Europe.

While conventional clusters were the overwhelming outcome of responses to question 11, there appears to be a different pattern when the question is more specific, as in question 12. The product-specific clusters given there, often appeared inconsistent with the traditional clusters. Due to the diversity of answers and the small sample, detailed analysis of these clusters was not pursued. It was however clear that the respect for the conventional clusters fades, when the question is related to a specific, presumably familiar, product and concerns presumably familiar markets.

10.2.2 Cultural Factors hampering the Standardisation of International Advertising in W.Europe

A further question posed to the interviewees was on which cultural factors were seen to be barriers to international advertising standardisation in W. Europe.

Examination and analysis of the information provided in answer to this question led to the formation of the sets of cultural factors presented in Figure 10.12: these are seen as the main types of barriers that can be formulated with respect to standardised international advertising in Europe.

CULTURAL BARRIERS

1. (Cultural) values
2. Habits and customs
3. The resurgence of national identity
4. Language factors
5. Perceived cultural image
6. External cultural environment

Figure 10.12 Cultural Barriers to Standardised Advertising in W. Europe.

These clusters have been defined on the basis of answers to an open question, and are in rank order of the number of times they were mentioned. The examples and explanations which are given in the further part of this section are based directly on (verbatim) quotes from the respondents.

1. VALUES:

Cultural values were the cultural barriers mentioned most often, and indeed by all interviewee sub groups. Over 30% of the factors mentioned in total were grouped into this category. Specific areas were:

- social values, mores, traditions: allusions to historic events having different meaning; an advertising applicability suggested particularly to "added value" aspects, or "high touch" areas, not to the "staple products" as such. Another example given was that of the wearing of school uniforms; accepted as the norm in one country, yet absolutely unacceptable in another
- religion, and its effect on for instance purchases of clothing or food
- moral values, whereby France was named
- the family, man-woman relationship, and their effect on family life, on work ethics, showing differences between various countries.
- politics, and its effect on advertising environment; eg "the ecological movement started in Germany, and is active in the Netherlands and in the UK, but hardly in France or Spain"
- (social) class: both the role and the perception of social class is different in the different countries in Europe, e.g. UK versus Scandinavian countries.

2. HABITS AND CUSTOMS:

A number of elements that were brought up can be summarised under this heading. In particular it concerns the following examples:

- eating habits, cuisine, food products consumed, taste, ambience regarding cooking and eating, product usage, all so different in the European countries
- shopping; the development of super markets - important for fmcg advertising, merchandising etc.
- dressing, clothes, cosmetics use: when, where, what.

The repeat of Dunn's research, reported in the previous chapter showed a similarly high importance attributed to the 'eating habits' factor when looking at the transferability of creative strategy in Europe.

3. THE RESURGENCE OF NATIONAL IDENTITY:

This factor was brought up by many interviewees and was sometimes indicated as: cultural awareness, chauvinism, nationalism, xenophobia, or even regional identity: in some cases it amounted to the need for local roots and local customs, the need to recognise one's cultural inheritance.

It is seen to be applicable both in the case of countries (specifically named were: France, Germany, Greece and Austria) and with regard to companies and management attitudes, in such cases as: local management behaviour and judgement, the NIH: the 'not-invented-here' syndrome and the fear for foreign brands.

4. LANGUAGE:

Language is seen to hamper advertising standardisation, and this is the reason why non-language aspects of communication are seen to become more important.

The interviewees saw language factors as split into three:

a) linguistic factors, for instance influencing: brand names (eg Rolls Royce Silver Mist, or Mum have unacceptable connotations in German), or the use of idiom and slang.

b) inaccessibility of certain meanings, e.g. in humour (including puns). Although

humour is a far farther-reaching factor than linguistics only, it was mentioned in this context several times.

c) inaccessibility of the connotations and associations of for example literary allusions, as in the use of quotations.

The need to translate the content of advertising was taken as obvious. The factors mentioned represent a selection of those which make simple translation an inadequate approach. Respondents were not prompted to talk about language as a force influencing cultural identity or as a key to cultural difference (as in Fifield), nor did they raise this spontaneously.

The role of language both as a normative aspect of culture and otherwise, as well as the role of both language and non-language aspects of communication merit further research, in order to fully understand their implications for international advertising.

5. PERCEIVED CULTURAL IMAGE:

This heading groups those factors which are seen to characterize cultures as they are perceived (their image, irrespective of its reality), for instance:

- emotional versus rational, eg "France and UK versus Switzerland"
- conservative versus progressive
- introspective versus outward orientation, eg France versus the Netherlands
- orientation towards authority and bureaucracy; North versus South difference; the well-organised versus "manana" cultures.

6. EXTERNAL CULTURAL ENVIRONMENT:

Under this heading are grouped certain objective factors, which are seen to be a cultural obstacle to standardisation of advertising; factors mentioned are the differences observable within Europe in:

- the standard of living, the standard of development, i.e. the factual North-South divide
- the standards of education, affecting media usage
- the degree of advertising regulation, affecting possible media choice.

7. OTHER FACTORS:

For reason of completeness it should be said that there were interviewees who as well as

mentioning some of the above, also cited non-cultural factors here, e.g. climate.
There was also one interviewee who insisted that only the product culture would affect the advertising for that product; he was referring here to the specific case of tea and coffee, a products field which was also discussed when grouping countries in very specific clusters.

10.2.3 Supra-Cultural Facilitators of the Standardisation of International Advertising in W.Europe

The objective of the question was to elicit any factors, which were seen to be able to "override" cultural barriers, and as such could facilitate standardisation.

A large number of factors was presented; however, these can be reduced to two main streams: those relating to the consumers and those relating to the company.

SUPRA CULTURAL FACILITATORS

I. Cultural European Universals, based on
- universally applicable values and appeals
- life style
- uniformity in the external environment

II. Company Created Universals, based on
- management skills
- corporate culture
- strong brand identity or unique brand idea/property

Figure 10.13 Supra-Cultural Facilitators of Standardised European Advertising

On the one hand there is a large cluster of universal factors which are shared by the (European) cultures and influence the consumers' receptiveness to standardised advertising. They are so strong that they are seen to be able to override the cultural barriers which are present, at least sometimes. These types of factor were mentioned equally strongly by members of all four subgroups.
On the other hand, a large group of interviewees argued that the way a company portrays the company and/or its brands, how it manages the company, its people and brands, thereby offering an irresistible as strongly and professionally marketed package, can overcome cultural

barriers to standardised advertising. Dutch and British respondents, company and agency management put a slightly different emphasis on the factors involved.

The two groups of facilitators have been formulated on the basis of the responses to an open-ended question, and the examples given and issues presented are derived directly from the respondents' information.

1. CULTURAL EUROPEAN UNIVERSALS:

Under this factor are grouped the mechanisms which address consumers who are more alike and more receptive to standardised advertising, for instance:

a) appeals based on cultural universals (cf. Chapter 5).
These appeals are applicable to all cultures in Europe and would imply that a standardised campaign is more likely to appeal to consumers from different cultural backgrounds when based on, for instance:
- basic human needs, where culture and habit do not dominate
- emotions, love, romance, the need to be valued
- appeal to power and (self) esteem, e.g. through designer labels, or also:
- current issues, unifying Europe, e.g. the 'green issue', pollution.

b) life style.
This unifying factor of how one lives, how one spends one's time, how one spends one's money, is seen to overcome cultural barriers through creating (international) segments, often targetable by specific media, which can be helpful when standardising advertising. Examples include the youth culture, the over 50's age group, the "greens", the "yuppies".
Contributions to lifestyle came particularly from:
- fashion and design
- films and music.

c) greater uniformity in the international, European environment.
A number of factors are seen to play a role here, e.g.
- better communications: physical, electronic, media
- increase in business and leisure travel
- developments in science and technology,
- the pace of product and services innovation.

2. COMPANY CREATED UNIVERSALS:

This is a group of factors which the companies themselves can create and manage, and which are believed to be able to overcome cultural barriers:

a) a strong corporate identity, based on particular skills in management and on company- or corporate culture
   - these factors were mentioned particularly strongly by Dutch advertising agency managers

b) strong company- or brand identities or unique strong brand ideas and brand properties
   - these factors were seen particularly by UK company management to be supra cultural mechanisms.

As shown in Figure 10.13 and explained in the above, it is these two major and composite factors, growing exploitation of cultural universals which turn consumers from differing cultures into homogenous target groups (at least in some segments) and stronger exploitation of international company identity and brand offerings which are seen to be the forces which can overcome the cultural barriers in W.Europe.

10.3 MANAGEMENT ISSUES

In this section, management decision-making regarding advertising standardisation will be considered and the findings of the research have been grouped under three issues. In all cases the discussion relates to fmcg in Europe only. The issues are:

1. what is currently happening, i.e. how is international advertising standardisation currently decided upon
2. what are fundamental issues when developing international campaigns
3. what is seen as an ideal process of decision-making in this respect.

A recurrent aspect of the research has been the need, particularly in the case of decision-making regarding international advertising to look at relationships amongst the web of companies and units involved: both at in-company relations, e.g. between headquarters and the subsidiary, and at the relationship between the (international) advertising agency and the company, both at international and at local levels.

10.3.1 Decision-Making regarding International Advertising

Before looking at an ideal process of decision-making regarding international advertising, it seemed wise to first look at the outcome and ask: Who takes the final decision, and on what evidence?

One of the clear findings is that top management is always involved in decision-making about international advertising: top management takes part in the consultation process, and carries responsibility for both the decision and the process.

In the case of 70% of the interviewees the final decision was taken by a company's International (sometimes European) Headquarters, for 20% by local management, and in 10% of the cases the question was not seen to be applicable, e.g. in the case of multinationals pursuing brands on a country-by-country basis only.

There also was general agreement that the final decision "is never in the Agency's hands".

As evidence for taking the decision to standardise, research was most frequently mentioned, followed closely by proof of success elsewhere or in a lead country.

Less frequently mentioned factors which served as evidence (for or against) were: the existence of market opportunities, cost savings, the value of the Concept or the Idea, competitive pressures and information on "what would not work", as well as the alleged competence of local company/agency.

The tendency in the interviewee's company or agency to favour standardisation or not was reported as

- 20% strongly in favour
- 35% in favour
- 35% neutral
- 10% against.

There was little difference between the interviewee sub groups: the agencies slightly more often took the neutral position, whereas the companies were more often in favour or strongly in favour of standardising.

10.3.2 Fundamental Issues when Developing International Campaigns

The following "musts" were established by the interviewees:

1. International brand/ concept alignment is fundamental
2. The development, consultation and evaluation process should involve both company and agency representatives
3. The process of communication should be two way, along direct lines as in the diagram below, never following any diagonals in the diagram:

```
INTERNATIONAL <-------------> INTERNATIONAL
   COMPANY                       AGENCY
  MANAGEMENT                   MANAGEMENT
      ^                             ^
      |                             |
      |                             |
      |                             |
      v                             v
    LOCAL                         LOCAL
   COMPANY                        AGENCY
 MANAGEMENT <-----------------> MANAGEMENT
```

(The same diagram was offered by one of the interviewees in the exploratory phase, but a number of respondents referred to this or a similar construct as an essential part of the process.)

4. Research can help decision-making but should never be used instead
5. The final responsibility is always the company's and they therefore <u>also</u> carry the main responsibility for the process.

10.3.3 Company Factors seen to Favour International Advertising Standardisation

The research indicates that there are some strong connections between certain company conditions and the likelihood that the company will favour standardisation of international advertising.

Analysis was based on a four point scale, using forced choice questions, on whether the company would " strongly for/ for/ against/ strongly against" the decision to standardise advertising, under the condition(s) specified. Like other questions in the question guide, this question was meant to make management think about relationships, so that patterns could be built up.

There were four company conditions which were universally seen to <u>only</u> bear positively or very positively on the decision to standardise advertising:

1. A centralised <u>management structure</u> be it in the company or agency
2. A top-down decision-making process
3. A <u>company culture</u> characterised by tight control
4. <u>Competition</u> with international companies or brands.

This was the outcome of a question which stating ceteris paribus assumptions attempted to make the interviewees relate the factors of management structure, decision-making process, company culture and type of competition to the likelihood that standardisation would be favoured.

In the case of each factor, several non-exclusive options were offered, e.g. for decision-making process : top-down, bottom-up, participative and authoritarian. It is interesting to note that for each of the four factors (company conditions) one option only was seen to only have the very positive or positive bearing on standardisation; the other options were either seen as totally negative/strongly negative (for instance: a locally autonomous management structure) or as categories which would allow a company to decide to either standardise or not standardise (e.g. a decentralised management structure, authoritarian, participative or bottom-up decision making-processes, a strong company identity or strong company values).

10.3.4 The Ideal Process of Decision-Making regarding International Advertising

The process by which decisions should be arrived at was also probed using an open-ended question and correlating responses with those given on other relevant questions.

Bearing in mind the working practices, policies and complex organisational structures of both companies and agencies, devising a standard or an ideal process for decision making would seem a sheer impossibility.

However, having elicited the fundamental issues stated above and having observed the consensus expressed about a great deal of other points related to this area, "in an ideal world", Figure 10.14 would represent an integrated ideal process, compiled on the basis of the respondents' answers.

FIVE PHASES

1. The initiating phase
2. The research and development phase
3. The international development and evaluation phase
4. The decision making phase
5. The implementation phase.

Figure 10.14 Five Phases in an Ideal Decision Making Process Regarding International Advertising.

The process has been formulated as consisting of five phases:

Five phases of an ideal decision making process:

1. THE INITIATING PHASE:

The idea of what will be an international campaign can stem from either international or a local source. It can be for an existing, or for a new product. During the first phase the idea is made more tangible, and is developed into a brand- or advertising concept.

2. THE RESEARCH AND DEVELOPMENT PHASE:

During the second phase the advertising concept is researched, developed and consumer tested, either in concept form, or in a market test.
"Consumer attitude research should be carried out in countries representing 80% of sales. Providing some important common attitudes prevail, commission a small team to provide two options", said one interviewee.

3. THE INTERNATIONAL DEVELOPMENT AND EVALUATION PHASE:

In this phase the international viability of the concept or the initial country experience is evaluated. The aim is to reach concept alignment.

The process can take various forms (not mutually exclusive), for instance:

- an international working party, in-company, within the agency, or with membership from both company and agency, aiming at consensus
- a continuous consultation process between company and agency, HQ and local, along the lines of the "rectangle" above, or a pyramid, with company HQ or an internationalist at the top and local company and the agency in the other two corners
- the setting up of a further research programme, including market testing in a lead country, followed by an evaluation of the key country or of the lead country experience
- a programme of concept and communication research, including testing for negatives.

In this phase "it is essential to work with an aligned agency" which shares the company's wish to operate internationally. It is important to be able to work

constructively towards the same goal: "an international campaign which is successful and can be seen to be". "The agency should know the frame of reference and the brand base", "a permanent process of information and motivation"; also: "periodically a sharp evaluation and an active search for possible derailments" were some of the comments given.

"In decentralised companies, contact the local companies and involve them at each stage; in centralised companies, make it clear that a local company does not have any say in the matter" is another quote worth noting.

4. THE DECISION-MAKING PHASE.

Some interviewees claim that ideally the whole decision making process should be company-led and top-down, "the only decision making process is one without consultation with other countries, and unconditionally prescribed"; however, this clearly does not represent reality for the majority of companies.

It is universally agreed that the final decision has to be made by company headquarters, a central coordination group, (or) the European HQ. This decision can be made between alternative concepts, or on the degree of standardisation a chosen concept should carry.

It can be preceded by evaluation within the advertising agency: "One central contact in the Agency; one international Plansboard within the Agency"; When it comes to final evaluation by the client marketing company, agencies are keen on "one set of judges, chaired by the same person who gave the briefing in the first place".

5. THE IMPLEMENTATION PHASE.

For the implementation or execution phase of an international advertising programme, based on concept alignment, three options are offered by the interviewees:

- unconditional prescription of a standardised execution
- a standardised approach, with room for local adaptations or changes if necessary
- freedom for local implementation, based on the international concept or idea, as aligned.

The ideal decision making process as a whole, can be charted as shown in Figure 10.15.

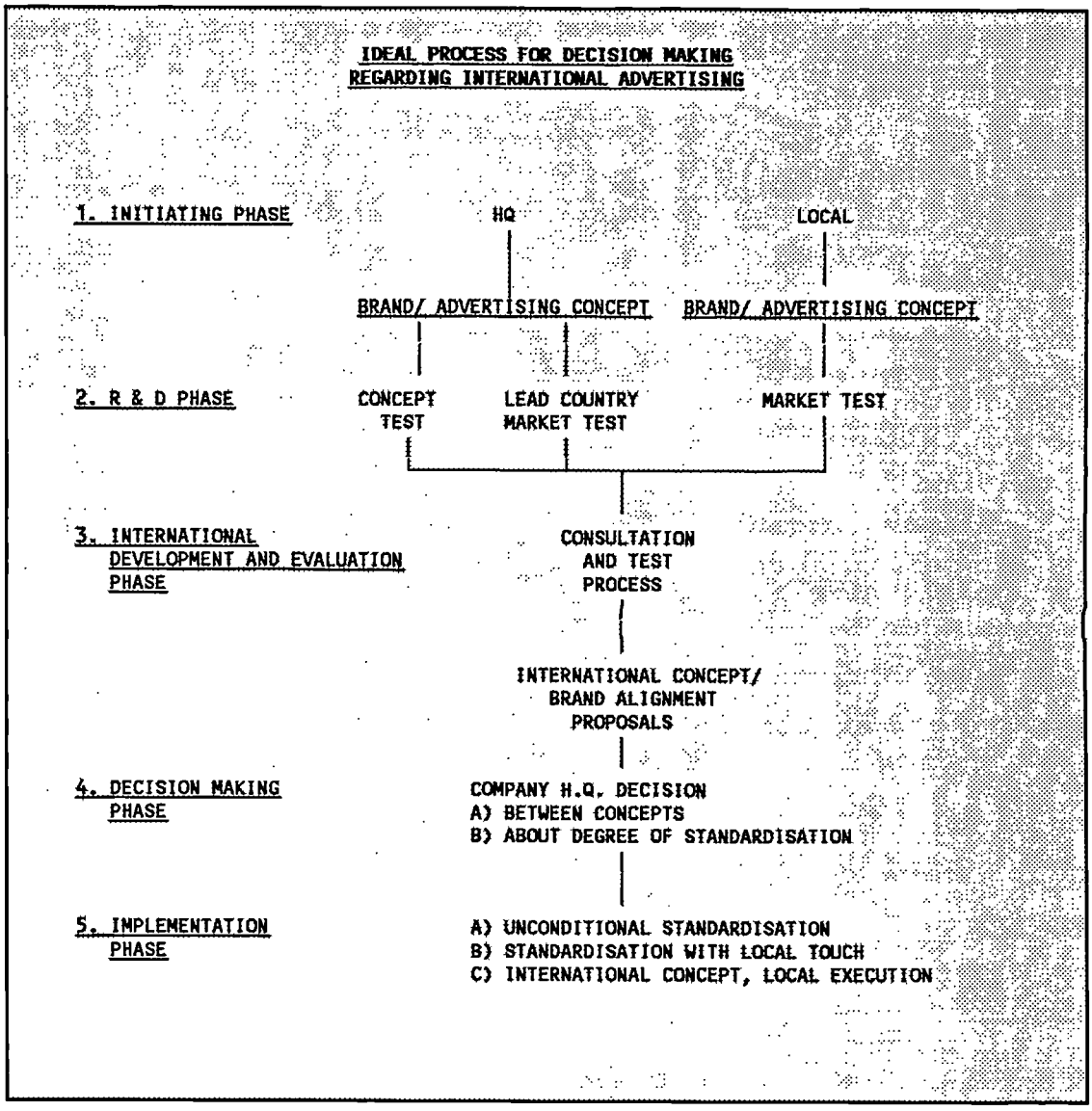

Figure 10.15 The Ideal Process for International Advertising Decision Making.

As is usual, when the views of many are combined into one, which should carry the blessing of all, there is space for a few exceptions to a so carefully assembled construct. Here too, a few cases could not be accommodated and remain as exceptions to this process. They are:

1. subsequent launches within a range, which call for a shorter process
2. new product campaigns which do not always need to go through all the stages either, and can be unified from the start.

The picture of the "Ideal Process" is of course idealised and needs to be tempered with a sense of reality. This led to mention of what some had found to be regular 'facts of life':

- international advertising cannot be achieved without top management endorsement
- the most influential local management will dominate
- and sometimes: "the only decision-making process is one without consultation with other countries and unconditionally prescribed."

10.3.5 Principles of "Good Practice"

Under this heading the interviewees were invited to formulate their experiences and thoughts regarding the rules and procedures to be followed when deciding on and running an international campaign. These represent the principles which should govern the actions taken when following the "ideal process".

"GOOD PRACTICE"

1. Management, "the who"

- competent management
- good and skilled people
- no NIH syndrome

2. Process, "the how"

- maintain central control
- adhere to strategy and concept alignment
- use the same MR procedures everywhere
- take the local opinion into account
- have a consumer orientation
- have clear rules about creative execution forms
- uphold the quality of preparation and procedure
- evolve the organisation to manage European opportunities
- use a continuous consultation process
- use clear-cut, agreed procedures

Figure 10.16 *Rules Regarding 'Good Practice' for International Advertising Decision-Making.*

As summarised in Figure 10.16, "Good practice" for the development and decision-making regarding an international advertising campaign is seen to consist of:

- rules regarding management, "the who", and
- rules regarding the process, "the how".

1. MANAGEMENT

"People" is the most important factor in the whole of international advertising decision making.

This refers both to the management in headquarters and at local level, both those managing the company and the agency, and those creating the corporate and brand identities, and managing the international programmes, and also to the creative talent needed to produce the good ideas. The "dreaded" not Invented Here syndrome needs to be overcome by positive thinking at all levels.

"Good selection and management of people avoids the 'Not Invented Here Syndrome'", and "Having the right people for the international job" are interview quotes which sum up one of the major problems of international advertising management and the solution thereto.

The factor "people" involves selection, training, development and motivation of management, to work successfully in the company which operates in the international arena. Amongst the interviewees it was in particular the Dutch (both company and agency management) who stressed this point, but it is mentioned often and strongly by respondents from all sub- groups.

2. PROCESS

A set of ten "Good Practice" rules can be formulated on the basis of views and experience shared by all interviewee sub groups. This consists of:

1. Use a central control mechanism.
2. Adhere to the one agreed strategy and reach concept alignment.
3. Use market research with recommended procedures and the same test methods in each country.
4. Pay attention to local management opinion.
5. Have a consumer orientation.
6. Have clear rules about creative execution and agree on one form out of:
   - using the same campaign that has been successful in one country unaltered everywhere,
   - using a consistent, simple execution with room for the local touch,
   - using a flexible interpretation and flexible creative execution based on concept alignment .
7. Pay attention to the quality of preparation and procedure.
8. Evolve the organisation for global/ European opportunities.

UK advertising agency management felt of particular importance a principle not so strongly put forward by others:

9. "Use a continuous consultation process between company and agency, on national and international level"

Dutch company management felt particularly strongly about

10. "Use clear cut, well prepared and agreed procedures".

It was particularly agency management, of both countries, which stressed the second point, i.e. the importance of central control and a central control mechanism. "Ideally one plansboard in the agency; one central set of judges in the company, preferably those who gave the briefing in the first place", is a sentiment already used above, and again expressed here.

Although the last two "rules" were particularly strongly put forward by two of the sub groups, others shared them as well, and therefore -as these last two rules are also felt, without dissent, to be universally applicable as "Good Practice"-, they are included in the set of ten rules.

It is of interest to note that rule 10 reflects a wish for Uncertainty Avoidance, which matches the fact that amongst the four subgroups it was the Dutch companies who had the highest score on UAI.

It is a point of further analysis to see whether the specific statements made by the UK agencies and by the Dutch companies reflected a particular discontent with these issues in practice.

It should also be noted that many more questions were scanned for consistency, but not analysed in their own right. They offer scope for further research, as do the questions mentioned earlier, which led to too great a diversity of answers to too specific a problem area for the small sample to offer a valid outcome.

Chapter 10 covered the analysis of the relevant original research regarding culture, globalisation and the management of decision-making regarding international advertising. In Chapter 11 these results, and those from Chapter 9, will be linked with the findings of Part 1.

PART THREE

CONCLUSIONS AND IMPLICATIONS

CHAPTER 11

CONCLUSIONS

INTEGRATION OF PART 1 AND PART 2

In this chapter the findings of Part 1 and Part 2 will be integrated, conclusions will be drawn, and their implications for the model developed in Chapter 7 will be explored.

Chapter 7 presented the summary and analysis of the first three rounds of evidence: the literature, the exploratory interviews and the personal experience.
In Chapters 9 and 10 the last round of evidence, the fieldwork, was analysed, and the current chapter will cover the integration of all four rounds.

In writing up the findings and conclusions, the structure established in Chapter 7 has been repeated, looking first at the level where culture is a black box to be dealt with by companies considering how to develop policy, then at the way in which cultural factors appear to affect communication of the type involved in standardised international advertising, and finally at the level where the variables to be taken into account are the manager himself, the organisation of the company and the advertising agency, and their relationship. This also is the level at which globalisation is (expected to be) relevant.

11.1 ANALYSIS OF SOURCE OF EVIDENCE

Before attempting to interpret the findings, it is important to be clear how general and valid the information gained in the survey is likely to be. As described in Chapter 8, forty managers were interviewed, through a combination of a written questionnaire and follow-up interviews in person or by telephone. The interviewees' extensive experience in marketing and advertising and the level of seniority they represent give assurance that they form a reliable source of evidence on the views of British and Dutch international advertising decision makers dealing with fast moving consumer goods.

The responses themselves give farther grounds for confidence that what emerges is likely to be both reliable and relevant to the subject area. Five specific observations can be made:

1. The evidence was internally consistent. Checks were built into the questionnaire and interviewing technique which, although allowing managers to deviate from opinions given earlier, were meant to make them account for any such deviations, through examples and reasons why. The set of questionnaires as completed shows internally consistent profiles of the managers' views.

2. No British-Dutch split emerges in the answers to the questions in which the managers were asked

   a) to group countries,
   b) to position their fmcg brand(s) on the grid as developed by Kanter, and
   c) to rate the relative importance of factors affecting creative strategy transfer.

   The conclusion can be drawn that these Dutch and British managers agree in how they perceive the marketplace and the consumer in Europe. This unanimity is a result unlikely to have occurred by chance and suggests that the responses represent what is, at least for two countries, an agreed international view. Such facets on which there is high unanimity across the whole sample form good candidates for being general hypotheses for marketing across Europe.

3. A British-Dutch split was observed in the answers to Hofstede's Value Survey Module. This was consistent with Hofstede's findings in his main surveys.

4. It is to be expected, at least informally, that agencies and companies will sometimes attract managers of different types. In the event some differences on Hofstede dimensions were observed between agency and marketing company management.

5. The scope of the study was restricted to fmcg, and this appears to have been a correct choice. Answers on many topics showed a measure of common experience, and fmcg proved to be a unifying element. Questions with respect to specific products within fmcg however led to widely varying answers, which suggests that for such areas of questioning a much larger sample would have been needed.

11.2 CONCLUSIONS REGARDING CULTURE AS BLACK BOX

Clustering of countries for marketing purposes by reference to their similarity was an approach which managers recognised as sensible. Most managers (over 90%) found that their perception of the markets in Western Europe allowed them to split the countries in groups or clusters.

Where Hofstede grouped countries in an unusual way - e.g. specifically the Netherlands with Scandinavian countries - only 5% of respondents produced spontaneous groupings which bore this out.

The clusters which managers did produce were predominantly in line with traditional cultural patterns. For some specific products and product categories very specific, non generalisable, groupings were proposed. The fact that these specific groupings were also offered suggests that the interviewees did think seriously about the issue and that the occurrence of 'traditional' patterns should not be interpreted as a thoughtless reflex reaction. It is however possible that when the question is posed in general terms, and without reference to a specific product, a conventional answer is the best the manager feels able to give.

These findings suggest that for completeness the model should include the influence of the conventional structuring of country groups as a factor. In specific cases however, there is ground for an alternative approach, grouping countries through a "calculation", based on the 'degree of similarity' derived from likenesses, communication obstacles and other factors which emerge when dealing with specific and known products or markets. This leads to the tentative conclusion that the calculated approach using degree of similarity will be appropriate when specific products are under discussion, while the conventional groupings will require to be taken account of and are the only basis available in case of generalised discussions or where many products are being discussed at once.

The degree of similarity amongst a set of countries will differ product by product. Nonetheless it seems reasonable to link this concept with the degree of similarity recognised in Chapters 4 and 7 as being relevant to globalisation. The 'calculated' degree of similarity for marketing would then be an element in deciding the degree of similarity for globalisation purposes.

11.3 CONCLUSIONS REGARDING CULTURE AND THE CONSUMER

Part 1 and Part 2 agree that cultural differences between countries will remain. Chapter 7 argued that cultural factors should be divided into cultural universals, and both normative and

optional cultural identifiers. This supports an approach which when addressing target groups across the different cultures applies differentiation in accordance with the existence and relative importance of these factors. The evidence favours

a) defining target groups as precisely as possible,
b) defining approaches which exploit shared values through cultural universals and supra-cultural facilitators and avoid conflicts with the normative identifiers.

The implication would be that if no segmentation within a given culture can be defined, campaigns referring to cultural universals are the only safe option, particularly in cases where the market is unknown and/or unrelated products are being marketed under one brand name. Establishing a brand or company identity as a form of cultural (thus values-linked) universal / supra-cultural facilitator will avoid the otherwise implied lack of uniqueness, which would also be a strong invitation to competitive action in such a market.

11.3.1 Target Groups within Cultures

All four rounds of evidence agree that there are significant subgroups within cultures which are culture-bound. Examples are for instance: the lower classes (Dichter) or the laggards (Rogers).

Only further research could indicate which approach the international advertiser should take in order to reach these target groups best. It is easy to say that the culture bound are not interested in what is happening outside their own circle, however,

1. communication and media will have an impact,
2. the degree in which these groups lag behind the international sophisticates might change,
3. cultural universals can be exploited to help get messages across.

It is also suggested, partly through the literature and partly through the changes observed in the priorities on the Dunn scores, that national identity will manifest itself more strongly, when Europe "forcibly" becomes more of a unity. If, as the survey indicates, "cultural differences will not disappear, nationalism will increase", then niche marketing to nationality-sensitive groups and ethnic or regional minorities within cultures becomes a realistic strategic option.

Some normative cultural identifiers may have special force for a culture-bound subculture, and exploitation of these could be an effective way of communicating with such an audience.

11.3.2 Target Groups across Cultures

Interviewees readily identified as a priority the importance of addressing specific segments as international target groups, that is 'target groups across cultures', e.g. the internationally aware, teenagers or innovators. All four rounds of evidence suggest there is a special benefit in focusing on such segments. Apart from general marketing reasons for segmentation this research indicates several mechanisms to explain why there are benefits in selecting, and advertising to, target groups across cultures:

1. An appeal to shared normative values facilitates response:
   - if the advertiser succeeds in tapping the strong normative component in the value system which holds people together as a subculture across cultures, the quality and rate of the increased response obtained will outweigh the smaller target market size in comparison to the total market.

2. Precise target definition facilitates media match:
   - the dissemination of advertising to such audiences, particularly internationally standardised advertising, is easier if the subculture is more precisely defined, thanks to the data which are available on the characteristics of the various media and the vehicles therein.

3. Subculture lifestyle portrayal facilitates creative briefing:
   - the life-style or psychographic descriptions which are appropriate to subcultures give a better basis for effective creative briefings.

4. Subculture success facilitates national approach:
   - the behaviour of consumers in the wider culture is influenced by that of many of its subcultures. The success of the brand with the subculture may be observed by the rest of the culture and may form an additional medium for reaching these further groups later.

The evidence in this study is insufficient to resolve precisely which of the mechanisms are at work under which conditions, but is sufficient for proposing that some mechanisms exist which make targeting subcultures an approach which is both feasible and desirable.

11.3.3 Supra-cultural facilitators to overcome cultural barriers

The normative cultural identifiers were seen as a major obstacle to standardised international advertising. However, two instruments were identified as potential vehicles for reaching the consumer across cultures:

1. cultural universals
2. supracultural facilitators.

The types of cultural universal brought forward were for the most part similar to those in the literature, thereby confirming what was found there.

However, another type of solution to overcome the cultural barrier emerged from the research. This consists of what has been called supra-cultural facilitators, forming a further and new range of 'universals' which have received little recognition under this heading. Interviewees saw scope for exploiting strong properties, which the company had built up or acquired, to become part of the shared value system of targeted (sub)cultures. Two such properties were identified:

- The company culture and management style behind the brand: the corporate identity, the company identity.
- The brand or brand idea.

Both these groups of supra cultural facilitators could include the country-of-origin concept, if appropriate.

Such advice appears obvious in the sense that it is wise to exploit whatever advantages one happens to have. However, the new perception is that this brand identity can create a cultural universal that becomes linked to the sets of values of (potential) consumers of that brand, therefore becomes a normative part of the (sub)culture. While all *familiar brands could in* principle acquire this character, only some have in fact gained integration with the value system of consumers. Examples are 'Coke', 'Woolworth', 'Mercedes': one can point to an unrelated product field and say: the 'Mercedes' of office-furniture, or the 'Woolworth' of tennis-clubs.

The tool will be referred to as the 'Cultural Brand-Target Universal' and implies that developing the brand or corporate identity in sduch a way that it acquires the status of a cultural universal, anchored inot the normative value system of the cub/cross cultural target group(s), should give its owner an exclusive benefit.

It is the more an important tool, as brand strength, creative ideas and good management have been identified as scarce, implying even better reason to exploit them across the globe.

The following conclusions can be drawn regarding the receptiveness of cultures to new "universals" of this type:

1. It is possible for a company to set out to <u>create</u> what is effectively a new cultural

universal, namely its chosen brand, identity or style. Having made this a commonly understood and value-linked concept in many cultures, the company possesses a uniquely powerful vehicle for future standardisation.

2. The susceptibility of consumers to such universals indicates that
   - culture is learned continuously: the learning process does certainly not stop within a culture - which confirms an element of the definition of culture given in Chapter 3,
   - brand- or image-following may be a top-level cultural universal possibly audiences in W.Europe like to join, in responding to brands and images: in effect brand- or image-following as top level cultural universal may be the facilitator for the possibility for company created cultural universals.

Interviewees showed no faith in the spread of cultural homogenisation in Europe, even though they accepted that the move towards a Single European Market in 1992 would create greater awareness of the European idea, and greater pressure on companies to globalise at least on a European scale.

In summary the outcome of the survey reinforces the view of the importance of cultural barriers and *their likely persistence*, but adds both in number and in understanding to the 'facilitators' which can be used to reach international consumers in a standardised way. There is at least a suspicion that these facilitators operate by appealing to a need for people to give allegiance to normative groups smaller than their national culture or to concepts, including brands, to which they then ascribe value.

11.4 CONCLUSIONS REGARDING CULTURE AND MANAGEMENT

The similarities and differences between managers from differing country clusters as observed in Chapter 3 have been confirmed through the fieldwork as being applicable to the sample interviewed.

A major conclusion however from the fieldwork is that where these senior marketing and advertising managers have differing cultural background, and these differences are apparent in the style and way of decision-making, they do not affect these managers being in agreement on the issues and decisions themselves.

The manager's cultural background will thus have an influence on the process of how a decision is taken, but does not exist as an influence on the decision itself. In the Model

therefore, which concerns itself with the factors influencing the decision, rather than influencing the process, the factor "manager's own culture" is thus removed as an influence regarding standardisation of international advertising.

The three subsections which follow detail the conclusions to be drawn from combining Part 1 and Part 2 results regarding the influence of culture on management.

11.4.1 Similarities and Shared Views

The check on British and Dutch managers' own cultural values produced results which left Hofstede's conclusions intact, particularly in the fact that the only significant difference between British and Dutch managers is attributable to the variable called 'MAS' for Masculinity. This difference however is a clear one.

Notwithstanding their differences the managers were unanimous regarding clustering of countries and this was mirrored by close agreement on other marketing related questions:

1. Similar perception of the consumer:
   - managers' views of consumers in terms of Kanter's grid are not only different from Kanter's but also highly consistent; for three-quarters of fmcg brands consumers are placed in the active/emotional quadrant whereas Kanter would expect this proportion in the passive/emotional quadrant.

2. Similar views on the factors affecting creative strategy transfer, which currently approximate those defined as barriers to the standardisation of international advertising:
   - the managers also differ from European managers previously studied, and consistently so, on the question of the most important factors affecting the transfer of creative strategy; the factors have changed in priority since Dunn's research in 1976, and are now similar to those defined as barriers to the standardisation of international advertising. Cultural values, the resurgence of national identity and the quality and competence of local marketing and agency management are seen as most important factors for success.

The coincidence of views between the Dutch and British managers on clustering countries, on perception of consumers and on the importance of cultural differences in the changed order of priorities regarding the transfer of creative strategy suggests that they share views on market and consumer questions, even though their cultural starting points differ in terms of the Hofstede dimensions.

This casts considerable doubt on whether the Self Reference Criterion (SRC) does affect how British and Dutch marketing and advertising management view consumers.

The extent of the agreement between the managers of the two countries covered the following points:

- globalisation is increasing,
- globalisation is mostly seen as a business policy aimed at achieving economies of scale,
- cultural differences are the main reason why globalisation is not flourishing even more,
- which are the cultural barriers to standardised international advertising,
- which supra cultural factors can facilitate standardised international advertising,
- the 'not invented here syndrome' (NIH) is an important obstruction,
- which factors can be formulated as the musts for developing good standardised international advertising,
- which rules can be defined for developing standardised international advertising, also to be seen as "Good Practice".

Although it will be seen later that the two managerial cultures require different organisational approaches, and would show different ways and styles in reaching marketing decisions, the above still holds. The statement on the 'musts' is indeed a universal managerial one, and the last statement on the 'Good Practice' rules should be seen as a compilation of what is acceptable as 'Good Practice' in an international context, - not as the automatic 'Good Practice' of any given culture.

11.4.2 Differences between British and Dutch Managers

Despite the large measure of agreement, there are differences between British and Dutch managers in a number of areas.

Among the minority of managers who do not accept the "globalisation is a business policy" definition, British and Dutch choose opposing alternatives:

- On the definition of 'globalisation':

  the remaining British managers prefer the market oriented definition, whereas the remaining Dutch tend towards the 'idea' or 'general policy' definition, which makes globalisation an idea or guiding principle for management.

- On factors promoting globalisation:

  Apart from economies of scale, which are seen by both, British managers see external factors as the ones promoting globalisation (opportunities and consumer convergence), whereas the Dutch focus on factors within the company (exploitation of scarcity of ideas).

- On factors obstructing globalisation:

  Apart from the cultural differences, which both recognise, British managers feel that company culture and the NIH syndrome obstruct globalisation, whereas the Dutch blame the external environment.

When asked about 'Good Practice' for managing standardised international advertising, British and Dutch managers each add a different extra process related dimension to the otherwise common set of "Good Practice" rules:

- On 'Good Practice' rules:

  The British emphasise a process of consultation, and the Dutch ask for a set of agreed clear-cut rules.

In Hofstede's terms such differences are consistent with the HERMES findings.
The scores noted on UAI in the two countries (UK scores lower than NL) explain the degree of uncertainty avoidance, and contrast the two countries in a search or need for consultation, experienced by the British, versus a need for formal rules as required by the Dutch. The fieldwork confirms the findings of Hofstede in this respect.

Whilst therefore British and Dutch managers are alike in most respects, where they differ can be caricatured as follows:

The British	The Dutch
seek personal achievement	seek company achievement
look beyond the company	identify with the company
exploit market opportunities	exploit company opportunities
master environmental threats	manage internal scarcities threat
feel the company as obstacle	feel the environment as obstacle
consultative management style	rule orientation management style
motivated by personal success	motivated by security and care
conforming to society	managing society

11.4.3 Differences Between Marketing Company and Advertising Agency Management

The interpretation of differences between the managements of marketing companies and advertising agencies is hampered by lack of a frame of reference for comparison. There is also doubt as to the extent to which the scores produced by company and agency management are attributable to their national culture or to their "professional" culture. The sample of 20 managers each within the total of 40 is not large enough to isolate the professional influence. However, as noted above, sets of 20 managers are a large enough sample for any clear differences to require an explanation.

The top management of agencies in the UK and the NL score higher on PDI and MAS, but lower on UAI and IDV, than UK/NL marketing management. This would suggest that in comparison to their marketing colleagues agency managers would value fewer rules, more freedom to experiment, would expect a powerful person at the top who takes the decisions, and have relatively high ego and achievement needs. The marketing company values would tend to go in opposite direction; it should however be noted that these differences in direction should in both cases be interpreted relative to the starting point position for the respective cultures.

Contrasting, and opposed, role sets are evident from the complexes of responses from agencies and marketing company management respectively:

- Agency management claims the role of "the spokesman for the consumers and their viewpoint"; they also press for the role of a party that has to be consulted on equal terms, and not just given orders, whilst recognising that ultimately they are dependent on the company's decisions.
- Company management claims the role of the sensitive boss, the leader who, despite a wish to be flexible, must none the less achieve company objectives and must ensure that the rules are observed.
- Company culture and company management thinking and structure are seen by the agencies as obstructing the progress of international advertising.
- Scarcity of good management in the marketing companies is seen by the agencies as a major threat for the future.
- Scarcity of creative talent and creative ideas (in the marketing company itself as well as in the agency) is seen by marketing company managements as a major problem, causing the need to exploit these ideas in as wide a market as possible.
- Marketing company management sees consumer convergence as creating opportunities, while the external environment still poses obstructions and barriers.

The differences highlighted here give form to the observation that in the process of developing an international advertising campaign it is important that the company and agency roles are clearly and mutually established. The country differences suggest that the most effective types of response for solving problems between company and agency or within each will differ from country to country.

The development of an advertising campaign which involves headquarters and local management of companies and agencies is likely to give considerable scope for disagreement, irrespective of any genuine problems about the appropriacy of proposed advertising for the markets concerned. Measures to deal with such problems are discussed below.

11.5 CONCLUSIONS REGARDING GLOBALISATION AND MANAGEMENT

The large majority of survey respondents defined globalisation in terms which were seen in Chapter 4 as appropriate for an economies of scale driven business policy. This is at variance with the view that globalisation is to a significant extent a response to the observation of similarities among countries, as well as with the more marketing led Millar definition. It was however consistent with the view that globalisation does not imply standardisation of advertising.

The definition of an economies of scale version of globalisation by the majority of interviewees occurred despite the explicit request to consider globalisation in a marketing context. This strongly emphasises the unjustified perception of globalisation as being akin to standardisation.

A factor which was expressed much more strongly in the field research than encountered in the literature, is that of the scarcity of good management, both on local and international level. This factor is seen as strengthening the case for globalisation as a policy, and as acting as an influence on decisions regarding standardisation.

The obstacles to globalisation cited are similar to those in the literature and as mentioned in Chapter 6. The 'Not Invented Here' syndrome in particular is one expected to remain, and seen both as a prejudice against anything from elsewhere and as a sign of assertiveness of local management. The change in priorities in the Dunn factors results in local management being seen as of greater importance than previously.

The corporate nature of reasons given for globalisation, reinforces the conclusion of Chapter

7, that globalisation does not belong as a cause of standardisation in any sense other than that the specific version of globalisation chosen may actually prescribe standardisation - whether of products or advertising.

Despite this there are some respondents who see globalisation as a factor favouring the achievement of standardised international advertising. To explain this in the context of previous findings, the term should be taken as referring to the adoption by the company of such a policy. The respondents' case is then much like that stated below (11.6.1) regarding top management endorsement. Adoption of a policy of globalisation could, indeed, give a measure of endorsement to policies which (logically or not) became associated with it.

11.6 CONCLUSIONS REGARDING THE DEVELOPMENT AND DECISION-MAKING ON STANDARDISED INTERNATIONAL ADVERTISING

Interviewees were asked several questions about the ideal products, circumstances and environment for standardisation of international advertising and a general question about their view of the 'ideal' process for managing the development and the decision-making on standardised international advertising. Answers to these questions were relevant to the assessment of how they saw the roles of different participants, and to confirming what they took to be the problems to be faced. It was also felt possible that the questions would reveal one or more specifications for 'good practice' which could be of practical use or could be farther developed, and this proved to be so.

Interviewees' attention to the question and their consistency in the answers given suggest strongly that there is a consensus both that this subject is of great importance and that there are techniques to be learnt and pitfalls to be avoided.

In order to focus on the core subject of the thesis, specific examples given and indications of products and markets where standardisation of international advertising would be appropriate have not been reported.

11.6.1 The Marketing Company

The need for the involvement of top management, and of their endorsement of a strategy of standardising international advertising was widely stressed. As the interviewees were themselves senior in their own international functional areas or on corporate level, the required endorsement should come from this level of managers or above, i.e. those whose role is a general corporate or international marketing one.

The implication of this is that the commitment would be to a policy and would be taken without detailed consideration on a case by case basis. An act of faith or at least a commitment to a style of operation, is thus what is called for.

The relationship between marketing company headquarters and the company local management needs to be one of consultation coupled with control. It was not felt right for all decisions to be taken centrally without consultation. It was however felt that local management was liable to introduce unjustified arguments against standardisation. The types of local resistance to be combatted were founded on 'not invented here' reactions, sometimes reinforced by a desire to assert local power, autonomy and/or expertise.

Not all companies were felt to be equally well situated to embark on standardised international advertising. Positive indicators were felt to be:

- a centralised management structure,
- a top-down decision making process,
- a company culture characterised by tight control, and
- competition from international companies or brands.

11.6.2 Client - Agency Partnership

Three main principles were brought forward as important for the success of the client-agency relationship in the process of developing international advertising standardisation:

1. There should be a continuous process of consultation between client and agency.
2. The lines of communication between client and agency headquarters and local subsidiary should always follow the lines of a rectangle, never the diagonals, e.g. not directly from company HQ to agency local office.
3. The marketing company should always take the final decisions regarding the advertising standardisation; it should also take responsibility for the process: define the rules, and ensure the progress.

11.6.3 The Decision-Making Process and Execution of Standardised International Advertising

The process of developing international advertising, and the structure of decisions regarding the standardisation of international advertising is different for almost each case. Interviewees discussed positive and negative circumstances and experiences and were asked to describe an ideal route.

The responses regarding the ideal circumstances and process clearly indicate that the managers see limitations in the extent to which standardisation of international advertising is appropriate. In the analysis, all suggestions for an ideal process of decision-making have been combined into one 'Ideal Process', which all interviewees could technically subscribe to.

The thesis proves again that when asked to apply professional judgement and to give professional solutions to problems posed, managers are able to overcome differences attributable to differing company backgrounds and objectives, and to their own differing cultural backgrounds.

Here it allowed for a single ideal process for decision-making regarding the standardisation of international advertising which can, when the case for potential standardisation is made out, provide a secure path which is believed to be acceptable to all involved. This Ideal Process was shown in Figure 10.15.

The "Good Practice" rules derived from the responses were summarised in Figure 10.16, and show, besides the need for competent management and good people overall, ten process-related rules, as a starting point for further development.

Interviewees stressed almost unanimously that a strategy aiming at the standardisation of international advertising does not necessarily imply full standardisation at executional level, and three main options are identified:

- unconditional standardisation,
- standardised execution with the local touch, and
- local execution of an internationally agreed concept.

The interviewees clearly viewed supra-cultural facilitators as providing the basis for overcoming the cultural barriers widely seen as preventing or obstructing successful standardised international advertising. It was also felt, however, that effective employment of supra-cultural facilitators is only possible if three fundamental requirements are fulfilled:

1. The ability to exploit the opportunities arising from the external environment.
2. A strong company direction and company culture.
3. Good brand ideas.

This 'Competence and Empathy Factor'involves developing management, both at HQ and particularly at local level, e.g. though training programmes, to be professionally competent, knowledgeable and innovative, and have cultural empathy. This should lead to better decision taking regarding international advertising.

11.7 THEORY AND MODEL DEVELOPMENT

The theory illustrated in the model developed in Chapter 7, is substantially reinforced by the findings of the field work. A number of significant changes seem justified:

a) the Self Reference Criterion does not apply to British and Dutch managers when dealing with professional decisions. Hence although the research confirms that the managers have differing cultural backgrounds, as far as the outcome of decision-making about marketing and standardised international advertising is concerned, the factor can be removed in the final model.

b) process and company commitment are given a much more prominent role than Part 1 would have predicted. The model already contains a factors for the availability of resources and for 'case-specific' factors. These are now modified into two boxes which bring in the more specific elements emerging from the field research:

   1. a factor encompassing not only the resources which a company has available to invest in standardised advertising, but also the resources the company has in terms of its skills and its ability to follow 'good practice'.

   2. a factor identifying specifically the importance of top management's endorsement of the policy of taking an international view of advertising.

c) the factor "Economies of Scale Benefits Expected" as incorporated in Chapter 7 is retained. The three forms of psychological pressure towards the adoption of a policy of global strategy are no longer shown; this makes the model closer to the viewpoint of the managers participating in the decision-taking themselves

d) the availability of both supra-cultural facilitators and company/brand universals as resources which could be used in creating standardised advertising, is shown as having its effect both directly upon the managers' attitudes to the decision, and indirectly because it makes it more likely that a policy of globalisation will be adopted.

e) the observation that respondents use either conventional country groupings or special groupings for particular products and marketplace characteristics, is shown by alternative factors both transmitting the effects of normative identifiers to the managers.

Figure 11.1 below presents the basic model as finally adjusted to take account of the findings in the fieldwork.

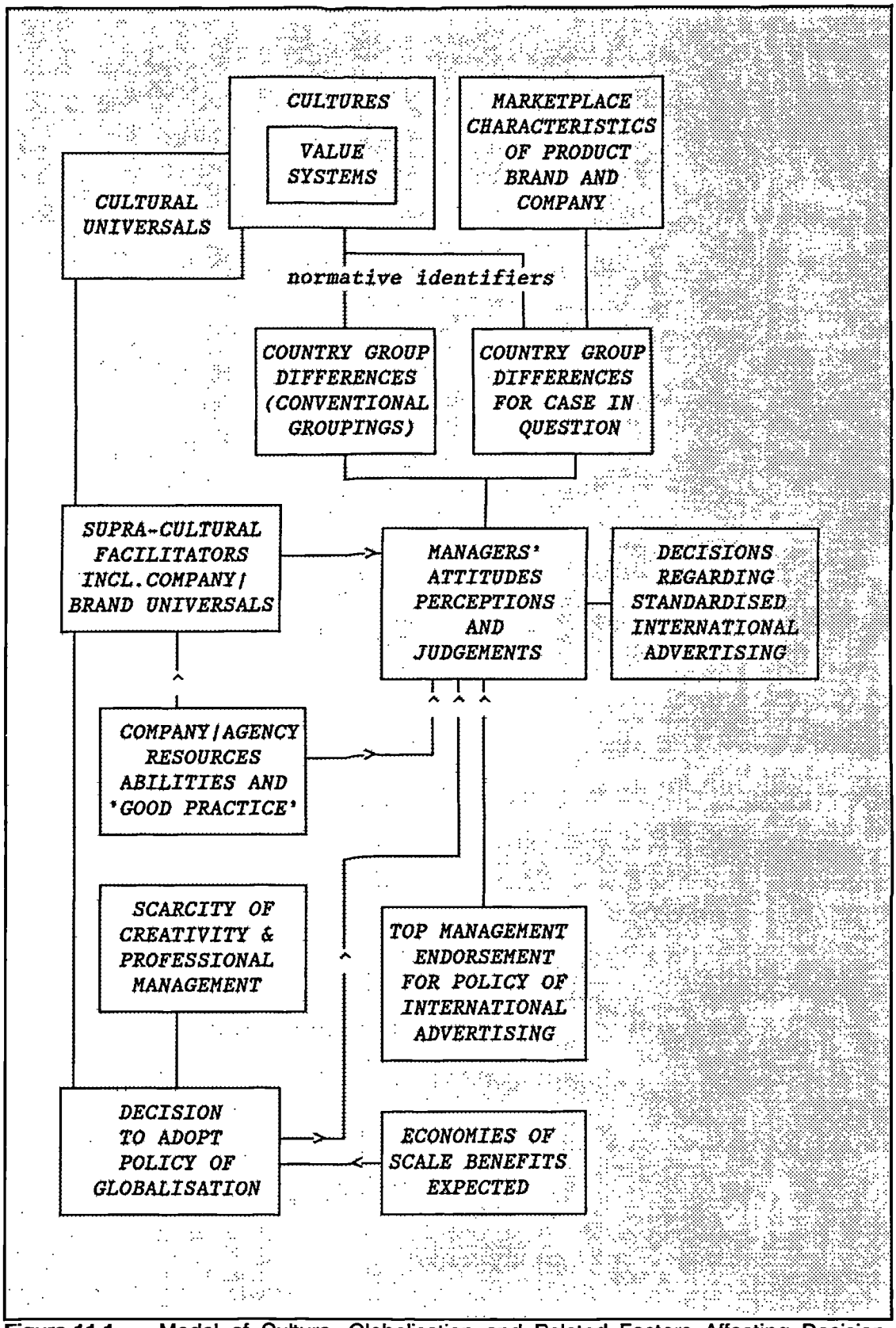

Figure 11.1 Model of Culture, Globalisation and Related Factors Affecting Decision-Making on Standardised International Advertising.

CHAPTER 12

KEY CONCLUSIONS AND IMPLICATIONS

In Chapter 1 (1.2) the key issue addressed in this work was put as follows:

> "How do culture and globalisation enter into senior marketing and advertising management's decision-making about standardising international advertising, especially in the area of fast moving consumer goods (fmcg) in W.Europe?"

In this chapter the major conclusions which can be drawn in answer to this question have been stated. They are followed by a series of implications which can be formulated for the areas of practice, theory and further research.

12.1 TEN KEY CONCLUSIONS

1. In spite of the fact that they differ in cultural background, British and Dutch senior managers, in charge of decisions about international marketing and advertising for fmcg in W.Europe show a large measure of consistency in their professional judgements about international marketing and advertising. This shows that the Self Reference Criterion does not apply to them.

2. In this research, differences between these British and Dutch managers do not frequently occur. However, they are culture related and for instance affect their attitudes to, and recommendations for, methods and styles of operation. Such differences are consistent with the findings by Hofstede, and this suggests that when dealing with managers from different cultures it is important to give careful attention to the 'process'-aspects, e.g. when decisions are being prepared and formulated. Also the differences in views between advertising agency and marketing company senior management were shown to be process-related.

3. When asked in general to group countries for the international marketing of fmcg in W.Europe, experienced British and Dutch managers do so according to conventional clusters of cultural similarity. However, when they are more knowledgeable about a particular product or market(s), different clusters,

specific to the product concerned, are used.

4. Culture and cultural factors necessarily contain a normative component. However, not all behaviour which is unique to a given culture has this normative force. Hence the distinction needs to be made between normative and optional cultural identifiers. These exist alongside cultural universals, which are characteristics common to all cultures.

5. Cultural identifiers can form barriers to standardised international advertising, and can be overcome by supra-cultural facilitators. These can arise not only from traditional cultural universals, but also from unique, company-created universals based on the values-related status which company- or brand-identity can sometimes acquire. This factor has been called the 'Cultural ?Brand-Target Universal'.

6. The use of psychographics to identify like groups across cultures offers an approach to market segmentation which allows cultural research to be applied and supports the case for establishing a specialism in marketing to specific subcultures internationally.

7. Globalisation is mostly seen as a business policy, primarily associated with the drive to take advantage of economies of scale. It affects international marketing, but does not imply standardisation of international advertising. The link between globalisation and advertising standardisation is one of concurrence rather than of cause, as it may well be that globalisation is advocated in response to the same opportunities or threats which also show the principle of advertising standardisation to be attainable. Scarcity, both of good management and of good ideas, is one such driving force which leads companies to globalise and to centralise approaches.

8. For marketing and (standardising) advertising in Europe it is essential to recognise the key role of competent people, in particular professional management, at local and at headquarters level, both in advertising agencies and in the marketing companies. Only such managers can fully exploit the opportunities offered by the changing international environment and foster the necessary tight-control company culture, and strong brands and brand ideas. This has been called the 'Competence and Empathy Factor'.

9. The Single European Market ('1992') will increase awareness of Europe, take away technical barriers, and increase opportunities to market Europe-wide.

Cultural differences will, however continue to matter, and need to be understood and addressed if advertising is to be successful: they will not only remain as barriers but also as a basis of opportunities, as formulated in 5, 6, and 8.

10. In spite of the cultural differences found in management styles and processes, a common set of rules of 'good practice' can be formulated for the decision-making regarding international advertising. This calls, inter alia, for concept-alignment, top-management endorsement and clear lines of international communication between advertising agency and marketing company. An "Ideal Process" for decision-making regarding international advertising extends its applicability to three options for standardising international advertising:

- unconditionally standardised advertising,
- standardised execution with the local touch, and
- local execution of an internationally agreed concept.

12.2 IMPLICATIONS FOR PRACTICE

Corresponding to the above conclusions are a number of practical implications.

1. The rejection of the Self Reference Criterion (12.1.1) implies that it is perfectly possible for managers to perform well in cultures other than their own. It may be, and indeed seems likely, that this only applies if the managers are experienced, both being aware of the potential problems of working in an unfamiliar culture, and being a professional in the marketing discipline. This suggests that there is a "body of knowledge" to be learned. There is a case for professional management education and training to include both international marketing and advertising and the role and effects of culture.

2. A practical implication for senior management emerges from 12.1.2, in that the wish to standardise the process of decision-taking should be kept in check. While the more-trained individuals may be able to conform to a standard international pattern, there are also likely to be those who only function well when they can approach decision-taking in the way their culture dictates, and organisations will need to take account of this.

3. Conclusion 12.1.3 implies that the use of conventional country clusters in arguments

about proposed marketing decisions is a second best solution and should be avoided whenever possible. In order to arrive at the clustering which is appropriate for the particular product/brand it may be necessary to undertake market research. The research in this thesis suggests that such multi-country market research programmes will often be worthwhile even for companies which have substantial experience in selling other products in the countries concerned.

4. Conclusion 12.1.4 provides support for those who argue in favour of standardised advertising which is still culture-linked. As the cultural identifiers which may cause problems are the normative ones, recognised optional cultural identifiers can be used to give the advertising identifiable local colour without rendering it unsuitable for international use.

5. On the basis of conclusion 12.1.5 it is believed that companies can consider the policy of transforming a widely-known brand or company identity into a cultural universal. This research does not extend to indicating how to achieve this. One option offered intensive and value-loaded branding but there may be many other options.

6. Conclusion 12.1.6 provides a useful theoretical underpinning for the, already evident, trend to using psychographics for market segmentation and subsequent advertising targeting.

7. Seen from the viewpoint of an international advertising agency, and perhaps of centrally organised international companies, conclusion 12.1.6 also raises the question of how management and decision-taking should be organised. Consideration should be given to creating an international specialist for each key psychographic segment addressed and to cultivating expertise in how that segment (i.e. sub-culture) can most effectively be addressed, across borders. This approach should not be pursued to the extent that those who are experts on particular national cultures or on products/brands or clients are not heeded, but there is a clear case for creating international 'segment experts'.

8. The observation in 12.1.7 that scarcity is a strong factor motivating global approaches has the consequence that in some companies the standardisation which is observable arises from their internal staffing problems and not from the nature of the market(s) being addressed. In some such cases a competitor may well be able to make inroads applying a marketing-led policy by choosing not to standardise but rather to direct advertising separately to each national/regional 'niche'.

9. Conclusion 12.1.8 seems to suggest that a degree of autocracy will help the progress

of the standardised international advertising process. This should be read in conjunction with the description of the ideal process - which makes it clear that local views should continuously be consulted. Nonetheless, after the local views have been heard and evaluated, it appears that there is a case for senior management being committed to the programme of standardised advertising and ensuring it is being implemented.

10. The final practical implication which should be stated is the simple one that 'good practice' seems to exist and an 'ideal process' seems feasible; more research may be needed to make these suitably concrete, but each company and agency can itself examine its procedures and ensure that they fit the feasible patterns described here.

12.3 IMPLICATIONS FOR RESEARCH

It is inevitable that any original work will raise issues which cannot be settled within the work itself. In the present case the issues raised - and calling for further research - fall into two categories:

- issues whose resolution will advance the development of theory
- issues which should be resolved in order to make the application of the theories more secure and practicable

12.3.1 Further Research to Develop Theory

1. There is a need to extend the base for which the results in the survey have been validated; the most immediate extensions are to:

   - additional countries in W.Europe
   - other product ranges, such as industrial products, or services
   - less experienced executives

2. It was not possible on the basis of the numbers of responses obtained to reach conclusions about the country clustering which would be appropriate for particular products within the fmcg sector. Research in this area would be valuable in indicating

   - whether there are recurrent groupings and whether any such recurrences can be related to particular characteristics of the products or their use.
   - whether managers from different countries/cultures would specify the same or different clusters for the specific products investigated.

- whether advertising execution would follow the same clustering as is derived for marketing.

3. The research here did not extend to an investigation of the mechanisms by means of which the various cultural factors operate. It would seem particularly important to investigate this further as regards cultural identifiers; such research could perhaps explain better why some identifiers are normative and some are optional, whether they can change from one category to the other, and why they can act as barriers to communication.

4. The notion of 'created universals' is important theoretically as well as practically. There is a need for an explanation of what happens when the process of creation occurs, and this should probably start from the identification of a sample list of specific cases.

5. The unexpected absence of a Self-Reference Criterion effect as between British and Dutch managers calls for supplementary investigation to ensure that professionalism/training are the only reasonable causes: questions which arise about the lack of SRC effect are:

   - was it because the subjects were so senior/professional?
   - was it because they were European?
   - was it because the interviewees were in marketing, and hence had a consumer orientation?
   - was it because the SRC was a temporary phenomenon found in US executives of a certain period?

6. As the present study was the first to apply Hofstede's VSM specifically to marketing and advertising management, it is worth both replicating and building on this. A further replication of both Hofstede's and Dunn's research would provide better evidence of the trends over time and the extent of the changes; this follow-up should use larger samples and cover more countries, with a view to:

   - gaining further evidence of the conclusions reached
   - being able to isolate differences between companies and agencies from differences between members of different cultures
   - being able to compare the responses of marketing management with those of managers from other functional areas, e.g. production or finance
   - determining what difference, if any, there is between the factor investigated by Dunn (transfer of creative strategy) and the (presumably more general) factors affecting standardisation of international advertising

7. A follow-up of the results using the Kanter grid would provide valuable information on the possible link between the managers' cultural dimensions and the positioning of consumers in one of the four quadrants.

8. Further work in the area of culture (values) and consumer behaviour is believed to be potentially useful. Research worth considering would include:

   - whether a link can be found between the behaviour of consumers and the scores on the Hofstede dimension of their cultures.
   - whether there is a link between Hofstede's values and specific elements of the promotional mix, e.g. are consumers in high PDI countries more influenced by endorsements or testimonials than those in low-PDI countries; do games, sweepstakes, or winner-takes-all promotions work better in, for instance, low UAI countries?
   - what could similarities and differences in terms of the Hofstede dimensions imply for specific marketing initiatives?
   - what links can be found between the cultural identifiers and other factors identified, e.g. obstacles to communication, and the Hofstede dimensions.

9. The mechanism by which normative identifiers create obstacles to standardisation merits further attention. In particular attention should be given to the link between obstacles to communication and the normative identifiers.

10. Although the results confirmed Hofstede's findings, the difference between British and Dutch interviewees in terms of Hofstede's MAS factor was not as expected. Further research should be undertaken to compare these results with those of other research on MAS and to establish whether there are any reasons why the Millar results did not shown higher scores on MAS.

11. In preparing for more widespread investigation, the opportunity should be taken to analyse, reformulate and refine the questionnaire used, so that it can be used in a large number of countries for larger groups of managers.

12. The methodological proposals made in Chapter 1 and tested through their use in this study, would benefit from further analysis and from codification in the form of a more extensive set of prescriptions for the conduct of research; with additional underpinning of this sort, they could make a considerable contribution to the development of a body of theory in marketing which is at the same time well-grounded and comprehensive.

12.3.2 Further Research to Assist Practice

1. Education and training:

   The research has indicated that the quality and competence of management is the key to success in international marketing and advertising. The recognition that such good management is scarce underlines the need for education and training. Further research is needed to formulate comprehensively the priorities as regards appropriate professional education in management and marketing, as well as to establish the way management thinking has to evolve in order to be able to manage successfully in an international context.

2. The specific decision-making styles typical of different countries (and linked to the Hofstede dimensions) would merit research; this would assist both in diagnosing the causes of misunderstandings and in providing a definition of the starting point for the educational efforts envisaged above.

3. Market research is a resource often available in the course of decision-making on standardised international advertising, but sometimes not used or used and not heeded; research could indicate how market research is used and what practical steps should be taken to arrive at common research procedures.

4. The recognition of the role of cultural identifiers will be of assistance to practitioners; it leaves open, however, the question of how to deal with these identifiers in specific cases. Contributions to this understanding could come from further investigations of how identifiers have their impact, such as:

   - whether all portrayal of alien (normative) cultural identifiers is undesirable,
   - whether differences can be observed in responses to cultural identifiers according to style of execution of advertisements,
   - deliberate use of cultural identifiers as caricatures of culture.

5. The concepts developed in this thesis can be brought into relation with the theory and practice of research into psychographics. The additional insights can assist further development of work in this area.

6. The influence of scarcity of staff upon the wish to standardise international advertising provides an opportunity for a straightforward research project aimed at identifying the prevalence of this phenomenon and the extent to which the opportunity described in 12.2.8 is real.

7. In order to do an effective job of dealing with culture the marketing manager needs to be able to distinguish between normative cultural identifiers and optional ones - and to extend this ability to cultures of which he is not a native. This might be seen as a technique of "empathising" with the unfamiliar cultures; research should be undertaken to try to examine the roles and relative importance of empathy and intellectual skills, and how companies can detect which managers have the abilities required.

8. Research results on the details of "good practice" and on variants of it to meet special circumstances, would be of considerable use to practitioners.

9. Bearing in mind the degree of change which is likely to be promoted by the movement to the Single European Market, there is a need for researched answers to many practical questions, such as:

   a) how can cultural universals and company-created universals be exploited to advertise effectively and economically in a European context?
   b) do niche markets need specific local advertising, or can niche markets be reached using universals?
   c) what penalty is incurred by trying to reach culture-bound subgroups by using universals?
   d) can "country of origin" be treated as an advertising universal?

10. The development of international advertising as a professional activity calls for clear and widely-accepted terminology through which practitioners can communicate their experiences. As misunderstandings currently arise from the diverse usages of terms relating to globalisation, standardisation, cultural (sub)groups and the cultural-sensitive elements of advertising execution, there is an immediate need for research into the ways in which practitioners define such concepts, so that a shared and better terminology can be proposed and popularised.

APPENDICES

APPENDIX 1.1

WORKING WITH SMALL SAMPLES

Lipstein, following in the footsteps of Deming (1950), has discussed the issue of optimal sample size. He points out that much has been done to deal with the sources of error identified by Deming, listed in Figure 1, but goes on to argue cogently against the use of samples which are larger than necessary.

When confronted with a prima facie case for increasing sample size, Lipstein's key question is "Does the error resulting from sampling decrease more rapidly than the errors of interviewing and processing increase?"

This question is especially relevant in the present study in that any increase in sample size would have involved the use of additional researchers and the sharing of the processing of the observations. It would also have involved finding additional interviewees and these would probably have been relatively more reluctant to give up the necessary time. Undesirable consequences would arise because

a) any additional interviewers and/or processors of the information would require extensive training and even then would be likely to introduce significant personal bias

b) even if such training were to be attempted, it is not clear what the training would have to consist of - in the context of the Glaser and Strauss approach, the researcher's growing understanding of the situation is a factor which is allowed to influence the interpretation of 'raw' observations. What would be needed would be a 'clone' of the researcher and the working method would have to involve constant cross-briefing amongst all involved.

c) a specific problem arising through the lack of any 'clone' researchers is that of achieving consistent scaling of the effects reported; the interpretation of the effects in such a context is largely a matter of judgement and given a consistent judgement it is possible to discriminate the relative effectiveness of particular factors, while with inconsistent standards of reporting this quickly becomes impossible.

d) the addition of reactions from relatively less motivated respondents is likely to degrade the overall quality of the results by introducing responses which are unreflective, capricious or designed mainly to curtail the interview.

1. Failure of questionnaire
2. Failure to designate the universe or sampling frame
3. Biases of non-response
4. Biases of the interviewer
5. Biases of auspices
6. Bias arising from an unrepresentative date for the survey or for the period covered
7. Errors in processing
8. Faulty interpretation of results
9. Sampling errors
10. Sampling biases

Figure A1.1: Deming's Categories of Error in Surveys (after Lipstein)

The main focus of Lipstein's article is on surveys which present discrete questions and aim to produce independent statistical results on each question. The situation differs in the present study because the objective of the survey contacts is also to build up profiles - complexes of answers which are comprehensive enough to allow the researcher to infer the answers which would have been given to related questions which may not have been asked explicitly. Such an objective implies a particularly long and wide-ranging questionnaire, which is one of the features Lipstein warns against. To counteract the negative effect of this, the questionnaire has many open-ended questions and attempts to keep the respondent interested through a sequence of questions and the diversity of prompts which should stimulate thought in those who work in this area. Lipstein's rules for maintaining accuracy by 'restraining non-sampling errors' are shown in figure 2.

1. Make the sample survey as simple as possible to execute

2. Maintain the involvement of both the respondent and the interviewer in the study

3. Minimise fatigue in participation

4. Don't ask consumers questions they really can't answer

5. Take the interview yourself, to determine your ability to answer as well as the fatigue of the interview; pretest questionnaire

6. Restrict the questionnaire only to those data which are essential to the main issue

7. Don't expect the interviewer to do the impossible - this only encourages cheating and sloppy work

8. Rotate key questions where possible to determine at what point respondent fatigue sets in

9. Use the smallest sample size that is consistent with the objectives of the study rather than the biggest you can afford.

Figure A1.2 Lipstein's Rules for Restraining Non-sampling Errors in Surveys

APPENDIX 1.2

GLASER AND STRAUSS' TERMINOLOGY

Before considering the detailed elements of the Glaser and Strauss approach it is important to clarify the terminology being used and to highlight some uncertainties about their meaning.

The terminology used in Glaser and Strauss (1967) revolves around notions of 'incident', 'category', 'property of a category' and 'theory' which require clarification. The authors continually talk as if the basic data relates to a collection of 'incidents'. Both their examples and the choice of the term 'incident' suggest that they are thinking of clear cut episodes in the lives of people, such as proposing marriage or resigning one's job, or in the histories of complexes of people, such as caring for a dying patient, auctioning goods, producing a play, forming a trade union, or launching a new product.[1]

The evidence which the researcher is seen as requiring relates to a collection of such incidents; it need not, as explained elsewhere, consist of witnessing the incidents, or even of first hand accounts by others; any evidence which contributes to understanding what happened is allowable.

The 'categories' which the analyst tries to find in the incidents, are the 'conceptual element(s) of the theory' (1967: p.36). For initial examples it is easiest to stick very close to the original text: in a theory relating to the nursing care of the dying, two categories referred to are

- professional composure (of the nurses)
- perceptions of social loss (the nurses' view of the loss arising from the patient's death).

The theory with which one would be dealing in such a case could be one which asserted there to be an influence (perhaps not yet quantified) between these two categories; in the context of this thesis, and in better accord with current usage, the terms employed for categories in this sense will be

- 'factors' (when the discussion is informal or unquantified and speculative)
- 'variables' (when the theory makes complex, or even quantified, claims about the relationships).

Factors and variables otherwise are the same.

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[1]Several examples, and particularly this one, are not from Glaser and Strauss

Glaser and Strauss are at pains to distinguish 'properties of categories' from the categories themselves. Their allegedly clear example is that 'One property of the category of social loss is "loss rationales" - that is the rationales nurses use to justify to themselves their perceptions of social loss.'(1976: p.36).

Study of this and other passages in the book suggests that the notion of 'property of a category' should be interpreted in two ways

1) as identifying one of a range of characteristics which together go to make up a category, e.g. in the example cited 'loss rationales' might rank as just one of a range of characteristics or elements which together go to make up the factor 'perception of social loss'; the nurses' habit of recalculating social loss at intervals is cited later by Glaser and Strauss as a property of category of social loss.
   By this analogy if the category/factor were to be 'company loyalty', the properties could be such aspects as 'financial sacrifices made to stay with the company', 'willingness to breach personal codes to meet company wishes', 'tendency to identify with the company in speech' etc.
2) as identifying specific levels of intensity, specific cases or alternative values of a factor or variable, e.g. if the variable (category) is 'political commitment' the cases identified as being 'properties' could be such as 'fanaticism', 'effective membership', 'voting habituation', 'alienation' etc.

In Glaser and Strauss' examples these two types of 'property' may not seem too different. What is essential for the authors seems to be that the 'property' is something more specific than the category, but is something which falls short of being an independent 'entity' which can be separately identified and needs to be studied in its own right; this would also suggest that what is a property in the context of one enquiry could be a category in the context of another.

The distinction made above is of potential importance when attempts at quantification are to be made. The second interpretation is one in which each of the cases excludes the others, and where the cases can generally be coded as alternative points along a single dimension; it then becomes an interesting exercise to try to measure how far apart the cases are and to see whether distance along this dimension can be linked to distance along other dimensions. With this in mind, in cases where this second interpretation would apply the notion of a property of a category will be spoken of here as a 'value' of the factor or variable concerned.

When dealing with the first interpretation, the term 'aspect' will be preferred. This is only likely to occur in relation to elements of theory which are at the less formalised stage where they are referred to as 'factors', hence the phrase will be 'aspect of factor x'.

Therefore: properties attributable to either factors or variables are called

- values, to indicate a specific level of intensity, or specific cases listable and/or codeable separately, and
- aspects, to indicate characteristics more specific than a factor or variable, but less formalised and/or not yet fully defined.

Glaser and Strauss' treatment of categories puts them on the level of abstract entities, and the talk of properties reinforces this. Such a philosophical standpoint about the existence of abstract entities does not, however, appear to be a necessary part of their approach. It is not taken over here both because it appears not to be necessary for their argument and because it seems to cast doubt on the possibility of treating 'aspects' of factors as themselves being able to have specific values.

For example the theory considered in Chapter 12 deals with the possible relationship between 'one's definition of globalisation' and 'success of centralised strategies'; these are two factors. The latter factor may be best dealt with by treating it as a variable which could (in theory) be measured along a single 'little/moderate/high' dimension. The former factor may however best be analysed as having a number of aspects, each one of which can be treated like a variable and given a value - e.g. range of subsidiaries supporting globalisation, extent of belief in 'all products can be globalised', extent of belief in 'all markets can be made global'. It should be left as conceivable that particular values of these aspect-variables could have special significance and would have to be explicitly considered in theory.
It is therefore desirable to avoid any phrasing which suggests that only factors can have values or that having aspects is an alternative to having values.

'Hypothesis' seems to be used by Glaser and Strauss in a sense very close to that which it currently has. The term relates to a postulated relationship between or amongst factors. A theory then becomes a complex of hypotheses referring to a closed set of factors and tracing relationships to a particular factor or factors which the theory is the 'theory of.'

APPENDIX 3.1

THE HERMES SURVEY

SUMMARY AND EVALUATION OF HOFSTEDE'S MAIN WORK

In 1968 Hofstede collected data by administering questionnaires of 150 questions each, in 20 languages in 40 countries, interviewing employees of one US-based multinational, IBM. The research was repeated some ten years later and produced over 116,000 questionnaires in total, ultimately covering 66 countries. The research and analysis, mainly covering the original 40 countries, culminated in the book "Culture's Consequences" published in 1980.

Sixty of the questions referred to values (later referred to as the 'Value Survey Module'), and provided the author with an insight into the common element within each culture, a "national norm" (i.e. not individual norms) which enabled him to segment the cultures, grouping those with shared common elements, and separating those which were different.

Between 1971 and 1973, part of the research was repeated in order to verify the dimensions and the results obtained through the IBM survey; this was done by asking 400 managers on courses at IMEDE in Lausanne to complete the Value Survey Module. It showed that country differences in values found within the HERMES study could be reproduced in a completely different international population, and using the English language version only.

It is important to note that the four main dimensions on which country cultures differ were arrived at through both theoretical reasoning and statistical analysis. They were not a priori hypotheses which were tested through research.

The four dimensions ultimately arrived at as together segmenting cultures are:

1. **Power Distance**
   This dimension indicates the extent to which a society accepts that power in institutions and organisations is distributed unequally.

2. **Uncertainty Avoidance**
   This dimension indicates the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid these situation by greater stability, establishing more formal rules, not tolerating devious DEVIANT? ideas and behaviour,and believing in expertise and absolute rules.

3. **Individualism**

This dimension indicates the relationship between the individual and the collectivity which prevails in a given society; it reflects the way people live together, and has many value implications, e.g. regarding time for personal life (high IDV).

4. **Masculinity**

This dimension indicates the extent to which the dominant values i society are determined by the biological differences between the sexes, having definite implications for their roles in society. High masculinity cultures value assertiveness, performance and machismo; low masculinity cultures value caring and quality of life dimensions.

Appendix 3.2 reproduces the further specific associations and values of the four dimensions, originally shown as Figures 1 to 4 in Hofstede's article (1978).

In Chapter 2 of "Culture's Consequences", Hofstede describes the statistical treatment of the data across individuals; analysis of variance using country, occupation, sex and age as criteria; and finally ecological correlations and factor analyses. He answers criticism of his work and makes comparisons with other empirical research findings.

The ecological dimensions of Power Distance and Uncertainty Avoidance were found through an eclectic analysis of data, based on theoretical reasoning and correlation analysis. The ecological dimensions of Individualism and Masculinity were found through country analysis; an ecological factor analysis of all data combined was used to fit the picture of the four dimensions together.

Subsequently the country scores on the four dimensions as defined were compared with country scores published by other authors, based on data unrelated to HERMES but showing conceptual similarity to the HERMES dimensions. These included mean country scores of survey results, and a series of seven geographic, demographic and economic indicators seen to be particularly meaningful in this context.

In relation to nearly all aspects of this process, critical views have been considered and answered by Hofstede. It is beyond the scope of this work to cover these exchanges in detail, though several have been studied.

A major attack on the methodology used has come from Leonard Goodstein and John Hunt (1981), who questioned whether data collected within one corporation could be generalised to apply to nations as a whole. Hofstede argues that any comparison between nations is necessarily based on sampling of situations, and that these should be 'functionally equivalent';

he also notes that any survey represents provoked words (Hofstede, 1980: 17) which are one way of finding out about similarities and differences. Narrow samples which are functionally equivalent use sharply defined sub-populations: the employees of one large MNC in different countries represent such a narrow sample. They are well matched from one country to the other; the same corporate culture, same jargon; possibly they are however not the same as all other citizens of their country; but Hofstede's research was about the differences found within this population of very similar people. Hence it can be said that the only criterion on which they differ systematically is their nationality; as indicated above, the scores attributed to the four dimensions were compared with other survey and non-survey published research and with Hofstede's repeat research among managers at IMEDE as a control group.

A further point of criticism brought forward by Goodstein and Hunt was the dominance of male respondents, implying that the survey could not be representative. They also criticise Hofstede's use of the survey method, claiming that "if social anthropologists used surveys to collect their data, we would seriously question their method."

Social anthropologists usually study situations which do not allow the survey method; otherwise it would be a welcome addition to their research programme; the sample used by Hofstede gives no doubt when compared to other research that it is representative.

As stated in "Culture's Consequences", Hofstede found data from 38 other studies comparing between 5 and 39 countries, to be significantly correlated with one or more of the four dimensions.

APPENDIX 3.2

HERMES' FOUR DIMENSIONS EXPLAINED

THE POWER DISTANCE DIMENSION

Small Power Distance	Large Power Distance
* Inequality in society should be minimised.	* There should be an order of inequality in this world in which everybody has his rightful place; high and low are protected by this order.
* All should be interdependent	* A few should be independent, most should be dependent.
* Hierarchy means an inequality of roles, established for convenience.	* Hierarchy means existential inequality.
* Subordinates are people like me.	* Superiors consider subordinates as being of a different kind.
* Superiors are people like me.	* Subordinates consider superiors as being of different kind.
* Superiors are accessible	* Superiors are inaccessible.
* The use of power should be legitimate and is subject to the judgment between good and evil.	* Power is a basic fact of society which antedates good or evil. Its legitimacy is irrelevant.
* All should have equal rights.	* Power - holders are entitled to privileges.
* Powerful people should try to look less powerful than they are.	* Powerful people should try to look as powerful as possible.
* The system is to blame	* The underdog is to blame
* The way to change a social system is by redistributing power.	* The way to change a social system is by dethroning those in power.
* People at various power levels feel less threatened and more prepared to trust people.	* Other people are a potential threat to one's power and can rarely be trusted.
* Latent harmony between powerful and powerless.	* Latent conflict between powerful and powerless.
* Cooperation between powerless can be based on solidarity.	* Cooperation between powerless difficult to be brought about because of low faith in people norm.

THE UNCERTAINTY AVOIDANCE DIMENSION

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
* The uncertainty inherent in life is more easily accepted and each day is taken as it comes.	* The uncertainty inherent in life is felt as a continuous threat that must be fought.
* Ease, lower stress	* Higher anxiety and stress
* Time is free.	* Time is money.
* Hard work is not a virtue per se.	* Inner urge to work hard.
* Aggressive behaviour is frowned upon	* Aggressive behaviour of self and others is accepted.
* Less showing of emotion	* More showing of emotions.
* Conflict and competition can be contained on the level of fair play and used constructively.	* Conflict and competition can unleash aggression and should therefore be avoided.
* More acceptance of dissent.	* Strong need for consensus.
* Deviance is not felt as threatening; greater tolerance.	* Deviant persons and ideas are dangerous; intolerance.
* Less nationalism	* Nationalism.
* More positive towards younger people	* Younger people are suspect.
* More willingness to take risks in life.	* Concern with security in life.
* Relativism, empiricism.	* Search for ultimate, absolute truth-s and values.
* There should be as few rules as possible.	* Need for written rules and regulations.
* If rules cannot be kept, we should change them.	* If rules cannot be kept, we are sinners and should repent.
* Belief in generalists and common sense.	* Belief in experts and their knowledge.
* The authorities are there to serve the citizens.	* Ordinary citizens are incompetent versus the authorities

THE INDIVIDUALISM DIMENSION

Collectivist	Individualist
* In society, people are born into extended families or clans which protect them in exchange for loyalty.	* In society, everybody is supposed to take care of him/herself and his/her immediate family.
* "We" consciousness	* "I" Consciousness
* Identity is based in the social system	* Identity is based in the individual
* Emotional dependence of individual on organisations and institutions.	* Emotional independence of individual from organisations or institutions.
* Emphasis on belonging to organisation; membership ideal.	* Emphasis on individual initiative and achievement; leadership ideal.
* Private life is invaded by organisations and clans to which one belongs; opinions are predetermined	* Everybody has a right on a private life and opinion.
* Expertise, order, duty, security provided by organisation or clan.	* Autonomy, variety, pleasure, individual financial security.
* Friendships predetermined by stable social relationships; but need for prestige within these relationships.	* Need for specific friendships
* Belief in group decisions.	* Belief in individual decisions
* Value standards differ for in-groups and out-groups: particularism	* Value standards should apply to all; universalism.

THE MASCULINITY DIMENSION

Feminine	Masculine
* Men need not be assertive, but can also take nurturing roles.	* Men should be assertive. Women should be nurturing.
* Sex roles in society are fluid	* Sex roles in society clearly differentiated.
* There should be equality between the sexes	* Men should dominate in society
* Quality of life important	* Performance important
* Work to live	* Live to work
* People and environment important	* Money and Things important
* Interdependence ideal	* Independence ideal
* Service	* Ambition
* Sympathy for the unfortunate	* Sympathy for the successful achiever.
* Small and slow are beautiful	* Big and fast are beautiful.
* Unisex and androgyny ideal	* Ostentative manliness appreciated ("Machismo").

APPENDIX 3.3

HERMES COUNTRY SCORES ON THE FOUR DIMENSIONS

(HOFSTEDE,1980:315)

COUNTRY	PDI	UAI	IDV	MAS
Argentina	49	86	46	56
Australia	36	51	90	61
Austria	11	70	55	79
Belgium	65	94	75	54
Brazil	69	76	38	49
Canada	39	48	80	52
Chile	63	86	23	28
Colombia	67	80	13	64
Denmark	18	23	74	16
Finland	33	59	63	26
France	68	86	71	43
Great Britain	35	35	89	66
Germany	35	65	67	66
Greece	60	112	35	57
Hong Kong	68	29	25	57
India	77	40	48	56
Iran	58	59	41	43
Ireland	28	35	70	68
Israel	13	81	54	47
Italy	50	75	76	70
Japan	54	92	46	95
Mexico	81	82	30	69
Netherlands	38	53	80	14
Norway	31	50	69	8
New Zealand	22	49	79	58
Pakistan	55	70	14	50
Peru	64	87	16	42
Philippines	94	44	32	64
Portugal	63	104	27	31
South Africa	49	49	65	63
Singapore	74	8	20	48
Spain	57	86	51	42
Sweden	31	29	71	5
Switzerland	34	58	68	70
Taiwan	58	69	17	45
Thailand	64	64	20	34
Turkey	66	85	37	45
USA	40	46	91	62
Venezuela	81	76	12	73
Yugoslavia	76	88	27	21
Mean	52	64	50	50
Standard Deviation	20	24	25	20

APPENDIX 5.1

LISTS OF CULTURAL UNIVERSALS, DIMENSIONS AND BARRIERS

Contents:

A) MURDOCH'S CULTURAL UNIVERSALS

Age grading
Athletic sports
Bodily adornment
Calendar
Cleanliness training
Community organisation
Cooking
Cooperative labour
Cosmology
Courtship
Dancing
Decorative art
Divination
Division of labour
Dream-interpretation
Education
Eschatology
Ethics
Ethnobotany
Etiquette
Faith healing
Family
Feasting
Fire making
Folklore
Food taboos
Funeral rites
Games
Gestures
Gift giving
Government
Greetings
Hairstyles
Hospitality
Housing hygiene
Incest taboos
Inheritance rules
Joking
Kin-groups
Kinship nomenclature
Language
Law
Luck superstitions
Magic
Marriage
Mealtimes
Medicine
Modesty concerning natural functions
Mourning
Music
Mythology
Numerals
Obstetrics
Penal sanctions
Personal names
Population policy
Postnatal care
Pregnancy usages
Property rights
Propitiation of supernatural beings
Puberty customs
Religious rituals
Residence rules
Sexual restrictions
Soul concepts
Status differentiation
Surgery
Tool making
Trade
Visiting
Weaning
Weather control

Source: George P. Murdoch, 'The Common Denominator of Cultures' in The Science of Man in World Crises ed Ralph Linton, Columbia University Press, 1945, p. 123-142. Cited by Paliwoda (1986: 24)

B) MASLOW'S HIERARCHY OF NEEDS

Maslow ranked five human needs in lowest to highest order with lowest need coming first:

1. physiological needs
   - food, water, shelter, sex

2. safety needs
   - protection, security, stability

3. social needs
   - affection, friendship

4. ego needs
   - prestige, success, self esteem

5. need for self actualisation
   - self fulfilment

Source: Abraham H. Maslow, Motivation and Personality, New York, Harper & Row, 1954

C) HALL'S MAP OF CULTURE

Hall's Map of Culture emerges when (any of) the ten elements of the Primary message system are intersected with the other ones, in order to gain cultural understanding; e.g. as used by Robock and Simmonds (1983): (play activity researched for toy company)

D) HALL'S PRIMARY MESSAGE SYSTEMS

1. **Interaction.** The interaction with the environment through different modes, such as speech and writing.
2. **Association.** The structure and organisation of society and its various components.
3. **Subsistence.** The perspectives of activities of individuals and groups that deal with livelihood and living.
4. **Bisexuality.** The differentiation of roles and functions along sex lines.
5. **Territoriality.** The possession, use and defense of land and territory.
6. **Temporality.** The division and allocation of time and its use for various activities.
7. **Learning.** The patterns of transmitting knowledge.
8. **Play.** The process of enjoyment through relaxation and recreation.
9. **Defense.** The protection against natural and human forces in the environment.
10. **Exploitation.** The application of skill and technology to turn natural resources to people's needs.

Source: Jain (p 225) after Hall (1959)
Also quoted in Paliwoda (24)

E) ROKEACH'S TERMINAL AND INSTRUMENTAL VALUES

TERMINAL VALUES

A comfortable life (a prosperous life)
An exciting life (a stimulating active life)
A sense of accomplishment (lasting contribution)
A world at peace (free of war and conflict)
A world of beauty (beauty of nature and the arts)
Equality (brotherhood, equal opportunity for all)
Family security (taking care of loved ones)
Freedom (independence, free choice)
Happiness (contentedness)
Inner harmony (freedom from inner conflict)
Mature love (sexual and spiritual intimacy)
National security (protection from attack)
Pleasure (an enjoyable, leisurely life)
Salvation (saved, eternal life)
Self-respect (self-esteem)
Social recognition (respect, admiration)
True Friendship (close companionship)
Wisdom (a mature understanding of life)

INSTRUMENTAL VALUES

Ambitious (hardworking, aspiring)
Broadminded (open-minded)
Capable (competent, effective)
Cheerful (lighthearted, joyful)
Clean (neat, tidy)
Courageous (standing up for your beliefs)
Forgiving (willing to pardon others)
Helpful (working for the welfare of others)
Honest (sincere, truthful)
Imaginative (daring, creative)
Independent (self-reliant, self-sufficient)
Intellectual (intelligent, reflective)
Logical (consistent, rational)
Loving (affectionate, tender)
Obedient (dutiful, respectful)
Polite (courteous, well-mannered)
Responsible (dependent, reliable)
Self-controlled (restrained, self-disciplined)

Source: Jain (1986) quoting Rokeach "The Nature of Human Values" (1973) p.28

F) S. WATSON DUNN'S LIST OF

31 ENVIRONMENTAL VARIABLES USEFUL FOR FORMULATING ADVERTISING STRATEGY

Rate of economic growth of country
Per capita income and distribution of income
Average size of household
Level of literacy
Level of education
Vocational training
Social class structure
Attitudes toward authority
Attitudes toward the United States
Degree of nationalism in country
Attitudes toward achievement and work
Attitudes toward risk-taking
Attitudes toward wealth and monetary gain
Similarity of ethical and moral standards to U.S. standards
Availability of time on commercial broadcast media
Adequate coverage of market of broadcast media
Availability of satisfactory outdoor media
Availability of satisfactory print media
Independence of media from government control
Political organisation and stability
Import/export rate of the country
Legal restraints on advertising within the country
Availability of prototype campaigns
Relative importance of visual versus verbal in ad message
Experience and competence of personnel in foreign subsidiary
Experience and competence of personnel in foreign agency or branch of U.S. agency
Eating patterns and customs
Importance of self-service retailing
Import duties and quotas in country
Development and acceptance of international trademark or trade name
Applicability of products' theme or slogan to other markets.

G) OUTLINE OF CROSS-CULTURAL ANALYSIS OF CONSUMER BEHAVIOUR

1. **Determine relevant motivations in the culture**
   what needs are fulfilled with this product in the minds of members of the culture? How are these needs presently fulfilled? Do members of this culture readily recognise these needs?

2. **Determine characteristic behaviour patterns**
   What patterns are characteristic of purchasing behaviour? What forms of division of labour exist within the family structure? How frequently are products of this type purchased? What size packages are normally purchased? Do any of these characteristic behaviours conflict with behaviour expected for this product? How strongly ingrained are the behaviour patterns that conflict with those needed for distribution of this product?

3. **Determine what broad cultural values are relevant to this product**
   Are there strong values about work, morality, religion, family relations, and so on, that relate to this product? Does this product connote attributes that are in conflict with these cultural values? Can conflicts with values be avoided by changing the product? Are there positive values in this culture with which the product might be identified?

4. **Determine characteristic forms of decision making**
   Do members of the culture display a studied approach to decisions concerning innovations or an impulsive approach? What is the form of the decision process? Upon what information sources do members of the culture rely? Do members of the culture be rigid or flexible in the acceptance of new ideas? What criteria do they use in evaluating alternatives?

5. **Evaluate promotion methods appropriate to the culture**
   What role does advertising occupy in the culture? What themes, words or illustrations are taboo? What language problems exist in present markets that cannot be translated into this culture? What types of salesmen are accepted by members of the culture? Are such salesmen available?

6. **Determine appropriate institutions for this product in the minds of consumers**
   What type of retailers and intermediary institutions are available? What services do these institutions offer that are expected by the consumer? What alternatives are available for obtaining services needed for the product but not offered by existing institutions? How are various types of retailers regarded by consumers? Will changes in the distribution structure be readily accepted?

Source: James F. Engel, Roger D. Blackwell, David T. Kollat (1978), Consumer Behaviour, 3rd ed., Dryden Press, Ill. p.90.

APPENDIX 5.2

WATSON DUNN'S RESEARCH

Watson Dunn's first piece of research reported here was conducted among a sample of top and senior managers of US-based consumer goods companies. Respondents were experienced in multinational marketing and had responsibility for advertising. Two studies were conducted, one, in two parts, was carried out in 1964; the second study took place in 1974.

In the first study, for which the fieldwork was conducted in the mid-1960's, a sample of 70 managers assigned relative weights to environmental factors which might be used in making advertising transferability decisions. A total of 194 variables was reduced to 31, and Table F in appendix 5.1 lists these in decreasing order of importance.

In a follow-up study similar responses were obtained when a seven-point scale was used to rate differences in the perceived importance of these dimensions for the creation of strategies for developing versus developed countries.

Eight 'master factors' were defined on the basis of the data obtained; those for the developed countries are shown in Figure A5.2.1. below.

The most significant research findings were:

1. In spite of claims to the contrary decision making executives do take environmental factors into account.
2. There is more consistency than one might expect.
3. There is no reason to believe that consistency in assigning weights leads to consistency in the use of campaigns in various markets. Instead: analytical tools for discerning (detecting) meaningful differences are developing and localisation can become more sophisticated.

In a second study reported in the same article, Watson Dunn set out to probe the whole process of promotional decision making through 78 interviews with top management in thirty multinationals. Fifty percent of these were based in the USA while the rest were from UK, France, Germany, Switzerland, Belgium, The Netherlands, Denmark and Sweden.

The findings were that;

1. Fewer companies used a standardised campaign in 1972 than in the mid-1960's.

FACTOR NUMBER	DESCRIPTION OF FACTOR
1 -	level of education; level of literacy
2 -	attitudes towards risk taking, achievement and work, and wealth and monetary gain
3 -	experience and competence of personnel in foreign agency or branch of US agency; experience and competence of personnel in foreign subsidiary or distributor
4 -	degree of nationalism in country; attitudes towards the US
5 -	rate of economic growth of country; per capita income and distribution of income; import duties and quotas in country; development and acceptance of international trademark and trade name
6 -	eating patterns and customs; importance of self service retailing
7 -	attitudes towards authority; social class structure; applicability of product or slogan to other markets
8 -	independence of media from government control; availability of satisfactory media.

Figure A5.2.1 Master environmental factors for consumer goods companies in a developed country

2. There was a movement towards greater local autonomy in developed markets, due to:
   - disenchantment with undue standardisation
   - (some say) rising nationalism
   - a substantial increase in the sophistication of the European marketing executive

This sophistication is related to the following factors (all favouring greater localisation and stemming from the 31 environmental variables shown in Appendix 5.1, table F):

- value systems
- availability of media
- degree of government control
- nature of the creative message

In addition the research found that more and more US products were being repositioned for the European market, rather than following the positioning which would arise from simply exporting the US product and concept.

Consumerism and advertising regulations reflect the environment of the country and contribute to the differences in opportunity for promotion; for instance: strict controls in high per capita income countries like Scandinavia and lenient controls in low per capita income countries, e.g. Greece and Italy.

3. US prototype campaigns were still heavily pushed by US headquarters but were accepted less frequently in 1976 than in 1964.

4. It appears easier to transfer sales promotion themes and techniques than to transfer theme advertising. So long as legal constraints did not force adaptation, sales executives found that economies of scale were easier to obtain in the case of sales promotion. There are also thought likely to be fewer barriers.

5. Two-thirds of companies (particularly in France and Germany) expect a rise in nationalism or emphasis on national traits and thought that advertising and promotion would have to be modified to reflect this.

6. When European managers were asked to be specific about campaigns they themselves considered truly multinational, most had difficulty producing specific answers; Coca Cola and Volkswagen were named most often.

Interesting sidelines also emerged:

- standardisation in production did not imply standardisation in marketing or (especially) in advertising
- there are no really standard campaigns, only different degrees of similarity

7. From this research it appears that from the US multinationals' viewpoint:
   a) Europe is not as homogeneous as thought
   b) often campaigns were not standardised at all once they arrived in Europe
   c) US corporate headquarters often does not known what local executives are actually doing; this is only sometimes the result of planned decentralisation.

8. Multinational executives think:
   a) that there is more standardisation than there really is
   b) that they have more control over marketing than they really have.

9. Message variables are seen to be more important in determining transferability than the 31 variables might imply; possibly as a result of the appeal or theme, it was found that "Things go Better with Coke" was easily transferable, whereas many difficulties occurred with "It's the Real Thing".

Sometimes creative transferability is seen to be a function of technique; for instance "proto type campaigns" or "universal symbols" can be used e.g. Libby's clown. (currently e.g. 'United Colors of Benetton' CM)

10. In 1973 research is only used slightly more than in 1964; both syndicated research and primary research are used to help decision making, but research budgets were kept at the same level.

Watson Dunn's Conclusions

In his conclusions on the two studies Watson Dunn states that the overriding element in Europe at that time is the resurgence of national identity. This he expects to have its effect at various levels:

1. Managers will want to replace standardisation with a more sophisticated approach.

2. There will he a search for symbols which reflect national identity in products, services and advertising.

3. Multinational marketeers/advertising decision-makers who can work out how to reflect national identity in their advertisements will progress most.

4. The eight Master Environmental factors plus the factor of consumerism are the most important types of information needed to better define the concept of national identity.

5. The more successful multinationals were strong on planning with fact books, objectives, rules and stipulations for one and five year plans: the methodology of planning is where standardisation works.

6. The staffing of key positions in local markets by local or third country nationals provides stronger identification in the market

7. "Prominent by its absence in appraising transferability (of advertising) is cross-cultural theory. The decision makers come through mainly as pragmatists; when they use conceptual approaches, they are likely to describe these in pragmatic terms."

8. "The very success of some of the past international campaigns may well have contributed to the rise of national tastes"

9. On the issue of the standardisation of advertising "The best approach is to preserve some covert multinationalism in the campaign but add a deft touch that is distinctively French or British or Italian.."

APPENDIX 5.3

BERNARD DUBOIS (1987) "CULTURE ET MARKETING"

The article is divided into three parts:

1. the concept of culture and its principal dimensions
2. the influence of culture on individual and social behaviour
3. the implications of these elements for marketing.

Dubois argues that both examples from business and theory indicate an influence of culture on consumer behaviour. His business examples include Polaroid who used different advertisements for each country in Europe when launching the Polaroid 1000; however Europcar, targeted at the European businessman, used standardised advertising.

Whilst admitting that culture has an effect, Dubois cannot (yet) identify what starts the chain of events. He states that the concept of culture has been abused, especially by multinationals, and has turned 'culture' into a 'concept poubelle' which is used to explain effects which cannot be attributed to other variables.

Dubois attempts to further analyse the cultural factor and its impact on national and international purchasing and consumption.

For marketing strategy in general Dubois echoes Buzzell and Keegan's three alternatives:

1. Standardisation, taking no cultural differences into account
   "same positioning"
   "global marketing" in Levitt's early definition
   e.g. 1. large brands who will benefit from production and marketing alike, e.g. Coca Cola, Kodak, Honda, Bic
   2. the small business who cannot afford <u>not</u> to standardise, e.g. luxury goods such as Vuitton

2. Local adaptation..... forced by the cultural environment on the basis that "from the same needs customers develop different expectations, wants, are culture bound and difficult to change.
   Nestle, Unilever and General Foods adopt this strategy for many brands

3. Same product, different tactics in the approach and marketing mix. When a product fulfils

different roles or is perceived as different

e.g. - McDonalds adaptations re alcoholic drinks, product range, advertising
- After Eight: culturally incompatible with French eating habits but appealing to some form of 'sophistication', hence bought for psychological reasons.

With regards to advertising Dubois argues (and illustrates with examples from his own and others' - Susan Douglas, Usunier, etc. - research) that all elements of the promotional mix are influenced by culture, both strategically, including the target group, and at tactical level:

1) the advertising target group
2) the choice of appeals
3) the advertising execution
4) media
5) promotional activities

Dubois states that 'being at the heart of the mechanisms of social interaction it is not too surprising that the impact of culture on marketing is most clearly identifiable on the level of communication strategy.'

In the conclusion to his article he states that the rich and diversified concept of culture warrants more contributions about it relationship with marketing because the presently available studies have only scratched the surface of this largely unexplored domain.

International comparisons, the form of most cross-cultural research, are he claims not sufficient to cover 'culture'. He advocates more and deeper research. On the one hand this should better articulate the theoretical and methodological presuppositions, leading to structuring and progress in the development of knowledge in this area. On the other hand there is the need to widen the field of non-country based research, for instance in cross-cultural work on subgroups.

Dubois believes that these type of studies could provide marketing and advertising decision makers with the factors about culture which need to be taken into account.

APPENDIX 6.1

CURRICULUM VITAE, CARLA MILLAR

Throughout her career Carla Millar has been able to span the gaps between what are often regarded as opposed poles - theory versus practice, teaching versus research (and consultancy) and the local versus the international dimension. She has lived in several countries and has a good command of several languages.

Education

Born in Haarlem, the Netherlands, in 1941, Carla Millar grew up in the Radio and TV town of Hilversum. After secondary school (Gymnasium A) she went to Tilburg University where she graduated cum laude after a six year course in Social Sciences, Economics and Law. She then awarded a scholarship for a post graduate year studying European Law, Economics and History at the Institut Universitaire des Hautes Etudes Européennes of the University of Turin, Italy.
[This college admitted two students only of any European country, East or West.]

Management and Industrial Experience

In 1966 she joined with Unilever NV in the Netherlands and started her Management Training Programme. She was posted first to Marketing Division in London where she carried out International Marketing Analysis comparing brand and advertising strategies of Unilever subsidiaries and their competitors in all major markets; thereafter she returned to Rotterdam and progressed through a range of marketing jobs with Van den Bergh & Jurgens; these involved both the marketing of current brands and new product development (many products for international markets). In 1971 she moved to the UK and from 1971-1973 was a Group Product Manager with Van den Berghs, London, taking charge of development, evaluation and launch of new product ranges. During her work with Unilever she trained with advertising agencies, thus obtaining an insight much better than that of the usual client; she also spent nearly a year working on corporate strategy.

In parallel with her consultancy activities (see below) from 1975 to 1978 she took on (as a part-time director) the task of setting up strategic marketing planning for Bowater Europe (Basle/Brussels).

Academic Experience

Carla Millar joined Thames Polytechnic in 1976. She has been teaching International Marketing, Strategic Marketing and Advertising at both BA and M(B)A level since. For 7 years she was International Training Advisor on the BA Hons in International Marketing, and for 3 years Head of the Division of Marketing.

Awareness of the practical aspects of business life is an essential input to her style of teaching; this awareness is reinforced by the use of visiting staff from agencies and industry, through consultancy, and in the context of training advisorship, a systematic programme of visiting students on traineeships and advising on their marketing roles in the companies and on their projects. The international traineeship visits involved reviews of strategy and tactics in several hundred major companies in Germany, France, Spain and Mexico.

From 1987-1989 she had a two year professorial appointment to set up teaching Marketing Communication at Nijenrode, the Netherlands School of Business. This Chair was sponsored by the Dutch Advertising Association, the Genootschap voor Reklame.

She has been an Associate or Visiting Professor at Syracuse University, London Centre, the University of Paris IX, Dauphine and the Ecole des Affaires de Paris; she ran courses at the Chambre de Commerce et d'Industrie de Paris, the Institute of European Studies in Paris and London, the IBO in Zeist, the Tobé Coburn School of Fashion, New York, the Ashridge Management Centre and the University of Maryland, as well as in-company courses.

Consultancy Experience

Since 1970 Carla Millar has carried out numerous consulting assignments, often for advertising agencies and marketing companies. This work has been international in scope and particular emphasis has been given to marketing strategy, brand development and advertising and concept evaluations. She has also served as Expert Witness in a legal dispute on Branding.

Research and Publishing Experience

"Life Style and Occupational Mobility" was her first major research project, carried out for the Department of Sociology at Edinburgh University in 1965. Since then both academic and consultancy work have involved her in research, mostly published as course notes and as confidential reports. She has refereed papers for journals and conferences, and reviewed scripts for academic book publishers; she recently edited the European Issue of the International Journal of Advertising.

Public Service

Carla Millar was Advisor to a UK member of the European Community's Economic and Social Committee (1973-1976), and since 1988 has been a Member of the Media Raad, which is the committee, appointed by the Crown, advising the Dutch Government on broadcasting and media policy and related questions.

APPENDIX 8.1

DEMOGRAPHIC BREAKDOWN OF INTERVIEWEES.

	WORKPLACE		LOCN	INT'L	PLACES	SEX		AGE GROUP			
	HQ	LOCAL	OF HQ	YEARS	WORKED	M	F	30-9	40-9	50-9	60+
UC1		v	CH	15	Saudi,CH	m			v		
UC2	v		UK	25	-	m				v	
UC3		v	F	10	CH,D,F		f		v		
UC4	v		UK	36	B,I,CH,CAN	m					v
UC5		v	JAP	20	NIG,NL,JAP	m				v	
UC6		v	USA	10	USA,JAP	m			v		
UC7		v	USA	15	INDONESIA	m			v		
UC8	v		UK	25	USA,MEX,CH	m				v	
UC9	v		UK	25	F,NL	m				v	
UC10		v	NL	15	JAP,AUS,NL	m			v		
UC	4	6		191		9	1	-	5	4	1
UA1		v	UK	10	F	m				v	
UA2	v		UK	15	D,JAP,NL,S,F	m			v		
UA3	v		UK	15	NL,USA,F	m			v		
UA4	v		UK	25	USA	m				v	
UA5		v	USA	25	F,FIN	m				v	
UA6		v	USA	10	E	m			v		
UA7	v		UK	10	SA,NL,USA		f	v			
UA8	v		UK	12	USA		f		v		
UA9	v		USA	18	NL	m				v	
UA10		v	USA	10	USA	m					v
UA	6	4		150		8	2	1	4	4	1
UK	**10**	**10**				**17**	**3**	**1**	**9**	**8**	**2**

DEMOGRAPHIC BREAKDOWN OF INTERVIEWEES.

	WORKPLACE		LOCN	INT'L	PLACES	SEX		AGE GROUP			
	HQ	LOCAL	OF HQ	YEARS	WORKED	M	F	30-9	40-9	50-9	60+
NC1		v	USA	20	B,D,USA,F	m			v		
NC2	v		NL	24	UK,D	m			v		
NC3	v		NL	12	UK,INDONESIA	m			v		
NC4		v	CH	15	DK,CH,OMAN	m				v	
NC5		v	USA	4	-	m		v			
NC6		v	NL	20	D,UK	m				v	
NC7	v		NL	30	UK,USA,INDN	m					v
NC8		v	USA	8	-	m		v			
NC9	v		NL	10	-	m			v		
NC10		v	NL	15	USA	m				v	
NC	4	6		159		10	0	2	4	3	1
NA1		v	USA	15	-	m			v		
NA2		v	USA	15	UK,USA	m				v	
NA3	v		USA	20	-	m			v		
NA4		v	UK	15	-	m			v		
NA5		v	NL	10	-	m				v	
NA6		v	USA	10	-		f		v		
NA7		v	F	6	S,UK	m				v	
NA8	v		UK	28	UK,USA,S	m				v	
NA9		v	USA	15	D,USA,F	m				v	
NA10		v	F	18	USA,UK,CAN	m				v	
NA	2	8		152		9	1	-	7	3	-
NL	6	14				19	1	2	11	6	1

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QUESTIONNAIRE

INTERNATIONAL ADVERTISING, FMCG IN WESTERN EUROPE

Thank you for agreeing to complete this questionnaire. Your answers will remain fully confidential.

1. In a marketing context how would you define globalisation?

2. Please comment on the applicability of globalisation in a European context:

2a. To what extent do you feel that globalisation is applicable to Western Europe?

NOW	IN 1992

2b. Which factors promote globalisation?

NOW	IN 1992

2c. And what are the obstacles to globalisation?

NOW	IN 1992

3. Please indicate where you personally believe globalisation in the fmcg sector is appropriate:

	WORLD-WIDE NOW		IN EUROPE NOW		IN EUROPE IN 1992	
	YES	NO	YES	NO	YES	NO
Throughout the fmcg sector						
In just one or two industries, i.e. _____						
_____						
For products which are: - high tech						
- high touch						
- fashion led						
- capital intensive to produce						
- innovative						
- traditionally favoured for being "made in . . . ."						
In other cases (please specify) _____						
_____						

3a. Does your company (if you are in an advertising agency, your major client company) agree with your answer to the above question?

YES ☐ NO ☐

3b. If not, please indicate below where the company view differs:

NOW MOVING FROM MARKETING TO ADVERTISING - FOR FMCG IN W. EUROPE

4. In your company or agency, when the issue of standardising international advertising arises,

a) who finally decides?

b) whose view is taken into account?

c) what evidence is typically taken into account?

d) how strong is the tendency in the company to opt for standarisation (PLEASE TICK ONE BOX)

STRONGLY IN FAVOUR	IN FAVOUR	NEUTRAL	AGAINST

5. Bearing in mind the complex organisational structure of companies and agencies alike, what (ideal) process of decision making would you advocate for a successful international campaign?

5a. If not all situations call for the same decision taking process, please describe the most common case(s)

6. What principles of "Good Practice" would you advocate, particularly as regards the procedures to be followed when running an international campaign?

7. How do the following conditions bear on the decision to standardise international advertising?

	strongly for (++)	for (+)	against (-)	strongly against (- -)
Management structure of the company: Centralised				
Decentralised				
Locally autonomous				
Management structure of the agency: Centralised				
Decentralised				
Locally autonomous				
Decision making process: Top-down				
Bottom-up				
Participative				
Authoritarian				
Competition: with international companies				
with home companies only				
Company culture: Strong company identity				
Strong company values				
Tight control				
Loose control				
Other factors: (please specify)				

8. Assuming that full standardisation of international advertising is not possible, I am interested in knowing your view about the factors that affect success or failure of international advertising in W. Europe.

Please indicate by completing the following sentence any constraints or success elements you consider important, if possible with an example:

I feel that currently, international advertising standardisation in W.Europe can only be successful

in certain countries: YES [ ] NO [ ]

EXAMPLE

_____

_____

_____

in certain industries: YES [ ] NO [ ]

EXAMPLE

_____

_____

_____

for certain types of product: YES [ ] NO [ ]

EXAMPLE

_____

_____

_____

for certain target groups or customer segments: YES [ ] NO [ ]

EXAMPLE

_____

_____

_____

for campaigns with a certain type of execution: YES [ ] NO [ ]

EXAMPLE

_____

_____

_____

8. (continued)

I feel that currently, international advertising standardisation in W.Europe can only be successful

if subject to certain conditions I have not already indicated, namely:

_____

_____

_____

if the company culture says:

_____

_____

_____

if the advertising agency culture says:

_____

_____

_____

if there is a minimum level of media availability, e.g.

_____

_____

_____

if there is a minimum level of financial backing YES ☐ NO ☐

8a. What major changes in the factors you have commented on above do you expect to result from the single European market after 1992?

9. Assuming that the other factors you have identified were taken account of, i.e. did not form an obstacle, please indicate the degree of suitability for standardised international advertising of the following (again only considering fmcg in W. Europe):

	DEGREE OF SUITABILITY FOR STANDARDISED EUROPEAN ADVERTISING			
	very suitable (++)	suitable (+)	not that suitable (-)	not all that suitable (- -)
Type of product high tech product				
high touch product				
innovative product				
product filling a common need				
product early in life cycle				
product late in life cycle				
primarily impulse bought				
primarily rational purchase				
staple food product				
luxury food product				
other food product, namely				
Target group ABC1				
C2DE				
young people				
older people				
professional group				
international sophisticates				
local orientation				
other target groups, namely				

	DEGREE OF SUITABILITY FOR STANDARDISED EUROPEAN ADVERTISING			
	very suitable (++)	suitable (+)	not that suitable (-)	not all that suitable (- -)
Brand variables existing brand leader				
addition to established brand				
new brand				
global brand, US origin				
global brand, Japanese				
global brand, UK origin				
premium price bracket brand				
average price bracket brand				
lower price bracket brand				
international brand-name				
other brand categories, namely				
Types of campaign: hard sell advertising				
advocacy advertising				
testimonial advertising				
humour-based advertising				
visual advertising				
music based advertising				
slice of life campaigns				
comparative advertising				
documentary campaigns				
emotional campaigns				
a unique creative idea				
other categories of campaign, namely,				

10. What supra-cultural factors do you see as facilitating successful standardised international advertising? e.g. youth culture, appeal to professionals?

10a. Which cultural factors do you feel might hamper standardisation of international advertising in W. Europe?

cultural factor	when applicable: e.g. conditions, countries, products, etc.

11. Based on your experience, please put the following countries into groups reflecting homogeneity for the international launch of a fmcg; make as many or as few groups as you feel are needed:

1.	Austria	7.	Greece	13.	Norway
2.	Belgium	8.	Iceland	14.	Portugal
3.	Denmark	9.	Ireland	15.	Spain
4.	Finland	10.	Italy	16.	Sweden
5.	France	11.	Luxembourg	17.	Switzerland
6.	W.Germany	12.	Netherlands	18.	United Kingdom

Group
A _____

Group
B _____

Group
C _____

Group
D _____

Group
E _____

Group
F _____

11a. Which product/assumption/construct did you have in mind when answering the question above?

12. Grouping of countries may differ for different parameters for particular products, situations, etc. Please consider the following countries and indicate grouping(s), of countries suitable for a standardised campaign (meeting your criteria as above). Please do so for the categories indicated and for specific instances of your choice (e.g. industries, products, types of campaign, etc.)

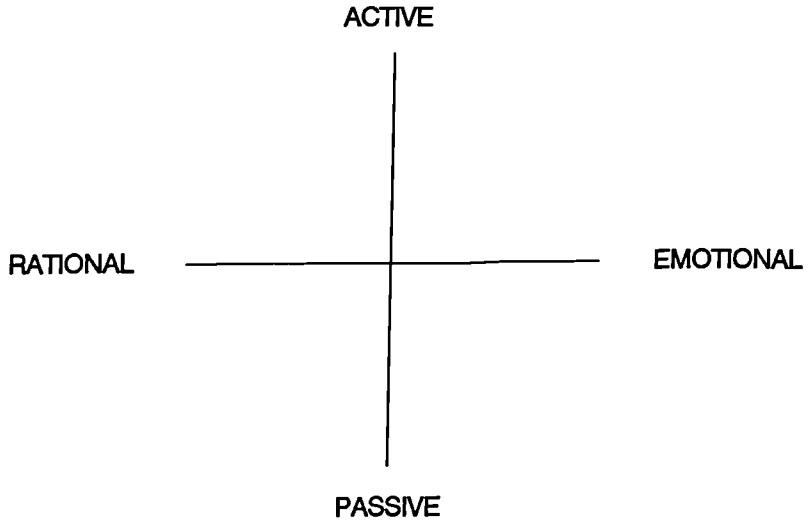
COUNTRY	Belgium	Denmark	France	Germany	Italy	Nether -lands	UK
FOR BRANDS IN THE FOLLOWING CATEGORIES:							
EXAMPLE PRODUCT X	*a*	*b*	*a*	*b*	*c*	*c*	*b*
PRODUCT COFFEE							
LAGER							
FOODS							
WHISKY							
SOFT DRINKS							
PERSONAL PRODUCTS							
OTHER PRODUCT CATEGORIES:							
ADVERTISING HUMOUR							
TESTIMONIAL							
EMOTIONAL APPEAL							
RATIONAL APPEAL							
OTHER TYPES OF ADVERTISING:							

(also, please create your own categories and/or comment overleaf)

13. In deciding whether or not to transfer a creative strategy for an international fmcg brand to another European country, how would you rate the importance of the following factors:

	level of importance			
	very important (++)	important (+)	not that important (-)	not at all important (- -)
the degree of national identity in that country				
the presence of consumerism				
the rate of economic growth				
the social class structure				
the eating patterns and customs				
the importance of self service retailing				
the availability of satisfactory media				
the independence of media				
cultural factors				
the level of education of the target group				
the attitude towards authority				
the attitude towards risk taking				
the attitude towards achievement				
the attitude towards work				
the attitude towards the perceived nationality of the company/brand				
the experience and competence of the company/its subsidiary's management there				
the experience and competence of the advertising agency in that country				
please indicate and rate any other factor you would like to include				

14. Thinking of a major brand you are dealing with , namely _____
(please name the brand), where on this map would you position its target customer?



Key:

active: people who consume media with interest, and creatively
passive: people who take messages straight, without much application
rational: people who consume media cautiously and reflectively
emotional: people who consume media with some empathy and sentimentality

For your own country, please answer the following questions:

15a. Which fmcg company/brand do you feel is performing best?

_____

15b. Which international company/brand is performing best?

_____

15c. Which fmcg advertising campaign do you rate best?

_____

15d. Which one is particularly poor?

_____

15e. Which international fmcg advertising campaign do you rate best?

_____

15f. and which one is particularly poor?

_____

15g. Which sponsoring activity do you rate best?

_____

15h. and which one is particularly poor?

_____

15i. the best sales promotional activity?

_____

15k. and the worst?

_____

16. What type of company are you working for?

ADVERTISING AGENCY ☐ (please tick one box)

MARKETING COMPANY ☐

Corporate headquarters based in _____

17. How long have you been working in an international environment? _____

18. Case History.

I would like to systematically collect some of the experience regarding the effect of cultural differences on standardising international campaigns.

I would appreciate it if, on the next page, you could take me through the history of one such example.

18. Case History

For one particular brand please complete the following case history, dealing with cultural difference(s) and the transfer of an international advertising campaign (fmcg; W Europe)

Brand _____

Product/industry _____

Year/Period _____

Countries involved _____

Target audience _____

Was there a global marketing strategy? YES ☐ NO ☐

Was there a European marketing strategy? YES ☐ NO ☐

Was there a standard positioning in Europe? YES ☐ NO ☐
if not, please indicate what the differences were:

_____

What was the cultural problem? _____

_____

Who first brought it up?
(function) _____

Why/ on what evidence? _____

Was this evidence checked? YES ☐ NO ☐
If yes, by whom (function) _____

and how? _____

What action was taken? _____

By whom? (function) _____

What alternatives were evaluated? _____

What was achieved by the action taken? _____

Was this measured in any way? _____

PLEASE USE THE BACK FOR ANY ADDITIONAL INFORMATION

PART 2

IN ORDER TO MAKE THE DATA COLLECTED COMPARABLE TO EXISTING ACADEMIC RESEARCH, I WOULD MUCH APPRECIATE IT IF YOU WOULD ALSO COMPLETE THE FOLLOWING QUESTIONS:

Please think of an ideal job, disregarding your present job. In choosing an ideal job, how important would it be for you to. . . .

PLEASE TICK ONE BOX	DEGREE OF IMPORTANCE, TO				
	of utmost importance	very important	of moderate importance	of little importance	of very little or no importance
1. Have sufficient time left for your personal or family life?					
2. Have challenging tasks to do, from which you can get a personal sense of accomplishment?					
3. Have little tension or stress on the job?					
4. Have good physical working conditions (lighting, air, space)?					
5. Have good working relationship with your direct superior?					
6. Have security of employment?					
7. Have considerable freedom to adopt your own approach to the job?					
8. Work with people who cooperate well with one another?					
9. Be consulted by your direct superior in his/her decisions?					
10. Make a real contribution to the success of your company?					
11. Have an opportunity for high earnings?					
12. Serve your country?					
13. Live in an area desirable to you and your family?					
14. Have an opportunity for advancement to higher level jobs?					
15. Have an element of variety and adventure in the job?					
16. Work in a prestigious, successful company/organisation?					
17. Have an opportunity for helping other people?					
18. Work in a well-defined job situation where the requirements are clear?					

Please indicate your degree of agreement or disagreement with the following statements:

	strongly agree	agree	undecided	disagree	strongly disagree
19. A company's rules should not be broken, even when the employee thinks it is in the organisation's best interests.					
20. Most people can be trusted.					
21. Quite a few employees have an inherent dislike of work and will avoid it if they can.					
22. A large corporation is generally a more desirable place to work than a small company.					

The descriptions below apply to four different types of managers. First please read through these descriptions:

Manager 1 Usually makes his/her decisions promptly and communicates them to his/her subordinates clearly and firmly. Expects them to carry out the decisions loyally and without raising difficulties.

Manager 2 Usually makes his/her decisions promptly, but, before going ahead, tries to explain them fully to his/her subordinates. Gives them the reasons for the decisions and answers whatever questions they may have.

Manager 3 Usually consults with his/her subordinates before he/she reaches his/her decisions. Listens to their advice, considers it, and then announces his/her decision. He/she then expects all to work loyally to implement it whether or not it is in accordance with the advice they gave.

Manager 4 Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and invites discussion. Accepts the majority viewpoint as the decision.

23. Now for the above types of manager, *please mark the one which you would prefer to work* under:

☐ Manager 1 ☐ Manager 2
☐ Manager 3 ☐ Manager 4

24. And, to which one of the above four types of manager would you say that your own superior most closely corresponds?

☐ Manager 1 ☐ Manager 2
☐ Manager 3 ☐ Manager 4
☐ He/she does not correspond closely to any of them

25. How often do you feel nervous or tense at work?

☐ always ☐ seldom
☐ usually ☐ never
☐ sometimes

26. How frequently, in your work environment, are subordinates afraid to express disagreement with their superiors?

☐ very frequently ☐ seldom
☐ frequently ☐ never
☐ sometimes

27. How long do you think you will continue working for your company?

☐	2 years at the most	☐	more than five years (but I think I will leave before I retire)
☐	2 - 5 years	☐	until I retire

FINALLY, PLEASE COMPLETE THE FOLLOWING:

1. Are you ☐ Male? ☐ Female?

2. Please tick your age group box:

☐	under 30	☐	40-49
☐	30-34	☐	50-59
☐	35-39	☐	60 or over

3. What is your nationality? _____

4. What was your nationality at birth, if different from your present nationality?

_____

5. Which countries have you lived or worked in?

_____

_____

6. Please give your name: _____

and function: _____

Again, I would like to thank you very much for your help and endurance. It will greatly assist the research.

If you would be interested in receiving a summary of the background and hypotheses to this research, please complete the slip below:

NAME:

COMPANY:

ADDRESS:

Nijenrode
Universiteit voor
bedrijfskunde

Centrum voor Marketing Communicatie

Straatweg 25
3621 BG Breukelen
Telefoon 03462-91213
Fax 03462-64204
Telex 40553 nijeo nl

ONDERZOEK

INTERNATIONALE REKLAME (FAST MOVING CONSUMER GOODS, WEST EUROPA)

Hartelijk dank voor uw bereidwilligheid aan dit onderzoek te willen medewerken. Uw antwoorden zullen als volledig vertrouwelijk behandeld worden.

1. Binnen het algemene marketing kader, hoe definieert U globalisatie?
   Globalisatie is:

2. Tav globalisatie in West Europa:

2a. In hoeverre is globalisatie van toepassing in West Europa?

NU	IN 1992

2b. Wat zijn de bevorderende faktoren?

NU	IN 1992

2c. en welke zijn de faktoren die globalisatie tegenwerken?

NU	IN 1992

3. Geef s.v.p. aan in hoeverre u persoonlijk vindt dat globalisatie geschikt is voor de fmcg sektor

	WERELDWIJD NU		IN EUROPA NU		IN EUROPA IN 1992	
	JA	NEE	JA	NEE	JA	NEE
voor de gehele fmcg sektor						
alleen maar voor een paar bedrijfstakken, bijv._____						
_____						
voor produkten met de volgende kenmerken - high tech						
- high touch						
- fashion led						
- kapitaal intensief						
- innovatief						
- van oudsher gewaardeerd als "made in . . . ."						
- of _____						
_____						

3a. Zou het bedrijf waarvoor u werkt, (of de grootste klant van uw reklameburo) het eens zijn met uw antwoord op bovenstannde vraag?

JA ☐ NEE ☐

3b. Zo nee, kunt u aangeven waar de gezichtspunten uiteenlopen?

Nu overstappend van marketing naar reklame (FMCG IN W. EUROPE)

4. Als binnen uw bedrijf of uw buro het al dan niet standaardiseren van internationale reklame aan de orde komt

   a) wie neemt hierover de uiteindelijke beslissing (functie)

   b) wiens standpunt(en) worden in overweging genomen (functies binnen bedrijf en/of buro) (Zo dit uw antwoord zou verduidelijken, sluit svp een organigram van uw bedrijf in)

   c) welk feitenmateriaal wordt typisch in overweging genomen?

   d) hoe sterk is de neiging van het bedrijf/buro om voor standaardisatie te kiezen?

ERG STERK	STERK	NEUTRAAL	TEGEN

5. De complexe organisatiestruktuur van bedrijven en buro's in overweging nemend, hoe zou u het ideale beslissingsproces beschrijven voor een succesvolle internationale campagne?

5a. Zo een alternatief gebruikelijk is, hoe verloopt dat?

6. Welke vuistregels zou u voorstaan, vooral t.a.v. de procedures die bij het runnen van een internationale campagne gevolgd moeten worden?

7. In hoeverre vindt u dat de volgende condities de beslissingen t.a.v. het standaardiseren van internationale reklame beinvloeden? (s.v.p. een vakje per lijn aankruisen).

	heel positief (++)	positief (+)	negatief (-)	heel negatief (- -)
Management struktuur van het bedrijf - gecentraliseerd				
- gedecentraliseerd				
- plaatselijke autonomie				
Management struktuur van het buro: - gecentraliseerd				
- gedecentraliseerd				
- plaatselijke autonomie				
Beslissingsproces: - initiatief vanuit de top				
- initiatief vanuit de gelederen				
- samenwerkingsoverleg				
- autoritair				
Concurrentiesituatie: - internationale bedrijven				
- Nederlandse bedrijven				
Bedrijfscultuur: - sterke bedrijfsidentiteit				
- sterke bedrijfswaarden				
- strakke leiding/toezicht				
- vrijere gezagsverhoudingen				
Andere condities die standaardisatie beinvloeden: nl.				

8. Ervan uitgaande dat volledige internationale reklamestandaardisatie niet altijd mogelijk is, zou ik graag uw mening horen over de faktoren die sukses of mislukken van internationale reklame in West Europa beinvloeden:

Geef hieronder s.v.p. aan welke van de genoemde faktoren u relevant vindt voor het sukses van gestandaardiseerde internationale reklame, en leg uw keuze uit met een kort voorbeeld. Maak hierbij de volgende zin af:

Naar mijn mening kan momenteel standaardisatie van internationale reklame in Europa alleen maar suksesvol zijn:

in bepaalde (groepen) landen eens ☐ niet eens ☐

voorbeeld:

_____

_____

_____

voor bepaalde bedrijfstakken eens ☐ niet eens ☐

voorbeeld:

_____

_____

_____

voor bepaalde produkten eens ☐ niet eens ☐

voorbeeld:

_____

_____

_____

voor bepaalde doelgroepen of segmenten van klanten eens ☐ niet eens ☐

voorbeeld:

_____

_____

_____

voor campagnes met bepaalde soorten uitvoering eens ☐ niet eens ☐

voorbeeld:

_____

_____

_____

8. (voortzetting)

Naar mijn mening kan standaardisatie van internationale reklame in Europa alleen maar suksesvol zijn:

- onder bepaalde condities, nl.

_____

_____

_____

- als de bedrijfscultuur zegt:

_____

_____

_____

- als de burocultuur zegt:

_____

_____

_____

- als er een minimum niveau aan media is

_____

_____

_____

- als er een minimum niveau financiele middelen achter staat ja ☐ nee ☐

8a. Kunt u schetsen hoe de europese situatie na 1992 uw antwoord op vraag 8 zou veranderen?

9. Aannemend dat de faktoren die u in het voorafgaande heeft genoemd geen belemmering zouden vormen, geef nu aan in hoeverre u de volgende catagorieen geschikt acht voor gestandaardiseerde internationale reklame in West Europa:

	MATE VAN GESCHIKTHEID VOOR GESTANDAARDISEERDE EUROPESE REKLAME			
	heel erg geschikt (++)	geschikt (+)	niet zo geschikt (-)	helemaal niet geschikt (- -)
soort produkt high tech produkt				
high touch produkt				
innovatief produkt				
algemeen gebruiksprodukt				
produkt, aan het begin van zijn Product Life Cycle				
produkt, aan het eind van zijn Product Life Cycle				
voornamelijk impulsaankoop				
voornamelijk rationaal gekocht				
basis levensmiddel				
luxe levensmiddel				
een andere categorie produkt, nl.				
doelgroep AB1B2				
CD				
jonge mensen				
oudere mensen				
een professioele groep				
internationale 'sophisticated' orientatie				
nederlandse orientatie				
een andere categorie doelgroep, nl				

	MATE VAN GESCHIKTHEID VOOR GESTANDAARDISEERDE EUROPESE REKLAME			
	heel erg geschikt (++)	geschikt (+)	niet zo geschikt (-)	helemaal niet geschikt (- -)
<u>merk-variabelen</u> brand leader				
toevoeging aan gevestigd merk				
nieuw merk				
global brand, uit de VS				
global brand, uit Japan				
global brand, uit Engeland				
in hogere prijsklasse				
in gemiddelde prijsklasse				
in lagere prijsklasse				
internationale merknaam				
een andere merk categorie, nl.				
<u>Campagnes:</u> hard sell advertising				
advocacy advertising				
testimonial advertising				
door humor gedragen campagne				
visuele campagne				
door muziek gedragen campagne				
slice of life campagne				
vergelijkende reklame				
documentaire				
emotionele campagne				
een uniek creatief idee				
een andere categorie campagne, nl.				

10. Welke supra- of bovenculturele faktoren kunnen het suksesvol standaardiseren van internationale reklame bevorderen? Bijv. jeugd cultuur, life style groepen.

10a. Welke culturele faktoren houden de standaardisatie van internationale reklame in West Europa tegen, en hoe kunt u ze categoriseren?

culturele faktor	van toepassing op (bv, produkt/conditie/land)

11. Hoe zou u, gebaseerd op uw eigen ervaring, de volgende landen groeperen, als gelijksoortig voor de internationale introduktie van een fmcg. Maak zo veel of zo weinig groepen als u nodig vindt.

1.	Oostenrijk	7.	Griekenland	13.	Noorwegen
2.	Belgie	8.	IJsland	14.	Portugal
3.	Denemarken	9.	Ierland	15.	Spanje
4.	Finland	10.	Italie	16.	Zweden
5.	Frankrijk	11.	Luxemburg	17.	Zwitserland
6.	W.Duitsland	12.	Nederland	18.	Engeland

Groep
A _____

Groep
B _____

Groep
C _____

Groep
D _____

Groep
E _____

Groep
F _____

11a. op welk produkt of vooronderstelling heeft u bovenstaande groepering gebaseerd?

12. Voor verschillende produkten, situaties, enz. kunnen wij landen op verschillende manieren in groepen plaatsen. Kijkt u ens naar de volgende landen, en groepeer ze naar gelang u vindt dat ze bij elkaar horen, voor een gestandaardiseerde reklamecampagne, en voor de volgende produkten / categorieen / typen campagnes:

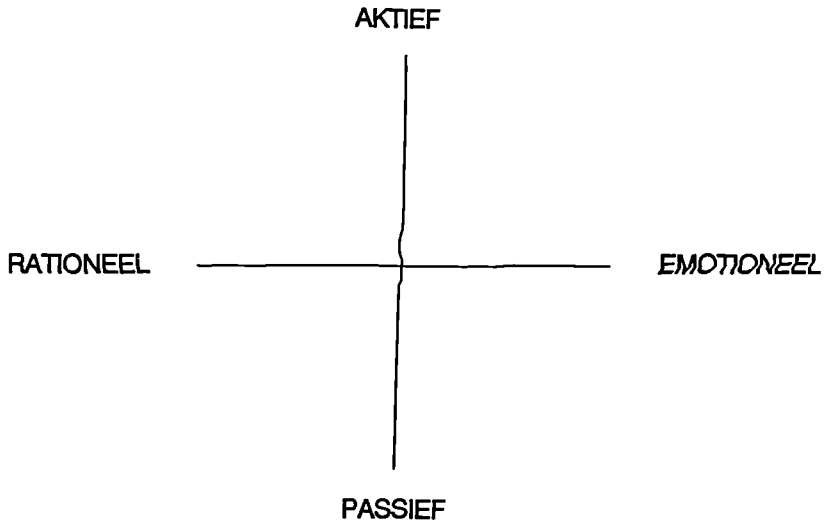
LAND	België	Dene-marken	Frankrijk	Duitsland	Italie	Neder-land	Enge-land
merken in volgende produkt categorieen:							
voorbeeld *PRODUKT A*	*a*	*b*	*a*	*b*	*c*	*c*	*b*
koffie							
bier							
levensmiddelen							
whisky							
soft drinks							
toilet artikelen							
een andere produkt categorie, nl.							
campagne humor							
testimonial							
emotioneel appeal							
rationeel appeal							
een andere campagne categorie, nl. (geef aan)							

(gebruik de achterzijde eventueel voor nadere uitleg/commentaar)

13. Hoe belangrijk vindt u de volgende faktoren voor de beslissing de bestaande creatieve strategie voor een fmcg al dan niet naar een ander europees land over te hevelen?

	hoe belangrijk?			
	heel erg belangrijk (++)	belangrijk (+)	niet zo belangrijk (-)	helemaal niet belangrijk (- -)
de mate van nationale identiteit in dat land				
consumenten orientatie				
de mate van economische groei				
de sociale klasse struktuur				
eetpatronen en gewoonten				
de rol van zelfbedieningswinkels				
de beschikbaarheid van redelijke media				
de onafhankelijkheid van de media				
culturele faktoren				
het opleidingsniveau van de doelgroep				
houding t.a.v. gezag				
houding t.a.v. het nemen van risiko's				
houding t.a.v. sukses				
houding t.a.v. werk				
houding t.a.v. de nationaliteit van het merk / het bedrijf				
de ervaring en competentie van het bedrijf / de bedrijfsvoering van het dochterbedrijf in dat land				
de ervaring en competentie van het reklameburo in dat land				
zijn er andere faktoren die u hierbij van belang acht?				

14. Denk even aan een merk waar u (mede) het beleid over voert. Het merk is:_____
Waar, op deze kaart, zou u de doelgroep van dit merk plaatsen? (Geef aan met een kruisje, s.v.p.)



Sleutel:

actief: mensen die de media creatief an met interesse zien / lezen
passief: mensen die de boodschap zonder meer aannemen
rationeel: mensen die de media voorzichtig en aandachtig beluisteren / zien / lezen
emotioneel: mensen die de media empathisch en met gevoel consumeren

15a. Welk fmcg bedrijf of merk vindt u dat het het beste doet in Nederland

_____

15b. Welk internationaal bedrijf/ merk doet het het beste?

_____

15c. Welke fmcg campagne vindt u de beste?

_____

15d. en welke erg slecht?

_____

15e. Welke internationale fmcg campagne vindt u de beste?

_____

15f. en welke internationale vindt u erg slecht?

_____

15g. Welke sponsoring activiteit vindt u erg goed?

_____

15h. en welke erg slecht?

_____

15i. Welke sales promotion vindt u erg goed?

_____

15k. en welke erg slecht?

_____

16. Voor welk type bedrijf werkt U?

Reklameburo ☐
Marketing bedrijf ☐

17. Het hoofdkantoor is gevestigd te _____

18. Hoe lang bent u in een internationale omgeving werkzaam geweest? _____

18. Case History.

Ik zou graag systematisch ervaringen willen verzamelen over het effect van culturele verschillen op het (al dan niet) standaardiseren van internationale campagnes.
Graag wil ik u vragen om op de volgende bladzijde een van deze ervaringen te willen noteren.

Case History

merk _____

produktgroep _____

jaar _____

erbij betrokken landen _____

doelgroep _____

was er een globale marketing strategie? ja ☐ nee ☐

was er een europese marketing strategie? ja ☐ nee ☐

was er een standaard positionering in Europa? ja ☐ nee ☐
zo nee, wat waren de verschillen:

_____

wat was het culturele probleem / obstakel? _____

_____

wie (funktie) bracht dit het eerst naar voren? _____

waarom / op welke basis? _____

zijn deze redenen geverifieerd? ja ☐ nee ☐
zo ja, door wie (funktie) _____

en hoe? _____

welke aktie is toen genomen? _____

door wie (funktie)? _____

welke alternatieven zijn nog bekeken? _____

wat heeft men uiteindelijk bereikt? _____

is dit nog gemeten? _____

gebruik svp de achterkant van dit blad voor eventueel verdere informatie

PART 2

Om de in het bovenstaande verzamelde gegevens vergelijkbaar te maken met ander wetenschappelijk onderzoek, zou ik het op prijs stellen als u ook de navolgende vragen kunt beantwoorden:

Denkt u zich een ideale werkkring in - laat uw huidige werk voor een ogenblik buiten beschouwing. Bij de keuze van een ideale werkkring, hoe belangrijk vindt u het om

	MATE VAN BELANGRIJKHEID				
Een antwoord per regel aankruisen svp	van het aller-grootste belang	zeer belangrijk	tamelijk belangrijk	van weinig belang	van heel weinig of geen belang
1. Een baan te hebben die u genoeg tijd laat voor uw prive- of gezinsleven					
2. Werk te doen dat een uitdaging is voor uw kunnen, en waaruit u een gevoel van persoonlijke voldoening kunt putten					
3. Weinig onder spanning en onder druk te staan op uw werk					
4. Goede werkomstandigheden te hebben (ventilatie, verlichting, ruimte, enz.)					
5. In goede verstandhouding te kunnen werken met uw directe superieuren					
6. Een vaste baan te hebben (zeker te zijn dat u net zo lang bij uw werkgever kunt blijven als u wilt)					
7. Grote vrijheid te hebben om uw werk naar eigen goeddunken aan te pakken					
8. Te werken met mensen die onderling goed samenwerken					
9. Door uw directe superieuren geraadpleegd te worden bij hun beslissingen					
10. Een reele bijdrage te leveren tot het succes van de organisatie waarvoor u werkt					
11. De mogelijkheid te hebben om veel te verdienen					
12. Uw land te dienen					
13. Te wonen in een omgeving waarin uzelf en uw gezin zich thuisvoelen					
14. De mogelijkheid te hebben promotie te maken					
15. Een baan te hebben met afwisseling en avontuur					
16. Te werken voor een organisatie die prestige heeft en reputatie van succes					
17. De mogelijkheid te hebben anderen te helpen					
18. Te werken in een welomschreven werksituatie, waarin het duidelijk is, wat er van u verwacht wordt					

Geef svp aan in hoeverre u het met de volgende uitspraken eens of oneens bent:

	volkomen mee eens	mee eens	weet niet	niet mee eens	volstrekt niet mee eens
19. Bedrijfsregels zijn er om opgevolgd te worden, zelfs als een medewerker meent dat het in het belang van de organisatie zou zijn de regels te overtreden					
20. Men kan de meeste mensen vertrouwen					
21. Heel wat mensen hebben een aangeboren afkeer van werken en zullen eraan trachten te ontkomen als ze kunnen					
22. In het algemeen gesproken is het beter voor een groot dan voor een klein bedrijf te werken					

Toelichting bij vraag 23 + 24:

De volgende beschrijvingen slaan op vier typen managers. Leest u ze a.u.b. eerst even door:

Manager 1 Neemt over het algemeen snel zijn/haar beslissingen en deelt ze duidelijk en onomwonden aan zijn/haar mensen mee. Verwacht van hen dat zij ze loyaal en zonder moeilijkheden te maken, uitvoeren.

Manager 2 Neemt over het algemeen snel zijn/haar beslissingen, maar tracht ze daarna eerst volledig aan zijn/haar mensen toe te lichten, voordat hij/zij verder gaat. Geeft de redenen voor de beslissingen en beantwoordt alle eventuele vragen

Manager 3 Raadpleegt over het algemeen zijn/haar mensen voor hij/zij een beslissing neemt. Luistert naar hun raad, weegt het veer en tegen af, en maakt dan de beslissing bekend. Verwacht daarna dat iedereen, ook degenen die een andere mening hadden, de beslissing loyaal uitvoert.

Manager 4 Roept over het algemeen zijn/haar mensen bijeen als er een belangrijke beslissing genomen moet worden. Legt het probleem aan de groep voor en moedigt een discussie aan. Accepteert de mening van de meerderheid als de beslissing.

23. Onder welk type manager zoudt u het liefst werken? (een antwoord aub)

☐ Manager 1 ☐ Manager 2
☐ Manager 3 ☐ Manager 4

24. En welk van deze typen lijkt het meeste op uw eigen manager? (een antwoord aub)

☐ Manager 1 ☐ Manager 2
☐ Manager 3 ☐ Manager 4
☐ Geen van deze vier

25. Hoe vaak voelt u zich bij uw werk nerveus en gespannen?

☐ Altijd ☐ Zelden
☐ Meestal ☐ nooit
☐ Soms

26. Hoe dikwijls komt het op uw afdeling voor dat mensen het oneens zijn met hun managers en het hun niet durven te vertellen?

☐ Zeer dikwijls ☐ Zelden
☐ Dikwijls ☐ Nooit
☐ Soms

27. Hoe lang denkt u nog te blijven werken voor uw huidige werkgever?

☐	Hooguit 2 jaar	☐	Langer dan 5 jaar (maar ik blijf waarschijnlijk niet tot mijn pensioen)
☐	Tussen de 2 en 5 jaar	☐	Tot aan mijn pensioen

Deel III.

En tenslotte, wilt u svp de volgende vragen nog beantwoorden:

1. Bent u ☐ een man ☐ een vrouw

2. Hoe oud bent u?

☐	jonger dan 30	☐	40-49
☐	30-34	☐	50-59
☐	35-39	☐	60 of ouder

3. Wat is uw nationaliteit? _____

4. En wat was uw nationaliteit bij uw geboorte
(voorzover afwijkend van uw huidige nationaliteit)

_____

5. In welke landen hebt u gewoond of gewerkt?

_____

_____

6. Wat is uw naam: _____

en funktie: _____

Ik wil u nogmaals hartelijk dank zeggen voor de genomen moeite en uw volharding bij het beantwoorden van deze vragen.
Zo u geinteresseerd bent in de achtergrond en hypothesen van dit onderzoek, stuur ik u graag een samenvatting.

Adreslabel:

Naam:

Bedrijf:

Adres:

APPENDIX 9.1

TOTAL SAMPLE - RAW DATA FOR CALCULATION OF VALUE SURVEY MODULE RESULTS

RESPNDT	a	b	c	PDI val	SQR OF DEV	d	e	f	UAI val	SQR OF DEV	RESPND	m4	m1	m8	13	IDV val	SQR of DEV	m8	m 11	m6	m 14	MAS val	SQR of DEV
UK COMPANIES																							
UCL1	100	100	4	35	756	5	4	100	-120	13456	UCL1	3	1	3	2	192	9432	3	2	4	2	166	15109
UCH2	100	0	4	-65	5256	4	3	0	50	2916	UCH2	3	1	2	1	189	8859	2	3	1	3	-89	17445
UCL3	0	0	3	60	2756	4	5	100	-110	11236	UCL3	2	2	2	2	43	2692	2	3	2	3	-59	10420
UCH4	100	0	4	-65	5256	5	1	0	70	5476	UCH4	3	2	3	1	176	6580	3	3	5	5	13	905
UCL5	100	0	2	-15	506	3	4	100	-40	1296	UCL5	2	1	2	2	86	79	2	3	2	3	-59	10420
UCL6	100	100	3	60	2756	3	4	0	60	4096	UCL6	3	1	3	2	192	9432	3	1	2	3	133	8086
UCL7	100	0	3	-40	2256	3	4	100	-40	1296	UCL7	2	3	1	3	-57	23068	1	2	3	2	16	733
UCH8	0	100	3	160	23256	5	4	0	-20	256	UCH8	2	1	2	2	86	79	2	3	3	3	-29	5196
UCH9	100	0	4	-65	5256	5	2	0	40	1936	UCH9	2	1	1	2	56	1512	1	3	3	2	-50	8664
UCL10	100	0	5	-90	9506	4	2	0	80	7056	UCL10	4	1	3	3	241	21351	3	2	3	2	136	8634
UK AGENCIES																							
UAL1	100	100	4	35	756	3	5	0	30	1156	UAL1	2	2	3	1	100	26	3	2	3	1	175	17403
UAH2	100	100	4	35	756	4	4	0	20	576	UAH2	2	2	3	3	46	2389	3	2	3	2	136	8634
UAH3	0	0	4	35	756	3	5	100	-70	4356	UAH3	3	2	3	2	149	2929	3	2	4	2	166	15109
UAH4	100	0	2	-15	506	3	4	100	-40	1296	UAH4	3	4	1	3	-24	14132	1	3	3	2	-50	8664
UAL5	0	0	4	35	756	3	5	100	-70	4356	UAL5	4	3	1	1	149	2929	1	1	1	1	61	321
UAL6	100	0	4	-65	5256	5	4	100	-120	13456	UAL6	1	2	3	1	24	5024	3	1	2	1	211	28197
UAH7	0	0	1	110	10506	3	4	100	-40	1296	UAH7	2	1	2	2	86	79	2	1	2	1	151	11647
UAH8	100	0	4	-65	5256	3	3	100	-10	36	UAH8	4	1	2	2	238	20483	2	2	3	2	76	1084
UAH9	0	100	4	135	16256	3	4	0	60	4096	UAH9	3	2	1	2	89	35	1	2	3	2	16	733
UAL10	0	0	4	35	756	3	5	100	-70	4356	UAL10	2	2	2	2	43	2692	2	2	4	2	106	3959

TOTAL SAMPLE - RAW DATA FOR CALCULATION OF VALUE SURVEY MODULE RESULTS

NL COMPANIES																							
NCL1	100	0	5	-90	9506	3	2	100	20	576	NCL1	3	2	2	2	119	582	2	3	3	3	-29	5196
NCH2	100	100	3	60	2756	3	4	0	60	4096	NCH2	3	2	2	2	119	582	2	3	3	3	-29	5196
NCH3	100	0	3	-40	2256	4	2	0	80	7056	NCH3	3	3	2	3	49	2105	2	3	3	2	10	1094
NCL4	100	0	5	-90	9506	4	2	0	80	7056	NCL4	4	3	2	4	98	10	2	3	4	3	1	1771
NCL5	100	0	3	-40	2256	4	3	0	50	2916	NCL5	3	2	2	2	119	582	2	1	4	1	211	28197
NCL6	0	0	5	10	6	4	4	100	-80	5776	NCL6	3	2	2	2	119	582	2	2	3	3	37	37
NCH7	0	0	5	10	6	4	3	0	50	2916	NCH7	3	1	2	2	162	4505	2	3	4	3	1	1771
NCL8	100	100	4	35	756	3	5	100	-70	4356	NCL8	2	1	2	1	113	328	2	3	3	3	-29	5196
NCH9	100	100	3	60	2756	4	2	0	80	7056	NCH9	3	3	2	1	103	66	2	3	3	3	-29	5196
NCL10	100	100	3	60	2756	5	4	0	-20	256	NCL10	3	3	1	3	19	5758	1	3	3	2	-50	8664
NL AGENCIES																							
NAL1	0	0	2	85	6006	4	2	100	-20	256	NAL1	2	2	2	2	43	2692	2	2	2	4	-32	5637
NAL2	100	0	4	-65	5256	3	5	100	-70	4356	NAL2	2	3	2	2	0	9002	2	1	4	2	172	16620
NAH3	100	0	3	-40	2256	3	4	100	-40	1296	NAH3	2	1	1	1	83	141	1	2	3	4	-62	11042
NAL4	100	100	4	35	756	3	5	0	30	1156	NAL4	1	1	3	2	40	3012	3	3	3	2	70	725
NAL5	100	0	3	-40	2256	3	4	0	60	4096	NAL5	1	1	2	1	37	3350	2	3	3	2	10	1094
NAL6	100	0	3	-40	2256	4	5	0	-10	36	NAL6	5	4	1	2	155	3614	1	2	3	4	-62	11042
NAL7	0	100	4	135	16256	4	2	100	-20	256	NAL7	3	2	2	3	92	8	2	1	5	3	163	14381
NAH8	100	0	4	-65	5256	3	5	0	30	1156	NAH8	3	2	2	3	92	8	2	3	3	3	-29	5196
NAL9	0	0	3	60	2756	4	4	0	20	576	NAL9	3	4	3	2	63	1016	3	3	3	2	70	725
NAL10	0	0	5	10	6	4	3	100	-50	2116	NAL10	4	5	2	2	66	834	2	1	3	3	103	3590

SUMMARY DATA FOR WHOLE SAMPLE:

				MEAN	7.50				MEAN	-4.00						MEAN	94.88						MEAN	43.08
				STD DEV	66.09				STD DEV	59.45						STD DEV	65.68						STD DEV	88.56
HOFSTEDE VALUES[1]	67.5	30.0	3.6	7.50		3.7	3.7	47.5	-4.00		2.7	2.1	2.1	2.0	94.88		2.1	2.3	3.0	2.5	43.08			

[1] Calculation of VSM figures for total population using Hofstede formulae (working from averages of the columns as shown)

APPENDIX 9.2

CALCULATION OF MEANS AND STANDARD DEVIATIONS ON VALUE SURVEY MODULE DATA

RESPNDT	a	b	c	PDI val	SQR DEV	d	e	f	UAI val	SQR DEV	m4	m1	m8	13	IND val	SQR DEV	m8	m 11	m6	m 14	MAS val	SQR DEV
UK COMPANIES																						
UCL1	100	100	4	35	1406	5	4	100	-120	13689	3	1	3	2	192	5127	3	2	4	2	166	21963
UCH2	100	0	4	-65	3906	4	3	0	50	2809	3	1	2	1	189	4706	2	3	1	3	-89	11406
UCL3	0	0	3	60	3906	4	5	100	-110	11449	2	2	2	2	43	5991	2	3	2	3	-59	5898
UCH4	100	0	4	-65	3906	5	1	0	70	5329	3	2	3	1	176	3091	3	3	5	5	13	23
UCL5	100	0	2	-15	156	3	4	100	-40	1369	2	1	2	2	86	1183	2	3	2	3	-59	5898
UCL6	100	100	3	60	3906	3	4	0	60	3969	3	1	3	2	192	5127	3	1	2	3	133	13271
UCL7	100	0	3	-40	1406	3	4	100	-40	1369	2	3	1	3	-57	31471	1	2	3	2	16	3
UCH8	0	100	3	160	26406	5	4	0	-20	289	2	1	2	2	86	1183	2	3	3	3	-29	2190
UCH9	100	0	4	-65	3906	5	2	0	40	1849	2	1	1	2	56	4147	1	3	3	2	-50	4597
UCL10	100	0	5	-90	7656	4	2	0	80	6889	4	1	3	3	241	14544	3	2	3	2	136	13971
	80.00	30.00	3.50	-2.50		4.10	3.30	40.00	-3.00		2.60	1.40	2.20	2.00	120.40		2.20	2.50	2.80	2.80	17.80	
			MEAN	-2.50				MEAN	-3.00					MEAN	120.40					MEAN	17.80	
			STD DEV	75.21				STD DEV	70.01					STD DEV	87.50					STD DEV	89.01	
UK AGENCIES																						
UAL1	100	100	4	35	56	3	5	0	30	3721	2	2	3	1	100	100	3	2	3	1	175	4900
UAH2	100	100	4	35	56	4	4	0	20	2601	2	2	3	3	46	1936	3	2	3	2	136	961
UAH3	0	0	4	35	56	3	5	100	-70	1521	3	2	3	2	149	3481	3	2	4	2	166	3721
UAH4	100	0	2	-15	1806	3	4	100	-40	81	3	4	1	3	-24	12996	1	3	3	2	-50	24025
UAL5	0	0	4	35	56	3	5	100	-70	1521	4	3	1	1	149	3481	1	1	1	1	61	1936
UAL6	100	0	4	-65	8556	5	4	100	-120	7921	1	2	3	1	24	4356	3	1	2	1	211	11236
UAH7	0	0	1	110	6806	3	4	100	-40	81	2	1	2	2	86	16	2	1	2	1	151	2116
UAH8	100	0	4	-65	8556	3	3	100	-10	441	4	1	2	2	238	21904	2	2	3	2	76	841
UAH9	0	100	4	135	11556	3	4	0	60	8281	3	2	1	2	89	1	1	2	3	2	16	7921
UAL10	0	0	4	35	56	3	5	100	-70	1521	2	2	2	2	43	2209	2	2	4	2	106	1
	50.00	30.00	3.50	27.50		3.30	4.30	70.00	-31.00		2.60	2.10	2.10	1.90	90.00		2.10	1.80	2.80	1.60	104.80	
			MEAN	27.50				MEAN	-31.00					MEAN	90.00					MEAN	104.80	
			STD DEV	61.29				STD DEV	52.62					STD DEV	71.05					STD DEV	75.93	

RESPNDT	a	b	c	PDI val	SQR DEV	d	e	f	UAI val	SQR DEV	m4	m1	m8	13	IND val	SQR DEV	m8	m 11	m6	m 14	MAS val	SQR DEV
NL COMPANIES																						
NCL1	100	0	5	-90	7656	3	2	100	20	25	3	2	2	2	119	289	2	3	3	3	-29	841
NCH2	100	100	3	60	3906	3	4	0	60	1225	3	2	2	2	119	289	2	3	3	3	-29	841
NCH3	100	0	3	-40	1406	4	2	0	80	3025	3	3	2	3	49	2809	2	3	3	2	10	100
NCL4	100	0	5	-90	7656	4	2	0	80	3025	4	3	2	4	98	16	2	3	4	3	1	1
NCL5	100	0	3	-40	1406	4	3	0	50	625	3	2	2	2	119	289	2	1	4	1	211	44521
NCL6	0	0	5	10	156	4	4	100	-80	11025	3	2	2	2	119	289	2	2	3	3	37	1369
NCH7	0	0	5	10	156	4	3	0	50	625	3	1	2	2	162	3600	2	3	4	3	1	1
NCL8	100	100	4	35	1406	3	5	100	-70	9025	2	1	2	1	113	121	2	3	3	3	-29	841
NCH9	100	100	3	60	3906	4	2	0	80	3025	3	3	2	1	103	1	2	3	3	3	-29	841
NCL10	100	100	3	60	3906	5	4	0	-20	2025	3	3	1	3	19	6889	1	3	3	2	-50	2500
	80.00	40.00	3.90	-2.50		3.80	3.10	30.00	25.00		3.00	2.20	1.90	2.20	102.00		1.90	2.70	3.30	2.60	9.40	
			MEAN	-2.50				MEAN	25.00					MEAN	102.00					MEAN	9.40	
			STD DEV	56.18				STD DEV	58.01					STD DEV	38.20					STD DEV	72.01	
NL AGENCIES																						
NAL1	0	0	2	85	6006	4	2	100	-20	169	2	2	2	2	43	581	2	2	2	4	-32	1024
NAL2	100	0	4	-65	5256	3	5	100	-70	3969	2	3	2	2	0	4502	2	1	4	2	172	29584
NAH3	100	0	3	-40	2256	3	4	100	-40	1089	2	1	1	1	83	253	1	2	3	4	-62	3844
NAL4	100	100	4	35	756	3	5	0	30	1369	1	1	3	2	40	734	3	3	3	2	70	4900
NAL5	100	0	3	-40	2256	3	4	0	60	4489	1	1	2	1	37	906	2	3	3	2	10	100
NAL6	100	0	3	-40	2256	4	5	0	-10	9	5	4	1	2	155	7726	1	2	3	4	-62	3844
NAL7	0	100	4	135	16256	4	2	100	-20	169	3	2	2	3	92	620	2	1	5	3	163	26569
NAH8	100	0	4	-65	5256	3	5	0	30	1369	3	2	2	3	92	620	2	3	3	3	-29	841
NAL9	0	0	3	60	2756	4	4	0	20	729	3	4	3	2	63	17	3	3	3	2	70	4900
NAL10	0	0	5	10	6	4	3	100	-50	1849	4	5	2	2	66	1	2	1	3	3	103	10609
	60.00	20.00	3.50	7.50		3.50	3.90	50.00	-7.00		2.60	2.50	2.00	2.00	67.10		2.00	2.10	3.20	2.90	40.30	
			MEAN	7.50				MEAN	-7.00					MEAN	67.10					MEAN	40.30	
			STD DEV	65.62				STD DEV	39.00					STD DEV	39.95					STD DEV	92.85	
ALL UK	65.00	30.00	3.50	12.50		3.70	3.80	55.00	-17.00		2.60	1.75	2.15	1.95	105.20		2.15	2.15	2.80	2.20	61.30	
ALL NL	70.00	30.00	3.70	2.50		3.65	3.50	40.00	9.00		2.80	2.35	1.95	2.10	84.55		1.95	2.40	3.25	2.75	24.85	
ALL CIES	80.00	35.00	3.70	-2.50		3.95	3.20	35.00	11.00		2.80	1.80	2.05	2.10	111.20		2.05	2.60	3.05	2.70	13.60	
ALL AGYS	55.00	25.00	3.50	17.50		3.40	4.10	60.00	-19.00		2.60	2.30	2.05	1.95	78.55		2.05	1.95	3.00	2.25	72.55	

APPENDIX 10.1

ANALYSIS OF COUNTRY CLUSTERING

Interviewees were asked to group European countries together in clusters. They were free to make the clusters as large or as small as they chose; they could make as many clusters as they wished (open space for defining eight clusters was shown); and they could select any of the eighteen countries for any of the clusters - thus leaving open the possibility of overlapping clusters.

The decision to allow such a high degree of openness, was take in order to ensure that any perceived similarities were fully expressed; interviewees did not have to 'trade off' one type of similarity against another, nor to remove countries from clusters merely because of particular idiosyncracies provided these did not affect the marketing objectives they had in mind.

The analysis of results was based on the premiss that the more frequent the occurrences of a particular grouping, the better confirmed would be the existence of a genuine similarity amongst its members. The basis suggested for this similarity was not taken into account at this stage, as it had to be left open whether managers could be misled by literature or their own value systems; all that was assumed was that they would be honest in answering how they would in practice cluster the countries.

It was assumed that each cluster proposed purported to represent the results of applying a particular set of criteria to the eighteen countries. Some respondents found it necessary to report on many such (sets of) criteria, while others were content to report only a few (i.e. only a few clusters). It is reasonable to assume that those who reported few clusters, would all have reported what they regarded as the most important; when added to the responses of those who reported many clusters, the result should still be that the most important clusters achieve the highest scores, while the 'tail' of low scores represents clusters which are either esoteric or relatively low importance.

Detecting when two clusters are alike is less easy than it seems. At a purely mechanical level it is possible to use a criterion of absolute identity. However this creates a difference between say

Denmark, Norway, Sweden, Finland

and say

Denmark, Norway, Sweden, Finland, Iceland

Such a difference may correspond to the use of a different underlying concept, or it may result from the one interviewee's conscientiousness in not including Iceland on the grounds that it was relatively unfamiliar. It certainly seems perverse to count the second cluster as contradicting the existence of the Denmark, Norway, Sweden, Finland group; by contrast the discovery of a group

Denmark, Sweden, Germany, Austria

would constitute a challenge to the first grouping.

The wish to apply 'common sense' to interpreting the clusters, led to three analytic approaches being undertaken in parallel, with the results being checked against each other.

Approach 1

Clusters were treated strictly as given by respondents. Two clusters were taken as being the same if, and only if, they consisted of exactly the same countries; the examples above would be different clusters.

Approach 2

An analysis was made of the frequency with which each pair of countries was mentioned. In the above three examples the results would be

Denmark with Sweden	3 times
Denmark with Finland	2 times
Denmark with Norway	2 times
Denmark with Iceland	1 time
Denmark with Germany	1 time
Denmark with Austria	1 time
Sweden with Germany	1 time
Sweden with Austria	1 time
Sweden with Iceland	1 time
Germany with Austria	1 time
Norway with Iceland	1 time
Finland with Iceland	1 time
etc.	

Such an approach should result in frequently associated countries achieving high scores; the process was also expanded to take in groups of three countries.

Approach 3

The researcher applied a visual inspection and interpretation process to the survey forms. This involved attempting to group each cluster proposed with any other similar ones so far encountered. Judgement was applied in cases such as that shown above, so that the first two clusters would both be classified as DK+SW+NO+SF but the second would have the note (Plus Iceland) attached.

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