

Chapter 04 Cultural Dynamics in Assessing Global Markets

True / False Questions

1. When marketers introduce an innovative product or idea, they act as agents of change.

True False

2. The manner in and amount which people consume, the priority of needs and wants they attempt to satisfy, and the manner in which they satisfy them are functions of their culture.

True False

3. Markets constantly change; they are not static but evolve, expand, and contract in response to marketing effort, economic conditions, and other cultural influences.

True False

4. As countries move from agricultural to industrial to services economies, birthrates increase.

True False

5. According to traditional definitions, culture is transmitted from generation to generation.

True False

6. According to James Day Hodgson, former U.S. ambassador to Japan, culture is like a "thicket" that is tough to get through, but effort and patience often lead to success.

True False

7. Dutch management professor Geert Hofstede argues that culture provides a guide for humans on how to think and behave.

True False

8. Acculturation refers to the process of becoming an agent of change by innovating.

True False

9. According to Jared Diamond, a professor of physiology, innovations spread faster north to south than east to west.

True False

10. According to Philip Parker, a marketing professor, there are strong correlations between latitude and the per capita GDP of countries.
- True False
11. Much of American trade policy has depended on the happenstance of cotton being the original source of the Virginia colony's economic survival in the 1600s.
- True False
12. For most of the 20th century, the predominant approach to governance in the world was colonialism.
- True False
13. In the context of social institutions such as families, the ratio of male to female children is scarcely affected by culture.
- True False
14. Marketers with little or no understanding of a religion may readily offend deeply because the influence of religion is often quite strong.
- True False
15. For a marketer, one's own religion is most often the best guide to another's beliefs.
- True False
16. Religion has a significant impact on the value systems of a society and the effect of value systems on marketing.
- True False
17. According to the World Bank, no country with less than fifty percent literacy has succeeded economically.
- True False
18. The four social institutions that most strongly influence values and culture are schools, churches, families, and the media.
- True False
19. The Uncertainty Avoidance Index (UAI), one of the four dimensions of culture, identified by Geert Hofstede, focuses on assertiveness and achievement.
- True False
20. The Power Distance dimension of culture, identified by Geert Hofstede, has proven to be the most useful of the four dimensions.
- True False

21. The Individualism/Collective Index, identified by Geert Hofstede, refers to the preference for behavior that promotes one's self-interest.
- True False
22. The Masculinity/Feminity Index (MAS), identified by Geert Hofstede, focuses on risk orientation.
- True False
23. When a culture scores high on Individualism/Collectivism Index, individuals fail to identify with groups.
- True False
24. People from cultures with high Power Distance Index scores are more likely to have a general distrust of others.
- True False
25. Cultures with high Uncertainty Avoidance Index scores tend to have a low level of anxiety and stress.
- True False
26. Cultures low in Uncertainty Avoidance Index take a more empirical approach to understanding and knowledge.
- True False
27. In the context of the elements of culture, marriage ceremonies and funerals are good examples of rituals.
- True False
28. In some countries, language is itself thought of as a social institution, with no relation to political importance.
- True False
29. In various cultures of the world, acceptance for hybrid grains was obtained through unplanned change.
- True False
30. The strategy of cultural congruence involves marketing products similar to ones already on the market in a manner as similar as possible with existing cultural norms, thereby minimizing resistance.
- True False

Multiple Choice Questions

31. The sum total of knowledge, beliefs, art, morals, laws, customs, and any other capabilities and habits acquired by humans as members of society is called ____.

- A. sensitivity
- B. congruence
- C. culture
- D. reference groups
- E. aesthetics

32. When designing a product, the style, uses, and other related marketing activities must be made ____ if they are to be operative and meaningful.

- A. culturally acceptable
- B. politically acceptable
- C. technically efficient
- D. compatible to the present economy
- E. indifferent to societal conditions

33. When marketers first introduced the personal digital assistant (PDA) to the American consumer, they performed the role of being ____ because the cultural impact of the product became widespread.

- A. gatekeepers
- B. role players
- C. creators of supply
- D. agents of change
- E. promoters

34. In the context of culture's pervasive impact, which of the following is true about birthrates?
- A. A service economy usually has a higher birthrate than an industrial economy.
 - B. Government policies and birth control technologies have caused a decline in birthrates.
 - C. The economic status of a country has minimal impact on the birthrates in that country.
 - D. Countries that move from agricultural economies to service economies experience increased birthrates.
 - E. Agricultural economies find it hard to support high birthrates than industrial economies.
35. Which of the following actions is important for foreign marketers in order to be effective in a foreign market?
- A. Learning to appreciate the intricacies of cultures different from their own.
 - B. Ensuring that the promotions for the product are indifferent to social beliefs.
 - C. Adhering to the prominent prejudices in the foreign society.
 - D. Creating product differentiation by being indifferent to the culture of the foreign market.
 - E. Making the product relate to the most prominent religion in the foreign culture.
36. According to Dutch management professor Geert Hofstede, culture is referred to as the:
- A. "software of the mind."
 - B. "defining factor of life."
 - C. "conflict of civilization versus the masses."
 - D. "tool of the elite."
 - E. "art's triumph over banality."

24. People from cultures with high Power Distance Index scores are more likely to have a general distrust of others.

TRUE

People from cultures with high PDI (Power Distance Index) scores are more likely to have a general distrust of others (not those in their groups) because power is seen to rest with individuals and is coercive rather than legitimate.

*AACSB: Analytic
Blooms: Understand
Difficulty Level: 2 Medium
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

25. Cultures with high Uncertainty Avoidance Index scores tend to have a low level of anxiety and stress.

FALSE

Cultures with high Uncertainty Avoidance Index scores are highly intolerant of ambiguity and as a result tend to be distrustful of new ideas or behaviors. They tend to have a high level of anxiety and stress and a concern with security and rule following.

*AACSB: Analytic
Blooms: Understand
Difficulty Level: 2 Medium
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

26. Cultures low in Uncertainty Avoidance Index take a more empirical approach to understanding and knowledge.

TRUE

Those cultures low in Uncertainty Avoidance Index take a more empirical approach to understanding and knowledge, whereas those high in Uncertainty Avoidance Index seek absolute truth.

*AACSB: Analytic
Blooms: Understand
Difficulty Level: 1 Easy
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

27. In the context of the elements of culture, marriage ceremonies and funerals are good examples of rituals.

TRUE

Life is filled with rituals, that is, patterns of behavior and interaction that are learned and repeated. The most obvious ones are associated with major events in life. Marriage ceremonies and funerals are good examples.

*AACSB: Analytic
Blooms: Remember
Difficulty Level: 1 Easy
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

28. In some countries, language is itself thought of as a social institution, with no relation to political importance.

FALSE

For some around the world, language is itself thought of as a social institution, often with political importance.

*AACSB: Diversity
Blooms: Understand
Difficulty Level: 1 Easy
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

29. In various cultures of the world, acceptance for hybrid grains was obtained through unplanned change.

FALSE

The first step in bringing about planned change in a society is to determine which cultural factors conflict with an innovation, thus creating resistance to its acceptance. The same deliberate approaches used by the social planner to gain acceptance for hybrid grains, better sanitation methods, improved farming techniques, or protein-rich diets among the peoples of underdeveloped societies can be adopted by marketers to achieve marketing goals.

*AACSB: Analytic
Blooms: Remember
Difficulty Level: 1 Easy
Learning Objective: 04-05 The strategy of planned change and its consequences
Topic: Cultural Change*

30. The strategy of cultural congruence involves marketing products similar to ones already on the market in a manner as similar as possible with existing cultural norms, thereby minimizing resistance.

TRUE

The strategy of cultural congruence involves marketing products similar to ones already on the market in a manner as congruent as possible with existing cultural norms, thereby minimizing resistance.

*AACSB: Analytic
Blooms: Remember
Difficulty Level: 1 Easy
Learning Objective: 04-05 The strategy of planned change and its consequences
Topic: Cultural Change*

Multiple Choice Questions

31. The sum total of knowledge, beliefs, art, morals, laws, customs, and any other capabilities and habits acquired by humans as members of society is called ____.
- A. sensitivity
 - B. congruence
 - C. culture**
 - D. reference groups
 - E. aesthetics

Culture is the human-made part of human environment—the sum total of knowledge, beliefs, art, morals, laws, customs, and any other capabilities and habits acquired by humans as members of society.

*AACSB: Analytic
Blooms: Remember
Difficulty Level: 1 Easy
Learning Objective: 04-01 The importance of culture to an international marketer
Topic: Global Perspective: Equities and eBay-Culture Gets in the Way*

32. When designing a product, the style, uses, and other related marketing activities must be made _____ if they are to be operative and meaningful.

- A.** culturally acceptable
- B. politically acceptable
- C. technically efficient
- D. compatible to the present economy
- E. indifferent to societal conditions

When designing a product, the style, uses, and other related marketing activities must be made culturally acceptable (i.e., acceptable to the present society) if they are to be operative and meaningful.

*AACSB: Analytic
Blooms: Remember
Difficulty Level: 1 Easy*

*Learning Objective: 04-01 The importance of culture to an international marketer
Topic: Global Perspective: Equities and eBay-Culture Gets in the Way*

33. When marketers first introduced the personal digital assistant (PDA) to the American consumer, they performed the role of being _____ because the cultural impact of the product became widespread.

- A. gatekeepers
- B. role players
- C. creators of supply
- D.** agents of change
- E. promoters

Marketers are constantly adjusting their efforts to cultural demands of the market, but they also are acting as agents of change whenever the product or idea being marketed is innovative.

*AACSB: Reflective Thinking
Blooms: Apply
Difficulty Level: 2 Medium*

*Learning Objective: 04-01 The importance of culture to an international marketer
Topic: Global Perspective: Equities and eBay-Culture Gets in the Way*

34. In the context of culture's pervasive impact, which of the following is true about birthrates?

- A. A service economy usually has a higher birthrate than an industrial economy.
- B.** Government policies and birth control technologies have caused a decline in birthrates.
- C. The economic status of a country has minimal impact on the birthrates in that country.
- D. Countries that move from agricultural economies to service economies experience increased birthrates.
- E. Agricultural economies find it hard to support high birthrates than industrial economies.

As countries move from agricultural to industrial to services economies, birthrates decline. Immediate causes may be government policies and birth control technologies, but a global change in values is also occurring.

*AACSB: Analytic
Blooms: Understand
Difficulty Level: 1 Easy*

*Learning Objective: 04-01 The importance of culture to an international marketer
Topic: Culture's Pervasive Impact*

35. Which of the following actions is important for foreign marketers in order to be effective in a foreign market?

- A.** Learning to appreciate the intricacies of cultures different from their own.
- B. Ensuring that the promotions for the product are indifferent to social beliefs.
- C. Adhering to the prominent prejudices in the foreign society.
- D. Creating product differentiation by being indifferent to the culture of the foreign market.
- E. Making the product relate to the most prominent religion in the foreign culture.

It is imperative for foreign marketers to learn to appreciate the intricacies of cultures different from their own if they are to be effective in foreign markets.

*AACSB: Diversity
Blooms: Understand
Difficulty Level: 1 Easy*

*Learning Objective: 04-01 The importance of culture to an international marketer
Topic: Culture's Pervasive Impact*

98. List the four dimensions of cultural values as given by Hofstede.

Cultural values refer to the importance of things and ideas in a particular culture. The most useful information on how cultural values influence various types of business and market behavior comes from seminal work by Geert Hofstede. Studying more than 90,000 people in 66 countries, he found that the cultures of the nations studied differed along four primary dimensions. The four dimensions are as follows:

- the Individualism/Collective Index (IDV), which focuses on self-orientation;
- the Power Distance Index (PDI), which focuses on authority orientation;
- the Uncertainty Avoidance Index (UAI), which focuses on risk orientation; and

the Masculinity/Femininity Index (MAS), which focuses on assertiveness and achievement.

*AACSB: Diversity
Blooms: Remember
Difficulty Level: 1 Easy
Learning Objective: 04-03 The elements of culture
Topic: Cultural Values*

99. Describe the relationship between Uncertainty Avoidance Index scores and stress.

The Uncertainty Avoidance Index (UAI) measures the tolerance of uncertainty and ambiguity among members of a society. Cultures with high UAI scores are highly intolerant of ambiguity and as a result tend to be distrustful of new ideas or behaviors. They tend to have a high level of anxiety and stress and a concern with security and rule following. Accordingly, they dogmatically stick to historically tested patterns of behavior, which in the extreme become inviolable rules. Those with very high UAI scores thus accord a high level of authority to rules as a means of avoiding risk. Cultures scoring low in uncertainty avoidance are associated with a low level of anxiety and stress, a tolerance of deviance and dissent, and a willingness to take risks. Thus, those cultures low in UAI take a more empirical approach to understanding and knowledge, whereas those high in UAI seek absolute truth.

*AACSB: Diversity
Blooms: Remember
Difficulty Level: 2 Medium
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

100. In the context of the elements of culture, briefly discuss the concept of linguistic distance.

Linguistic distance is proving useful to marketing researchers in market segmentation and strategic entry decisions. It has been shown to be an important factor in determining differences in values across countries and the amount of trade between countries. The idea is that crossing “wider” language differences increases transaction costs. Over the years, linguistics researchers have determined that languages around the world conform to family trees based on the similarity of their forms and development. For example, Spanish, Italian, French, and Portuguese are all classified as Romance languages because of their common roots in Latin. Distances can be measured on these linguistic trees. If we assume English to be the starting point, German is one branch away, Danish two, Spanish three, Japanese four, Hebrew five, Chinese six, and Thai seven. Other work in the area is demonstrating a direct influence of language on cultural values, expectations, and even conceptions of time. For example, as linguistic distance from English increases, individualism decreases. These studies are among the first in this genre, and much more work needs to be done. However, the notion of linguistic distance appears to hold promise for better understanding and predicting cultural differences in both consumer and management values, expectations, and behaviors.

*AACSB: Analytic
Blooms: Understand
Difficulty Level: 3 Hard
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

101. In the context of the elements of culture, illustrate the differences in “Asian and Western” thought as discussed by Richard Nisbett.

Richard Nisbett, in his book “The Geography of Thought” broadly discusses differences in “Asian and Western” thinking. He starts with Confucius and Aristotle and develops his arguments through consideration of historical and philosophical writings and findings from more recent behavioral science research, including his own social-psychological experiments. Although he acknowledges the dangers surrounding generalizations about Japanese, Chinese, and Korean cultures, on the one hand, and European and American cultures, on the other, many of his conclusions are consistent with our own work related to international negotiations, cultural values, and linguistic distance. A good metaphor for his views involves going back to Confucius’s worthy picture. Asians tend to see the whole picture and can report details about the background and foreground. Westerners alternatively focus on the foreground and can provide great detail about central figures but see relatively little in the background. This difference in perception—focus versus big picture—is associated with a wide variety of differences in values, preferences, and expectations about future events.

*AACSB: Diversity
Blooms: Remember
Difficulty Level: 2 Medium*

102. How does cultural sensitivity lead to successful foreign marketing?

Successful foreign marketing begins with cultural sensitivity—being attuned to the nuances of culture so that a new culture can be viewed objectively, evaluated, and appreciated. Cultural sensitivity, or cultural empathy, must be carefully cultivated. That is, for every amusing, annoying, peculiar, or repulsive cultural trait we find in a country, others see a similarly amusing, annoying, or repulsive trait in our culture. For example, we bathe, perfume, and deodorize our bodies in a daily ritual that is seen in many cultures as compulsive, while we often become annoyed with those cultures less concerned with natural body odor. Just because a culture is different does not make it wrong. Marketers must understand how their own cultures influence their assumptions about another culture. The more exotic the situation, the more sensitive, tolerant, and flexible one needs to be. Being culturally sensitive will reduce conflict and improve communications and thereby increase success in collaborative relationships.

*AACSB: Diversity
Blooms: Remember
Difficulty Level: 2 Medium
Learning Objective: 04-03 The elements of culture
Topic: Elements of Culture*

103. Discuss the illusion of similarities facing the international marketer.

For the inexperienced marketer, the similar-but-different aspect of culture creates illusions of similarity that usually do not exist. Several nationalities can speak the same language or have similar race and heritage, but it does not follow that similarities exist in other respects—that a product acceptable to one culture will be readily acceptable to the other, or that a promotional message that succeeds in one country will succeed in the other. A common language does not guarantee a similar interpretation of words or phrases. Both British and Americans speak English, but their cultures are sufficiently different that a single phrase has different meanings to each and can even be completely misunderstood. The growing economic unification of Europe has fostered a tendency to speak of the “European consumer.” Many of the obstacles to doing business in Europe have been or will be eliminated as the European Union takes shape, but marketers, eager to enter the market, must not jump to the conclusion that an economically unified Europe means a common set of consumer wants and needs. Cultural differences among the members of the European Union are the product of centuries of history that will take centuries to ameliorate. A marketer is wise to remember that a culture borrows and then adapts and customizes to its own needs and idiosyncrasies; thus, what may appear to be the same on the surface may be different in its cultural meaning.

*AACSB: Diversity
Blooms: Understand
Difficulty Level: 2 Medium
Learning Objective: 04-04 The impact of cultural borrowing*

104. In the context of cultural change, write a short note on the resistance to change in different cultures.

A characteristic of human culture is that change occurs. That people's habits, tastes, styles, behavior, and values are not constant but are continually changing can be verified by reading 20-year-old magazines. However, this gradual cultural growth does not occur without some resistance; new methods, ideas, and products are held to be suspect before they are accepted, if ever. Research shows that consumers in different cultures display differing resistance. The degree of resistance to new patterns varies. In some situations, new elements are accepted completely and rapidly; in others, resistance is so strong that acceptance is never forthcoming. Studies show that the most important factors in determining what kind and how much of an innovation will be accepted is the degree of interest in the particular subject, as well as how drastically the new will change the old—that is, how disruptive the innovation will be to presently acceptable values and behavior patterns. Observations indicate that those innovations most readily accepted are those holding the greatest interest within the society and those least disruptive. An understanding of the process of acceptance of innovations is of crucial importance to the marketer. The marketer cannot wait centuries or even decades for acceptance but must gain acceptance within the limits of financial resources and projected profitability periods.

AACSB: Analytic
Blooms: Understand
Difficulty Level: 2 Medium
Learning Objective: 04-04 The impact of cultural borrowing
Topic: Cultural Change

105. In the context of planned and unplanned cultural change, discuss the methods used by marketers to overcome resistance to change in an international marketing scenario.

Marketers have two options when introducing an innovation to a culture: They can wait for changes to occur, or they can spur change. The former requires hopeful waiting for eventual cultural changes that prove their innovations of value to the culture; the latter involves introducing an idea or product and deliberately setting about to overcome resistance and to cause change that accelerates the rate of acceptance. In fact, much successful and highly competitive marketing is accomplished by a strategy of cultural congruence. Essentially this strategy involves marketing products similar to ones already on the market in a manner as congruent as possible with existing cultural norms, thereby minimizing resistance. However, when marketing programs depend on cultural change to be successful, a company may decide to leave acceptance to a strategy of unplanned change—that is, introduce a product and hope for the best. Or a company may employ a strategy of planned change—that is, deliberately set out to change those aspects of the culture offering resistance to predetermined marketing goals.

AACSB: Analytic

Blooms: Understand
Difficulty Level: 3 Hard
Learning Objective: 04-05 The strategy of planned change and its consequences
Topic: Cultural Change